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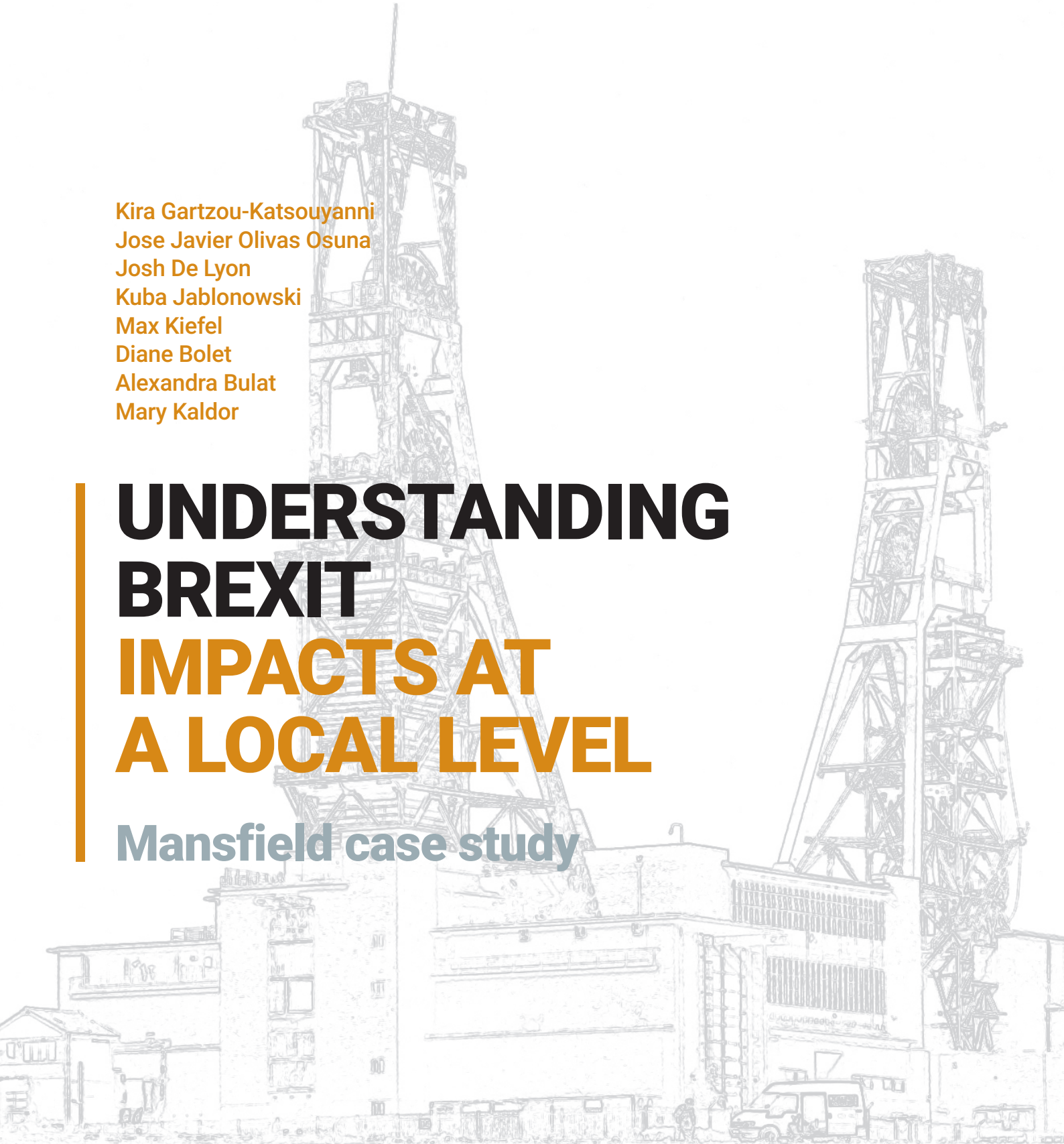
UNDERSTANDING BREXIT

IMPACTS AT A LOCAL LEVEL

Mansfield case study



CONFLICT AND CIVIL SOCIETY RESEARCH UNIT

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Summary of the project and its objectives

The UK is in a critical juncture with regard to the process of negotiations to leave the European Union. Important discussions are taking place which will shape the future relation between Britain and the EU. The economic analyses published on the issue have, so far, largely failed to grasp the attention of the general public. Most of the discussions about Brexit have focused at a national level and there has been very little evidence-based discussion at a local level. This project aims at stimulating a reflexive participatory research process involving citizens, policy-makers, business people and civil-society representatives. It introduces an innovative methodology that contextualises quantitative data through expert interviews and the analysis of local sources. The reports and discussion panels organised within the framework of the project seek to increase our understanding about the impact of Brexit at a local level.

The Mansfield Brewing Company pub sign

Front cover: Clipston Colliery headstocks

Understanding Brexit impacts at a local level

Mansfield case study

This report contributes to the broader research project co-ordinated by the Conflict and Civil Society Research Unit at the London School of Economics and Political Science (LSE).

This study focuses on the perceived impact of Brexit on British local authorities. Five local authority case studies have been selected: **Mansfield, Pendle, Ceredigion, Southampton** and **Barnet**.

Executive summary

This report examines the likely impact of different Brexit scenarios on the economy of Mansfield through four channels: immigration, policies for local economic development, trade and inflation.

Mansfield was selected as a case study of a town that has undergone significant industrial restructuring during the last four decades, following the decline of traditional industries such as coal mining and textiles. Mansfield still faces acute challenges in terms of attracting high value-added businesses and increasing the skills and earnings of the local population.

The share of the Leave vote in the 2016 referendum in Mansfield was 70.9%, the seventh highest in 382 UK local authorities. This outcome can be partly understood in terms of some of the structural characteristics of the Mansfield economy in the post-coal mining period, including the spread in the area of a business model that has relied on low-skilled, low-paid agency labour, often from other EU countries.

Leaving the EU would not in itself provide a durable solution to the area's long-term structural problems. On the contrary, Brexit may actually exacerbate some of the challenges that high value-added firms face in the area. In order to make the most out of the post-Brexit situation, this report recommends:

1. that every effort be made to address the major skill shortage faced by firms in the Mansfield economy, in order to minimise the negative impact of the decrease in skilled foreign workers that may occur after Brexit;
2. that EU funding for regional development be fully replaced by national development programmes, while also retaining the best characteristics of EU policies, such as continuity across time and the empowerment of local and regional stakeholders;
3. that any disturbance to the trade links between local companies and the EU be kept to a minimum, especially in sectors that are considered strategically important;
4. and that should the prices of basic goods continue to increase due to Brexit, measures be put in place to minimise the impact on the most vulnerable.

Introduction

This report examines the likely impact of different Brexit scenarios on the economy of Mansfield.

"I think in Mansfield, Brexit has become so toxic and so polarising, that politicians have become genuinely reluctant to mention it."

"Because Brexit is so politicised, businesses are quite reticent to talk about Brexit and its impact publicly (…) It's a kind of signature issue. People identify with one side or another."

The report draws from a combination of sources, including field research conducted in Mansfield with the aim of identifying the range of context-specific channels through which leaving the EU is likely to influence the local economy, as well as quantitative impact assessments written at the LSE Centre for Economic Performance (CEP) and the City Region Economic and Development Institute (City REDI) of the University of Birmingham.

The aim of the report is twofold: to increase our knowledge and awareness of the specific types of impact that Brexit is likely to have on the local economy of Mansfield; and to encourage constructive, evidence-based, forward-looking discussion about the issue at local level, overcoming the polarisation that many of our interviewees identified as being the dominant characteristic of many debates on Brexit at the moment.[1] We have strived to achieve the latter by leaving on one side the question of whether Brexit was a good or bad idea in the first place, and by focusing instead on strategies to best manage the situation going forward.

Engaging with the views of members of the local community has been crucial in the research process right from the start. This report draws heavily from the insights that were kindly shared by five representatives of the local business community, three representatives of local authorities, one journalist and one professor, in the context of semi-structured, in-depth interviews conducted in Mansfield (a full list of the interviewees can be found in the Appendix on page 20). The report also draws from articles in local newspapers, from grey literature about Mansfield's economy and from secondary literature.

Mansfield was selected as a case study of a town that has undergone significant industrial restructuring during the last four decades, following the gradual closure of 13 coal pits in the broader Mansfield area, which employed 16,500 people in 1984, and the decline of other traditional industries, such as textiles and engineering.[2] Mansfield also received widespread attention in June 2017, when Labour lost its local parliamentary seat for the first time since 1923.[3]

After providing some contextual information about Mansfield and the 2016 vote, this report focuses on the likely effect of Brexit on the local economy through four channels: immigration, policies for local economic development, trade and inflation. The report argues that the Leave vote in the referendum was related to the area's long-term structural economic problems. However, we also find that leaving the EU may not in itself provide a durable solution to the area's long-term structural problems, and could even aggravate some of them. We identify distinct threats and opportunities that will arise from Brexit in relation to the challenges that Mansfield's economy faces, and present some recommendations for making the most out of the situation.

1 The epigraphs above are excerpts from two of the interviews that we conducted in Mansfield. On the emergence of entrenched political identities linked to the way in which people voted in the 2016 EU referendum, see also Hobolt S.B., Leeper T., and Tilley J. 2018. Emerging Brexit identities. In The UK in a Changing Europe (Ed.). *Brexit and Public Opinion*, pp. 18-20.

