

News from the Brexit Cliff Edge

5th Mar 2019

News Highlights

Welcome to the Brexit Cliff Edge

- The Japanese ambassador warned that more Japanese companies may relocate away from the UK in the coming months if the UK does not seal a promising post-Brexit deal. The ambassador said Japanese companies are cutting back investment in the UK due to Brexit uncertainty
- One of Toyota's top executives told the FT that a No Deal Brexit would make it extremely complicated to build new models at its British plants.
- AON sounded the alarm over Brexit Day valuations for UK pension and investment funds which have 31st March as a maturity and valuation date. AON said some 15% of UK funds share this date and final valuations will be driven by market conditions on the close of 'Brexit Day'
- UK insurers have been badly affected by Brexit uncertainty, they've had to set up a Green Card insurance scheme, not knowing if it will or will not apply. They have had to tackle insurance contract continuity where long-term cover to customers elsewhere in the EU could be triggered as free movement of services does not apply. This has led to large scale movement of funds to fresh EU offices and new subsidiaries popping up across the EU
- The flow of new debt and equity deals hitting the UK market slowed to almost a trickle in January. Although it is not growing that much faster elsewhere in the world, the UK finds itself firmly rooted at the bottom as the worst performer
- Make UK sounded an alarm. It said UK manufacturers are desperate for clarity as exports are lagging way behind domestic orders
- The government has still not said how it will meet any shortfall in university tuition fees (universities enjoy between 5-10% EU students currently) in the event of a No Deal Brexit
- Forbes highlighted a survey which said there is a worrying 'racial lens to Brexit' and that ethnic minorities are particularly concerned about Brexit. They are concerned about how it might affect their careers when compared to their white counterparts
- Emmanuel Macron has set out a roadmap for European renewal calling on the continent to learn the right lessons from Brexit and to push hard to reform
- The UK Attorney General Geoffrey Cox is due back in Brussels to negotiate changes to the Irish Backstop on Tuesday. The papers suggested he was planning to ditch the UK demand for a Brexit backstop end date and a unilateral exit clause, moving to an independent verification process. This looks likely to be highly controversial for many Eurosceptic Tories
- Theresa May has announced a £1.6bn fund for towns and cities left behind economically, in recent years, as part of her drive to persuade Labour MPs to vote for her revised Brexit deal. The package was attacked by Scottish MPs and Welsh MPs, for offering them nothing. The East of England complained the deal offered them the smallest share and Tories from southern England joined in the chorus of criticism saying their region got little out of it as well. Many MPs called the Stronger Towns Fund offer 'obscene and derisory' a 'bribe'
- A YouGov opinion poll of Labour seats, which voted Leave in 2016, found that the overwhelming majority of Labour voters (75%) backed Jeremy Corbyn's move to support a second referendum

- The former UK ambassador to the EU, Sir Ivan Rogers, said that people around the PM at the time of triggering the Article 50 process really did not fully understand the EU and how it works at all
- The Danish PM, speaking at a party conference on Saturday, described Brexit as a circus and it would be irresponsible for Denmark to follow Britain's chaotic example, as it is now stuck with an economy that is suffering and a paralysed political system in meltdown
- The government's Brexit legislative timetable was thrown in disarray, as it was forced to pull a vote on its Financial Services Bill to tighten transparency in places such as Guernsey and Jersey - due to strong Parliamentary opposition from the Conservative backbenches
- The Daily Mirror reported that the Tory ERG has been called a 'death cult' by Downing Street, a comment that was rapidly denied by official press spokespeople. It may point to internal party disagreements inside the Tory Party getting stronger than before
- There was talk of up to 17 Labour frontbenchers who are ready to vote with Theresa May and oppose Jeremy Corbyn over his second referendum plans

Jobs at Risk

Toyota warns on building new models in UK after Brexit

One of Toyota's top executives has warned a no-deal Brexit would make it "extremely complicated" to build new models at its British plants in the latest blow to the health of the UK car industry. The warning by Japan's biggest carmaker that no-deal makes it less likely it will manufacture additional models in the UK follows Nissan's recent reversal of a 2016 decision to build a sport utility vehicle in Sunderland and Honda's planned Swindon closure. It also comes against a backdrop of steep falls in investment in the UK car industry.

<https://www.ft.com/content/368a3b68-3ea4-11e9-9bee-efab61506f44>

Brexit Job Loss Index: 213,943 Jobs Lost As Of 22 Feb 2019

Here are the key stats (last updated 22/02/2019): Total Jobs Lost: 213,943 Total Annual Wages Lost*: £6,135,243,411 Reduction in Annual Income Tax & National Insurance Receipts**: £1,837,528,614.41... Job Losses By Region: Midlands: 20,320 - London: 19,507 - South West: 10,646 - Wales: 10,166 - North East: 9,751 - Scotland: 5,647 - North West: 3,972 - South East: 3,358 - East of England: 2,663 - Gibraltar: 1,000 - Southern England: 870 - Northern Ireland: 462 - Nationwide/unknown: 125,581

<https://smallbusinessprices.co.uk/brexit-index/>

Administrative Fall Out

Schemes with 'Brexit Day' valuations must review options, warns Aon

As many as 15% of UK funds/schemes have a valuation date of 31 March 2019 - which is a Sunday this year - but their funding position will likely be impacted by the UK's planned departure from the European Union (EU) on 29 March. Valuations on 31 March will therefore be driven by market conditions at the close of markets on 'Brexit Day', which could be an "atypical day on the financial markets". The firm warned that if no action is taken now, then this could lead to more difficult valuation negotiations.

