

REPORT

BREXIT NORTH

SECURING A UNITED VOICE AT THE NEGOTIATING TABLE



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and Ed Cox

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The economy of the North is very different from the South, so Brexit presents many different threats and opportunities. How the City and financial services emerge from Brexit, for example, may be very different to the impact on core or advanced manufacturing. There are major questions as to what a northern Brexit might or should mean, and IPPR North has done a great job in identifying these and presenting constructive suggestions for negotiating a progressive Brexit.

As a legal business with deep roots in the north, DWF is already focusing on the challenges our clients are facing following the Brexit vote, and we believe that the proposals set out in this report can help to ensure that the economy and international trade in the region goes from strength to strength.

Jonathan Branton,
Partner, Head of EU and Competition, DWF

ABOUT IPPR NORTH

IPPR North is IPPR's dedicated thinktank for the North of England. With its head office in Manchester and representatives in Newcastle, IPPR North's research, together with our stimulating and varied events programme, seeks to produce innovative policy ideas for fair, democratic and sustainable communities across the North of England.

IPPR's purpose is to conduct and promote research into, and the education of the public in, the economic, social and political sciences, science and technology, the voluntary sector and social enterprise, public services, and industry and commerce.

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SUMMARY

This paper is part of IPPR's series on a 'Progressive Brexit'. It considers both the implications of Brexit for the North of England, and a process by which the North can ensure that its needs are recognised within a national negotiation.

The north of England depends more heavily on trade with Europe than other parts of the country, and has been a significant recipient of EU funding. Yet, taken as a whole, a greater proportion of people in the North voted to leave the EU than in other parts of the UK.

This paper does not look in detail at the reasons for such voting patterns; instead, it focuses on the economic implications of the result. It argues that alongside trade and funding issues, the North has distinct economic assets and interests that will be affected by Brexit. This includes strengths in key sectors such as:

- advanced materials and manufacturing
- energy generation, distribution and storage
- health innovation
- the digital economy.

This distinctiveness means that Brexit presents both opportunities and threats. It is therefore essential that the North ensures that it has the tools it needs in order to both exploit the opportunities that Brexit offers, and mitigate the risks that it will pose.

The nascent and patchy development of combined authorities, metro-mayors and devolution 'deals' in the North means that the region is not well-placed to formulate a coherent response to Brexit that will match those of the devolved administrations for Northern Ireland, Scotland and Wales, or that of the mayor of London or other well-established lobbying groups. Furthermore, it is quite impossible for central government to deal meaningfully with the demands of over 30 upper-tier local authorities, and 11 local enterprise partnership areas, in the North one by one.

For this reason, the paper argues for the formation of a Northern Brexit Negotiating Committee to determine the type of Brexit that the North needs, and speak with one voice in the negotiations, rather than have others shape the debate and leave individual places in the North to simply cope with the Brexit that they are given.

1. INTRODUCTION

On 23 June 2016, the UK electorate voted by a margin of 52 to 48 per cent in favour of leaving the EU.¹ Unlike those in London, Northern Ireland and Scotland, voters in the north of England clearly favoured ‘Brexit’: 54 per cent of voters in the North West, and 58 per cent of those in the North East and Yorkshire and the Humber, voted for the UK to leave the EU. The reasons behind these voting patterns are complex, and are not the main focus of this paper.² Instead, this paper focuses on the implications of the result, which will be threefold.

- A new international context in which the UK’s foreign and (emerging) trade policy will operate.
- A new domestic context, with changes to the machinery of government.³
- Political, legal, economic, social and environmental risks and opportunities which will vary by, among other things, economic sector and social group.⁴

However, beyond the oft-cited tautology ‘Brexit means Brexit’, what might Brexit actually mean? The devolved administrations of Northern Ireland, Scotland and Wales, the Mayor of London, and different interest groups such as the City of London, will seek to influence the positions taken by UK and EU negotiators – and it is these positions that will ultimately determine the meaning of Brexit.