2 Department for Communities and Local Government. 2006. *The Dynamics of Local Economies and Deprived Neighbourhoods*, 187. Available at: **http://webarchive.nationalarchives.gov.uk/20120920045319/http://www.communities.gov.uk/documents/communities/pdf/150913.pdf**.

3 BBC News. 2017. Election 2017: Why did Canterbury and Mansfield switch sides? *BBC News* online. 9 June. Available at: **https://www.bbc.co.uk/news/uk-england-40222242**. For an excellent analysis of recent political developments in Mansfield, see also: Chaffin J. 2018. Can Jeremy Corbyn restore Labour's working class vote? *Financial Times*. 3 June. Available at: **https://www.ft.com/content/5822e600-5f55-11e8-ad91-e01af256df68**.

Local context

Mansfield is a local authority of 105,800 inhabitants in Nottinghamshire.[4] The majority of the local authority's population live in the town of Mansfield, which is situated 20km north of Nottingham.

Among Mansfield's economic assets is its central location between several 'powerhouses of national productivity': Sheffield and Leeds to the north, Manchester and Birmingham to the west and Nottingham and Leicester to the south.[5] The economy of Mansfield itself is highly interlinked with that of the neighbouring local authority, Ashfield, and people in the towns of Kirkby-in-Ashfield and Sutton-in-Ashfield in particular 'look to Mansfield as their town centre'.[6]

For most of the twentieth century, Mansfield was one of the major centres of coal mining in Nottinghamshire. The Mansfield coalfield was important not only for the number of jobs it provided in the area, but also for its particularly high productivity, which was reflected in comparatively high miners' wages.[7] Most of the pits in the area were closed in the late 1980s and early 1990s, but the Thoresby colliery, which was the last pit in operation, only shut down in 2015.[8] The decline of the textile industry in the area has been 'similarly dramatic',[9] while the engineering sector also experienced a crisis that was linked to the closure of the mines.

Since the decline of coal mining and some traditional manufacturing industries, illustrated in Figure 1, Mansfield has experienced a significant increase in relatively low value-added, low-paid service sector employment. For example, many new jobs were created in the wholesale, retail and repair sectors, as well as in comparatively low value-added business services such as labour recruitment and packaging.[10] Today, the employment rate in Mansfield is close to the national average. However, median annual earnings (£15,226) are very low compared to both the national average (£23,349) and the regional average in the East Midlands (£21,172).[11] With only 20% of the working-age population qualified at the NVQ Level 4 or above, compared to 37.9% at national level and 31.3% at the level of the East Midlands, low educational attainment in Mansfield is both a cause and a reflection of the low-skill, low-pay character of many jobs.[12] These socioeconomic attributes are reflected in Mansfield's very low ranking in the social mobility index compiled by the UK government's Social Mobility Commission: out of 324 English local authorities, Mansfield and the two neighbouring local authorities of Ashfield and Newark & Sherwood occupy three of the ten bottom places of the index, ranked 315, 317 and 323 respectively.[13] These developments contribute in a powerful way to a sense of being left behind by the UK's current economic model, which relies heavily on linkages with global markets[14].

of the working population qualified at NVQ level 4 or above

5 Experian. June 2009. *Ashfield and Mansfield: Economic Analysis* Final Report, 39. Available at: **https://www.ashfield.gov.uk/media/2320/p8-ashfield_and_mansfield_economic_analysis.pdf**

4 Annual Population Survey (APS). 2016.

6 Interview with Andy Done-Johnson, until recently reporter at the *Mansfield Chad*, conducted on 25 May 2018; the close link between the local economies of Mansfield and Ashfield was also mentioned in the interview with Matthew Wheatley, CEO of Local Enterprise Partnership for Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2 LEP), conducted on 25 May 2018.

7 Howell D. 2012. Defiant dominoes: working miners and the 1984-5 strike. In Jackson B. and Saunders B. (Eds). *Making Thatcher's Britain*. Cambridge University Press, 154; Chaffin 2018.

8 Chaffin 2018.

9 Department for Communities and Local Government 2006, 187.

10 Experian 2009, 18; Department for Communities and Local Government 2006, 187.

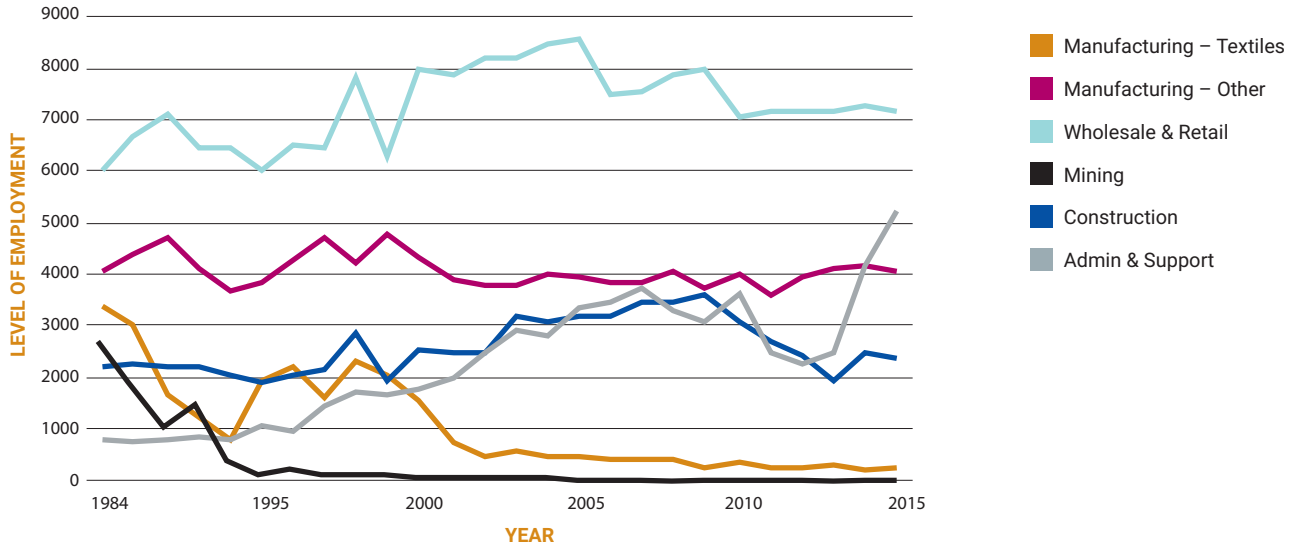
11 D2N2 Local Enterprise Partnership. 2017. *2016/17 State of the D2N2 Economy,* 34. Available at: **http://www.d2n2lep.org/write/Documents/Reports/state-of-the-economy/2016-17/2016-17_State_of_the_Economy_final.pdf**. The data are from 2016.

12 D2N2 Local Enterprise Partnership 2017, 34. The data are from 2016.

13 Social Mobility Commission. November 2017. State of the Nation 2017: Social Mobility in Great Britain, 175. The social mobility index measures social mobility prospects in particular areas based on 16 indicators related to educational attainment from the nursery to the higher education stage, and to opportunities that people have in their working lives in terms of the quality of jobs, pay and access to housing (for more details, see pp. 157-158 of the report). It is also worth pointing out that the proportion of claimants of Department for Work and Pensions benefits is also higher in Mansfield (15.5%) than the regional and national averages (10.7% and 11% respectively), something that is mainly driven by the higher proportion of people receiving incapacity benefits, carers' benefits and disability benefits in Mansfield: see Nomis Official Labour Market Statistics. November 2016. Available at: **http://www.nomisweb.co.uk/reports/lmp/la/1946157166/printable.aspx**.

14 See also Jennings W. October 2017. Cities and towns: The 2017 general election and the social divisions of place: Part I. New Economics Foundation. Available at: **https://neweconomics.org/uploads/files/FINAL-CITIES-AND-TOWNS.pdf**.

Figure 1: Level of employment in selected sectors in Mansfield, 1984-2015.
Data compiled from different business register of employment surveys (BRES). The total level of employment in all sectors in Mansfield in 2015 was 37,150.



Source: UK Business Register and Employment Survey (BRES).

In terms of ethnic composition, 87% of Mansfield's population is white UK-born, which is above the UK average of 80%. As illustrated in Figure 2, the white non UK-born constitute a relatively large share among the rest of the population, while the total share of the non-white population is significantly below the UK average (7% compared to a UK average of 13.5%).[15] 20 years ago, Mansfield was even more homogeneous, as the immigration of Eastern Europeans particularly in the Mansfield area is a relatively recent phenomenon: 'Mansfield by its character is actually quite an isolated community. It is indigenously white working-class, and for a very long time it really didn't have much experience of people moving to the area.'[16]

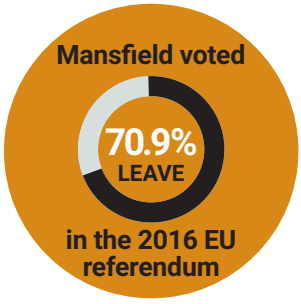
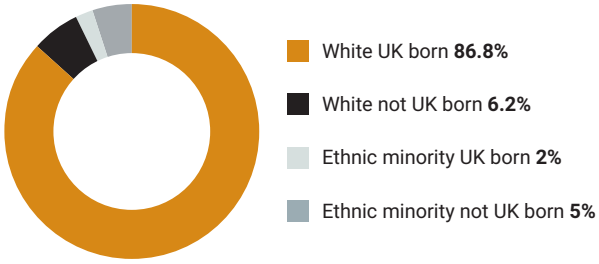


Figure 2: Mansfield population by Ethnicity, June 2016.



