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# Brexit Scenario Planning

Session 1 Report – April 2018

**A summary from a meeting held April 12 2018 at the Chartered Institute of Public Relations to develop scenarios relating to possible outcomes from the United Kingdom's exit from the European Union**

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## Introduction

As part of its preparations for Brexit, the Chartered Institute of Public Relations is committed to helping its members with information about what will be involved in the UK's exit from the European Union so that they, in turn, can feel confident in the advice that they give to clients and employers. In the past year, the Institute carried out research ([Brexit and Public Relations in 2018](#)) to find out how prepared members are for Brexit and are producing [monthly Brexit reports](#) throughout 2018.

Continuing preparations have led on to the holding of a series of scenario planning exercises, to allow members to develop scenarios exploring possible outcomes from the Brexit negotiations and the UK's exit from the European Union on March 29 2019. This summary is of the first of these exercises.

## The Masterclass

Eighteen practitioners, some of which are CIPR members, met to carry out the exercise. A list of participants is attached at the end of the summary.

The meeting began with a brief description of scenarios – **plausible** pictures of the future, developed in a disciplined discussion of factors or variables at work in desirable future outcomes; what would a successful Brexit look like at some point in the future? The group settled on looking five years into the future to 2023, a point two years after the end of the projected transition period from EU membership.

The first part of the exercise involved the whole group establishing factors or variables at work in a successful Brexit.

These were then examined by four smaller groups. Each group chose three variables from the list developed in the first part of the exercise to explore into the future.

At the end of their discussions, the groups had each identified most likely scenarios – word pictures – incorporating their judgements on how they believed the variables they were looking at would develop over the period from now until 2023. They also developed best and worst case scenarios.

Scenarios developed provide a guide to action. They raise questions about the need for further information, and can be used to draw out implications for public relations practice.



## A Successful Brexit, 2023

The whole group suggested that a successful Brexit would result from:

- Clarity (people in the country would have a clear idea of what Brexit involves, and the advantages to be drawn from it)
- Regulatory uniformity between UK and EU
- Economic benefits – GDP growing
- Political survival
- New opportunities – political, social and cultural
- Immigration under satisfactory control
- Majority of people happy with outcome (domestic view of settlement)
- Political/policy space not dominated by Brexit (there are other national priorities that need attention, which should be redirected once Brexit has taken place)
- Criminal justice system, provision for the protection of human rights functioning (standards not compromised)
- Employment rights protected
- UK's international standing undiminished
- Social cohesion sustained, allowing for bringing in and using talent
- Ability to trade
- Scope and reputation of Parliament will have changed for the better, with more focus on the role of the legislature, rather than on the executive
- Brexit will have prompted productive, effective constitutional change, expressed through improved working of devolution
- There will be greater engagement in political development
- Change will be taking place in the EU, for example around budgetary arrangements
- International security will be maintained
- There will be good cooperation in place to regulate competition
- Disruption will be minimal

Dividing into smaller groups, participants chose three variables of most interest to them, to discuss developments in each of the three variables and develop most likely, best and worst case scenarios.



## Group 1

Group 1 developed scenarios looking at three variables:

- Regulatory uniformity
- Economic growth
- UK's international standing

### Most likely scenario

**Regulatory uniformity:** there will be alignment at first, followed by progressive divergence, with partial alignment for certain sectors. There will be an ability to make trade deals.

**Economic growth:** in line with rest of EU, produced through 'muddling through.' Government protects financial services and professional services and maintains link with European Research Council.

**The UK's international standing:** the country sees a fall in international investment and a fall in ranking of the country's importance among other countries. The UK will remain a member of international groups such as the G7, and will seek to develop relations outside the EU.

### Best case scenario

**Regulatory uniformity:** there will be total alignment with the EU, with some voice as to how regulations are decided. There will be an ability to make trade deals, and other trade treaties will be maintained.

**Economic growth:** higher than EU, 2% continuous growth. Goods are cheaper and links are maintained to international skills and capital.

**The UK's international standing:** the country will remain in international groups such as the G7, Commonwealth and the UN, and will take a lead in activities in these bodies. The country will retain its clout and respect, figuring high on soft power indices. It will retain 'brand UK' and 'cool Britannia' reputation, as well as academic leadership.

### Worst case scenario

**Regulatory uniformity:** there will be a mismatch of regulations, creating uncertainty for investment. There will be an inability to make trade deals – regulations are a hindrance to trade with EU and non-EU countries.