<https://www.professionalspensions.com/professional-pensions/news/3071998/schemes-with-brexit-day-valuations-must-review-options-warns-aon>

Brexit uncertainty drives insurers to waste time and money

The issue of contract continuity has been particularly difficult. Many UK-based insurers have sold long-term policies to customers elsewhere in the EU — and vice versa — using the free movement of services rules. But there have been concerns that Brexit will stop insurers paying out on those policies, as free movement of services will no longer apply. So UK-based insurers have been setting

up subsidiaries elsewhere in the EU and going through a court-approved process called a part VII transfer to shift the old policies into them. In February, for example, Aviva moved £9bn of business to Dublin. According to the Association of British Insurers, 36 insurance companies have issued part VII transfer notifications, covering 29m contracts. George Swan, partner at law firm Freshfields, said: "There'll be a flurry of part VII transfers over the next few weeks. Some have hearings scheduled for the last few days of March." It has cost millions of pounds to get these transfers done, which insurers justify by saying they needed to remove any uncertainty for their customers. Unfortunately, it turns out that this process, too, might turn out to be unnecessary

<https://www.ft.com/content/b04ce08a-3ab8-11e9-b856-5404d3811663>

Fundraising drought suggests nerves over Brexit

The flow of new debt and equity deals hitting markets slowed to a trickle in January and the following month has shown little sign of a pick-up, particularly in the UK, suggesting that Brexit is weighing heavily on companies' plans to raise money. For the opening two months of 2019, the number of new bond deals in the UK was 40, the lowest since 1995, and a drop of two-fifths compared with the same period last year, according to data from Refinitiv. Total proceeds reached \$26bn, down by almost a half.

<https://www.ft.com/content/a67767ba-3e78-11e9-b896-fe36ec32aece>

'Time is running out!' Manufacturers in Brexit plea as exports fall behind domestic orders

Research by Make UK and business advisors BDO LLP revealed business are stockpiling goods, which is driving part of their production. But the report warned exports have been unable to pick up since dropping last year, with Brexit uncertainty throughout Europe continuing to mount. Employment plans have been ramped up, indicating that rather than making long-term investments, manufacturers are opting to hire a flexible workforce in the short-term

<https://www.express.co.uk/news/politics/1095179/brexit-news-latest-theresa-may-deal-manufacturer-orders-job-losses-stockpiling>

Insurance firms to begin issuing 'green cards' for cross-border travel in event of no-deal Brexit

Motorists in the north are being issued 'green card' insurance documents to ensure they are covered when driving across the border in the event of a no-deal Brexit. Following a warning from the Association of British Insurers (ABI) last month that anyone planning to cross the border will need to get a Green Card to cover their trip

<http://www.irishnews.com/news/brexit/2019/03/05/news/insurance-firms-to-begin-issuing-northern-motorists-with-green-cards-for-cross-border-travel-in-event-of-no-deal-brexit-1565318/>

French grid operator readies hard Brexit day-ahead power auction plan

French electricity grid operator RTE has prepared an auction mechanism which would permit continuity in day-ahead electricity auctions between Britain and France in case there is no deal for Britain to leave the European Union on March 29. RTE said in a note to power market participants it had submitted market terms and conditions to the French energy market regulator CRE, and would be able to implement the new terms of the auction from March 30. It added that a no-deal Brexit would have no impact on yearly, monthly and intraday France-England power capacity auctions because the auctions are carried out on a bilateral platform dedicated to the French-English border.

<https://uk.reuters.com/article/uk-britain-eu-electricity/french-grid-operator-readies-hard-brexit-day-ahead-power-auction-plan-idUKKCN1QM05N?feedType=RSS&feedName=businessNews>

What would a no-deal Brexit mean for universities and research?

Overseas students from EU countries make up around 5% of those in England and are treated the same way as local ones. They pay at most £9,250 (\$12,230) a year for tuition and have access to generous state-provided loans to meet the cost. The government has promised to extend this

support to EU students starting courses in 2019, but hasn't said what will happen after then. In the event of a no-deal Brexit, it would have little incentive to extend financial support to EU students.

<https://www.economist.com/britain/2019/03/04/what-would-a-no-deal-brexit-mean-for-universities-and-research>

No-deal risk to South Lanarkshire schools as Brexit looms, says council

Children in South Lanarkshire could lose out on education services as a result of a no-deal Brexit. Risk registers have been updated across the council, with the education department one of the latest to add a Brexit risk. A report to the education resources committee on Tuesday, February 19, about the updated risk register and control plan marked Brexit as a "top council risk". The report stated: "Failure to agree a deal could have significant impacts on funding and finance, workforce and employment, procurement [and] legislation. "A no-deal Brexit could place additional demand on services due to reduced growth, higher unemployment, inflationary and other budget pressures, supply chain interruption, customs and regulatory issues."

