Brexit Update

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Agenda

- UK Government position
- Importance of Charities
- The Bigger Picture
- What you should do
UK Government position

Sectoral analysis

• Department for Exiting the European Union
• Sectoral analysis
• Published 21 December 2017
• Impact on 39 key industries / sectors
UK Government position

Sectoral analysis

• 58 sectors were consulted on impact of Brexit
• Key issues for Charity / Not for Profit sector
UK Government position – Six commitments to NI

PM May six commitments in letter 8 December 2017, the principles guided negotiations with EU.

- NI status as integral part of UK
- Fully protect and maintain NI position within single market of UK. Full and unfettered access.
- No new borders within the UK. No hard borders between NI and RoI. Maintain the Common Travel Area.
- Whole of UK including NI will leave the EU customs union and EU single market.
- Uphold the commitments and safeguards in the Belfast Agreement North/South Co-operation.
- Whole of UK including NI will no longer be subject to the jurisdiction of European Court of Justice.
Charities - importance to UK

• Sector accounts for 0.7% of GDP
• Charities in UK receive £200m from EU every year
• 0.5% of voluntary sector income – so not a disaster to replace if lost totally
• Loss of structural funds such as ERDF has a potential large impact on disadvantaged areas and charity beneficiaries
Charities - importance to NI

- Annual income of voluntary sector £742m of which £70m is from EU funding
- EU funding to NI 2014 – 2020 £1.2bn
- Voluntary sector funding to support 1998 Belfast Agreement
- €1.3bn EU support through European Peace and Reconciliation Fund
- Structural funds ERDF
- Match funding UK and RoI
- Post Brexit – increase, decrease or maintain level of EU funded projects.
The bigger picture

• Will Brexit change anything – discuss?
• Public sector and Local Govt funding and support
• Charity services are vital and demand is growing
• Regulator, Govt, Media & Public scrutiny and expectation
• Key focus on Governance and Leadership
The bigger picture

- Impact on trade and business between NI / RoI - €1bn a week – 2 year lag impact on charity sector and giving for good causes
- Tax implications of jurisdiction in which charity resides – cross border support for beneficiaries
- International / EU Charities – moving location of HQ
- Foreign workers impact – migration cross border / Europe
- Charity law – standards, regulation, employment law, fundraising, data protection, VAT.
What should you do

- Build or strengthen relationships with EU, national and local Govt officials
- Policy / regulation / standards - lobby representatives
- Use sector groups NICVA, Charity Commission NI, Charities Regulatory Authority
- Financial impact – sustainability review, income streams, alternatives, investment strategies
- Strategic focus is critical irrespective of political uncertainty, look after what you can control or influence.
- Continue to support your beneficiaries.
Questions or comments?

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