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Brexit Scenario Planning

Session 2 Report – June 2018

A summary from a meeting held May 24 2018 at the Institute to develop scenarios relating to possible outcomes from the United Kingdom's exit from the European Union.

The meeting led and summarised by Dr Jon White.

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Introduction

This report is a summary of the scenario planning exercise to examine outcomes from Brexit held May 24 2018.

The exercise is part of the Chartered Institute of Public Relations' preparations for Brexit. In these, the Institute is looking at 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 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 second of these exercises. An earlier report sets out the results from the [first exercise held on April 12 2018](#).

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.

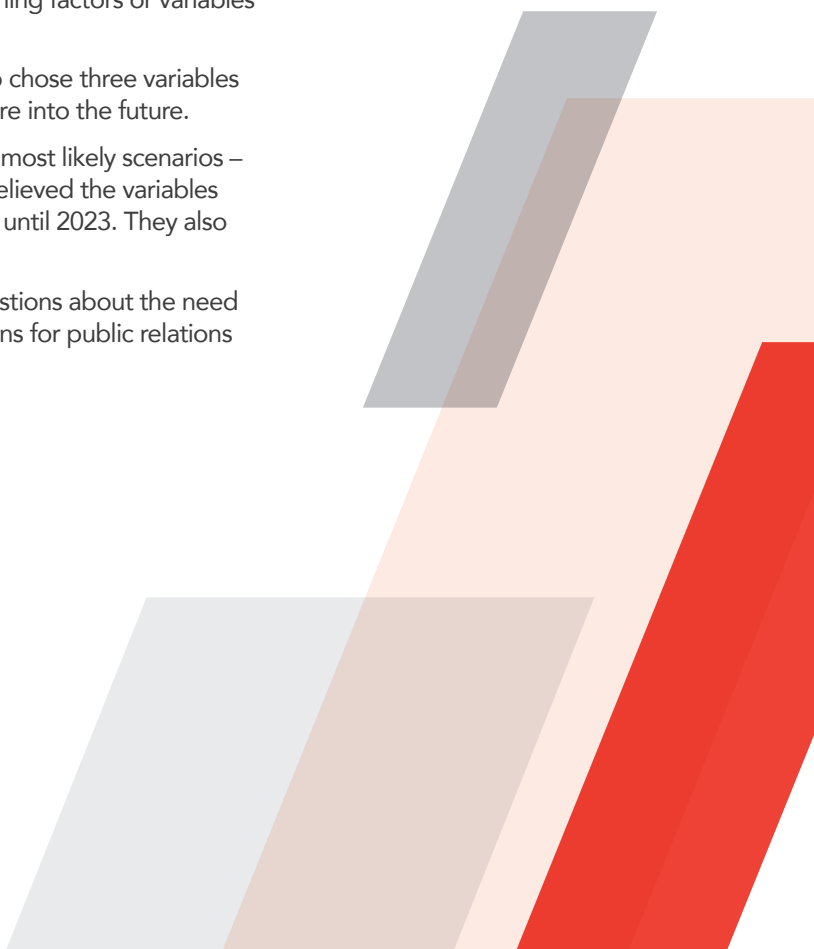
As in the previous meeting, the exercise began with a brief description of scenarios – plausible pictures of the future – developed in a disciplined discussion of factors or variables at work in desirable future outcomes; what would a successful Brexit for the UK look like, at some point in the future? The group looked five years into the future, to 2023, a point two years after the end of the projected period for transition 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:

- No harm to GDP
- Access to the Single Market
- Increase in trade with non-EU countries
- No negative impact on freedom of movement or limitations on ability to import skills
- Rights of Britons living in EU countries and EU citizens in UK protected
- Solution to Irish border question
- Cooperation on safety matters
- Good relations with EU countries
- Maintenance of workers' rights, environmental protection
- Broad public support for Brexit outcomes
- No barriers to collaboration
- A strong United Kingdom, with good relations between nations and regions
- 'Ego' and sovereignty issues resolved (country comes to realistic assessment of its place in the world and possibilities for its future)
- Increased flexibility for the UK to take international initiatives
- Continued membership of of EU bodies
- Access to equivalent funding (to replace loss of support from EU funding sources)
- Maintenance of standards, for example in animal welfare
- Absence of nationalist groups
- UK's standing in the word sustained
- Access to goods
- A satisfactory regulatory framework (added in smaller group discussion)

Dividing into four 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:

- Access to skills
- Membership of EU bodies
- Access to goods

Most likely scenario

Access to skills: Immigration policy remains uncertain but UK will develop its own immigration policy. Existing rules will be extended into the future while this happens.

