

## REPORT : "State Of The Nation"

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### Introduction

The US presidential candidate Warren Harding campaigned (successfully) in 1920 on a pledge of a "return to normalcy". The leaders of the mainstream political parties in the UK must be hoping – though they can hardly campaign – for just that at the moment. But will politics ever be the same again? And when the current feverish atmosphere calms down, what will the political terrain look like? Can Brown survive, let alone recover? Will the expenses scandal derail David Cameron's seemingly unstoppable progress to Downing St? Will the new Parliament, elected at some point in the next year, look very different from this one, or surprisingly similar?

This paper from Cavendish Communications, following on from our examination of Cameron's Conservatives, looks at the state of the political nation as this Parliament enters its fifth and final year.

### The Impact of the Expenses Scandal

It seems highly likely that the revelation of the allowances paid to MPs has not yet claimed its last victim. Although Parliament itself has now published all the material (with 'sensitive' information blacked out), it could take weeks or even months for researchers, partisan and impartial alike, to wade through the huge amount of material. Likewise, the Daily Telegraph, which has all the information without parts obliterated, does not appear yet to have ploughed through all the material it holds. And the formal publication of the material may yet force a re-examination of the conduct of some MPs, some of them very prominent, whose creative schemes for the avoidance of capital gains tax, for example, may look rather questionable on further analysis. There is also the potential for the feeling to grow that some MPs have been treated more harshly than others; those so far given more lenient treatment may suddenly find that they are under renewed pressure to stand down.

The other dynamic at work is the local press angle. The fact that a particular MP's claims, when compared with the "flipping" of second homes, the avoidance of CGT, or the building of duck islands may appear very modest, may not cut much ice with local newspapers. A few hundred pounds on an item of furniture may be small beer to the Daily Telegraph, but could look bad to the readers of the Bassetshire Echo. Following the publication of all the material, some MPs will be in for a hard time from local parties, constituents and media.

It seems likely therefore that more MPs will stand down for "family" or "health" reasons, or because they suddenly realise that they had always intended to retire at 60. There is no doubt that, whatever the individual rights and wrongs of the expenses scandals, many MPs are deeply disillusioned. So is the Commons heading for a massive clearout of MPs?

So far, 50 Labour MPs and 24 Tories have said they will not contest the next election, together with 5 Lib Dems and Alex Salmond of the SNP – a total of 80, or about 12% of the membership of the Commons. However, at the last election 86 MPs of all parties retired, so at the moment the rate of "attrition" is no higher than in the last

Parliament. Of course there is still almost a year to go to the likely election date and the current circumstances mean that more MPs than would otherwise have done so are likely to stand down. Assuming the polls remain favourable to the Conservatives, additional retiring MPs are more likely to come from the Labour side. Estimates (eg from Ben Brogan of the Telegraph), that half of all Conservative MPs could stand down – partly because of disgruntlement over the handling of the expenses saga (see below) and partly because of publicity about second jobs - seem very much over the top.

## Impact on the Party Leaders (and the Parties)

On the face of it, the Labour and Conservative parties could expect to have suffered equally from the expenses revelations which have been made, while the Lib Dems, which have had fewer problems (though there have been some claims they have had to defend), might have expected to gain at their expense. However, as the European and local election results showed (see below), the third party has not been able to make significant inroads at all, and if anything found itself under pressure from a resurgent Conservative Party, especially in the south-west.

In fact, by general agreement Labour has been hit harder than the Conservatives. This is partly owing to the different reactions of their leaders: David Cameron has acted quickly and appeared decisive, Gordon Brown has several times seemed to be wrong-footed and tentative in his response. Labour has also suffered as the incumbent party which is blamed for failing to sort out the expenses problem (perhaps unfairly), and (with more reason) for failing to get grips earlier with the need for transparency. Of course Labour's falling levels of support can also be attributed to other factors, not least internal dissension and the state of the economy.

There is one impact on David Cameron which has not received much publicity, and that is the mood of the Parliamentary Conservative Party. There is some evidence that morale has suffered, and certainly that, for a party well ahead in the polls and seemingly able to look forward to the spoils of office, they are not cheerful. The reason for this appears to be that there is some resentment that their Leader's hard line on expenses has meant that some popular backbench colleagues have been thrown to the wolves, while (it is alleged) members of Cameron's inner circle have escaped more lightly. To put it another way, Tory backbenchers feel squeezed between the leadership's tough (but perhaps not wholly consistent) stance and the disapprobation of their constituents.

The party leader who can probably feel most aggrieved is Nick Clegg, who has often come up with interesting (if occasionally draconian) ideas, eg on second homes for MPs, and has sometimes made the running, but has received precious little media or public recognition for it.

## Impact on Constitutional and Political Reform

The Prime Minister, under pressure to respond to the political crisis, has announced that he will produce "proposals for debate" on five issues:

A move to a wholly or largely elected House of Lords

A written constitution

Further devolution of powers to Scotland, Wales and to English regions

Electoral reform

Increasing public involvement in political life.