Source: APS

Mansfield voted 70.9% Leave in the 2016 EU referendum, which is the seventh highest percentage in favour of Leave out of 382 UK local authorities.[17] A year later, in the 2017 general election, the Conservative candidate Ben Bradley won the Mansfield seat, which had been held by Labour for almost a hundred years, with a difference of 1,057 votes (2.1 percentage points). This victory followed the electoral decimation of UKIP and a swing of 13.4% from Labour to the Conservatives compared to the 2015 election, at the same time when in England as a whole, there was an overall swing of 5.7% in favour of Labour.[18]

15 Data source: Annual Population Survey (APS). 2016.
16 Interview with Andy Done-Johnson, 25 May 2018.
17 Data source: Electoral Commission.
18 Jennings 2017, pp. 5-6.

This outcome is partly attributable to the perception among Leave voters that Labour had a pro-Remain stance and might consequently not follow through with Brexit. This view was reinforced by the vigorous 2017 local-level Conservative campaign: when Theresa May was asked during her visit in Mansfield 'why are the Conservatives so confident that they can turn the constituency blue?', the Prime Minister replied that 'the majority of people decided that the UK should leave the EU, and we are the only party that will deliver on the Brexit vote.'[19] In July 2018, Mr. Bradley resigned from his post as Vice Chairman of the Conservative Party in protest against the government's Brexit policy, stating that 'if we do not deliver Brexit in spirit as well as in name, then we are handing Jeremy Corbyn the keys to Number 10.'[20]

Image 1: Buttercross, Mansfield market

Nevertheless, the half-hearted 2017 election campaign by Sir Alan Meale, the Labour incumbent since 1987, was cited by interviewees as another contributing factor to Labour's defeat, and can perhaps be attributed to the longstanding perception that Mansfield was a safe Labour seat.[21] Contrary to the impression that Labour's support in Mansfield as a mining community had been unfaltering over the years, Mansfield actually has a history of defiance against perceived national-level neglect of local-level interests.[22] During the 1984-1985 miners' strike, the miners' community of Mansfield was bitterly split between those who followed the Labour Party line and supported the strike, and those who considered that the strike was in the interest of less efficient mining areas and would bring about the ruin of Nottinghamshire's distinctive, productive coalfield. Opposed by a 'Moderate Labour' candidate who had been against the strike and following an 'acrimonious' campaign period, in 1987 Sir Alan Meale only won the Mansfield seat with a difference of 56 votes from the Conservative candidate.[23] Moreover, since Mansfield became one of the few towns in Britain to directly elect its Mayor in 2002, the post has always been won by the Mansfield Independents rather than Labour. According to our interviewees, the defining characteristic of the Mansfield Independents is that they are 'community champions', though in terms of policy preferences they probably tend towards the centre/centre-right.[24]

19 Andy Done-Johnson. 2017. Could Brexit turn Mansfield and Ashfield blue? *Mansfield Chad*. 17 May. Available at: **https://www.chad.co.uk/news/comment-could-brexit-divide-turn-mansfield-and-ashfield-blue-1-8547510**.

20 Excerpt from Mr. Bradley's resignation letter on 10 July 18. The full letter is available at: **https://www.scribd.com/document/383592195/PM-Final**.

21 Interview with Andy Done-Johnson, 25 May 2018.

22 I am grateful to Dominic Wring for pointing out this very interesting dimension of local-level politics in Mansfield. Interview with Dominic Wring, Professor of Political Communication at Loughborough University, conducted on 23 May 2018.

23 Howell 2012, 162.

24 Interview with Dominic Wring, 23 May 2018.

Image 2: ‘Tribute to the British miner’, statue in Mansfield

Explaining the Brexit vote in Mansfield

The 2016 referendum campaign in Mansfield has been described as a 'one-issue debate: It was all about immigration'.[25]

While the backlash against immigration is often explained as a cultural reaction against social change,[26] the evidence gathered in Mansfield suggests that it also has an underpinning economic element. In particular, the Eastern European immigrants who moved to Mansfield since the early 2000s and took up low-paid work offered to them via agencies can be seen as an integral part of a business model which relies on low-skilled, low-paid labour, and which spread in the broader Mansfield area after the closure of the mines. The locals' reaction against immigration cannot therefore be fully understood independently from their views about Mansfield's recent economic fortunes.

A 15-minute drive north of Mansfield, the Sports Direct warehouse in the area of the former colliery of Shirebrook provides one of the better-known examples of this type of business model, which relies on large tracts of cheap land and high numbers of low-paid workers. Following a series of damning reports in the local and national press, working practices at the Sports Direct warehouse were scrutinised by the parliamentary committee on Business, Innovation and Skills, which found that 'the way the business model at Sports Direct is operated' involves treating thousands of agency employees at the warehouse 'as commodities rather than as human beings with rights, responsibilities and aspirations'.[27] In substantiating this claim, the report highlighted the agencies' practice of hiring workers on zero-hour contracts, of intimidating workers to avoid taking bathroom breaks and sick leave through the 'six strikes and you are out' policy and of requiring workers to stay at the warehouse after working hours in order to be searched before leaving, which resulted in their being paid effectively less than the minimum wage.

The locals' reaction to such business practices has several facets. For one, there was a 'general feeling of unease in Mansfield that these jobs were actually being created for people from out of the area'.[28] A worker at the Shirebrook warehouse noted that 'when the colliery was closed and the town began to suffer, local people were promised 80% of the jobs, but it came to less than 30%, and the majority of jobs went to Eastern European workers'.[29] And it wasn't just the lowest-paid jobs that were given to immigrants: 'I spoke to quite a few of the British workers who worked in there, and there was a sense of real resentment that the Poles had all the good jobs, the supervisors were Poles.'[30] Secondly, there is the issue of wage competition: 'There are people coming here willing to work for a lot less (...) If they're here to work for £2 an hour, they shouldn't be here.'[31] But beyond the well-studied themes of job and wage competition, there is a reaction against the type of job itself, which provides little opportunity to acquire skills, develop professionally and contribute to an activity that is important for the town's identity and long-term development: 'this notion of coming here, taking our jobs, isn't actually true, because none of them want these jobs'.[32] 'I feel sorry for the young today,' remarked a former miner from Kirkby-in-Ashfield. 'There's nothing there for them, nothing (...) It's all gone. They've

25 Interview with Andy Done-Johnson, 25 May 2018. The view that immigration was the main political issue on the agenda during the referendum was also supported by our interview with Jim Burley, LEADER Programme Officer for North Nottinghamshire, conducted on 23 May 2018; our interview with Sue Kirk, Financial Director at Mansfield Garage Doors, conducted on 24 May 2018; and our interview with James Lowe, CEO of Brightbuster, conducted on 29 May 2018.

26 Jennings 2017, pp. 2-3.

27 Business, Innovation and Skills Committee. 2016. Employment practices at Sports Direct. Third Report of the Session 2016-2017. *House of Commons*, HC 219. 22 July, 27. Available at: **https://publications.parliament.uk/pa/cm201617/cmselect/cmbis/219/219.pdf**.

28 Interview with Andy Done-Johnson, 25 May 2018.

29 Quoted in Business, Innovation and Skills Committee 2016, 8.

30 Interview with Andy Done-Johnson 25 May 2018.

31 Quoted in Elgot J., Topping A., Morris S. and Halliday J. 2018. 'We're not morons': Brexit divisions harden across Britain. *The Guardian*. 21 January. Available at: **https://www.theguardian.com/politics/2018/jan/26/uk-brexit-voters-mansfield-bristol-torbay-leeds-post-referendum**.