Regions and local areas in England, including those in the North, need to work out how best to exert their own influence over the outcome of Brexit in order to exploit the opportunities it may offer, mitigate the risks it poses to businesses and communities.

If it is to shape rather than merely respond to the outcome of the Brexit debate, the North must act – and it must do so not in opposition to other parts of the UK, but in a way that ensures that Britain’s post-Brexit arrangements work as well for the North as they do for other parts of the country. In this way the North could play an important part in delivering

1 <http://www.bbc.co.uk/news/uk-politics-36616028>

2 See for example Goodwin M and Heath O (2016) ‘Brexit vote explained: poverty, low skills and lack of opportunities’, Joseph Rowntree Foundation. <https://www.jrf.org.uk/report/brexit-vote-explained-poverty-low-skills-and-lack-opportunities>

3 Issues related to arrangements for the island of Ireland, and to Scottish independence, are not addressed in this paper.

4 This paper focuses on the potential implications of Brexit for the north of England’s economy. An analysis of the factors that underpinned people’s choices in the referendum lies beyond the scope of this paper. It is clear, however, that the Brexit vote was as much a call for an end to ‘politics-as-usual’ as it was a vote for the UK to leave the EU. The Leave campaign’s slogan, ‘Take Back Control’, captured this mood. Thus, there may be a need for a committee to review arrangements to provide the residents of the North with a more powerful voice in domestic politics, in the same way that this paper makes the case for a Northern Brexit Negotiating Committee for the North to provide a voice for the North in negotiations on future economic arrangements in the UK.

an economically successful Brexit that benefits not just its own economy and communities but those of the UK as a whole.

In order to influence the Brexit debate, the North must be able to answer the following questions.

- What can the North contribute to the economy of post-Brexit Britain?
- What are the North's priorities in the Brexit negotiations?
- Which powers and investments are required in order to make the most of the opportunities that Brexit offers?
- Which powers and investments are required in order to mitigate or compensate for any losses associated with Brexit?
- How can the North achieve its objectives in the Brexit negotiations?

This paper – the third in IPPR's 'Progressive Brexit' series⁵ – takes the first steps in trying to answer these questions and calls for the establishment of a Northern Brexit Negotiating Committee to provide a coherent voice for the North of England in Brexit negotiations.

The next chapter considers some of the potential forms that Brexit might take. Subsequent chapters examine the economic case for developing a specifically northern response to Brexit; the practical and governance issues that hinder the development of such a response; and what it will take to secure a Brexit that is successful for the North. The paper concludes by making the case for why the North must have a seat at the Brexit table.

5 The first two papers in this series, both published in July 2016, were Morris M (2016) *Beyond free movement? Six possible futures for the UK's EU migration policy*, IPPR. <http://www.ippr.org/publications/where-next-for-free-movement>; and Colebrook C (2016) *One step removed? Six possible futures for the UK's economic relationship with the EU*, IPPR. <http://www.ippr.org/publications/a-progressive-brexit>

2. WHICH TYPE OF BREXIT MAKES MOST SENSE FOR THE NORTH OF ENGLAND?

There have been rapid and surprising shifts in domestic and international politics over recent years, and it would be unwise to expect a period of calm to arrive soon. Indeed, it is likely that the EU itself will change significantly in the course of any Brexit negotiations.

While this paper's focus is on Brexit and the North, it is important to recognise that Brexit negotiations will take place in a dynamic geopolitical context. There are, for example, a number of EU-wide scenarios that may change the context in which Brexit negotiations take place. Table 2.1 outlines some – but not all – of these scenarios.⁶ For ease of explanation, this paper assumes the first scenario.

