

Brexit: August highlight report dated 5/9/16

Reporting Period	From:	To:	Next Period	From:	To:	Programme risk profile
	1 August 2016	5 th September 2016		6 th September 2016	30 th September 2016	
Summary	<p>As forecast little progress as most of the Sponsoring Group have been on holiday. The CEO (prime minister) has set out the mission and engaged in executive level talks with other major stakeholders in China to initiate formal engagement. External stakeholder support appears to be tepid but plenty of optimism of quick wins from Brexiteers.</p> <p>There has been no progress on the programme brief that would set out the aspirations of the programme, some concern expressed at first stakeholder meeting (Parliament).</p>					
Progress this period			Anticipated progress next period			
<ul style="list-style-type: none"> • The CEO has set the programme mission “to seize the opportunity to become an international trading powerhouse” by leaving the largest free market in the world. • SRO (Minister for Brexit) confirmed there will be no second or third approval gate, the programme will proceed whatever the business case. • First stakeholder briefing (Parliament) by the SRO (Minister for Brexit) provided an insight into things that the programme will not be doing, providing an insight into scope. • Relief amongst stakeholders that house prices did not drop 20% in the first month • Risk of immediate recession avoided by economic performance indicator for August showing growth. • The points based immigration system promised by the Leave campaign has been abandoned. • Largest economy (US) has stated that TATA (Transatlantic Alliance Trading Agreement) with EU has higher priority than deal with UK, but would like to remain friends. • 2nd Largest economy (China) awaiting offer patience to await 			<ul style="list-style-type: none"> • Government departments due to report on opportunities that Brexit will bring, and presumably threats. • Identification of government processes and services that will need to be developed to replace EU, e.g. farming subsidies. • Identification of current initiatives and programmes that will need to be stopped. • Overseas business development strategy anticipated. • Operating model alternative to Norway and Switzerland to be developed. 			

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<p>Hinckley.</p> <ul style="list-style-type: none"> • 3rd Largest economy (Japan) have stated leaving EU single market will significantly affect Japanese investment in the UK in an open letter to the UK. • Australia commit to trade agreement post Brexit, estimated to be 2 years away. 	
<p>Issues identified this period</p>	<ul style="list-style-type: none"> • The EU Treaty changes on the 1st April, after that Article 50 no longer exists as an option • Major elections in 3 of the top 4 economies in the world during Brexit negotiations.
<p>Outstanding issues to be resolved</p>	<ul style="list-style-type: none"> • UK Prime Minister appointed, issue now closed • EU refusal to engage prior to Clause 50 being triggered, face to face dialogue with high impact stakeholders taking place • 2 of the 4 UK nations did not vote to leave, namely Scotland and Northern Ireland • EU have appointed a negotiations team that do not appear to be fully aligned with the Brexit mandate, Michel Barnier • Significant drop in the value of the pound despite BCM (Bank of England) efforts. • Steel works in Wales deal called off • Hinkley Point C investment decision postponed, Brexit implications not known for France and China. • HS2 investment decision under threat, possibly from economic changes resulting from Brexit • The UK has a significant shortage of trade negotiators (less than 20 compared to over 600 in Brussels)

Programme Milestones

Key to Status

Ahead Of Schedule	On Track	At Risk	Late
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Key milestones	Due Date	Status	Report
Establish the sponsoring group	None forecast		There has been progress in this area with high impact stakeholders being engaged with face to face meeting with the Prime Minister in July, primarily the UK nations and the major economic leaders in Europe along with visit to the US.



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			<p>The group is not likely to meet regularly, however the key individuals who have emerged with a major stake or influence:</p> <ul style="list-style-type: none"> • UK Prime Minister: Theresa May • UK Chancellor of the Exchequer: Philip Hammond • President of the EU Commission: Jean Claude Juncker • President of the EU Council: Donald Tusk • Chancellor, Germany: Angela Merkel • President, France: Francoise Hollande
Confirm the programme mandate	None forecast		<p>Progress in this area includes clear strategic statements:</p> <ul style="list-style-type: none"> • Brexit means Brexit • UK require free access to the European market with no payment • UK will not accept freedom of labour movement with no payment
Appoint the SRO and programme board	None forecast		<p>Some key appointments have taken place</p> <p>Senior Responsible Owner would appear to be David Davis, Minister for Brexit</p> <p>The Business Change Managers on the programme board are also now being appointed:</p> <ul style="list-style-type: none"> • BCM, UK Economy Transformation: Mark Carney, Governor, Bank of England • BCM, International Trade - Liam Fox • BCM, Scottish Economy – Nicola Sturgeon • BCM, Northern Ireland Economy – Ariene Foster • BCM, Wales economy – Carwyn Jones • BCM, International Relations: Boris Johnson • BCM, EU Economy - Michel Barnier <p>No programme manager has emerged as yet, it is likely that this will be the civil servant that heads up the Brexit Department team</p>
Develop the programme	None forecast		<p>This will set out what the programme is intended to do, and should include:</p> <ul style="list-style-type: none"> • Vision statement • Outcome summary

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brief			<ul style="list-style-type: none"> • Benefits summary • Risk profile • Estimates of costs • Alignment with existing initiatives <p>Latest update August - No progress during August</p>
Develop the programme preparation plan	None forecast		<p>This is the plan for the next stage of the programme that will take the UK through to the point of Brexit, until there is some clarity around the programme brief little can be done, however, it will cover the period January 2017 to January 2019.</p> <p>Latest update August – after 31st March Article 50 will no longer be available to trigger.</p>
Independent assurance	None forecast		<p>The role of independent integrated assurance of the strategy and delivery strategy has yet to be filled. Potential options are:</p> <p>Greenland – who left the EU in 1986</p> <p>Norway and Switzerland – who have trade deals but they fall short of UK objectives</p> <p>Canada – who have been negotiating for 7 years and will bring much current experience</p> <p>Latest update August – no progress</p>
Decision to proceed	31 st December		<p>Ahead of schedule. Unusually, the decision to proceed with the programme has been taken without any business justification, one of the hazards of politicians being in charge of programmes.</p> <p>Latest update August – must be triggered by the 31st March.</p>