32 Interview with Andy Done-Johnson, 25 May 2018.

let it all go, them powers what be.'[33] The reaction against this type of business model that emerged in the post-coal mining period in Mansfield and relied heavily on foreign agency labour can be interpreted as one of the mechanisms through which the backlash against immigration is related to phenomena of relative economic decline, as Will Jennings has argued.[34]

On the other hand, with Mansfield being a relatively isolated and until now relatively homogeneous community, there is also a cultural aspect to the reaction to immigration. Despite (and also because of) Mansfield's central location, 'people tend to stay roughly in the area, rather than move about (…) You can get anywhere you want from here, and it's like the middle of nowhere, but kind of in the middle of everywhere as well.'[35] This sense of insularity, combined with the lack of history of immigration to the area, magnified the impact of the arrival of the new immigrant community: 'all of a sudden Polish shops spring up everywhere, they've got Polish neighbours, they see their Polish neighbours go out to work…'[36]

However, arguably, even this cultural side of the backlash to immigration is also interlinked with the structure of Mansfield's economy. Indeed, the visible manifestations of a tightly-knit community that the Eastern European immigrants have created in Mansfield co-exist with a sense that following the collapse of coal mining and the traditional manufacturing sectors, the search for an identity for the indigenous population of Mansfield is still continuing. The economic activities currently taking place are not filling this gap with a similar sense of ownership and pride as those of the past. The decline of Mansfield's beautiful town centre despite the Council's sustained regeneration efforts,[37] and the difficulty of renting the pitches at Mansfield's historic market to merchants selling a range of quality goods, constitute one aspect of this story.[38] Another aspect relates to the relative difficulty of creating a widespread culture of establishing new businesses to produce goods and services that valorise local resources,[39] something that has to do with 'the legacy of a period when a single employer, British Coal, was the dominant employer'.[40] And while there is no doubt that the large number of big non-local wholesale stores that visually dominate the broader Mansfield area contributes in a crucial way to the local economy, they typically sell goods that are neither *from* nor *for* the local community. In the words of a long-time councillor in Ashfield: 'what is it – 30 years since the mines closed? And we still haven't got it right. The big problem we have in Ashfield and Mansfield is we don't have an identity.'[41]

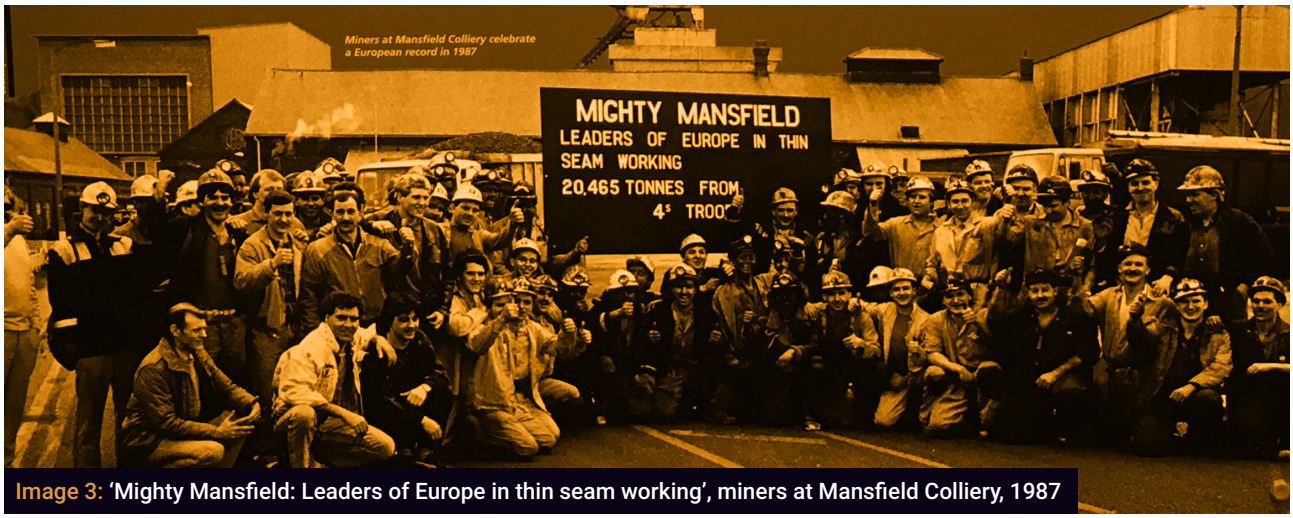


Image 3: 'Mighty Mansfield: Leaders of Europe in thin seam working', miners at Mansfield Colliery, 1987

33 Quoted in Chaffin 2018.

34 Jennings 2017, 13

35 Interview with Jim Burley, 23 May 2018. Andy Done-Johnson also mentioned that 'because Mansfield sits so on its own, it has made for a very sort of insular approach to the world for a lot of people', 25 May 2018.

36 Interview with Andy Done-Johnson, 25 May 2018.

37 The Mansfield District Council states its vision for the regeneration of the town centre in the following way: 'There are great opportunities to re-establish the centre as (…) a place of great civic pride, recognised regionally for its commercial centre and proud of its heritage.' Mansfield District Council. 2009. *Creating a 'City Centre' for Mansfield* 2009-19, iii. Available at: **https://invest.ashfield-mansfield.com/wp-content/uploads/2013/10/creating-a-city-centre-for-mansfield-lo-res.pdf**.

38 See Elgot et al 2018: 'When Marvin Salisbury was growing up in Mansfield, the market packed the town square and stretched far up the surrounding streets. "There were proper butchers' stalls, fish, everything," the former miner said, sitting in the winter sunshine outside the town hall. "You could get anything you want. And now look at it."' The local communities' discontent as large retailers move to the outskirts of towns and town centres decline, was also mentioned in our interview with Jim Burley, 23 May 2018.

39 For example: 'To their credit, the District Council had a really big push a couple of years ago to regenerate, reinvigorate the market. They wanted more diversity in there, more original craft, or artisan baking, things like that. I think one of the issues is that there really isn't enough of that within the local community.' Interview with Andy Done-Johnson, 25 May 2018.

40 Department for Communities and Local Government 2006, 196.

41 Quoted in Chaffin 2018.

Image 4: 'Made in Mansfield': An exhibition at the Mansfield museum about Mansfield's historic industries. 'Forty years ago the early morning streets were busy as thousands of people went to work. In 1981 43,400 workers made products that were sold around the world.'
Excerpt from the exhibition

Image 6: View of the Mansfield market

Image 5: 'Bridge Tavern' pub and 'Babushka' Russian & European Deli, a large and well-stocked Eastern European food store

Image 7: Sports Direct retail store near Mansfield train station

Brexit impacts

Brexit and immigration

When asking representatives of local businesses and local authorities what is the biggest challenge that firms face in the Mansfield area, the first answer that usually comes to mind has to do with 'access to skills'.[42] A study by Experian also highlighted the 'low levels of educational attainment and corresponding lack of skills' as the biggest weakness of the Mansfield and Ashfield economy, particularly given that 'employment projections forecast a strong employment demand for people with intermediate and higher-level skills.'[43] The problem is felt in a number of sectors, but is particularly acute in high value-added sectors. In the words of the CEO of Lindhurst Engineering, an award-winning local firm in the engineering sector, 'we've underinvested in developing our people for such a long time, if we benchmark ourselves compared to the rest of Europe, we lag woefully behind in terms of skill level.'[44]

While the root cause of the mismatch between skills demand and supply in the Mansfield economy has to do with the structure of higher education and training provision in the area, some interviewees considered that the problem 'has been masked considerably by the fact that we've got a lot of foreign workers'.[45] Depending on the Brexit deal, the problem of skills shortages that local businesses face could therefore become more acute. The number of non-British employees is lower in Mansfield than in other parts of the country, but the reduction of EU immigrants that is already observed in the UK as a whole since the 2016 referendum[46] could disproportionately affect some sectors that are socioeconomically important for Mansfield, such as high-end sectors that offer well-paid jobs, as well as the care sector.[47] Indeed, even interviewees who do not consider that Brexit will pose 'any problem whatsoever' for the local economy overall, recognise that 'our NHS would not survive if we didn't have immigrants coming in', and that the Conservatives will eventually have to admit that 'we're going to cut [immigration] down, but we don't want to cut it too much, because we need them'.[48] And although it is open to discussion whether in the long term the decline in the availability of skilled employees from abroad will push firms in high value-added sectors to invest more in training the local labour force, or whether instead it will compel them to move in areas with a higher availability of skilled labour, there is little doubt that in the short term, 'if you're restricting the supply of labour to a firm, it's going to affect that firm's competitiveness'.[49]

In order to mitigate this challenge, it would be important to assess local needs for foreign skilled workers in businesses and public services, and to ensure that the Brexit deal will continue to allow these needs to be met. As mentioned by the Mansfield MP Mr. Bradley: 'if you don't get a [post-Brexit] arrangement where people have access to the right skills, then it will be a real problem for a lot of business (…) I think it depends on the deal chiefly.'[50] Moreover, addressing the underlying problem of increasing the skill level of the local population becomes more urgent than ever in the context of Brexit. There is a need to both improve the local-level availability of quality training,[51] and to provide incentives for the local population to make maximum use of training opportunities (for instance, by making it cheaper for local youth to attend higher education or vocational training). Indeed, in the medium term, a substantial move in that direction could counterbalance the potential negative effects of Brexit on firms' access to skilled labour in the Mansfield area.

The reduction in immigration that is likely to occur after Britain's departure from the EU will probably also have an effect on the economic activities of companies like Sports Direct, which will find it harder to recruit agency labour from other EU countries. If one of the tacit, underlying demands of the Leave vote in Mansfield was to reduce the appeal of this type of business

42 Interview with Matthew Wheatley, 25 May 2018. Similar answers were given in our interview with Martin Rigley, CEO of Lindhurst Engineering, and Brian Stopford, Director at Stopford Associates, conducted on 24 May 2018; our interview with Keith Barnes, packaging consultant at K.B. Consulting, conducted on 24 May 2018; and our interview with Ben Bradley, MP for Mansfield, conducted on 11 June 2018.

43 Experian 2009, 42.

44 Interview with Martin Rigley and Brian Stopford, 24 May 2018.

45 Ibid.

46 Office for National Statistics. 2018. *Migration Statistics Quarterly Report*. 16 July. Figure 3. Available at: **https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/bulletins/migrationstatisticsquarterlyreport/july2018revisedfrommaycoveringtheperiodtodecember2017**.