TABLE 2.1
EU-wide future scenarios

EU-wide scenario	Brief description of scenario
1. <i>No change other than Brexit</i>	The UK leaves the EU, which continues as before (but with more barriers between it and the UK).
2. <i>A eurozone-only EU</i>	The departure of other non-eurozone members from the EU leads to the formation of a eurozone-only EU. This generates a radically different context for Brexit.
3. <i>A reformed EU with associate membership</i>	A reshaped EU, with fewer than 27 full members; a new form of associate membership is established, which perhaps results in arrangements that are similar to those of a 'soft Brexit' (see below) but which enables the UK to retain decision-making powers in some policy areas.
4. <i>The UK does not initiate Brexit</i>	The UK does not trigger Article 50 of the Lisbon treaty; the EU undertakes reforms, perhaps similar to those outlined in scenario 3 above with regards to associate membership.
5. <i>The end of the EU</i>	Many other countries leave the EU, and its institutions become unsustainable.

⁶ For a further discussion of different scenarios see [One Step Removed? Six possible futures for the UK's relationship with the EU](#), IPPR.

While some argue that Brexit can only mean one thing,⁷ there are numerous options that offer different levels of engagement and influence beyond an immediate short, sharp ‘hard Brexit’; these options include continuing membership of the European Free Trade Association (EFTA) and/or the European Economic Area (EEA). Table 2.2 sketches out a few more of these options, and illustrates the sort of judgements that will need to be made by those involved in Brexit negotiations.⁸

TABLE 2.2

Potential forms of Brexit

Type of Brexit	Outline of key features
<i>‘Hard Brexit’</i>	The UK withdraws completely from the EU. The UK becomes a member of the World Trade Organisation (WTO) and trades on the basis of WTO rules; negotiates trade deals with third parties over time; introduces restrictions on EU migrants that mirror those applied to migrants from the rest of the world; and potentially introduces tariffs on imports from the EU, to mirror the EU’s common external tariff (thereby raising revenue for the Exchequer, which could be used to ease adjustments in the economic sectors and areas that are currently most reliant on trade with the EU).
<i>‘Soft Brexit’</i>	The UK retains its membership of the European Economic Area and the customs union, and continues to participate in R&D programmes; it also gains an ‘emergency brake’ on the free movement of people from the EU to the UK (as is already available to Liechtenstein). [*] This kind of arrangement would limit the UK’s ability to negotiate trade deals with third parties, but would ensure tariff-free trade with the EU.
<i>‘Staged Brexit’</i>	A ‘soft exit’ followed by a shift towards a ‘hard exit’ over time, in an effort to smooth the transition from old to new arrangements for all parties. A ‘hard exit’ followed by negotiations to ‘re-enter’ certain aspects of the EU (‘Brentry’) might also be possible.

^{*}Note: For more on migration see Morris 2016.

If it is to influence the Brexit negotiations, the North must focus on those issues that are most important to it, and identify the potential gains and losses associated with different Brexit ‘end games’. The next chapter of this paper looks at some of the economic considerations that are specific to the North, and provides examples of the kinds of steps that the North might take in order to maximise its gains, and minimise its losses, from Brexit.

7 Jenkin B (2016) ‘There is no such thing as hard or soft Brexit’, *Financial Times*, 31 July 2016. <https://next.ft.com/content/f7764e16-5635-11e6-9f70-badea1b336d4?tagToFollow=NDdiMzAyNzctMTRiMy00Zjk1LWVlYmYwZWlWYWU2NzAy-VG9waWNz>

8 For more on trade issues and Brexit see Colebrooke 2016.

3.

DOES THE NORTH HAVE DISTINCT CONCERNS?

Many Brexit-related issues, such as the UK's future relationship with Europol, will affect all parts of the UK equally. The economic, social and environmental implications of Brexit, however, are likely to have a spatial dimension given that there are significant differences in patterns of trade between the different regions of the UK. In this chapter we outline a framework for mapping the economic implications of Brexit – based on demand-side and supply-side issues, and the timescales on which these issues are likely to arise (see table 3.1) – for illustrative purposes. We then look at economic considerations of particular interest or concern for the North (see the 'Economic considerations, issues and policy challenges for the North arising from Brexit' subsection).⁹

