

Impact Assessments? What Impact Assessments? – is anybody actually planning to leave the EU?

Accepted draft

In his 1980 book *Great Planning Disasters*ⁱ, Peter Hall argued that there are two ‘*rather different but related*’ meanings of planning. Firstly, it might ‘*refer to a set of processes whereby decision-makers engage in logical foresight before committing themselves*’ – processes he notes which are ‘*common to the planning of many public activities: defence, economic development, education, public order and welfare*’. Secondly, the word planning ‘*can refer to processes that result in a physical plan showing the distribution of activities and their related structures (houses, factories, offices, schools) in geographical space*’, the kind of planning often described as ‘*physical planning, or town and country planning, or urban and regional planning*’ (or environmental, or spatial planning). One of the startling things, amongst many, about the period leading-up to and since the UK’s 2016 EU referendum has been the revelation that departments of UK government did not apparently engage in any kind of planning for the eventuality of a vote to leave the EU.ⁱⁱ Planning for a possible UK exit from the EU might have most obviously implied a requirement for the first kind of planning identified by Hall, as a process of ‘*logical foresight*’ - for example, planning for impacts on different sectors of the economy. And whilst it would be unlikely to involve planning in the second sense mentioned above, there would have been scope to consider the effects on different places (‘*in geographical space*’ to use Hall’s terms) – not least as the territorial effects of leaving the EU are anticipated to be varied. It seems though that there was little appreciation at the heart of the UK state of William McDonough’s satisfyingly circular dictum that “*planning is most effective when it is practiced in advance*”!

But ‘It is never too late to start planning’! After all, the UK has not actually left the EU yet, and the Article 50 process allows plenty of time to conduct preparatory work - the undertaking of Impact Assessments (IAs) perhaps? The preparation of the latter has become customary practice as part of ‘*processes whereby decision-makers engage in logical foresight before committing themselves*’ (to use Hall’s words). So despite the

false start around anticipating and planning for the impacts of the UK leaving the EU, it has been very reassuring to hear David Davis, the UK government's 'Secretary of State for Exiting the European Union' state repeatedly for over a year that his 'Department for Exiting the European Union' (DExEU) has been preparing 50 to 60 studies on the implications of the UK leaving the EU for different sectors and that these contained '*excruciating detail*'ⁱⁱⁱ.

Oddly, however, Mr. Davis also displayed a marked reluctance to share these documents with Parliament, business, and the British people, until a Labour Party Parliamentary motion was passed, asking him to release the studies to the Exiting the European Union Select Committee. Subsequently, on 6 December 2017, in giving evidence before this committee, he finally admitted that that '*no such systematic IAs*'^{iv} had been carried out^v. Leaving aside the issue of why Davis might have sought to convey an impression over many months that such studies were being prepared when apparently they do not exist, his admission was extraordinary.

The kinds of analyses at the heart of the ongoing controversy around the UK leaving the EU are routinely prepared in the context of drafting government policies and were until recently called Regulatory Impact Assessments. The government template which provides a list outlining the purpose and focus of an IA, states these should include:

- a "description of the problem under consideration",
- [the] rationale for [the] intervention;
- [the overall] policy objective,
- [a] description of options considered (including status-quo),
- monetised and non-monetised costs and benefits of each option (including administrative burden);
- [the] rationale and evidence that justify the level of analysis used in the IA (proportionality approach);
- risks and assumptions;
- direct costs and benefits to business calculations
- [... and what is referred to as] wider impacts".

With regards to wider impacts, reference is made to an IA Toolkit, which was released by the Department for Business, Innovation and Skills (BIS) in 2011. This document reveals that the approach used is broadly in line with an internationally accepted understanding of what IAs should look like. They are participatory, transparent and open decision support procedures, consisting of various (logical) steps. The assessment of different options is at the heart of assessment, focusing on various economic and other impact areas.