47 EU nationals make up 5.6% of all NHS staff, including 9.6% of hospital doctors and 7.1% of nurses and health visitors: see House of Commons Library. 2018. *NHS staff from overseas: statistics*. Briefing Paper #7783. 7 February. Available at: **https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7783#fullreport**. The Mansfield MP Mr. Bradley also mentioned in our interview that a reduction of EU immigrants could pose 'a challenge in recruitment, particularly in the NHS', 11 June 2018. Regarding recruitment in high-end businesses, the following indicative anecdote was mentioned by one of our interviewees: 'We've employed an Italian lady who's got a PhD, she was back in Italy on holiday with her parents in the Brexit vote, and that morning she sent an e-mail saying, can I come back? She honestly thought that was it!'

48 Interview with Keith Barnes, 24 May 2018.

49 Interview with Matthew Wheatley, 25 May 2018.

50 Interview with Ben Bradley, 11 June 2018.

51 For example, by improving support for West Nottinghamshire College and Nottingham Trent University, two of the major higher education institutions in the Mansfield District and Nottinghamshire respectively. See Experian 2009, 43.

model for all the reasons mentioned in the previous section of this report, then a reduction in the supply of foreign agency labour could fit that purpose. However, if firms that rely on EU agency labour start to relocate out of Mansfield, it is far from certain that higher value-added types of businesses will automatically take their place.[52] In this context, it is useful to consider the town's past experience with industrial restructuring:

"Mansfield has kind of suffered in the same way that a lot of former coalfield communities have suffered. When the pits finally went, there was really no plan B as to what happens to those communities. And I think for a very long time (…) you had a kind of collective washing of hands as to what should be done there."[53]

Mansfield's experience following the closure of the mines indicates that free markets alone cannot automatically guarantee development along a high value-added direction: such a path must be pursued purposely through appropriate policies tailored to match the local economic context. The same will continue to apply after Brexit, whether the supply of foreign labour is restricted or not.

Brexit and policies for local economic development

At the moment, EU-funded programmes constitute a core part of regional development policies in the Mansfield area. A large part of this funding subsidises activities such as training programmes, university-industry collaborations and support programmes for start-up businesses, thereby fostering precisely the type of actions that are important for Mansfield's development along a higher value-added path: in the words of one of our interviewees, 'there is some good business support available, but the majority of it is actually EU-funded'.[54] As a result, and also given the longstanding grievance in Mansfield about the inadequacy of investment in the region by the government, which has led people to feel 'left behind in terms of the government caring about things outside of London',[55] it is important to consider how policies for regional development in the Mansfield area will be affected after Britain pulls out of the EU's regional funding programmes.

It is worth starting this discussion by giving a few concrete examples of EU-funded projects in the broader Mansfield economy, because these projects tend to have little visibility, and are consequently not widely known. The first example concerns a Horizon 2020 grant recently awarded to Lindhurst Engineering, a local firm that was born in the coal industry, and which now exemplifies the type of hi-tech, innovative business that one would like to see flourishing around Mansfield. Horizon 2020 is an EU Research and Innovation programme, with nearly €80 billion of funding available for the 2014-2020 period across the EU.[56] The CEO of Lindhurst Engineering described the importance of this EU grant for his firm in the following way:

"The European money was really useful for us. (…) [This type of funding enables us to] bridge the gap which we call the 'valley of death' for R&D projects. I don't know if you are familiar with Technology Readiness Levels – [it is a method of estimating the maturity of a technology; the scale ranges from TRL 1 to TRL 9, with TRL 9 representing the highest level of technological maturity]. We're somewhere at TRL 7-8. What tends to happen, particularly within the UK, is technologies get to that level, and R&D stops because you're nearly there. But you need investment to jump across that gap, and we're really really poor at it in the UK. And a lot of technologies either wither on the pine at that point, or get overseas investment, and then all the invention and innovation that we come up with, some other country benefits from"[57]

While Horizon 2020 grants can be won by research institutions and firms anywhere in the EU through a competitive process,[58] each EU region is entitled to a particular allocation of European Structural and Investment Funds (ESIF),[59] depending on its per capita GDP. The Local Enterprise Partnership for Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2 LEP), where Mansfield belongs administratively, has an allocation of €250 million of ESIF funding to spend during the 2014-2020

52 As mentioned by a taxi driver in Mansfield, migrants are an indicator of economic vibrancy for the town, regardless of the type of jobs they do: 'The economy of Mansfield is thriving! Look at how many Eastern Europeans work here – this means that there are many jobs in the town.'

53 Interview with Andy Done-Johnson, 25 May 2018.

54 Interview with James Lowe, 29 May 2018.

55 Interview with Ben Bradley, 11 June 2018.

56 European Commission. What is Horizon 2020? Available at: **https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020**. Under current exchange rates, €80 billion translates to about £71 billion.

57 Interview with the CEO of Lindhurst Engineering, Martin Rigley, conducted on 18 June 2017 in the context of filming a short documentary to accompany this report.

58 UK research institutions and firms actually have very high success in obtaining Horizon 2020 grants, reflecting the high level of research conducted in the UK. Between 2014-2016, the UK was the country with the highest number of participants in Horizon 2020 programmes in the whole EU, followed by Germany and Spain. See European Commission. 2018. *Horizon 2020 in full swing: Three years on: Key facts and figures 2014-2016*, 27. Available at: **https://ec.europa.eu/programmes/horizon2020/sites/horizon2020/files/h2020_threeyearson_a4_horizontal_2018_web.pdf**

59 EU ESIF funds include three separate funding streams: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD).

€250 MILLION

of EU ESIF funding available to spend

at the D2N2 area for the 2014-2020 period

period.[60] Some of the projects funded with this money include a £7.2 million Digital Business Growth Programme, which supports around 850 local Small and Medium Enterprises (SMEs) to make better use of digital connectivity, and the £3 million 'Money Sorted in D2N2' project, which provides advice to unemployed people on how to deal more effectively with money issues and access the financial help to which they are entitled.[61] Moreover, ESIF funding has also contributed to some of the regeneration projects that have recently taken place in Mansfield: for example, the Mansfield District Council secured £862,119 of EU funding to contribute towards the cost of the Passenger Interchange Link,[62] which was one of the Council's flagship regeneration initiatives.[63] Finally, some streams of EU funds are available for supporting the tourism and heritage sectors, which may be smaller in terms of size than other sectors in the Mansfield economy, but which are important when it comes to the issue of local identity that was discussed in the previous section of this report. For example, the officer in charge of the implementation of the EU LEADER funding programme in North Nottinghamshire, which supports small businesses in the tourism, agriculture and forestry sectors, recalls a LEADER investment of around £30,000 to support the creation of an upscale café at the town centre of Retford: 'it was in the middle of Retford, it attracted large amounts of tourism, there was something like 15 jobs involved – it was exactly the type of project we were looking for.'[64]

Image 8: EU-funded Kings Mill Reservoir near Mansfield

Apart from the level of funding provided by the EU to firms and institutions in the Mansfield area for the types of activities mentioned above, EU regional development policies have some specific positive characteristics that differ from those of equivalent UK policies, and that must be taken into account when planning for the post-Brexit period. As explained by the CEO of the D2N2 LEP, EU funding is:

"long term, six-seven years, it identifies a pot of money for the local area (…) So you've got a continuity of support, and it doesn't fluctuate with the electoral cycles of the UK, it's not on-off, on-off (…) [With EU funding,] at least we know that we can design a particular set of programmes to work together, and even if the bureaucracy is cumbersome, we can try and work around that."[65]

In contrast, so far, UK funding for regional development has often been structured around national programmes announced at irregular intervals, for which regional actors had to bid. This type of policy deprives regional-level policy-makers of the certainty and stability that accompanies EU structural funds[66].

In addition, EU regional development policy has consistently empowered local- and regional-level policy actors to develop their own development strategies and manage the implementation of EU funds; on the contrary, 'in the UK, we've been hot and cold on regions, we've been consistently kind of centralist in our funding policy'.[67]

Finally, some streams of EU funding have put a strong emphasis on supporting Small and Medium-sized Enterprises (SMEs). In the words of the programme officer for EU LEADER funds in North Nottinghamshire:

"I've been doing LEADER for quite a long time, for nearly ten years now, and I was always quite militant about what it was. As a country, we seem to be missing that small business man or woman, you know the one-man bands, one-woman bands, two-woman bands, who live in the rural areas and have their businesses (…) And I think the last LEADER programme really hit the nail in the head [in supporting such endeavours] with the bottom-up approach."[68]

60 Local Enterprise Partnership for Derby, Derbyshire, Nottingham and Nottinghamshire. 2017. *D2N2 Annual Review 2016/17*, 15. Available at **http://www.d2n2lep.org/write/D2N2_Annual_Review_2016-17.pdf**. Under current exchange rates, €250 million translates to about £223 million.

61 Ibid, 15.

62 UK Government. Beneficiaries Under the East Midlands 2007 to 2013 ERDF Programme. Available at: **https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/479592/East_Midlands_List_of_Beneficiaries_Nov_15.pdf**. Unfortunately, it is very difficult to find detailed information about the exact contribution of EU funding to regeneration projects in the area as a whole.