**Economic growth:** there will be a deep recession. Economic growth is affected by higher unemployment, high inflation. Exports collapse. There is no foreign investment, a run on the pound, and higher national debt.

**The UK's international standing:** the country will be marginalised, alienated. There will be a fall in investment and tourism from outside the UK. In a Suez-type incident no one will come to the UK's aid.

## Group 2

Group 2 developed scenarios looking at three variables:

- Social cohesion (the ability to draw in, and integrate talent into the workforce)
- Ability to trade
- Regulatory uniformity

### Most likely scenario

**Social cohesion:** the country will lose access to talent from the EU. Organisations unable to recruit from the EU will suffer low morale, but a benefit will be that recruitment will take place across the UK, reducing regional disparities.

**Ability to trade:** there will be some ability to trade, but there will be delays in the trade process and increased red tape.

**Regulatory uniformity:** the ability to develop new regulations will remain as now. There will be media confusion about regulatory matters.

### Best case scenario

**Social cohesion:** more talent will be recruited from the EU and the rest of the world. There will be better education and skills training in the UK, and lower unemployment in the country as more jobs are available.

**Ability to trade:** Brexit will create new markets, more opportunities, more profit, and better margins. It will prove easier to innovate and develop new ideas. There will be development of British industries where previously we imported goods.

**Regulatory uniformity:** there will be more involvement in the development of better designed, bespoke regulations, with better communication around new regulations. Implementation will be better, improved, easier and quicker.

### Worst case scenario

**Social cohesion:** the country becomes even more 'London-centric,' losing jobs and ability to innovate. Companies close or relocate.

**Ability to trade:** will be diminished, by worse trade terms. Worse goods and prices with less choice for consumers. There will be redundancies and job losses, more on-line shopping and lowered standards in the supply chain.

**Regulatory uniformity:** regulations will be decided solely by politicians, the process characterised by lack of trust and expertise, and without the interests of consumers at heart.



## Group 3

Group 3 developed scenarios looking at three variables:

- New opportunities (including the green agenda, new markets and informed political engagement).
- Immigration (political anxieties around immigration/race mean there is a dearth of know data/direction/detail on intended polices).
- International standing (as reflected in the media in the UK and elsewhere in the world, participation in international organisations).

### Most likely scenario

**New opportunities:** current trends will persist – there will be a decline in voter participation, under-representation of social groups, and fewer swing seats. An English party – a new party or parties will emerge. Politics will be personality driven.

**Immigration:** will show a net reduction (EU specific) but an increase in immigration from non-EU sources such as the Commonwealth.

**International standing:** we will need to 'cut our cloth to suit our purse', more selective, accepting of lower standards in food financial services, international trade.

### Best case scenario

**New opportunities:** politicians will be more representative, held in higher esteem, and recognized for transparency and integrity. There will be higher turnouts within socio-economic groups. There will be fewer career politicians. Politics will be effective – fixed (rather than broken).

**Immigration:** the public will be reassured and self-assured on questions of immigration. There will be fair and representative investment in social services, public sector and infrastructure. There will be an ability to settle/ work in EU and rest of world.

**International standing:** there will be more opportunities to engage with the rest of the world, deploy UK standards worldwide, apply UK 'values' without let or hindrance.

### Worst case scenario

**New opportunities:** politics will be fundamentally tribal, marked by discontent, concerned with single issues, nationalism, against a background of social unrest, division and disharmony.

**Immigration:** 'people' will still be angry and perceiving their problem as caused by 'others' (religion, gender, age, language etc.).

**International standing:** will be drastically reduced, influence and participation cut.

## Group 4

Group 4 developed scenarios looking at three variables:

- Devolution
- Domestic view of settlement
- Economic benefits

### Most likely scenario

**Devolution:** democratic stagnation, with continued unease between devolved areas and a continuing imbalance between London and the rest of the UK. The UK remains united. There is a soft border between the Republic of Ireland and Northern Ireland. Local government fragmented.

**Domestic view of settlement:** a campaign to rejoin the EU will have begun. There will be no solid view either way, with a continuing division between Leave and Remain, the topic will continue to be “boring”. There will be continuing uncertainty over the UK – EU relationship. There will be no new NHS investment.

**Economic benefits:** London’s continued financial services dominance, with the city exposed to greater competition. Stagnating house prices, and a reduction in economic confidence. Austerity will be eased and EU subsidies and project funding duplicated via a special Brexit dividend. Military spending will be increased. There will be continuing uncertainty.