The ubiquity of IAs as part of government's processes of *'logical foresight'*, perhaps explains why Davis sought to circumnavigate some of the Select Committee's questions and criticisms by stating *'You use the word impact assessment. I've been using the word sectoral analysis. They are different, right?'* He added that *'People seem to assume an impact assessment consists of a quantitative forecast'* and that issues such as whether the UK should leave the EU customs union were also based on *'a judgment made on qualitative things, but not a quantitative one'*. IAs are indeed distinctive from purely quantitatively based tools such as Cost-benefit Analyses (CBAs) used in various forms since the mid-19th century in justifying investment decisions, emerging in the 1970s and being initially associated with Environmental impact Assessments (EIAs) before being applied in a multitude of other fields, including health, social impact studies and sustainable development.^{vi} So if DExEU has not been doing solely quantitative economic assessments – not least perhaps as Davis stated he was *'not a fan of economic models because they have all proven wrong'*^{vii}, then which other analyses had been undertaken (in-keeping with standard government practice)? His semantical side-stepping around 'assessments' and 'analyses' could not obfuscate the fact that, as the Committee Chair Hillary Benn MP suggested, it was strange when *'the government undertakes Impact Assessments on all sorts of thing all of the time that on the most fundamental change that we are facing as a country you've just told us that the Government hasn't undertaken any impact assessments at all'*.^{viii} Mr Davis's position, however, was that the usefulness of these such assessments would be *'near zero'* in the context of the scale of change likely to be unleashed by the UK leaving the EU. So when things get too complicated any attempt at *logical foresight* is futile should we just hope for the best? A further insight into the SoS's attitude was provided by his subsequent statement *'What's the*

requirement of my job? I don't have to be very clever, I don't have to know that much, I do just have to be calm'.^{ix} So there we have it - the 'Exiting of the EU and the Victory of the Know-Nothing school!^x.

Yet given usual practice, and in-keeping with the spirit of '*logical foresight*' evoked by Peter Hall, might not comprehensive and participatory IAs help government to make informed and transparent decisions about future policy choices, considering, not just sectoral, but wider-economic, societal, environmental and spatial impacts of different options^{xi}? One issue they might address is the potentially differential regional effects of leaving the EU – given that for some regions economic and other consequences are likely to be more severe than for others^{xii}. In this context, the 'Territorial Impact Assessment' (TIA)^{xiii} instruments originally developed in order to help understand potential impacts of EU policies (e.g. directives and funding programmes) on different European regions could play a role. In the EU context their rationale is connected to the Treaty objective of promoting territorial cohesion and the aspiration of fostering every region within the EU in realising its full potential for long term sustainable development. But methodologically TIA could also be used to assess the impacts on places of leaving the EU. For example, from a regional policy perspective, as Kevin Morgan notes '*Brexit raises an issue that dwarfs all others and it is this: will London provide the same level of support after 2020 that is currently on offer from Brussels?*^{xiv}.

But aside from changes in regional funding allocations, another impact on places may be the opportunity costs of diverting scarce resources and attention from authentic national policy challenges like housing, social care and health. These costs may be high and are likely to impact disproportionality '*in geographical space*' on those places and communities that can least afford to bear them. Given that TIA considers social, economic and administrative impacts, it may help assess such differential economic, social, environmental, UK-wide and regional effects of leaving the EU. It might even help decision makers and citizens anticipate with '*logical foresight*' the impacts and consequences, try plan to mitigate these as best they can, and develop their resilience in the face of an uncertain future^{xv}

Conclusion

Peter Hall defined a planning disaster as *'any planning process that is perceived by many people to have gone wrong'*. It is certainly sobering to consider the governmental handling of the EU referendum, and its aftermath from this perspective. Hall also noted that in some of the cases covered in *Great Planning Disasters* that even if the *'outcome might not have been very different'*, better planning may have meant that *'in all, the decision would have been taken more consciously, more rationally, with greater knowledge of likely consequences, and in the last resort more democratically'*. However, Taylor and Hurley also note the human *'propensity to unconsciously reimagine information to fit our own theories and existing worldviews'* and how *'when we lack information, we default to these views'*, adding that *'even if the implications of new information challenge an existing idea, it will be reimagined or discarded'*. The cognitive bias of decision makers and populations may thus mean that more knowledge of the impacts of leaving the EU may not shift opinions. Despite this might we dare to hope that more awareness of the potential impacts and trade-offs of leaving the EU may contribute to creating better-informed decision-makers and citizens, and in this ultimately enhance the democratic quality of ongoing deliberation about choices and outcomes? After all David Davis has stated *'If a democracy cannot change its mind, it ceases to be a democracy'*. Yet given the manner in which the prospect of leaving the EU has been planned for, those such as Davis who have willed this fate on the UK would do well to remember Peter Hall's closing words in 1980 that *'There may be some excuses for great planning disasters, but there are not nearly as many as we think'*.