63 See Mansfield District Council 2009, 21.

64 Interview with Jim Burley, 23 May 2018.

65 Interview with Matthew Wheatley, 25 May 2018.

66 Ibid.

67 Ibid.

68 Interview with Jim Burley, 23 May 2018.

Relatedly, the founder and CEO of a small Nottingham-based business in the creative industries said that the support his firm received from EU-funded programmes was 'invaluable' in terms of enabling the business to have a 'strong start'. By giving Nottinghamshire-based SMEs access to training, expertise and subsidised internship wages, EU funding schemes address precisely the 'two gaps that you have when you're starting off a business: not having as much funding as we would like, and as much expertise as we need.'[69]

The UK is a net contributor to the EU budget, which means that following Brexit, the government would be in a position to replace the entire set of EU funding schemes with identical or improved national-level versions of those schemes:

"If the government were to say, here is a seven-year allocation of funding for your area, which you need to spend in support of these broad policy objectives, and it's up to you to determine the priorities within this broad overall framework, then that might actually lead to even better policy."[70]

Nevertheless, given the UK government's historical ambivalence towards stable, long-term regional development programmes with a strong role for local stakeholders in the planning and implementation policy stages, these are issues that need to be considered and debated, in order to ensure that Mansfield doesn't lose any funding or control towards the central level of government after Britain leaves the EU.

Trade effects of Brexit

The issue of the impact that an increase in trade barriers between the UK and the EU would have on particular British sectors and regions has been the subject of a few recent quantitative analyses, and we will refer to two of those here.

The first study, which was conducted at the City REDI Institute of the University of Birmingham, measured the current exposure of different UK industries to trade with EU countries. UK industries are exposed to trade with the EU not only when they export final products to EU countries, but also when they use materials, components and inputs that are imported from the EU, and when they provide inputs for other UK exporters. The authors of the study calculated the share of the value added of different UK industries that crosses a UK-EU border at least once. They subsequently estimated how much value added would be lost in each industry if all trade between the UK and the EU were to cease after Brexit. The authors then constructed a 'value added at risk' index, which indicates the difference for each industry between the level of value added under the no-trade scenario, and the level of value added in 2014. The study found that in the UK economy as a whole, 'about 8.5% of UK GDP – in 2014 almost £140 billion per annum – is at risk due to Brexit.' The exposure to trade with the EU varies substantially among different industries: the share of value added at risk is estimated to be only 2% for the construction sector, 2% for retail trade, 11% for architectural and engineering services, 16% for warehousing services, 19% for administrative and support services, a high 22% for rubber and plastic products, 24% for wholesale trade and 36% for professional, scientific and technical services, to mention but a few sectors that are important for the wider Mansfield economy.[71]

However, the mere fact that an industry is exposed to trade with the EU doesn't mean that this industry will necessarily suffer proportionally when Britain leaves the EU; after all, the extent to which trade between Britain and the EU will decline after Brexit depends crucially on the type of deal that will be reached. The second study that we refer to here, which was conducted at LSE CEP, uses a model of the world economy to forecast the local-level economic effects of the increase in trade barriers that would occur under a 'soft Brexit' scenario and a 'hard Brexit' scenario. Under the 'soft Brexit' scenario, in which Britain would join a free trade area with the EU, the study predicts a decrease in the gross value added of goods and services produced in Mansfield of 1.2%, close to the national average of 1.14%. Under the 'hard Brexit' scenario, in which Britain and the EU do not join a free trade area but charge each other tariffs according to the rules of the World Trade Organisation, the gross value added of goods and services produced in Mansfield is predicted to decrease by 2.2%, once again very close to the national average of 2.12%. Overall, the study predicts that areas in southern England will be affected more negatively by an increase in trade barriers with the EU than areas in the north, with the City of London being predicted to suffer from a decrease in gross value added of 1.9% under the 'soft Brexit' scenario, and of 4.3% under the 'hard Brexit' scenario.[72]

69 Interview with James Lowe, 29 May 2018.

70 Interview with Matthew Wheatley, 25 May 2018. See also the conclusion of a recent academic article on the effect of the EU's Cohesion Policy on UK regions: 'The prospective withdrawal of the UK from the EU and the loss of eligibility for Cohesion Policy funding will not only deprive the UK's regional economies of an important source of investment funds but also most definitely of a mechanism via which forces of economic divergence have been in the past – at least partly – neutralized. It follows that policy efforts in the post-EU era, such as the "Shared Prosperity Fund" proposed by the UK government as a replacement of EU funds, should concentrate on developing a similarly funded regional development policy which will substitute for the withdrawal of the Cohesion Policy interventions and, indeed, improve on these.' Di Cataldo M. and Monastiriotis V. 2018. Regional needs, regional targeting and regional growth: an assessment of EU Cohesion Policy in UK regions. *Regional Studies*, 11.

71 Los B., Chen W., McCann P. and Ortega-Argilés R. December 2017. An Assessment of Brexit Risks for 54 Industries: Most Services Industries are also Exposed. *City-REDI Policy Briefing Series*, University of Birmingham., 4. Available at: **https://blog.bham.ac.uk/cityredi/wp-content/uploads/sites/15/2018/01/City-REDI-Briefing-Template_Sectoral-Analysis.pdf**.

72 Dhingra S., Machin S. and Overman H.G. July 2017. The Local Economic Effects of Brexit. *CEP Brexit Series: Paper No. 10*. Available at: **http://cep.lse.ac.uk/pubs/download/brexit10.pdf**.

During our fieldwork in Mansfield in May 2018, these results were discussed in many of our interviews, and we found that several stakeholders were actually not that worried about the economic impact of an increase in trade barriers following Brexit. The primary reason for this is that several interviewees didn't actually consider that trade would substantially decline after Britain leaves the EU. For example, Mrs. Sue Kirk, financial director at the local family-owned business Mansfield Garage Doors, reflected in the following way about the future of the firm's relationship with its main supplier, the German multinational Hörmann: 'Hörmann are going to want to sell to us whether we are in the EU or not, aren't they? (…) Although it's a German company, we deal with their British office, and they've not mentioned Brexit to us at all.'[73] The idea that trade links with the EU will not be severely disrupted after Brexit because it is as much in the interest of EU producers to trade with the UK as it is in the interest of UK producers to trade with the EU, was developed further by Mr. Keith Barnes, a local packaging consultant:

"I am absolutely convinced that once whatever rules they try to make are set out, accountants will find their way round them, so that whoever is producing in Germany and France can still sell at a preferential rate in the UK (…) There will be minimal barriers, or methods to get around them. I mean, Volkswagen are not going to stop selling cars to the UK! Why should they? (…) People in Europe need us as much as we need them."[74]

These arguments are reinforced by a firm belief in the competence of the British authorities to secure the interests of British producers during the negotiations: 'I think there's loads of things being sorted out, that we will know as time leads on.'[75] The fact that two years after the 2016 referendum, exporting businesses in particular have not suffered any concrete negative economic consequences due to Brexit, but have in fact benefited from the devaluation of the pound, reinforces the climate of wait-and-see and even mild optimism that prevailed in several of our interviews.[76] The difficulty of making credible

Image 9: Offices of Mansfield Garage Doors

forecasts about such a complex issue was also seen by some as a reason not to be very concerned for the time being.[77]

Overall, to the extent that a number of stakeholders in the Mansfield economy are not as worried about a potential rise in trade barriers with the EU as the authors of the impact assessment studies cited at the beginning of this section, this is mostly because they do not consider that such a rise in trade barriers is likely to materialise. This observation in itself has clear policy implications for the type of Brexit deal that would be considered as beneficial for the local economy.

Brexit and inflation

The flip-side of the devaluation of the pound that occurred after the 2016 referendum, which has benefited the UK's exporting businesses as mentioned in the previous sub-section, has been an increase in inflation. According to a study conducted by LSE CEP, in the year following the referendum the Brexit vote led to an increase in inflation by 1.7 percentage points, which cost 'the average household £7.74 per week through higher prices. That is equivalent to £404 per year.'[78] The concern that Brexit will be associated with an increase in inflation, and particularly in food prices, thereby affecting 'the working classes' especially,[79] was also expressed during some of our interviews . This problem could be magnified after Britain's withdrawal from the EU's Common Agricultural Policy, which provides generous subsidies to the agricultural sector, thereby keeping food prices down. Given that, as seen earlier in the report, median annual earnings in Mansfield are quite low compared to the national average, should the prices of basic goods continue to rise after Britain's departure from the EU, it would be good to put measures in place in order to minimise the impact of these changes on the most vulnerable members of the community.

73 Interview with Sue Kirk, 24 May 2018.

74 Interview with Keith Barnes, 24 May 2018. In connection to this remark, it is worth noting that even though Britain imports more than it exports to the EU, this doesn't mean that that particular EU regions or countries are more exposed to trade with the UK than Britain is exposed to trade with the EU. This is because the EU is much larger than Britain, and the cost of Brexit will be distributed across several countries. See also the conclusion of a study conducted at the City REDI Institute of the University of Birmingham: 'The UK and its regions are far more vulnerable to trade-related risks of Brexit than other EU member states and their regions.' See: Chen W., Los B., McCann P., Ortega-Argilés R., Thissen M. and van Oort F. 2018. The continental divide? Economic exposure to Brexit in regions and countries on both sides of the Channel. *Papers in Regional Science* 97, 38.