TABLE 3.1

Understanding time-related supply-side and demand-side economic issues

	Examples of demand-side issues	Examples of supply-side issues
Examples of short-term economic issues	Potential economic slowdown due to uncertainty triggers calls to support domestic demand by, for example, increasing (or at least maintaining) levels of public sector spending.	Changes in the flow of migrant workers from the EU following the Brexit vote (for example, an influx of migrant workers seeking to enter the UK before Brexit occurs; or alternatively, outflows of EU workers to EU countries, where their status will be more certain) affect the availability of skilled workers, and wage levels.
Examples of structural economic issues	Postponement of investment decisions in the public and private sectors in the face of uncertainty reduces the economy's long-term capacity, triggering calls for the government to support long-term investments (such as HS2 and HS3).	Changes in the flows of goods and people to, from, and within the North following Brexit necessitates investment in transport and logistics infrastructure, and/or changes in the operation of ports in the North, to enable full realisation of the benefits of new trade opportunities.

The subsection below sketches out some of the economic development issues that might arise from Brexit, and which are either specific to the North or are likely to require a view from the North if the UK is to make the most of the opportunities being made available to it. It also provides illustrations of the kinds of devolved powers that the North might require in order to exploit the opportunities, and mitigate the risks, arising from different forms of Brexit, including the following.

⁹ The loss of EU funds for economic development is not discussed here, as it is already the subject of lobbying. See Local Government Association (2016) 'Growing risk to EU funding billions and Brexit uncertainty, councils warn', press release, 3 August 2016. http://www.local.gov.uk/web/guest/media-releases/-/journal_content/56/10180/7912122/NEWS

- **Enhanced borrowing and taxation powers** for local authorities, in order to support investment funds and capital projects to promote economic growth and generate returns on investment for local communities.
- **Devolved management of immigration**, including student and work visas, as part of any devolved arrangements for the management of immigration in the UK.
- **Free ports**, to promote international trade and local economic development.
- **Research and innovation funding**, to support international research collaboration.
- **Powers to improve connectivity** – for example, transport measures and broadband provision within the North, as well as between the North and the rest of the world.

After looking at some of the economic issues that the North needs to address as part of the Brexit process, this paper goes on, in chapter 4, to discuss some of the practical and governance issues that make acting at the level of ‘the North’ as difficult as it is necessary.

ECONOMIC CONSIDERATIONS, ISSUES AND POLICY CHALLENGES FOR THE NORTH ARISING FROM BREXIT

3.1 Key economic sectors and capabilities likely to be affected by Brexit

The Northern Powerhouse Independent Economic Review (NIER)¹⁰ identified a number of ‘prime’ economic capabilities (that is, combinations of business, research and development [R&D] capacity, ‘kit’ and know-how) in which the North as a whole is internationally competitive. These are:

- **advanced manufacturing**, including materials and processes, and agri-foods
- **energy**, including generation, storage, and low-carbon technologies (including nuclear and nuclear decommissioning)
- **health innovation**, including life sciences, pharmaceuticals (R&D and production), medical devices, and e-health
- **digital capability**, including high-performance computing, cognitive computing, data analytics (‘big data’) and computer simulation.

The NIER also identified:

- **‘enabling’ economic capabilities**, including, transport and logistics, higher education and legal, financial and professional services – that support the North’s prime economic capabilities
- **employment-rich sectors** that create jobs but do not necessarily generate high productivity or high wages – including retail, tourism, and creative and cultural sectors – that are vital to the overall wellbeing of the North’s economy.

It is important that the North ensures that these key economic capabilities and sectors are not adversely affected by:

¹⁰ SQU and Cambridge Econometrics (2016) Northern Powerhouse Independent Economic Review. <http://www.sqw.co.uk/insights-and-publications/northern-powerhouse-independent-economic-review/>

- **the Brexit process** – that is, the postponement of investments, or the taking of decisions to relocate, in response to fears associated with Brexit
- **the nature of the final Brexit arrangements:** the economies of Leeds, Manchester and Liverpool require the same arrangements as London and/or Edinburgh (on immigration and work visas, for instance), in order to ensure that their banking, finance, insurance and wealth-management sectors succeed post-Brexit.