<https://www.dailyrecord.co.uk/news/local-news/no-deal-risk-south-lanarkshire-14086633>

"There'll be an uprising": Hartlepool on life as a Brexit town with no deal in sight

Leavers and Remainers alike in the coastal community are concerned about the outcome of Westminster's recent dramas. The New Statesman looks at Hartlepool, how the years of austerity have the city and how it would react to the various Brexit scenarios

<https://www.newstatesman.com/politics/uk/2019/03/there-ll-be-uprising-hartlepool-life-brexit-town-no-deal-sight>

Here's What British People Would Eat in a Worst-Case Brexit

There'd at least be plenty of meat and potatoes, but forget "five-a-day" fruit and vegetables. And with months until U.K. harvests, traditional Sunday roast dinners would be light on the trimmings for a while. "We'll have food, but the supply chains and logistics would need to handle a major change," said Sue Pritchard, director at the Food, Farming and Countryside Commission at the Royal Society of Arts. "Maybe we'll need to revive the British tradition of a good meat and three veg roast!"

<https://www.bloomberg.com/news/features/2019-03-04/here-s-what-british-people-would-eat-in-a-worst-case-brexit>

How would a no-deal Brexit affect the UK economy?

The Financial Times lays out how no deal would affect three vital sectors (ports, food and policy response) this year. The analysis indicates that predictions of chaos are likely to prove an exaggeration, but that disruption is almost certain. There would be ripple effects across the economy.

<https://www.ft.com/content/27e7a1cc-3b57-11e9-b72b-2c7f526ca5d0>

Brexit: 'We are all racing to this March 29th deadline'

Irish businesses are racing to prepare for Brexit and most are expecting it to be a No Deal Brexit so are activating plans for the worst case scenarios

<https://www.irishtimes.com/news/ireland/irish-news/brexit-we-are-all-racing-to-this-march-29th-deadline-1.3812917>

Travel after Brexit: All you need to know about Eurostar, Eurotunnel and ferries

The UK is set to leave the European Union on 29 March 2019. Brexit has profound implications for travellers. The Independent updates its readers on what it knows about changes to travel after the Brexit deadline is reached

<https://www.independent.co.uk/travel/news-and-advice/brexit-eurostar-eurotunnel-ferries-trains-sea-rail-a8805986.html>

Businessman who voted leave calls for second Brexit vote due to impact of leaving EU

A business owner who supported Leave in the 2016 EU referendum is among a group of Nottinghamshire small business leaders and sole traders demanding an opportunity to vote once more on whether the UK should leave the European Union

<https://www.nottinghampost.com/news/business/businessman-who-voted-leave-calls-2600002>

Has Brexit made British property MORE popular?

A poll of 450 high net worth investors based in these four countries indicated that 85 per cent of those invested in either residential or commercial property were still keen on the asset class and looking for new investment opportunities in Britain. The cost of buying British property has been pulled down since the Brexit vote by the fall in the pound, however, a tax crackdown has made it more expensive.

<https://www.thisismoney.co.uk/money/buytolet/article-6677845/A-quarter-UK-property-investors-say-Brexit-invest-UK.html>

Sheep farmers' concerns of no-deal Brexit

The Scottish government said the UK leaving the EU without a deal would be "catastrophic". Phil Stocker, of the National Sheep Association, said efforts were being made to grow the domestic market and there had been some successes in selling UK lamb to Japan and countries in the Middle East. But he told BBC Radio's Good Morning Scotland programme there was not enough time to create a market big enough to handle the amount of lamb produced. He said: "If you think of the volume that goes into the European market and think of the time it takes to agree trade deals, it is going to take some years - six, eight, 10 years - to open up equitable markets across the world."

<https://www.bbc.co.uk/news/uk-scotland-highlands-islands-47441182>

Britain's Ethnic Minorities Worry About Their Careers After Brexit

After looking at how Brexit will affect young women more, latest research exclusive to Forbes shows that there is a worrying racial lens to Brexit. Ethnic minorities in the U.K. are more concerned about the negative impact of Brexit on their careers than their white counterparts. In fact, 52% of ethnic minorities surveyed feel that Brexit will negatively impact their career progression, compared to only 16% of their white counterparts.

<https://www.forbes.com/sites/bonniechiu/2019/03/04/britains-ethnic-minorities-worry-about-their-careers-after-brexit/>

Brexit cannot be an excuse for politicians to ignore our knife crime epidemic

With more young people dying across the UK in knife crime and numbers rising sharply, the Daily Telegraph ponders whether legislators' obsession with Brexit has led to them taking their eye off the ball with regard to dealing with knife crime.