75 Interview with Keith Barnes, 24 May 2018. Similarly, the following was mentioned in another interview: 'I'm sure that behind the scenes people are working towards the fact that there's going to be a Brexit, and what the effect is going to be on the local economy, and the national economy as well.'

76 'We've come along so far without Brexit affecting us too much'. Interview with Sue Kirk, 24 May 2018. 'The visions of the people begging at the door of your neighbour – it just hasn't happened, we've gotten better and better'. Interview with Keith Barnes, 24 May 2018. In our interview with Martin Rigley and Brian Stopford, 24 May 2018, it was also mentioned that 'we've certainly seen an upturn in exports due to the weakness of the pound', though the interviewees were more cautious in their assessments about trade barriers in the future, not least because there are also 'emotional aspects to this as well'.

77 For example, in one of our interviews the following was mentioned: 'Who knows really at this moment in time if Brexit is going to be successful or not (…) Maybe in many years to come, it will become evident whether it was the right decision or not – I think it's all too early to actually think about that.'

78 Breinlich H., Leromain E., Novy D. and Sampson T. November 2017. The Brexit Vote, Inflation and UK Living Standards. *CEP Brexit Series*, Paper No. 11. Available at: **http://cep.lse.ac.uk/pubs/download/brexit11.pdf**

79 Interview with Jim Burley, 23 May 2018.

Image 10: Mansfield's bus station

Challenges ahead

In this report, we have taken stock of different types of opportunities and threats that will arise for the wider Mansfield economy as a result of Britain's departure from the EU, in the context of a set of longer-term structural economic problems that Mansfield has faced since the late 1980s.

If we were to summarise the challenge that Mansfield needs to meet in the future, we would use the words of one of our interviewees:

"Either we are an area that has the skills [necessary to attract the industries of the future], and where businesses are attuned to the opportunities and the changes that are happening, or other places do it faster, and we get left behind, and we get left with doing Amazon order fulfilments rather than actually helping design and shape high-quality goods."[80]

Brexit interrelates with this challenge in multifaceted ways. On the one hand, we have argued that the remarkably high share of the Leave vote in the area cannot be understood without taking into consideration some structural characteristics of the Mansfield economy in the post-coal mining period. These include the growth of a type of business model that relies on low-skilled, low-paid agency labour often from other EU countries, and the lack of large-scale economic activities which can instil in the local community the sense of ownership and pride that existed when coal mining and the traditional manufacturing industries still flourished in Mansfield.

On the other hand, even if businesses at the low end of the value-added scale suffer a blow from the decrease in immigration from the EU that is likely to occur after Brexit, this does not mean that their activities will be automatically replaced with better-paid and more satisfactory jobs. On the contrary, as seen in the previous section, Brexit by itself is not likely to solve the underlying structural problems of Mansfield's economy, and may actually exacerbate some of the challenges that high value-added firms face in the area. In order to minimise those threats and make the most out of the post-Brexit situation in Mansfield, policy-makers may want to take into consideration the following ideas:

1. In relation to the issue of skills, local needs for foreign skilled workers should be assessed and taken into consideration in the Brexit negotiations. At the same time, it is more urgent than ever that the authorities address the underlying challenge of increasing the skill level of the local population, both by improving the local-level availability of quality training, and by providing incentives for people to make maximum use of any available training opportunities.

2. Mansfield's past experience has shown that development along a high value-added direction must be pursued purposely through appropriate policies for local development. Brexit could negatively affect the ability of the local authorities to continue their efforts in that direction, unless EU funding for regional development is fully replaced with national schemes. Such schemes may also be designed to incorporate some of the most positive aspects of the EU's regional development programmes, such as continuity across time, and the empowerment of local and regional stakeholders through the devolution of responsibility for policy design and implementation.

3. Stakeholders in Mansfield generally recognise the positive effects of trading with EU countries for the local economy, and many are optimistic about the future as they consider it unlikely that trade with the EU will substantially decline after Brexit. A Brexit deal that safeguards the trade links of local companies with the EU would be highly beneficial for Mansfield's economy, particularly when it comes to sectors that are considered strategically important for Mansfield's development, such as high-end business services.

4. Should the prices of basic goods, and particularly food, continue to increase as a result of Brexit, it would be good to put measures in place in order to minimise the impact of these changes on the most vulnerable members of the community.

80 Interview with Matthew Wheatley, 25 May 2018.

Appendix

Appendix 1: Sociodemographic/voting/economy

Local Authority	Data source	Barnet	Ceredigion	Mansfield	Pendle	Southampton	Country	(countries included)
Electorate in Brexit referendum	Electoral Commission	223467	53400	77624	64534	158171	46500001	United Kingdom
Number of valid votes in Brexit referendum	Electoral Commission	161033	39742	56344	45335	107665	33551983	United Kingdom
Percentage voting remain in Brexit referendum	Electoral Commission	62.2%	54.6%	29.1%	36.9%	46.2%	48.1%	United Kingdom
Percentage voting leave in Brexit referendum	Electoral Commission	37.8%	45.4%	70.9%	63.2%	53.8%	51.9%	United Kingdom
CEP estimate for soft Brexit effect (% of GVA)	CEP	-1.5%	-1.2%	-1.4%	-1.2%	-1.2%	-1.3%	United Kingdom
CEP estimate for hard Brexit effect (% of GVA)	CEP	-2.2%	-1.5%	-2.0%	-1.4%	-1.9%	-2.7%	United Kingdom
Percentage of live births to mothers not born in the UK	ONS	58.7%	11.1%	17.1%	28.9%	34.8%	26.9%	United Kingdom
Percentage non-British	ONS	20.8%	4.0%	7.6%	6.7%	19.7%	9.3%	United Kingdom
Percentage non UK born	ONS	39.0%	6.7%	8.6%	8.9%	22.9%	14.1%	United Kingdom
Percentage born in UK, 2011	2011 Census	61.1%	94.0%	94.4%	89.1%	82.4%	86.6%	England and Wales
Percentage born in other EU countries, 2011	2011 Census	10.4%	2.6%	3.5%	2.3%	6.7%	4.3%	England and Wales
Percentage white UK born	APS	45.5%	92.5%	86.8%	80.4%	74.8%	79.7%	United Kingdom
Percentage white not UK born	APS	19.4%	4.4%	6.2%	4.7%	11.8%	6.8%	United Kingdom
Percentage ethnic minority UK born	APS	17.2%	0.9%	2.0%	6.4%	3.8%	6.5%	United Kingdom
Percentage ethnic minority not UK born	APS	18.0%	2.3%	5.0%	8.5%	9.6%	7.0%	United Kingdom
Employment share: Agriculture, forestry & fishing	BRES	0.0%	1.7%	0.0%	0.1%	0.0%	1.6%	Great Britain
Employment share: Mining, quarrying & utilities	BRES	0.2%	0.8%	0.7%	0.7%	0.5%	1.2%	Great Britain
Employment share: Manufacturing	BRES	2.3%	4.2%	9.8%	28.1%	3.4%	7.9%	Great Britain
Employment share: Construction	BRES	6.1%	5.8%	7.3%	4.7%	3.0%	4.7%	Great Britain
Employment share: Motor trades	BRES	1.3%	1.7%	2.4%	1.9%	1.7%	1.8%	Great Britain
Employment share: Wholesale	BRES	3.0%	2.0%	4.3%	3.9%	2.6%	3.9%	Great Britain
Employment share: Retail	BRES	11.4%	10.0%	12.2%	10.9%	9.4%	9.5%	Great Britain
Employment share: Transport & storage (inc postal)	BRES	3.0%	2.3%	2.2%	2.2%	6.8%	4.8%	Great Britain
Employment share: Accommodation & food services	BRES	6.8%	13.3%	6.1%	7.0%	6.8%	7.4%	Great Britain
Employment share: Information & communication	BRES	4.5%	1.3%	1.5%	3.9%	6.0%	4.1%	Great Britain
Employment share: Financial & insurance	BRES	1.9%	0.8%	1.5%	1.4%	3.0%	3.5%	Great Britain
Employment share: Property	BRES	4.5%	1.5%	0.9%	1.4%	1.5%	1.7%	Great Britain
Employment share: Professional, scientific & technical	BRES	11.4%	3.3%	4.3%	3.9%	5.1%	8.7%	Great Britain