### Best case scenario

**Devolution:** there will be a proper agreement between Wales, Scotland, and Northern Ireland with wide support, more coherent local authorities, regional economic growth and more balanced UK economy. Parliament will have an improved reputation with a better quality of politician. There will be more democratic engagement and more scrutiny of big decisions.

**Domestic view of settlement:** politics will have become less divisive. Trust in government will have been restored. Minimal disruption, with no loss of services, no dramatic increase in costs. Brexit will fade in memory, although there will be a campaign to rejoin the EU. There will be increased investment in the NHS.

**Economic benefits:** house prices will fall. There will be new trade deals and increased inward investment and regional growth with a decentralisation away from London. There will be reductions in public and consumer debt, strengthened consumer rights, lower taxes, wage increases, reduction in the cost of living, better quality management, best skilled workers and a boost to productivity. Professionally, there will be increased spending on public affairs.

### Worst case scenario

**Devolution:** the UK will break up. There will be violence in Northern Ireland and a breakdown in relations with the Republic of Ireland. Less power sharing to detriment of UK unity. The rise of nationalism. There will be a less balanced economy, with London growing at the expense of the rest of the UK.

**Domestic view of settlement:** A campaign to rejoin the EU will have begun. There will be large scale discontent and public disorder, with a rise of extremism and vulnerability to disruption, alarm and despondency. Disenfranchisement. Distrust of business, institutions etc. Intergenerational conflict. Fall in investment in NHS, leading to end of NHS.

**Economic benefits:** there will be a fall in house prices, a loss of trade with the EU, leaving the country poorer as a result. There will be a lack of investment in public services, greater inequality, continued austerity and forced internal migration. London will lose its place as best financial centre. Public and consumer debt will increase.



## Practical outcomes

Scenarios developed allow a number of questions to be asked:

- Is the most likely scenario acceptable? If developments take place as they seem likely to, will the end result be acceptable?
- If not, what specifically can be done to get closer to the best case scenario, and avoid the worst case scenario?
- What additional information will be needed to check on the scenarios – to see whether or not developments are taking place as expected, or to look for opportunities to move closer to the best case, pick up warnings that the worst case is emerging?

None of the four groups in the exercise summarised here felt that the most likely scenarios were acceptable, would be part of a successful Brexit.

Getting closer to better outcomes would require more information as a guide to action.

Finally, the group drew out implications for public relations practice and for the Institute as it works to help its members prepare for Brexit.

### Information

There is still, in the UK, a need to develop a better understanding of 'Brussels' – the institutions and working of the European Union. Lack of understanding has been a consequence of media treatment of the Union by the media in the UK. There are opportunities here for the public affairs community to address these requirements for better understanding.

Going forward there will be a need for accurate, complete information on immigration, passports, visas. It will be necessary to stay close to negotiations on these topics and policy development within the UK government.

In the next few months we will have a better sense of the realism of the timetable being followed in the negotiations relating to the future relationship between the UK and the remaining members of the EU.

A big question for practitioners is where can they look for sources of information of information on Brexit, and for high quality analyses of its impact. Suggested at the meeting was the use of resources provided by think tanks, such as Chatham House.

'Facts' versus sentiments – it's been shown that people are not swayed by factual arguments relating to the effects of Brexit. What is important around the topic is how people 'feel' about Brexit. The future will depend on the generation of sentiment around the changed status of the UK. Practitioners will have a role to play in this.



## Implications

Brexit is seen as a 'public affairs' issue, but the impact of Brexit will be felt in relationships – for example, between generations. The role of public affairs vis-a-vis public relations needs to be reconsidered and the overlaps between the two exploited fully.

Within public affairs, lobbying will have a bigger role going forward, but its purpose is still misunderstood.

Clients and employers enquiring from overseas expect full informed advice. Practitioners here need to be ready to provide this.

Brexit will be accompanied by opportunities for cultural change and changes in public sentiment. In these, again, public relations will have a significant role to play.

## Comments

Scenario planning is invaluable – as an aid to planning and decision-making, as a means of asking 'what if' questions, testing levels of knowledge and assumptions, assessing risks and looking for guidance for action in times of uncertainty.

Coming out strongly in this first exercise are the opportunities to benefit from Brexit, as a call for political and cultural change – going beyond economic calculations – that **may** revitalise the country. Public relations practice has a clear role in communicating these possibilities, using a blend of facts and sentiment to generate an enthusiasm for change and development.



## Participants

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