<https://www.telegraph.co.uk/news/2019/03/03/brexit-cannot-excuse-politicians-ignore-knife-crime-epidemic/>

Political Shenanigans

EU must learn from Brexit and reform, says Emmanuel Macron

As part of what he called a "roadmap to European renewal", he put forward a range of proposals for change including tougher joint action on internet hate speech, the supervision of internet giants, new competition rules, a minimum European wage and a new defence treaty. He also proposed that panels of European citizens should be consulted on EU reforms, not just during election periods.

https://www.theguardian.com/world/2019/mar/04/eu-must-learn-from-brexit-and-reform-says-emmanuel-macron?CMP=share_btn_tw

Brexit: UK 'abandons' key backstop demand in move set to spark Tory row

Theresa May is braced for a Tory row after reports the government has abandoned a key demand to change her Brexit deal. Attorney General Geoffrey Cox is said to have dropped a push for certain changes to the 'Irish backstop' - a clause in the 585-page Brexit deal that could trap the UK under EU customs rules from 2021.

<https://www.mirror.co.uk/news/politics/brexit-uk-abandons-key-backstop-14083982>

Theresa May's lawyer seeks legal fix to the Brexit riddle

Prime Minister Theresa May's top lawyer will try to clinch a Brexit compromise with the European Union this week in a last-ditch bid to win over rebellious British lawmakers before crunch votes that could delay the divorce. May is hoping to win over enough MPs to pass it, by agreeing a legal addendum with the EU on the deal's most controversial element: a "backstop" to ensure no hard border between EU-member Ireland and British-ruled Northern Ireland.

<https://uk.reuters.com/article/uk-britain-eu/theresa-mays-lawyer-seeks-legal-fix-to-the-brex-it-riddle-idUKKCN1QL13G>

How Geoffrey Cox's backstop showdown could shape Brexit talks

Britain's booming-voiced Attorney General returns to Brussels this week, as he launches a renewed campaign to secure concessions on the Irish backstop. Geoffrey Cox will meet with Michel Barnier, the EU's chief Brexit negotiator, on Tuesday to hold further talks on how the backstop can be tweaked, adjusted or clarified to suit the demands of Eurosceptic MPs. Mr Cox's negotiations could hold the key to securing a Brexit deal by the end of the month, but only if he manages to extract some major concessions from EU officials - which continues to look highly unlikely.

<https://www.telegraph.co.uk/politics/2019/03/04/geoffrey-coxs-backstop-showdown-could-shape-brex-it-talks/>

Geoffrey Cox 'ditches UK demand for Brexit backstop end date and unilateral exit clause'

Attorney General Geoffrey Cox risks fresh anger from Conservative Brexiteers amid reports he has shelved attempts to try and put a time limit or unilateral exit clause on the controversial Northern Ireland backstop. According to the Telegraph, the Cabinet minister - who has been leading efforts to secure changes to Theresa May's Brexit deal - has conceded that the two major demands of Tory eurosceptics are too "blunt" and will not be accepted by the European Union. Ministers briefed on Mr Cox's thinking said he is instead trying to secure an independent "arbitration mechanism" allowing Britain or Brussels to serve notice that the backstop should come to an end.

<https://www.politicshome.com/news/uk/political-parties/conservative-party/news/102227/geoffrey-cox-ditches-uk-demand-brex-it>

Post-Brexit fund set up for struggling English towns

The government has unveiled a new pot of money to be spent on struggling towns in England. Theresa May said the Stronger Towns Fund was aimed at areas that had missed out on prosperity. But Labour said the government was trying to bribe MPs into supporting its Brexit deal, and added that the fund should have been much larger. There were also grumbles from Conservative backbenchers who suspect the money is being targeted at Labour areas rather than their own.

<https://www.channel4.com/news/post-brex-it-fund-set-up-for-struggling-english-towns>

Tory MP says there'd be 'rioting on the streets' if Brexit was delayed for UK to do 'absolutely nothing for another two years'

Conservative Eurosceptic MP Anne-Marie Trevelyan suggested her constituents would be "rioting in the streets" if Brexit delayed for two years beyond 29 March during an interview on Monday. Speaking on the BBC's Politics Live show the MP for Berwick-upon-Tweed said that a lengthy extension, would lead to disorder if "we are going to do absolutely nothing for another two years."

<https://inews.co.uk/news/uk/brex-it-delay-uk-tory-mp-anne-marie-trevelyan-riot-streets-warning/>

Northern Labour voters back Brexit second referendum move by 75%

Northern Labour voters overwhelmingly back the party's shift towards a new Brexit referendum, a fresh poll has found. More than 75% of people who voted Labour in 2017 and expressed a preference backed the move, according to a YouGov poll for the People's Vote campaign. Some 35%, said the policy change to push for a new Brexit vote made them feel more favourably towards Labour, while 14% said it made them feel less so. The survey of 5,000 voters across the North, Yorkshire and Humber and the Midlands found that 76% would support staying in the EU, with 24% against. If it was a choice between Remain and backing Prime Minister Theresa May's Withdrawal Agreement, the split would be 81% to 19% in favour of staying in the EU, according to the survey.