Local Authority	Data source	Barnet	Ceredigion	Mansfield	Pendle	Southampton	Country	(countries included)
Employment share: Business administration & support services	BRES	8.3%	2.0%	12.2%	4.7%	12.0%	8.8%	Great Britain
Employment share: Public administration & defence	BRES	3.4%	6.7%	4.3%	2.5%	4.3%	4.2%	Great Britain
Employment share: Education	BRES	11.4%	20.0%	8.5%	9.4%	12.0%	8.6%	Great Britain
Employment share: Health	BRES	15.2%	13.3%	14.6%	10.9%	17.1%	13.0%	Great Britain
Employment share: Arts, entertainment, recreation & other services	BRES	5.3%	5.0%	4.3%	2.5%	3.8%	4.6%	Great Britain
Percentage with NVQ level 4+, aged 16-64	APS	54.0%	31.4%	17.5%	21.5%	36.0%	38.4%	United Kingdom
Percentage with no qualifications, aged 16-64	APS	5.5%	7.6%	11.2%	9.1%	7.4%	8.0%	United Kingdom
Population, 2017	APS	389,700	74,800	105,800	89,700	250,900	65,114,500	United Kingdom
Social Mobility Index (ranking out of 324)	Social Mobility Index	9	Not available	315	144	247	Not applicable	Not applicable
General Election 2015: Percentage Conservative	Electoral Commission	49.5%	11.0%	28.2%	47.2%	39.7%	36.8%	United Kingdom
General Election 2015: Percentage Labour	Electoral Commission	38.4%	9.7%	39.4%	34.9%	19.1%	30.4%	United Kingdom
General Election 2015: Percentage UKIP	Electoral Commission	5.5%	10.2%	25.1%	12.2%	12.8%	12.6%	United Kingdom
General Election 2015: Turnout	Electoral Commission	68.0%	69.0%	60.9%	68.8%	63.4%	66.4%	United Kingdom
General Election 2017: Percentage Conservative	Electoral Commission	47.1%	18.4%	46.6%	49.0%	42.8%	42.4%	United Kingdom
General Election 2017: Percentage Labour	Electoral Commission	45.2%	20.2%	44.5%	46.2%	47.7%	40.0%	United Kingdom
General Election 2017: Percentage UKIP	Electoral Commission	0.6%	1.5%	5.3%	0.0%	1.0%	1.8%	United Kingdom
General Election 2017: Turnout	Electoral Commission	70.5%	73.3%	64.5%	69.0%	67.1%	68.8%	United Kingdom
Price level, 2016 (regional, relative to UK index of 100)	ONS	107.2	98.1	99.6	98.8	101.5	100.0	United Kingdom
House price, 2017 (mean transaction price)	Land Registry	£691,914	£224,337	£148,961	£114,441	£268,534	£345,715	England and Wales

Notes

Employment by ethnicity data is obtained from Nomis but is not included here due to space constraints

Electoral comission data for the EU referendum is available at **https://www.electoralcommission.org.uk/find-information-by-subject/elections-and-referendums/past-elections-and-referendums/eu-referendum/electorate-and-count-information**

The Centre for Economic Performance (CEP) paper is available at **http://cep.lse.ac.uk/pubs/download/brexit10.pdf**

The ONS migration data is available at: **https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/localareamigrationindicatorsunitedkingdom**

Data from the Census, Annual Population Survey (APS), and Business Register and Employment Survey (BRES) are available at Noms: **https://www.nomisweb.co.uk/**

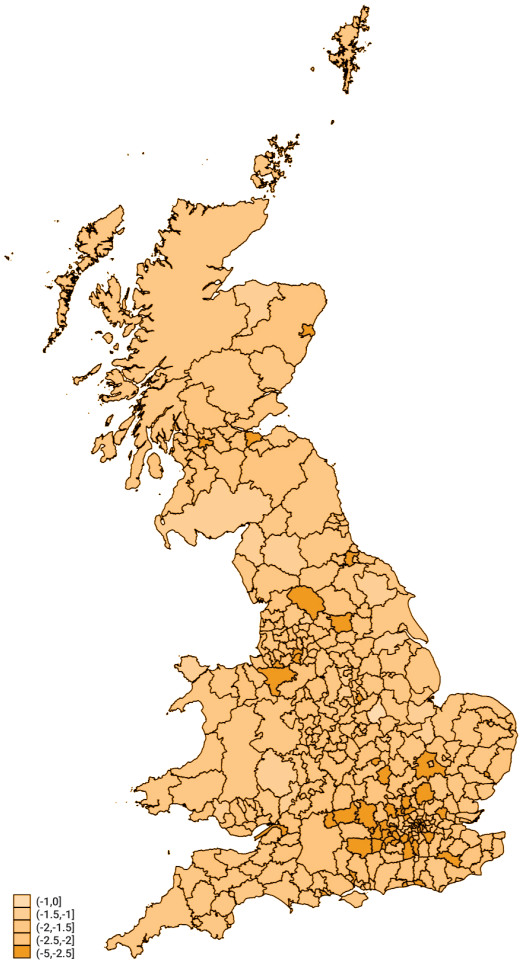
The Social Mobility Index is only available for England

ONS regional price data is available at: **https://www.ons.gov.uk/economy/inflationandpriceindices/articles/relativeregionalconsumerpricelevelsuk/2016**
House Price data is available at: **https://www.gov.uk/government/statistical-data-sets/price-paid-data-downloads**

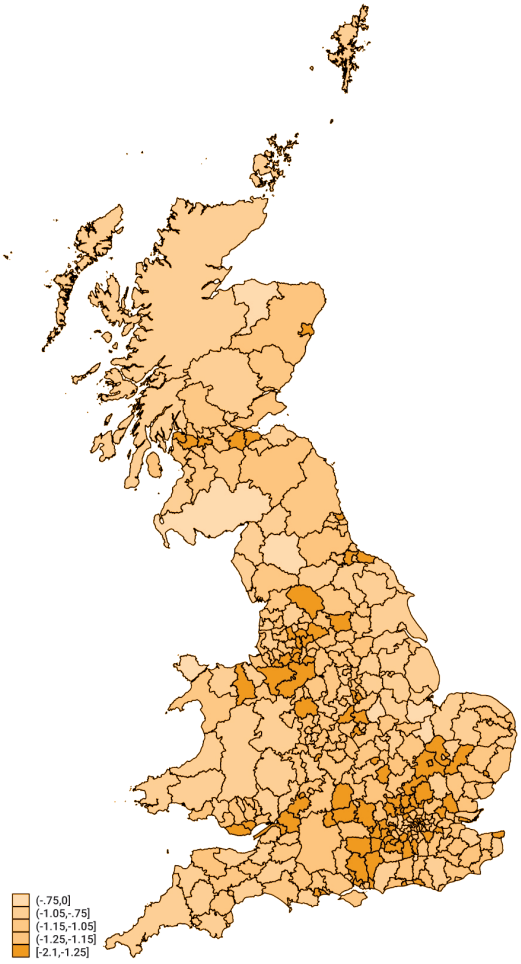
Electoral Comission data for the 2015 and 2017 general elections is available at: **https://www.electoralcommission.org.uk/our-work/our-research/electoral-data/electoral-data-files-and-reports**

General election voting data is available at the parliamentary constituency level whereas this project focuses on local authorities. We impute local authority level data by fitting constituencies into local authorities. For Ceredigion, Mansfield and Pendle, the parliamentary constituency is equivalent to the local authority. Barnet is a combination of three parliamentary constituencies, namely: Finchley and Golders Green, Hendon, and Chipping Barnet. For these four local authorities there is no issue in obtaining local authority level general election data. Southampton is constructed of two full constituencies - Test and Itchen - and part of the constituency Romsey and Southampton North. To obtain general election data for Southampton, we use the population-weighted mean of the general election results for these constituencies. This requires us to assume that the voting behaviour of voters in the section of Romsey and Southampton North that is in the local authority Southampton is equivalent to the proportion that is outside of Southampton local authority. We believe that this is a reasonable assumption. Further, it only affects a 11.9% of the Southampton population, so any induced error is likely to be relatively very small.

Appendix 2: Post Brexit percentage decrease in local authority



Percentage decrease in local authority GVA: Hard Brexit (Dhingra et al. 2017)



Percentage decrease in local authority GVA: Soft Brexit (Dhingra et al. 2017)

Appendix 3: List of interviewees

Name	Position	Date, time	Duration	Type
Jim Burley	LEADER Programme Officer for North Nottinghamshire	23/05/2018, 2pm	1h15min	In person
Dominic Wring	Professor of Political Communication, Loughborough University	23/05/2018, 4pm	1 hour	By telephone
Martin Rigley	CEO, Lindhurst Engineering	24/05/2018, 9am	30 min	In person
Brian Stopford	Director, Stopford Associates; Board Member, Mansfield & Ashfield 2020			
Keith Barnes	Packaging consultant, K. B. Consulting	24/05/2018, 9.30am	1 hour	In person
Sue Kirk	Financial Director, Mansfield Garage Doors	24/05/2018, 2pm	1 hour	In person
Matthew Wheatley	CEO, D2N2 LEP	25/05/2018, 10am	50 min	In person
Andy Done-Johnson	Journalist, Sheffield Star (until the start of 2018, journalist at Mansfield Chad for 5 years)	25/05/2018, 3pm	2 hours	In person
James Lowe	CEO, Brightbuster	29/05/2018, 12 noon	40 min	By telephone
Ben Bradley	MP for Mansfield	11/06/2018, 7pm	10 min	By telephone

Acknowledgements

We are more than grateful to Keith Barnes, Ben Bradley, Jim Burley, Andy Done-Johnson, Sue Kirk, James Lowe, Martin Rigley, Brian Stopford, Matthew Wheatley, and Dominic Wring, who devoted their time in order to be interviewed for this report. They shared their views with honesty and generosity, thereby contributing in a crucial way to our research. We would also like to thank the Mansfield & Ashfield 2020 business consortium for warmly welcoming us in their community, and for facilitating several of the interviews that we conducted with representatives of local businesses. During the process of doing research for this report, we listened to a wide range of views about the likely impacts of Brexit at local level, but ultimately, the opinions expressed in this report reflect solely the views of the authors. Naturally, we also accept full responsibility for any errors and omissions.

Image 11: Waverley House, Old Market Cross, Mansfield

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