

POST-REFERENDUM PLANNING

JUNE 2016

How did we get here?

Prime Minister David Cameron promised to hold a vote if he won the 2015 General Election, in response to growing calls from his own Conservative MPs and the UK Independence Party (UKIP), who argued that Britain had not had a say since 1975

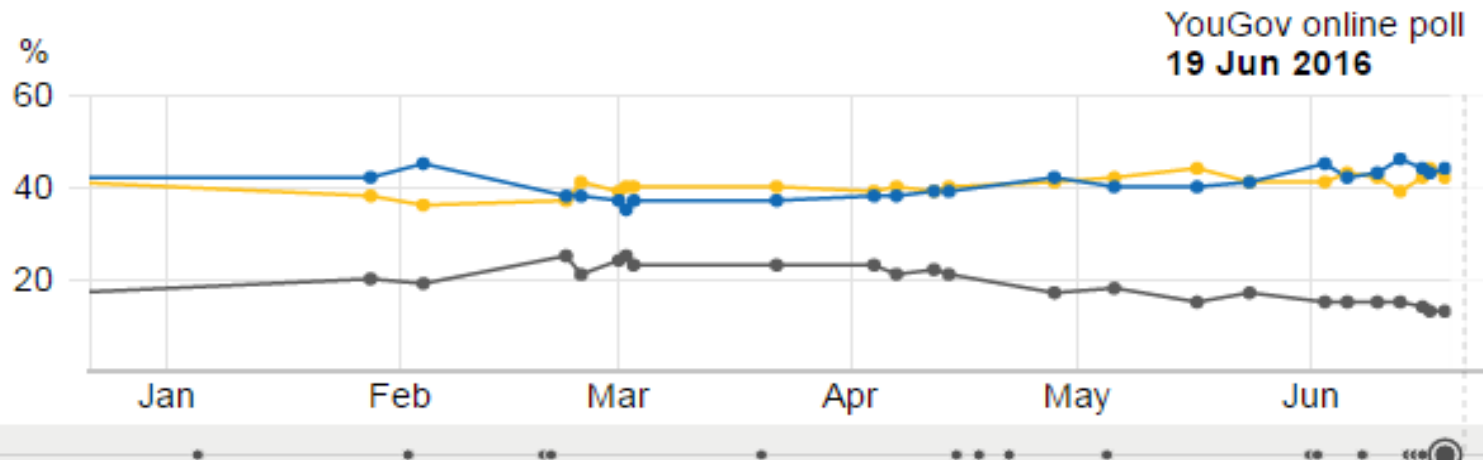


Polling – recent months

Filter polls: Show YouGov polls ▼

Last 30 days Last 6 months

Leave **44%** +1 ▲ Remain **42%** -2 ▼ Don't know **13%** +0 —



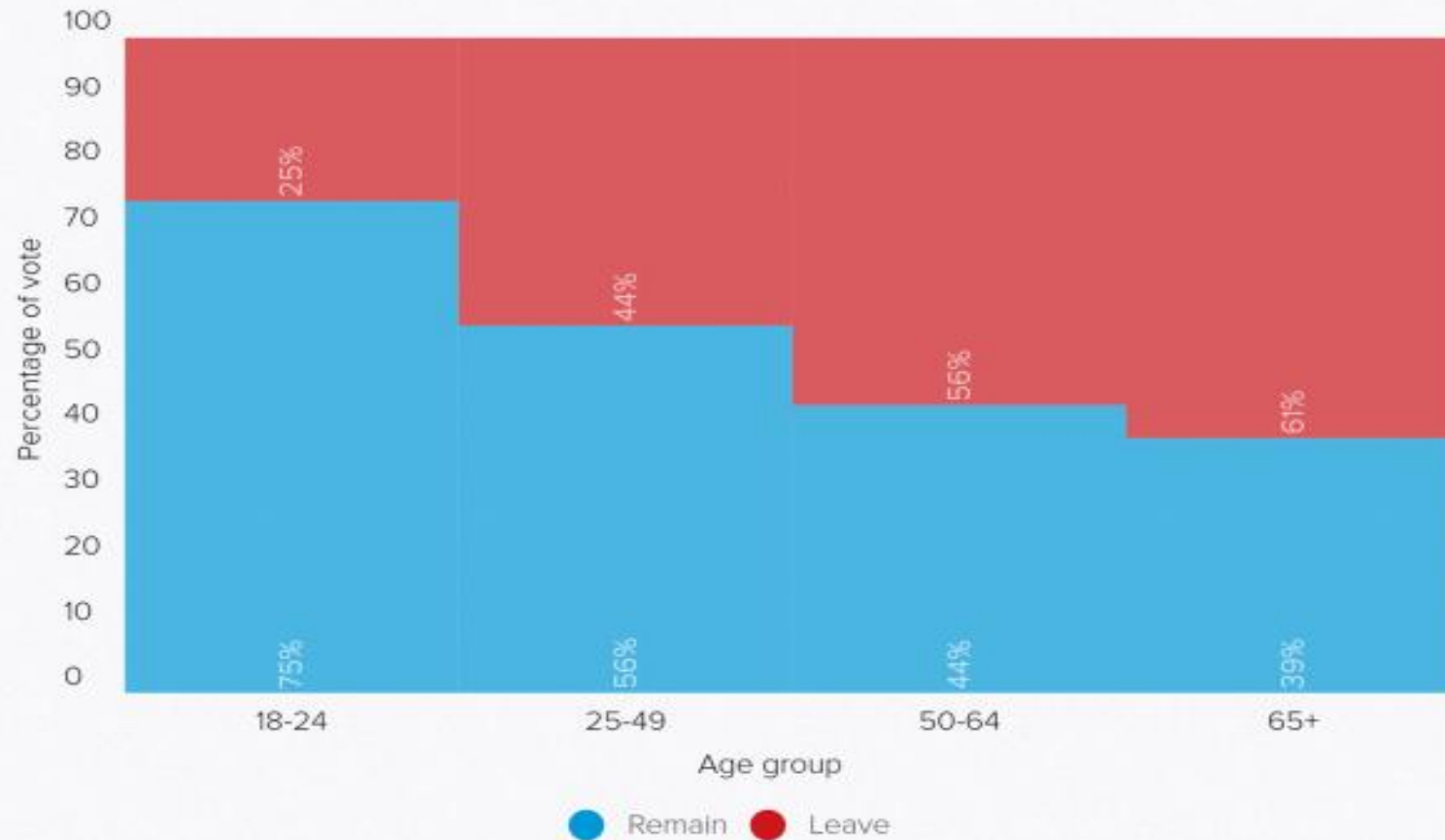
Result

REMAIN 48%

LEAVE 52%



EU REFERENDUM VOTE BY AGE GROUPS



The key factors involved – REMAIN case

- The economic argument was overwhelmingly clear – on UK jobs linked to the Single Market, household costs and living standards
- Independent expert analysis in UK and from international bodies
- Allies calling for Remain – Europe, Obama, The Commonwealth
- Peace, prosperity and security
- Best of Both Worlds – the advantages but not part of Euro or Schengen
- Influence in the world
- The status quo – has mainly worked for 40 years
- All main political parties and big majority of MPs wanted Remain
- Easier to work, travel and study in Europe

BRITAIN
STRONGER
IN
EUROPE

The key factors involved – BREXIT case

- Brexit economic warnings backfire
- £350m NHS claim gets traction
- Farage makes immigration the defining issue
- Public stop listening to PM
- Labour fail to connects with voters
- Big beasts – Boris and Nigel
- More hostile media than favourable media to EU
- Older voters flock to polls
- Institutions seen as lacking democracy – bureaucrats
- Europe always viewed as slightly alien – pragmatic relationship
- Anti-establishment sentiment – not just UK
- Ground war not just air war



Carolyn Fairbairn, CBI Director-General, said:

“The British people’s vote to leave the EU is a momentous turning point in our history. The country has spoken and it’s for us all to listen.

“Many businesses will be concerned and need time to assess the implications. But they are used to dealing with challenge and change and we should be confident they will adapt.

“The urgent priority now is to reassure the markets. We need strong and calm leadership from the Government, working with the Bank of England, to shore up confidence and stability in the economy.

“The choices we make over the coming months will affect generations to come. This is not a time for rushed decisions.

“The CBI will be consulting its members and business is committed to working with Government to shape the best possible conditions for future prosperity.”



The day after

- David Cameron announced he would step down – new leader before October and for them to start process of departure
- The pound collapsed (at one point lowest at it's lowest since 1985, although did show signs of recovery by close)
- Brexit panic had wiped \$2tn off the world economy.