<https://www.mirror.co.uk/news/politics/northern-labour-voters-back-brexit-14080600>

Drugs 'blockage' after no-deal Brexit could see shortages in IRELAND - EU members AT RISK

The European Union has warned it will impose the stricter regulations it applies to imports and exports from other 'third countries' if Britain leaves without a deal. But Mr Hancock said such a move would disrupt drug supplies to EU members, with the Republic of Ireland particularly at risk. Taking calls on an LBC phone in this morning, Mr Hancock said most medicines bound for Ireland pass through the UK on the way to their destination.

<https://www.express.co.uk/news/uk/1095459/no-deal-brexit-news-matt-hancock-medicines-drugs-ireland-shortages-stockpiling>

Brexit talks entering 'sensitive phase' - Taoiseach

With just 25 days to go before the UK is scheduled to leave the EU, Mr Varadkar has said that the talks between the UK and the EU on the Brexit Withdrawal Agreement are entering a sensitive phase. Speaking earlier today, the Taoiseach said Ireland was happy to offer clarifications on the backstop, which is designed to avoid a hard border in Ireland, but repeated it could not be time-limited or have a unilateral exit clause.

<https://www.rte.ie/news/brexit/2019/0304/1034181-barnier-brexit-meeting/>

How a second Brexit referendum could be won — and lost

Second time around, voters might be more willing to tune in to the detail. But any version of Leave still has the edge in emotional resonance, while Remain feels remote and technocratic. Few people understand global supply chains, or non-tariff barriers, nor do they want to. And economic uncertainty plays both ways. There is a strong feeling of "just get it over with". Thirty per cent of people identify with the idea that "the longer the stalemate over Brexit goes on, the more likely I am to support leaving the EU without a deal", according to the pollsters Survation. Remainers who talk only about economics fail to connect with people whose vote was about culture and fairness.

<https://www.ft.com/content/d80c6f94-3b69-11e9-b856-5404d3811663>

Labour could order MPs to vote for Brexit second referendum says John McDonnell

Labour members would be ordered to vote in favour of a new Brexit referendum, John McDonnell has suggested. It could put the party in the unusual position of having to sack frontbenchers for both supporting and opposing the same policy within a few months of each other. "I just say this - and I think it'll be for MPs right the way across the House in all parties now - that they've got to look to the long-term interests of the country, they've got to protect people's jobs, they've got to protect the economy, otherwise we'll never be forgiven in the future."

<https://www.mirror.co.uk/news/politics/labour-could-order-mps-vote-14080725>

Brexit, the NHS and the threat of dark money

Open Democracy's Adam Ramsay said: "There are huge amounts of the money that paid for the Brexit referendum, turns out to have come from powerful business lobby groups ... who seem to be very keen to take Britain away from the regulation of the EU and drag it towards the kind of unregulated space of America, so they can do things like privatise the NHS, so they can slash regulations, so they can keep Britain as the world's money laundry."

<https://www.aljazeera.com/programmes/countingthecost/2019/03/brexit-nhs-threat-dark-money-190302102323640.html>

Political Setbacks

Furious Emmanuel Macron slams Brexit as 'lie sold by anger mongers with fake news'

Emmanuel Macron has blasted Brexit as an "irresponsible lie" less than a month before Britain leaves the EU. The French president slammed "anger mongers backed by fake news" for creating

the biggest European crisis since the Second World War in an astonishing broadside. "Nationalist retrenchment offers nothing – it is rejection without an alternative. "And this trap threatens the whole of Europe – the anger mongers, backed by fake news, promise anything and everything. <https://www.mirror.co.uk/news/politics/furious-emmanuel-macron-slams-brexit-14087992>

SNP accuse Theresa May of 'grubby Brexit bung' over Scotland's share of £1.6bn package

The SNP accused the Conservatives of handing out a 'grubby Brexit bung' with more cash for Northern Ireland, while the money was dubbed as "desperate bribe" by shadow chancellor John McDonnell.

<https://www.heraldscotland.com/news/17474882.snp-accuse-theresa-may-of-brexit-bung-over-share-of-16bn-package/>

Theresa May's English Towns Bribe Shows Her Utter Disdain For Wales

It seems that Theresa May has found her magic money tree once again. After nine long years of Labour MPs calling for greater investment across the UK, only when the Prime Minister needs to get her botched Brexit deal through the commons does she start to clear the cobwebs from the Treasury vaults. But while this gruel for deprived English towns may be pretty thin, it is gruel nonetheless. But what did Wales get in today's desperate round of handouts? Nothing. We didn't even figure.

https://www.huffingtonpost.co.uk/entry/stronger-towns-fund_uk_5c7d56c8e4b0e5e313cdb47b

East of England to get smallest share of £1.6bn 'Brexit bribe' pot for deprived towns

The east of England will get the smallest share of a £1.6bn government fund to boost run-down towns after Brexit. The move has been dubbed a "Brexit bribe" by political opponents who say it is aimed at trying to influence Labour MPs in Leave-supporting areas to back prime minister Theresa May's withdrawal agreement in crunch Commons votes. The area set to benefit most was the north west, which will get £281m, the equivalent of £39.95 per person. While the east of England will get just £25m, equal to £4.11 per person. The money, which will see the investment over several years, will be aimed at creating new jobs, helping train local people and boosting economic activity.

