



Oxfordshire Business Barometer

withy king
Lawyers ahead of the curve

in association with
Allen Associates

BUSINESSES REMAIN BULLISH IN THE WAKE OF BREXIT

Almost all the businesses (98 per cent) surveyed for the Oxfordshire Business Barometer in the two weeks leading up to the EU referendum said they would push ahead with their growth plans in the second half of 2016, regardless of whether the UK found itself in or out.

Most respondents (85 per cent) also said they hadn't put any plans on hold, pending the outcome.

However, almost a quarter admitted seeing a negative impact on sales in the months preceding the vote — although the majority (60 per cent) said it had not made a difference.

Now that we know which way the UK has voted, we asked the Oxfordshire Business Barometer for their reactions and importantly, whether their views had changed. While most pointed out that it was too early to speculate, many agreed that in the short-term at least, it was very much business as usual.

David Williams, a partner at property firm Bidwells' Oxford office, said: "In the lead up to Brexit we transacted around 75,000 sq ft of commercial property. A few days after Brexit we continued to have 160,000 sq ft of transactions about to close, or in detailed negotiations. We also had 450,000 sq ft of new requirements on our books, which have emerged just before, or after the referendum.

"We can all speculate on the impact of Brexit, but from our perspective these figures show that it is 'business as usual'. Time will tell how Brexit will impact on the take-up of commercial property, which is linked directly to confidence, but the continual development of new buildings is essential to fuel our economic growth and address the dwindling stock of buildings suitable for our knowledge economy. If we take the foot off the pedal, then we will undoubtedly lose out to other markets.

"The diversity of the Oxfordshire economy allied with its reputation and context within the 'Golden Triangle' which reaches between Oxford, Cambridge and London, is a formidable combination."

Philip Waddy, partner at architects and town planners West Waddy ADP in Abingdon, said: "Presently much of the UK construction industry is engaged in house building. Will that change? I doubt it. We are still massively short of targets for house building and the housing crisis won't go away because we leave Europe. A weaker pound will make imported goods more expensive which could drive up construction costs but on the other hand it'll boost UK materials manufacture. My view is Keep Calm and Carry On!"

Liz Hulls, managing director of Vale Financial



David Williams, partner at property firm Bidwells

Training based at Harwell Science Campus, shared her view: "While uncertainty prevails, one thing we can be sure of is that professional accountants will be vital to the future success of our economy post Brexit.

"In the short-term, there is a slight risk that some of our customers, who range from accounting firms, educational establishments, local companies and international plcs, will be conservative in recruitment of new accounting staff and that training may be either frozen or reduced until Article 50 is invoked and the nature of future EU trade negotiations becomes clearer.

"Longer-term, it will be essential that businesses have well-trained accountants to provide stability and expertise as our country tackles the changes that are likely to arise as we leave the EU.

"There will inevitably be new tax rules, amendments to VAT and possibly even changes to International Financial Reporting Standards (IFRS) that some businesses have to adopt. There could also be changes in UK audit thresholds and EU Audit Directive regulations might be reversed. We therefore anticipate that



Liz Hulls, managing director of Vale Financial Training

long-term, training will at least remain at pre-Brexit levels. Our business will be here to ensure that Oxfordshire-based accountants, whatever their nationality, are well equipped with these vital skills."

David Finch, founder of Purple Frog marketing based in Thame, sees Brexit as an opportunity.

He said: "In today's world you need to be agile and collaborative in your approach to business. I never saw the EU as an organisation that allowed true collaboration and change, more one that looked to maintain the status quo.

"I see great opportunities for Purple Frog as UK businesses look to use our expertise in helping them understand how they can create new markets and new business opportunities using 21st century thinking."

As Nigel Tipple, Chief Executive at the Oxfordshire Local Enterprise Partnership, tweeted on the day of the result: 'Business as usual today despite the result and time to take stock. We have strong businesses and an innovative culture. Let's work together!'

