

Honorary Treasurers Forum

‘Brexit & Charities’

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Cass Business School

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(an ancient Livery Company)

Content of the Presentation

- Introduction
- Some economic data
- ‘Brexit means Brexit’ – variations on a theme
- Challenges for UK
- Challenges for UK PLC
- Charities – Income, some thoughts
- Charities – Costs, some thoughts
- Questions & Comments

Fortis Consulting London

4 divisions

- Consulting
- Partnership Facilitation (Business Matching)
- Seminars
- Coaching

Various partners:

- Law, Wealth Management, Music, Cyber Security, Computational Modelling, Debt Recovery

Mark Carney, Governor of the Bank of England



Stock Markets

	23/6/16	10/11/17	%
FTSE 100	6338	7433	17.28
FTSE 250	17334	20021	15.5
DAX	10257	13127	27.98
CAC	4464	5381	20.54
DOW JONES	18011	23422	30.04
HANG SEN	20868	20868	39.55
NIKKEI	16238	22681	39.68

Currency

	23/6/16	10/11/17	%
GBP/€	1.298	1.1306	-12.9
GBP/\$	1.465	1.3189	-9.97
GBP/HKD	11.36	10.289	-9.43
GBP/JYD	152.97	149/7428	-2.11
GBP/CNY	9.63	8.7596	-9.04

IMF: +1.7% UK Growth 2017

- UK 2018, downgraded, +1.5% (was +1.7%)
- Germany 2017 +2.0% (+1.8% 2018)
- France 2017 +1.6% (+1.8% 2018)
- Ireland 2017 +4.1% (+3.4% 2018)
- USA 2017 +2.2% (+2.3% 2018)
- China 2017 +6.8% (+6.5% 2018)
- India 2017 +6.7% (+7.4%)

(IMF World Economic Outlook October 2017)

‘Prediction is very difficult, especially if it
is about the future...’

Dr Nils Bohr*

*disputed (Einstein, Twain, Berra)

Foreign Secretary Boris Johnson



Possible Outcomes (UK-EU)

- Remain a member of the EU
- Negotiate access to the Single Market (Norway, Switzerland, Canada....)
- Customs union (Andorra, Turkey....)
- Free Trade Agreement with the EU
- WTO
- (Meanwhile non-EU countries.....)

Challenges for the UK

- Trade negotiators (supply)
- Lack of experience in Whitehall
- Knowledge of 'negotiating with other countries: EU; EU27 & non EU'
- Time
- Agenda of the EU and the EU27
- Companies (their agendas)
- Non EU countries (their agendas)?

‘No battle plan ever survives contact with
the enemy’

Helmuth von Moltke
(Chief of Staff, Prussian Army)

Risks for UK PLC

- Compatibility of regulations with EU
- Contracts – now & future ‘fit for purpose?’
- International talent (existing & new) ↓
- Foreign Direct Investment (FDI) ↓
- UK companies postpone investment
- International companies postpone investment
- Inflation ↑ (stagflation?)
- UK Govt amount of debt ↑
- Cost of debt up: credit rating ↓; demand ↓
- Tariffs (admin costs to UK and companies ↑)
- EU27 place strong barriers to entry
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Charities - Income

- UK donation from individuals ↓
- UK donations from companies ↓ (build Brexit war chest)
- UK donations from companies ↓ (relocate to EU27)
- Loss of EU Funding (will UK government cover it?) ↓
- Fall in Corporation Tax (?) Government spending ↓
- Interest rates up, so marginal increase in income ↑
- Spending power of any overseas income ↑
- (Money no longer paid to EU...£350M per week ... ↑)

Charities - Costs

- Inflation ↑ (stagflation?)
- Economic slowdown UK; demand for services ↑
- International talent (existing & new) ↓
 - additional pay pressure ↑?
- Regulation. Adapting to new landscape ↑
- Cost of international expenditure ↑ (weaker £)
- Potential sovereign downgrade, cost of debt up?
- Cross border admin costs ↑

Opportunities/Challenges Matrix

	UK/EU 27/Other	
	Opportunities	Challenges
2 Year timeframe		
Transition*		
'Brave New World'		

* Or possibly WTO Regulations & 'early BNW'

Brexit & Charities

Questions & Comments

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