<https://www.edp24.co.uk/news/politics/east-of-england-gets-smallest-amount-in-brexit-fund-1-5917391>

Is Theresa May's Stronger Towns Fund a Brexit bribe?

Shadow chancellor John McDonnell said the funding announcement "smacks of desperation" as many of the areas that will receive funding are part of Labour constituencies that voted to leave the EU. McDonnell criticised the government for overseeing "a decade of cuts" and said that was the reason why a number of communities were struggling. He argued that the government was resorting to bribing MPs in the hopes they would vote for May's deal. Anna Soubry, Brexit spokeswoman for the Independent Group, said the prime minister was employing a "desperate measure to buy votes" and compared it to the funding found for Northern Ireland when the Conservatives set up their confidence and supply deal with the DUP.

<https://www.coventrytelegraph.net/news/uk-world-news/theresa-mays-stronger-towns-fund-15919604>

Labour MPs scorn May's £1.6bn towns plan as blatant Brexit ploy

Labour MPs have scorned Prime Minister Theresa May's promise of £1.6bn for English towns as a transparent attempt to buy their support for her Brexit deal with funds so thinly spread as to make little difference to deprivation.

<https://www.ft.com/content/34c76dde-3e84-11e9-b896-fe36ec32aece>

Stronger Towns Fund: £1.6bn post-Brexit cash announced

A £1.6bn government fund has been launched to boost less well-off towns in England after Brexit. The pot is split into £1bn, divided in England using a needs-based formula, and £600m communities can bid for. More than half of the money, to be spread over seven years, will go to the north of England and the Midlands. Labour called it a bribe to influence MPs to back the PM's Brexit deal and

critics say it does not cover cuts to local authority funding.

<https://www.bbc.co.uk/news/uk-47435565>

Lisa Nandy on Brexit vote and cash for English towns

Lisa Nandy MP says she would not turn down Brexit funds for her constituency, but it will not affect how she votes on a Brexit deal.

<https://www.bbc.co.uk/news/av/uk-politics-47444534/lisa-nandy-on-brexit-vote-and-cash-for-english-towns>

May loses key MPs' support over 'obscene and derisory' pro-Brexit towns fund

Downing Street unveiled a "Stronger Towns Fund" for less prosperous parts of England on Sunday - with £1bn divided between the regions and a further £600m available for bidding by local authorities. But the amount of allocated, which will be distributed over the next six financial years, has been criticised. The West Midlands was awarded the second highest sum of £212m, which works out at £9 per person per year.

<https://news.sky.com/story/may-loses-key-mps-support-over-obscene-and-derisory-pro-brexit-towns-fund-11654987>

Tory MPs express unease over £1.6bn boost for poorer towns

The government has come under immediate pressure from its own MPs over a £1.6bn funding boost for deprived English towns, as it emerged the guaranteed spending in some regions would amount to as little as 58p per person per year. The money, to be spent over seven years, includes £1bn pre-allocated to various English regions, ranging from £281m for the north-west to £33m for the south-west. The other £600m will be available to any region via a bidding process.

https://www.theguardian.com/politics/2019/mar/04/tory-mps-express-unease-over-16bn-boost-for-poorer-towns?CMP=Share_AndroidApp_Tweet

Theresa May 'did not understand EU when she triggered Brexit'

Theresa May and her circle of advisers did not understand how the European Union works, and consequently followed a negotiating strategy in 2016 that was doomed to fail, the former UK ambassador to the EU Sir Ivan Rogers has said. Speaking to the Institute for Government on Monday, Rogers said the people around the prime minister at the start of the article 50 process "didn't know very much about European councils or that much about the EU". Rogers, who resigned a year ago and has developed a reputation for producing some of the most caustic assessments of the misunderstandings between the UK and the EU, said the UK lived under the illusion that it could circumvent Brussels by making direct deals with the major capitals.

https://www.theguardian.com/politics/2019/mar/04/theresa-may-did-not-understand-eu-when-she-triggered-brexit?CMP=Share_AndroidApp_Tweet

Additional sources: (The Independent)

Dawn Butler: Theresa May 'a danger to democracy'

Speaking to talkRADIO's Matthew Wright, Ms Butler said: "She's doing everything she possibly can to get her deal through the house, from running down the clock to now offering money for votes. "That's very dangerous for our democracy and I think people need to take this seriously." Ms Butler added that the sum of money offered was just a "drop in the ocean" compared to cuts made to local authority funding as part of the government's austerity measures. "It's such small fry in terms of what local communities have lost, and I don't think our MPs are that cheap," Ms Butler added.