• See pages 2 and 3 for more comment



ONE IN THREE UNSURE IF 'REMAIN' VOTE WOULD HAVE BEEN GOOD NEWS

In the run up to the referendum, 35 per cent of businesses who took part in the Oxfordshire Business Barometer said they were unsure if it would be good or bad news for their business if the UK voted to remain in the EU.

A further 43 per cent said a 'remain' vote would be good news while 22 per cent said it would be bad.

Accountant Tony Hobbs, managing director of Chapman, Robinson and Moore in Oxford, was one of those committed to the 'remain' campaign.

Commenting on the result and the road ahead, Mr Hobbs said: "My commitment to remain was largely based on economic and financial factors, for which as an accountant I make no apology. I see the short-term chaos that will ensue now as being costly for both my own firm and my clients, but more significantly, that our medium and long-term business prospects were more secure and promising from within the EU.

"Now that the democratic process has run its course I believe that it is time to move on, together as one country, and the business community has a big part to play in this. We are constantly telling clients that they are running a business regardless of the prevailing economy and other external factors, and this is what happens now.

"For a business owner, there are always threats and opportunities within any environment, and we must look to minimise the threats and maximise the opportunities. That is how I believe that the business community



**Tony Hobbs, managing director of
Chapman, Robinson and Moore**

must react now. For those like me that sat in the 'remain' camp, simply bemoaning our fate is not the answer. We must set out our business plan, implement our strategy and stay true to the sound business principles that we know work."

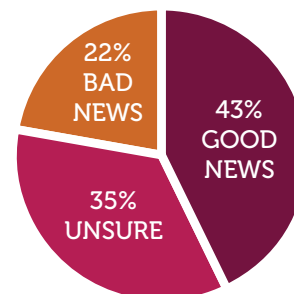
Harold Wilson, chairman of Wallingford-based Earth Save Products (ESP), which manufactures, designs, supplies and installs a wide range of renewable energy products including air source heat pumps and underfloor heating systems, said he was 'very happy' with the 'leave' result but conceded that it might not be 'brilliant for business.'

Mr Wilson said: "Had the Prime Minister

succeeded in getting meaningful concessions in his bid to renegotiate Britain's terms of EU membership to something that is remotely acceptable, I would have viewed the issue differently — sometimes things are more important than business and money and I think that the 'remain' campaign failed to recognise this.

"It is bad enough that we have a political elite here that appears unable to engage effectively with its electorate and to address deep-seated and justifiable concerns, even worse to have unelected European bureaucrats (that cost a fortune to finance) forcing laws on Britain that its citizens are not happy with and fail to recognise the legitimate concerns of its people and the majority of its businesses."

If Britain votes to remain in the EU, will this be good or bad news for your business?



BREXIT ON THE AGENDA AT OXFORD ECONOMIC QUESTION TIME EVENT



From left, Jens Tholstrup, Julie Acock, Mark Berrisford-Smith, Nicky Godding and Ed Porter

Around 100 business leaders gathered to hear Mark Berrisford-Smith, Head of Economics at HSBC Bank, discuss the possible implications of Brexit at an event held at Said Business School shortly before the EU referendum. It was organised by Withy King, Shaw Gibbs and HSBC.

The audience was invited to put their own questions to Mr Berrisford-Smith and a panel comprising Oxford Economics director Jens Tholstrup, editor of Cotswold Life's Business and Professional Life magazine Nicky Godding, Shaw Gibbs director Ed Porter and Withy King's head of commercial property in Oxford, Julie Acock.

The first question from the floor was how long the panellists thought it

WHAT DOES BREXIT MEAN FOR EMPLOYMENT LAW AND JOBS?

The consensus among lawyers seems to be that there will be little change to employment law in the short-term but longer-term, any significant restrictions on the free movement of workers, will cause significant difficulties for some business sectors.

The nature of any changes will depend on the UK's future relationship with the EU and the terms it negotiates.

Mark Emery, head of the employment law team at Withy King's Oxford office and part-time tribunal judge, said: "Many advocates of Brexit in the government have been heavily critical of European Court judgments and some EU Regulations and Directives and have in the past advocated significant changes to employment law — from TUPE, holiday pay, Agency Worker Regulations to maternity rights.

