

UK votes to leave the European Union

ukactive Strategic Partner Group Briefing



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Summary

Yesterday, the UK voted to leave the European Union. While it remains unclear how this will impact on the physical activity sector, it does signal the start of a number of technical processes leading to a formal withdrawal agreement in a minimum of two years' time.

Following news of his defeat, Prime Minister David Cameron also resigned from office. This will trigger a leadership election within the Conservative Party, with the winner to be announced at the Conservative Party Conference in October.

This briefing will provide an overview on the immediate political and economic fallout and the technical processes which the 'Leave vote' have set in motion.

The UK's Withdrawal from the European Union

- The formal process for withdrawing from the European Union takes a **minimum of two years** – although in practice this will likely take longer.
- It begins with the Prime Minister **notifying the EU that the UK intends to leave** – triggering Article 50 of the Treaty on the European Union, which starts a two-year process of negotiating a withdrawal agreement.
- In practice, it is not clear when the Prime Minister will begin this process. He is **under no obligation to start it immediately** – and may choose to develop a negotiation team and strategy before triggering the countdown. The EU Member States may also agree to extend the negotiation period.
- In the meantime, the **UK will continue to participate in all EU Institutions**, decision-making and the European Single Market.

The UK's Political and Economic Landscape

- **UK Prime Minister David Cameron has resigned**, to be replaced by a new elected leader in October.
- It is **too early to determine** how this development on forthcoming landmark Government policies, including the Sugar Tax and Childhood Obesity Strategy. ukactive will work to keep the sector abreast of any developments or alterations which occur.
- The value of the FTSE 250 fell by 12.3%, before paring losses back to a **loss of 7.1%**. It has begun to stabilise following the Prime Minister's resignation and Governor of the Bank of England, Mark Carney, outlining the **extensive contingency plan the Bank has in place** to keep investor confidence in the economy.

For more information, please contact Jon Hulks
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ukactive's Position

This morning, ukactive Executive Director Steven Ward said the following:

“Following today’s referendum result, the physical activity sector will seek assurances that the operating conditions for business in the immediate term are safeguarded.

The primary concern for businesses within the physical activity sector at this stage will be that the sustained period of growth over the previous years that has made our sector the driving force of the wellbeing economy, can continue without disruption as the process of leaving the European Union begins in earnest.

Beyond the immediate concerns with stability, ukactive will ensure that its members are kept up to date with all implications on regulation, health and safety standards and every other issue which may affect the operating conditions of any of our members.

Many members will be concerned around the impact of the British Exit on the access to labour and the free movement of the workforce. Leisure centres and activity providers use and rely on workers from the European Union. Alongside the wider business community, ukactive will be pushing for specific details around the access to the workforce and how policies will affect businesses.

Moving forward, the government – who has pushed ahead with significant measures to promote physical activity through an updated strategy for sport and physical activity and the fantastic work of Public Health England- should continue in the same vein as soon as possible.

If we are going to turn the tide of inactivity and achieve our mission, we will need a wide-ranging partnership which includes wholesale buy-in from both the public and private sector.

Therefore we need to ensure that any future government and any future Prime Minister commits to prioritising physical activity as part of its wider health policy and that the incredible momentum that has built up in recent years on this most crucial issue is not held back.

Although this is clearly a time of uncertainty for the country, our sector is built on strong foundations and we have no doubt that it will continue to flourish in years to come.”

For more information, please contact Jon Hulks
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