Membership of EU bodies: Increased red tape. Inability to influence deliberations of EU bodies. Paying for access. Access limited, with limited voting rights (if any).

Access to goods: Delays. Limited access to some goods. Increased costs of goods (buying and selling). Higher tariffs. Manufacturers to move out of UK.

Best case scenario

Access to skills: Brexit creates opportunities to upskill UK population. There are no limits on access to talent from the EU, and access to talent from non-EU sources is easier.

Membership of EU bodies: Agree continuing membership with voting rights. Cooperation with bodies outside the EU. Data sharing.

Access to goods: No interruption to, or shortage of, supplies. A free trade agreement. Existing agreements 'copied and pasted.' Ability to strike better deals with other countries.

Worst case scenario

Access to skills: Borders close and people leave leading to a brain drain. No agreed deal by end of 2018 which results in a crash out. The UK is not attractive to non-UK citizens.

Membership of EU bodies: No membership of any EU bodies. No access to data bases. Adverse effects on population (for example, failing to identify issues with regulations surrounding medicines).

Access to goods: Falling back on WTO standards. Long queues at the border. Product shortages/ empty shelves in supermarkets which could result in social unrest.

Group 2

Group 2 developed scenarios looking at three variables:

- Access to single market
- A strong United Kingdom
- UK's standing in the world

Most likely scenario

Access to single market: Some form of access, but will have to 'pay to play' – with no say. Tighter immigration controls. Mutual recognition.

A strong United Kingdom: Things will most likely stay as they are, with no internal trade barriers and standard (usual) arguments between devolved governments not feeling fully involved. There will be a 'fudged' softer border in Northern Ireland.

UK's standing in the world: Stays much the same with some diminishment of reputation, strengthening existing relationships outside the EU. Keep status quo as a leader in some sectors. Maintain good diplomatic relations.

Best case scenario

Access to single market: Access and say in workings of the market. Tighter control over freedom of movement (migration). Strengthen trade outside EU with access to single market.

A strong United Kingdom: Relations strengthened, with a UK Council of Ministers. Strong UK national identity – one voice shaped by UK nations. No hard border in Northern Ireland.

UK's standing in the world: Strong and important partner to the EU. Remain a gateway to Europe, but without becoming a US "puppet". Still an attractive proposition to invest in with an inclusive diplomacy. Reinvigorating manufacturing services. A strong and growing economy. A voice in helping EU reform.

Worst case scenario

Access to single market: Hard Brexit. Smaller businesses go out of business. No innovative/new products coming in. No access, alienation of our biggest client and their 500m customers. Complete divergence. Businesses, in financial services for example, leave the UK. Loss of skilled and unskilled workers. 'Taker not a maker' when it comes to decisions on policies and standards.

A strong United Kingdom: No identity. Independence of devolved nations – Scotland will break away following a second referendum on independence. Trade barriers within the UK – internal trade friction. More divisive regions. Complete centralisation in Westminster. Claw back of devolution. Harder border in Northern Ireland.

UK's standing in the world: Weakening economy and reputation. Unstable, unreliable and isolationist. Overlooked and side lined. Instead of a leader, a taker. Pride and politics overtake practicality.

Group 3

Group 3 developed scenarios looking at three variables:

- No harm to GDP – the economy
- A strong United Kingdom, with good relations between nations and regions (devolution)
- No negative impact on freedom of movement or limitations on ability to import skills

Most likely scenario

No harm to GDP – the economy: Political uncertainty. Moderate impact on growth. Greater impact on financial services. Some and limited tariffs, some economic disruption. Largely business as usual but deferred investment. Resulting in EEA/bespoke agreement.

A strong United Kingdom, with good relations between nations and regions (devolution): UK remains intact. There is a soft border Ireland/Northern Ireland. UK government develops frameworks for devolved powers. Regions will be hit economically. A shortage of skills. A rise in nationalism. Constitutional reform.

No negative impact on freedom of movement or limitations on ability to import skills: Some kind of trade-off between freedom of movement and tariff free trade. Mutual rights of current EU/UK citizens living abroad guaranteed. Fall in numbers of EU students and academics. Loss of highly skilled workers. Problems for Home Office in trying to implement new model. Continuing anti-immigrant sentiment in UK.

Best case scenario

No harm to GDP – the economy: Negligible impact on GDP. Wages and funding for public services and industry increase. No tariffs, no supply chain disruption. Stable pound and inflation.

A strong United Kingdom, with good relations between nations and regions (devolution): UK, with Northern Ireland, remains intact. All powers returned from Brussels. Northern Ireland has a government. Economic strengthens in all regions. People happy with the deal/settlement.