Thus, the North needs to ensure that the UK's asymmetric arrangements in terms of democratic representation do not result in asymmetric economic policies and arrangements that put the North at a disadvantage – for example in relation to its ability to attract and retain skilled workers and investment.

3.2 Labour markets

While many labour markets, and associated skills issues, are local, labour markets across the North will be affected by changes to arrangements covering overseas workers.

The North needs to consider the potential impact of changes to immigration controls – including the potential impact of asymmetric arrangements for the control of immigration in different parts of the UK (for example, the devolution of decisions on student and work visas that will grant permission to study or work within a designated geographic area of the UK). The North needs to form a view on the kind of arrangements for managing immigration that will best serve its interests, and ensure that this view influences Brexit negotiations at national and international levels.

3.3 Business investment

During the Brexit negotiations it will be vital for the North to be able to maintain the commitment of overseas firms with existing investments in the region, and to attract new inward investment.

An inward investment team for the North could minimise the duplication of local efforts, and – given proposed changes to national arrangements on inward investment – it could provide a focused resource for inward investment work (as exists in London) in the North at a time of change.¹¹

Furthermore, EU funding has been used to help investment funds promote indigenous economic growth, so inevitably concerns have been expressed that these interventions may cease.¹² One investment fund, or a number of targeted investment funds, may be required in order to support business investment in the North during and after Brexit negotiations. The fund/s could operate at the pan-northern level in order to generate economies of scale and minimise the administrative burden on HM Treasury in terms of appraising and approving projects. Any proposals should draw on research into access-to-finance schemes conducted by the What Works Centre for Economic Growth.¹³

11 <http://invest.london/>

12 Bounds A and Tighe C (2016) 'Funding concerns for UK's northern business after Brexit vote', *Financial Times*, 22 July 2016. <https://next.ft.com/content/173270b2-4f2a-11e6-8172-e39ecd3b86fc>

13 What Works Centre for Economic Growth (2016) 'Access to finance programmes can help improve firm performance', webpage. <http://www.whatworksgrowth.org/policy-reviews/access-to-finance/>

3.4 International trade

Steps to increase the North's trade with the rest of the world, and concurrent steps to mitigate risks to trade between the north of England and the EU, will need to be taken both during and after Brexit negotiations.

As with activity to promote inward investment, duplication of effort by local authorities and/or local enterprise partnerships (LEPs) needs to be avoided. Furthermore, a focused resource is required, especially if national arrangements for dealing with international trade are to go through a period of change.¹⁴

3.5 Research and innovation

Innovation systems – involving universities, small and large-scale businesses, and international collaborators, as well as funding from the public and private sectors – drive innovation.

Different forms of Brexit may affect innovation systems in different ways. For example, a 'hard Brexit' may cut off access to EU research funds altogether, whereas a 'soft Brexit' could see access to EU research funding and collaborators maintained.

Devolved funding to the North to support international collaboration in research and innovation would both mitigate the risks and provide the capacity to foster collaboration within the North on efforts to find new research partners outside the EU.

3.6 Transport

In the long term, Brexit is likely to generate shifts in flows of people and goods within the UK, as well as between the UK and the rest of the world. Effective responses to these changes are likely to involve investments in transport infrastructure: road, rail, air and sea ports.

The North needs to understand the different potential changes to the flows of people and goods that are, or will be, associated with different forms of Brexit, and to seek the powers and resources necessary to exploit opportunities and mitigate risks. These powers might range from local authorities borrowing in order to make investments to support economic development – by investing in airports or logistics facilities, for example – to the development of free ports, building on enterprise zones that are already in place.

3.7 Energy and environmental sustainability

Energy generation, storage and distribution is a major political and economic issue of strategic importance to the UK, and the North in particular has world-class energy assets (kit, know-how and people). Partners in the region need to consider the implications of Brexit for policies and regulations related to energy production and distribution in the context of wider changes within the UK's energy market.