<https://talkradio.co.uk/news/dawn-butler-theresa-may-danger-democracy-19030430116>

Brexiteers are refusing to accept their victory

If, in 2015, you had offered Leavers Boris Johnson and Jacob Rees-Mogg the outcome now available through Prime Minister Theresa May's agreement — an end to free movement of people and near total withdrawal from the primacy of European Court rulings — they would have accepted it with alacrity. Yet they are now holding out over the UK's right to escape the limits on trade that are part

of the Irish backstop. They have turned an independent trade policy into the wheel on which their dream may be broken.

<https://www.ft.com/content/f2e35268-3e68-11e9-9bee-efab61506f44>

Voting for May's Brexit deal solves nothing

Most of the Leave voters in Labour seats in 2016 weren't our voters in the first place. Of Labour voters, the vast majority (around two thirds) voted Remain in 2016. As Brexit has unfolded, Labour voters are the group most likely to have shifted from Leave to Remain. Labour is a Remain party, with a Remain voter base. For the Leave voters we have left, polls show that Brexit is not a priority – their main goal is a Labour government.

<https://labourlist.org/2019/03/voting-for-mays-deal-solves-nothing/>

Howard Flight: The Brexit deal. I suspect we will end up being presented with a last-minute fudge.

How are the last-minute negotiations are likely to break? Theresa May is on clear record as saying that “no deal would be better than a bad deal”. But she does not want No Deal, as it would run the political risk of breaking up the Conservative Party. She has now delayed the “meaningful vote” in the Commons until March 12th at the latest, when the Prime Minister's deal will be the only option. It is also clear that there is no parliamentary majority for even a managed No Deal.

<https://www.conservativehome.com/thecolumnists/2019/03/howard-flight-the-brexit-deal-i-suspect-we-will-end-up-being-presented-with-a-last-minute-fudge.html>

Tory MPs must vote down any deal that fails to deliver a real Brexit or the people will never forgive us

Tory MPs must vote down any deal that fails to deliver a proper Brexit or the people will never forgive us

<https://www.telegraph.co.uk/politics/2019/03/04/tory-mps-must-vote-deal-fails-deliver-real-brexit-people-will/>

Geoffrey Cox shifts focus after giving up on Eurosceptic backstop demands

Geoffrey Cox has switched his attention to trying to secure an enhanced "arbitration mechanism" to allow the UK to leave the Irish border backstop after failing to meet the Brexit demands of Eurosceptics. The Attorney General has given up trying to secure a way of avoiding a hard border and placate the hardline Brexiteers

<https://www.telegraph.co.uk/politics/2019/03/04/brexit-latest-news-geoffrey-cox-shifts-focus-giving-eurosceptic/>

Additional sources: (Financial Times)

Chris Grayling: Government sends health secretary to answer Brexit ferry questions instead of transport chief

Beleaguered transport secretary Chris Grayling faced fresh criticism when the health secretary instead answered MPs' questions about the Brexit ferries fiasco. Matt Hancock fielded queries in the Commons over Friday's shock £33m payment to Eurotunnel to settle controversy over cross-Channel contracts. Labour condemned the decision, claiming Mr Hancock would be acting as Mr Grayling's "human shield" on Monday. But Downing Street said "the supply of medicines" was a key part of the no-deal cargo that the ferries would bring to Britain.

<https://www.independent.co.uk/news/uk/politics/grayling-brexit-ferries-statement-transport-avoid-mps-health-secretary-a8806626.html>

Watch: Britain Brexit is a 'circus', warns Danish PM

Speaking at a party conference on Saturday, Rasmussen said it would be "irresponsible" for Denmark to follow in the UK's footsteps to withdraw from the European Union. "It would be completely irresponsible to toy with the idea of copying the circus that is playing out in Britain at the moment," he said. "With an economy that's suffering...With a paralysed political system that is

melting down."

<https://www.euronews.com/2019/03/04/danish-pm-it-s-irresponsible-to-copy-britain-s-brex-it-circus>

Cabinet ministers took May 'hostage' over Brexit delay, says former minister

The British government was "taken hostage" by Cabinet ministers who forced Theresa May into offering MPs a mechanism to delay Brexit, said former minister George Eustice. Eustice, who resigned Thursday from his post as junior agriculture minister, told Sky News' Ridge on Sunday that May was strong-armed into allowing MPs a vote on delaying Brexit, which would damage her negotiating hand with Brussels.

<https://www.politico.eu/article/brexit-delay-cabinet-ministers-took-theresa-may-hostage-george-eustice/>

Richard Tice demands NEW TEAM for post-Brexit trade negotiations - 'NOT too late'

"It will be a peaceful march to show the Government just the strength of feeling that Brexiteers have out there." "If they ratify the withdrawal agreement I think the sense of anger that the Government has put the country into a straight jacket and given the key to the padlock to eurocrats in Brussels so that they can unlock us at their timing, people will be very, very angry about that and will have an opportunity to express that.