- European leaders (Juncker, French and German foreign ministers) reacted to the vote by insisting that Britain start negotiations to leave immediately. The UK has also been told that its access to the internal EU market would be restricted – the “price”, for leaving.
- UK political figures on both sides of the debate, however, insisted there was no need to rush through the process.
- Sturgeon – push for new Scotland referendum highly likely. Sinn Fein calls for ‘unity poll’



What happens next?

- **Calming the markets...potential Bank of England action – stability!**
- **New Prime Minister – by October...possibly a new Labour leader**
- **A likely 2nd Scottish referendum**
- **UK must decide when to trigger Article 50**
- **Gain support from our allies with a consistent message to Europe's leaders on the economy**

- **Businesses prefer Article 50 not to be triggered yet, because we need time to get the new leadership, negotiating agenda and capacity in place.**

3 important priorities for UK businesses

- **We need to explore how we can retain as much access to the Single Market as possible, which is so important for many of our growing firms.**
- **We need to investigate how to build a simple and clear immigration system that addresses public concerns, but still allows businesses to access the skills they need - and protects the rights of current EU migrants working in the UK.**
- **The Government should also seek to protect the global access businesses currently has under EU world trade deals.**



What next for the CBI?

- Thorough consultation of our membership
- Setting out detailed business priorities for any new deal
- Engagement with our sister federations
- Programme of engagement in Westminster, Brussels and across Europe



Working with our sister federations

- **In the immediate period following a Brexit vote, the CBI will aim to ensure that our allies in Brussels are onside and that we are speaking with a coherent voice across the business community.**
- **In the months after the referendum, influence in the Commission will be vital** as they will be working up the deal. We will need to ensure consistent engagement and use British MEPs to support our lobbying where possible.
- **Our engagement with you will be essential to influence the negotiations in** the same way that we worked together to influence the initial reform agenda.
- **In the long term, comprehensive plans for Brussels engagement and lobbying will be drawn up once Article 50 has been invoked to reflect the timetable for the negotiation process.**

- It will be in all our business interests to deliver a renegotiation that minimises the impact between the UK and the 27 Member States – ignoring the political fall-out for now
- Imposing trade barriers is of course, in none of our interests
- The CBI must consult its members on what British business wants to get out of a new deal – and then work with you so we can push the business agenda together that supports Europe's economy, not just the UK
- Support the business priorities in your home nations and at European level

Firstly one for you all...what do you need from us?!?