No negative impact on freedom of movement or limitations on ability to import skills: Continued freedom of movement, end to 'hostile environment' for immigration. More control within freedom of movement. Devolved immigration powers, broadly accepted by the public. UK and EU citizens' rights guaranteed. Students taken out of migration targets. EEA/bespoke agreement is the best, and most likely, development.

Worst case scenario

No harm to GDP – the economy: Recession. No trade deals. Rising inflation and unemployment. Continuing cuts to public services.

A strong United Kingdom, with good relations between nations and regions (devolution): Scottish independence. Violence in Ireland. England, Wales, Scotland and Northern Ireland all hit economically. Extreme nationalism and a rise in racist politics.

No negative impact on freedom of movement or limitations on ability to import skills: Lack of skilled workers. UK citizens banned from working in EU. Escalation of 'hostile environment' for immigration and increased racism. No rights guaranteed. Economy hit. Chronic immigration situation with the Home Office fails to cope.

Group 4

Group 4 developed scenarios looking at three variables:

- No negative impact on freedom of movement or limitations on ability to import skills
- A satisfactory regulatory framework
- Broad public support for Brexit outcomes

Most likely scenario

No negative impact on freedom of movement or limitations on ability to import skills: Bespoke arrangements made sector by sector. There will be a need for more information. An extension of transition period. More lobbying around needs, for example, by the NHS.

A satisfactory regulatory framework: Nothing much changes, initially, through transition period. Push back from Brexiteers if regulations don't change.

Broad public support for Brexit outcomes: Stronger opinions and hardened views. Trust in political institutions continues to degrade. Continued uncertainty.

Best case scenario

No negative impact on freedom of movement or limitations on ability to import skills: No restrictions on movement. Enforced laws on immigration. Brexit a fresh start, with full, cross-party support. EU providing fair opportunities. UK seen as a place where people want to live.

A satisfactory regulatory framework: Business as usual through full alignment or sector specific alignment. Set out UK's own regulations and standard – fit for purpose for us and for trading partners.

Broad public support for Brexit outcomes: New united party and inspiring leader. Businesses taking accountability. A re-focus on the domestic agenda as the conversation moves on beyond Brexit. Managed immigration.

Worst case scenario

No negative impact on freedom of movement or limitations on ability to import skills: Withdrawal followed by no access to skills. Overly restrictive border controls.

A satisfactory regulatory framework: Too many changes, too quickly as regulations become too loose. Businesses leave because of uncertainty, unknown risks and regulation.

Broad public support for Brexit outcomes: Move to populism? Widespread political distrust. Continued isolation of immigrants.

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.

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

Implications for action and public relations

One group were able to suggest actions to be taken to ensure access to skills. They argued for a reciprocal deal with EU, more education/reform and more investment in vocational training. They also looked for more collaboration with non-EU countries and emerging markets. Ideally, we shouldn't leave the EU, but have to carry out damage control and look for access to funding from other countries.

In another group no-one liked the most likely scenario. The group saw the need to nudge towards the best case. They felt that business needs to gain trust and credibility again. Practitioners should be the experts to help on the 'real issues.' Organisations should share their voice with others in their sector to make their arguments more forceful.

The whole group felt that business groups and professional associations should take stronger positions, recognising the reputational risks in doing this. There seems to be a fear in business of consequences of taking a stand, but it was felt working through alliances can limit risks.

Brexit issues can be best dealt with through relationships, not entirely through the media.

Organisations need complete communications and engagement plans around Brexit issues. There were examples in the group of detailed plans that have been made. One example was that of the **Welsh Government** and their '**Securing Wales' Future**' report. Organisations also need to decide upon their stance; impartiality or involvement. Where practitioners help with these efforts they are, in the experience of members of the group, drawn into senior level decision-making. There's a clear role for public relations in lobbying, educating and informing.

Drawing on crisis experience, public relations expertise should be brought in early, to help to make new contacts, new connections and relationships, to increase stakeholder engagement. Public relations can make a strategic contribution and carry out background work.



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.

Several members of the group committed to taking on the exercise summarised here, and repeating it in their own organisations.

The earlier exercise in April saw opportunities to benefit from Brexit, as a call for political and cultural change – going beyond economic calculations – that may revitalise the country. The earlier exercise saw a clear role for public relations in communicating these possibilities, using a blend of facts and sentiment to generate an enthusiasm for change and development.

This group in the May exercise felt that working on issues associated with Brexit would be to work to limit damage. They were convinced that practitioners have a part to play in strategy development relating to responses to Brexit and several members of the group were already working at senior levels in their organisations to make this contribution.

Participants

David Bowden, Global PR Officer, Association of Chartered Certified Accountants

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*one participant politely requested to not have their details included