<https://www.express.co.uk/news/uk/1095405/Brexit-news-update-Richard-Tice-Theresa-May-Brexit-march-Leave-Means-Leave>

Fresh Brexit chaos as government shelves Financial Services Bill in face of looming defeat

The Government's Brexit legislation timetable has been thrown into "chaos" after ministers were forced to pull a key bill because it was facing a humiliating defeat. The bill, which is one of several pieces of crucial legislation required to be passed before the UK leaves the EU, will now have to be re-scheduled for debate in the Commons. Up to 22 Conservative MPs were set to defy the Government to vote for a cross-party amendment aimed at forcing new tax transparency rules on British Overseas Territories.

<https://www.politicshome.com/news/uk/foreign-affairs/brexit/news/102238/fresh-brexit-chaos-government-shelves-financial-services>

Martin Howe: It is far better to risk extending Article 50 than to accept May's bad deal

A long extension of 21 months would have the same practical result as the "implementation" period in the deal, except the UK would be much better off than under the deal because we would still have a vote and representation in EU institutions and the European Parliament. Unlike the deal, we would be free to leave on 1st January 2021 without being trapped in the "backstop" Protocol. Our financial liabilities during the 21 month extension would be the same as under the deal, but unlike the deal, we would have no obligations afterwards. Unlike under the deal, we would not be subject to indefinite ECJ jurisdiction after 2020.

<https://www.conservativehome.com/platform/2019/03/martin-howe-it-is-far-better-to-risk-extending-article-50-than-to-accept-mays-bad-deal.html>

@TNewtonDunn The Financial Services Bill is the 1st of 6 bills that Govt must pass (thru both houses) by March 29 to make No Deal possible.

The Financial Services Bill is the 1st of 6 bills that Govt must pass (thru both houses) by March 29 to make No Deal possible. It was due to leave Commons tonight. So yet another Brexit timetabling disaster.

<https://twitter.com/tnewtondunn/status/1102536637333073928>

The Brexit death cult that's killing everything good about Britain

Hours after an anonymous insider called the extremists of the Conservative Party a "death cult", Downing Street denied saying it. That often happens when something is true. ERG deputy Steve

Baker is reputedly the inspiration for this new cult, despite lacking any obvious charisma. A born-again Christian, he was most upset to find out about his unwanted promotion while at church on Sunday, and No10 offered "clarification" that the claim had nothing to do with them. Which does not mean that the original comment was not made by someone else. And this is what we have come to: 25 days before what we are assured is apocalypse, and the provisional wing of the Tory Party is getting its knickers in a twist not about the backstop but about being called names.

<https://www.mirror.co.uk/news/politics/brexit-death-cult-thats-killing-14084832>

Theresa May's Twitter tribute to Salisbury attack victims used a picture of Bath

Theresa May's trip to Salisbury today to mark the one year anniversary of the Novichok attack got off to a rocky start when she appeared to pay tribute to the wrong town. Twelve months on from the chemical attack on Russian defector Sergei Skripal, 66 and his daughter Yulia, 33, Downing Street took to Twitter to praise the resilience of the people of Salisbury. There was just one problem - they tweeted a picture of Bath instead.

<https://www.mirror.co.uk/news/politics/theresa-mays-twitter-tribute-salisbury-14085291>

Labour CRISIS: 17 frontbench MPs set to OPPOSE Jeremy Corbyn over second referendum U-turn

Up to 17 shadow ministers have spoken out about the effects they believe a second vote could have on the UK. In the past 6 months, 13 of these ministers have publicly opposed a second referendum. Mr Corbyn could face mass resignations if he continues take the plan to a Commons vote, according to The Daily Telegraph.

<https://www.express.co.uk/news/politics/1095225/Brexit-news-jeremy-corbyn-labour-party-second-referendum-people-s-vote>

Trade Deals/Negotiations

Japan's ambassador warns more firms could leave UK over Brexit

More Japanese companies may relocate away from the UK in the coming months if Britain does not seal a promising post-Brexit deal, the Japanese ambassador has warned. In an exclusive interview with Sky News, Koji Tsuruoka said Japanese companies had been cutting back on investment in the UK amid the uncertainty. Although both companies emphasised that neither decision was due to Brexit, Mr Tsuruoka said many of Japan's 1,000 or so UK-based companies were now considering how to adapt to post-Brexit life.

<https://news.sky.com/story/japan-issues-corporate-warning-over-no-deal-brexit-11655086>

EU Funding Benefits

The millions of EU cash spent in Leeds revealed

The millions of EU grants handed to causes and companies around Leeds have been revealed by new research. Figures show the city has secured at least £263m in European Union grants in recent years, most of which has gone to the city centre area. But the real figure could be much higher as Leeds institutions, such as the universities, have taken part in some £2.2bn of EU funded projects, with the exact amounts dished out directly to the city not always clear. Research by pro-Remain groups, MyEU and Best For Britain, shows the bureaucrats in Brussels gave large chunks of money to Leeds City Council, the Leeds based West Yorkshire Combined Authority, our hospitals, and the city's two major universities.

<https://www.leeds-live.co.uk/news/leeds-news/millions-eu-cash-spent-leeds-15900389>