Furthermore, the EU has had a profound impact on environmental legislation, such as that pertaining to the protection of habitats, to water quality, and farming subsidies to promote land management. Each

¹⁴ One example of such change is the forthcoming integration of UK Trade & Investment into the new Department for International trade. See <https://www.linkedin.com/company/uk-trade-&-investment>

of these will have economic impacts. Partners in the North need to review the implications of the potential changes in environmental regulation and funding that may arise from Brexit, and plan their responses in the areas of most significance to the North's economy.

3.8 Public procurement, state aid and assisted areas

The UK applies public procurement and state aid rules that are based on EU requirements. The ability to relax (or replace) UK laws based on these requirements could therefore open up opportunities for new approaches to economic development – for example, writing local labour requirements into construction contracts.

Partners in the North need to arrive at a view on the relative pros and cons of retaining and/or reforming public procurement and state aid rules. They should also consider how, in future, the UK might identify assisted areas, which to date have been subject to EU agreements.

3.9 Regional and sub-regional economic development strategies and plans

EU funding has supported regeneration, business support and employment and skills programmes via multi-annual programmes. Usually programmes have provided ringfenced funding for six years, with an additional two years in which to complete projects.

In the absence of such programmes, partners in the North need to consider how economic development and regeneration should be carried out in future, including the following issues.

- **The aims of programmes and projects:** for example, should programmes aim to integrate infrastructure, business support, and employment and skills in a single geographic area, or should separate theme-based programmes be developed at different spatial scales, depending on the scale at which the issues present themselves – for example, local employment schemes for the unemployed, but venture capital funding for small and medium-sized enterprises at the pan-northern level.
- **The right scale of operation** for different types of programme or project, given the need for programmes and projects to operate at a sustainable level that also offers value for money in terms of management and administration, employment, economic output, and export growth.
- **Programme and project timescales**, given the UK's three-year spending reviews as opposed to the six-year funding cycles of EU funds.
- **Funding arrangements**, including the balance to be struck between funding from central and local government; the criteria for allocating central government resources; and the relative contributions to be sought from the private and/or charitable sectors.

4. LOCAL DIFFICULTIES, LOCAL CONSIDERATIONS

Unlike in London, Scotland and Wales, there are no formal political structures at the level of the North that are able to provide leaders who can speak for the North as a whole. The absence of such structures makes it difficult to undertake significant, concerted and coordinated action at the level of the North. So, if there are no formal democratic arrangements at the pan-northern level, why try to develop a northern response to Brexit?

First, as has been argued in this paper, the North has distinct economic characteristics that should inform Brexit negotiations. London will make its case, based on its unique characteristics; the North should too.¹⁵

Second, there are over 70 local authorities in the North – too many for Whitehall to engage with in meaningful discussion. Furthermore, it is neither sensible nor affordable for individual councils to attempt their own negotiations, or to develop their own Brexit strategies.

Third, it could be argued that local enterprise partnerships (LEPs) should provide sub-regional responses to Brexit. However, the North has 11 LEPs – again, too many for Whitehall to engage with in meaningful discussions, especially if the other 28 LEPs in England seek their own Brexit discussions. Furthermore, LEPs were not established to deal with issues such as Brexit: their focus is, and should remain, local economic development.

Fourth, it may be argued that the North's three regions have distinct interests, and should develop their own responses to Brexit. However, there are no mechanisms to make this happen, and central government appears to have no appetite for this type of regional working.

Fifth, a collaborative approach across the North would provide a means of interacting with the Scottish government – working together to, for example, develop negotiating priorities for economic sectors that are important to the economies of both Scotland and the north of England – in a way that individual local authorities that share a border with Scotland could not hope to achieve.

Finally, it has been argued that the vote in favour of the UK leaving the EU reflects a desire for change among people who have been excluded from the benefits of economic growth. In such circumstances, it is important that the North establishes a means by which those voters' needs and expectations can be articulated.