"Any government will now consider that it has a significant mandate to make large-scale changes, with some senior Brexit politicians having long-term interest in the US model of a more flexible workforce with fewer individual rights.

"And of course, future governments of different political persuasions may have a very different position, so there is a prospect of significant employment law changes based on election cycles. Economic volatility will also have an impact on how and when change will be made.

"So what is our view? That over the next five years businesses of all kinds, will face significant change and uncertainty as well as opportunity. Part and parcel of this will be real changes to employment law, but in what direction will be up to the electorate to determine. The electorate having a direct say in electing a government that can make radical changes to employment law?



Mark Emery,
head of the
employment
law team at
Withy King

Whatever next!"

Recruitment in Oxfordshire has been buoyant in recent years, with the first half of 2016 showing a surge in vacancies at all levels in what has become a strong, candidate-driven market.

Kate Allen, founder and managing director of Oxford-based recruitment consultancy, Allen Associates, said her business has experienced a record second quarter in terms of the number of permanent staff and temporary workers placed in roles across the county.

Kate Allen said: "Despite the uncertainty leading up to the EU referendum and the challenges that may lie ahead, our clients tell us they are still feeling confident about their prospects and there is every sign that the market for quality staff in Oxfordshire will continue to grow.

"As we approach the summer months, demand is strong and our advice to employers remains



Kate Allen,
managing
director
of Allen
Associates

the same. Make sure your recruitment processes are slick and that you can move quickly if you meet someone you think will be a great addition to your business. Continue to review your salaries and benefits and look carefully at your wider offering.

"Today's job-seekers are looking for more than money — they also care about the environment, have a strong sense of social responsibility, place great importance on culture, value a good work-life balance and want to see well-defined opportunities for career progression.

"In terms of our own business, we will be focusing on employee engagement and providing a superior service to clients and candidates.

"We have already made a significant investment in IT and are using cutting-edge technology to help give us a competitive advantage."

would take the UK economy to recover from leaving the EU.

Mr Tholstrup said there was not a precedent as the only other country to ever leave the EU was Greenland, which has a much simpler economy.

How long our national economy takes to settle down will depend on the types of trade agreement and Government policy required, he said.

Turning to the Oxfordshire economy, questions centred on how the county could lift the various constraints on its growth, including the lack of quality commercial space, unaffordable housing and a creaking transport infrastructure.



INVESTMENT PLANNED FOR SECOND HALF OF 2016

Almost all (93%) of the Oxfordshire-based businesses surveyed in June in the weeks leading up to the EU referendum, said they planned to invest in the second half of 2016. Business development and marketing were the main areas of investment, followed by people. Confidence is also beginning to rise again, with 40% of respondents saying they are more confident about their prospects for the rest of the year when compared to the same period last year.

The Oxfordshire Business Barometer is a quarterly survey run by law firm Withy King with recruitment consultancy Allen Associates and the Oxford Times' In Business magazine. The key findings* are outlined below.

TURNOVER



✓ Stayed the same for: **30%** ↓ Fell for: **25%**

— COMPARED TO THE SAME TIME LAST YEAR, **TURNOVER** IS —

↑ Up for: **48%** ↓ DOWN FOR **30%** ✓ SIMILAR FOR **22%**

————— IN THE SECOND HALF OF 2016 —————

↑ **73%** expect their turnover to increase ✓ **20%** think it will be similar ↓ **7%** expect a decrease

HEADCOUNT



✓ Stayed the same for: **45%** ↓ Decreased for: **20%**

— COMPARED TO THE SAME PERIOD LAST YEAR, **HEADCOUNT** IS —

↑ Up for: **33%** ↓ DOWN FOR **17%** ✓ SIMILAR FOR **50%**

————— IN THE SECOND HALF OF 2016 —————

✓ **41%** expect to take on more staff ✗ **59%** Do not

INVESTMENT



65% in marketing and business development

51% in people



32% in plant and equipment



30% in IT



22% in infrastructure

* Survey conducted in June 2016

CONFIDENCE



↓ **27%** are less confident

✓ **33%** feel the same