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[\(https://www.liverpool.ac.uk/geography-and-planning/research/environmental-assessment-and-management-research-centre/about/\)](https://www.liverpool.ac.uk/geography-and-planning/research/environmental-assessment-and-management-research-centre/about/)

ⁱ P. Hall (1980) *Great Planning Disasters*, Penguin Books, Harmondsworth.

¹ <https://www.ft.com/content/f5797e2a-444d-11e6-b22f-79eb4891c97d>

ⁱⁱⁱ D. Roberts and S. Clarke (2017) What the Brexit impact papers may – or may not – reveal, The Guardian Newspaper, 02 November 2017. <https://www.theguardian.com/politics/2017/nov/02/what-the-brexit-impact-papers-may-or-may-not-reveal>

^{iv} <https://inews.co.uk/news/politics/david-davis-faces-anger-admits-no-brexit-impact-assessments/>

^v Other bodies in contrast have undertaken IAs of the impacts of the UK leaving the EU and made the results publicly available. The European Parliament's IA, has been available since March 2017 (<http://www.europarl.europa.eu/unitedkingdom/en/ukevents/brexit/brexitstudies.html>), whilst the US think-tank the RAND corporation's IA on the implications for the US, EU and UK was published in December 2017; the latter soberly highlighting that '*The key question for the UK is how much worse-off it will be*' after leaving the EU (https://www.rand.org/pubs/research_reports/RR2200.html).

^{vi} <https://news.liverpool.ac.uk/2017/12/08/impact-assessments-what-impact-assessments-and-what-is-an-impact-assessment/>

^{vii} <http://www.independent.co.uk/news/uk/politics/david-davis-brexit-impact-assessments-uk-economy-sectors-industry-eu-withdrawal-mps-select-committee-a8094481.html>

^{viii} <https://inews.co.uk/news/politics/david-davis-faces-anger-admits-no-brexit-impact-assessments/>

^{ix} <http://www.independent.co.uk/news/uk/politics/david-davis-brexit-secretary-dont-have-to-be-clever-ireland-a8103151.html>

^x To allude to the title of Michael Brehny and Peter Hall's paper on the demise of strategic planning in the 1980s. M. Brehny and P. Hall, The Strange Death of Strategic Planning and the Victory of the Know-Nothing School, *Built Environment* (1978-) Vol. 10, No. 2, The Demise of Strategic Planning (1984), pp. 95-99

^{xi} Though they may also reveal some awkward truths.

^{xii} <http://www.cer.eu/insights/brexit-yourself-foot-why-britains-euro-sceptic-regions-have-most-lose-eu-withdrawal>

^{xiii} Fischer, T. B.; Gore, T.; Golobic, M.; Pinho, P.; Sykes, O.; Marot, N.; Waterhout, B. 2015. Territorial Impact Assessment (TIA) of European draft directives – The emergence of a new policy assessment instrument, *European Planning Studies*, 23(3): 433-451;

<http://www.tandfonline.com/doi/abs/10.1080/09654313.2013.868292>

^{xiv} Planning for a so-called future UK Shared Prosperity Fund is apparently continuing to take place but details and guarantees about future levels of support are hard to come by at present. See replies on 12 December 2017 to questioning on European Structural and Investment Funds from The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Henley) (Con)

<https://hansard.parliament.uk/Lords/2017-12-12/debates/02B00000-02E4-49B8-BE0D-93CD46515DD8/EuropeanStructuralAndInvestmentFunds>

^{xv} E.J. Taylor and J. Hurley (2015), "Not a Lot of People Read the Stuff": Australian Urban Research in Planning Practice, *Urban Policy and Research*, 34/2, 121.