15 Public Sector Executive (2016) 'Nothing should be ruled out' as Khan reconvenes devo commission', 27 July 2016. <http://www.publicsectorexecutive.com/Public-Sector-News/nothing-should-be-ruled-out-as-khan-seeks-greater-devolution-following-brexit>

5. WHO WILL SPEAK FOR THE NORTH?

In the absence of a formal democratic structure at the level of the North, IPPR North proposes the development of a special ‘Northern Brexit Negotiating Committee’.

If such a committee is to have any traction, it will need to gain legitimacy through:

- the power of its arguments
- the strength of its proposals
- the calibre of its membership.

Previous sections of this paper have set out a wide range of issues on which our proposed committee needs to develop coherent, evidence-based negotiating positions. Such positions need to represent the interests of all places and parts of the economy, but also to be clearly focused on the North’s major economic capabilities and the vital role of its towns and cities. To this end, the committee should include people with experience of urban and rural development, industrial policy, and international trade; and people from business, higher education, the not-for-profit sector, and the worlds of local, national and international politics.

Clearly, the members of the committee will not ‘represent’ economic sectors, social groups or geographic areas as such. They should, however, be able to speak to the issues that Brexit raises for major economic sectors, social groups and areas in the North.

In order to ensure maximum influence, the committee will have to identify how, where and when it can achieve the most influence. In order to do this, it should (among other things) identify the following.

- The processes by which the Department for Exiting the European Union will form its negotiating positions, including formal and informal consultations and the circulation of discussion papers.
- The roles of the House of Commons and the House of Lords – including those with regard to the triggering of Brexit negotiations; reviews of the government’s progress in those negotiations; and proposed changes to the machinery of government in response to the requirements of a post-Brexit UK.
- How best to engage the North’s MPs in the committee’s work.
- The processes by which the civil service will review the implications of Brexit for the machinery of government, including the role of local government and relevant non-departmental public bodies.

- The potential roles of Transport for the North¹⁶ (both as a pan-northern body that addresses many of the issues raised above, and as the body that commissioned the Northern Independent Economic Review), and of other emerging pan-northern bodies such as Business North.
- The development of the government's industrial strategy in a post-Brexit UK – particularly the role of place in the strategy. It should consider, for example, the role of innovation systems and clusters of economic activity in cities and regions, and how the North can contribute to the development and delivery of the government's strategy.
- The potential routes that the Brexit negotiation process might take in order to inform how the North might input into it, and when those inputs might have the greatest impact.

The purpose of this paper is to establish the scope and mandate for a Northern Brexit Negotiating Committee, rather than to determine the process by which it should be established and implemented. However, in order to progress such an urgent initiative, we propose three initial steps.

1. First, the five combined authorities across the North, working closely with Transport for the North and Business North, should identify some dedicated and pooled capacity in order to create a small, co-located Northern Brexit Negotiating Committee secretariat.
2. Second, the same coalition should identify a suitable figurehead to liaise with pan-northern bodies and to chair the committee.
3. Third, a Brexit North Summit should be held as soon as possible, and no later than early 2017, in order to bring together a wide range of stakeholders to discuss the substantive issues arising from Brexit, and to endorse a small committee of key players to work alongside the committee chair.

¹⁶ <http://www.transportforthenorth.com/>

6. CONCLUSIONS

This paper has presented the following argument.

- The meaning of Brexit will be defined via a process of negotiation.
- A range of actors with different interests and priorities will seek to influence what Brexit comes to mean.
- The economic opportunities and risks associated with Brexit will vary by economic sector and by place.
- The North has distinct economic assets and interests that will be affected by Brexit, such as advanced manufacturing (including agri-food), energy generation, health innovation, and the digital economy.
- The North needs to ensure that it has the tools it needs in order to exploit the opportunities that Brexit offers, and to mitigate the risks that it poses.
- The nascent and patchy development of metro-mayors and devolution 'deals' in the North means that unlike the devolved administrations for Northern Ireland, Scotland and Wales, the mayor of London and well-established lobbying groups, the North is not well-placed to formulate a response to Brexit.
- A Northern Brexit Negotiating Committee should be established in order to determine the type of Brexit that the North needs.