Gordon Brown's announcement provoked some cynicism: some of these look familiar (Lords reform has been stalled for some years, and the Prime Minister has spoken before of the need to engage more people in politics - or at least to persuade them to vote); and few would appear likely to have much impact on how the public responds to Parliament. The proposed form of electoral system which Brown apparently wants to discuss is the Alternative Vote, which is not a proportional system and might produce even more skewed election results than the present first-past-the-post.

Constitutional change generally proceeds on the basis of cross-party discussion, but it goes without saying that the Conservatives have no interest in electoral reform. It seems most unlikely that any change to the voting system (for the election after next, presumably) could be legislated in the short session before the next election (see below), so the question is whether Labour enters the next election with a commitment to introduce a new voting system in its manifesto. This might at least enable them to approach the Liberal Democrats with a proposal for co-operation in government if the election produces no overall majority for any one party.

More details of Labour's plans were announced on 29 June, when the Prime Minister set out the outline of the government's legislative plans for the next (truncated) session. The list of Bills is therefore short, though more may be added as circumstances change. Currently, it is:

[Financial services and business Bill](#)

[Digital economy Bill](#)

[Energy Bill](#)

[Flood and water management Bill](#)

[Improving schools and safeguarding children Bill](#)

[Equality Bill](#)

[Child Poverty Bill](#)

[Policing, crime and private security Bill](#)

[Constitutional renewal Bill](#)

[Bribery Bill](#)

[Cluster munitions prohibition Bill.](#)

*Amongst other things, the government plans to:*

[Remove the remaining hereditary peers from the House of Lords](#)

[Target £1.5 bn investment over two years on affordable housing](#)

[Introduce enforceable healthcare entitlements](#)

[Guarantee individually tailored education for all children.](#)

David Cameron immediately attacked the programme as coming "without a price tag", and the wider debate about public spending seems likely to dominate politics up until the general election.

## The Lessons of the Elections on 4 June

The lessons of the local (predominantly county council) elections could hardly be more stark. The clear winners were the Conservatives, who made advances everywhere, took control of councils which were never really in their sights (such as Derbyshire and Devon) and made gains at the expense of both Labour and the Lib Dems. The Tories gained 244 councillors and took control of 7 councils.

The Lib Dems stood still in terms of councillors elected, but lost Somerset and Devon to the Tories, came nowhere near winning the new unitary Wiltshire and even came second to the Tories on the new unitary Cornwall (now under Conservative / Independent control). Their consolation prize was winning Bristol.

It was a shocking night for Labour. They lost more than three-fifths of the council seats they were defending, were almost wiped out in the south-east and they lost all four of the counties they had controlled, some for decades.

In terms of vote share, the Conservatives may be concerned that their projected national share of the vote fell to 38% (from 44% in 2008), though given the expenses scandal and the coincidence of voting with the European elections, which always help minor parties, they will not be too displeased. Labour hit a rock bottom 23%.

European elections in the UK always favour the fringe parties. In 1989 it was the Greens who achieved a spectacular vote, only to fade away subsequently. More recently it has been UKIP which has benefited from what the voters tend to see as a "free hit" – a vote which is perceived to have no real significance and can therefore safely be used to make a point. This time, in addition to expressing the latent Euroscepticism of the majority of the British (and especially English) people, the voters took the opportunity of punishing the main parties for the expenses scandal.

Having said that, the Conservatives will again be relieved that their vote held up (it increased marginally to 27.7%), while the Labour vote again collapsed, to just 15.7% and a dismal third place, behind UKIP (whose vote was static). Overall, the story of the night was that Labour's vote was redistributed to fringe parties, and in such a way that it allowed the BNP to win two seats, even though their share of the vote increased only marginally.

## Brown's Position

On 4 June, it looked as though the game was up for Gordon Brown. The departure of Jacqui Smith, followed by the dramatic resignation of Hazel Blears and finally the close-of-polls resignation of James Purnell suggested that the Cabinet revolt which was always the only realistic means of ousting Brown was under way. But, crucially, David Miliband and Alan Johnson decided to stick with Brown. The Prime Minister then seized the initiative by beginning his reshuffle between the local elections debacle and the announcement of the European results on the Sunday evening, making it impossible for a Cabinet newly-appointed on the Friday to resign en masse on the Monday, however bad the results.

Is Brown therefore safe until next May? Not necessarily. It is true that a formal challenge under Labour's rules looks impossible (but then the rules are designed that way), but it is still possible that in the autumn, following any further setbacks, senior Cabinet ministers might demand that he resign and threaten to do so themselves unless he agrees. Those setbacks might include defeats in the two forthcoming by-elections in Glasgow NE (which may be postponed until the autumn) and Norwich N (23 July), or simply continuing dire opinion polls (for example, if the Lib Dems were consistently to overtake Labour in the polls). One of the reasons which made Labour MPs (and Ministers) hesitate was the belief (strongly put about by the Labour Whips) that a change of Leader would necessitate a general election in the autumn (constitutionally untrue, but morally perhaps difficult

to avoid). However, a new Labour leader in the autumn (presumably Alan Johnson) could argue that it would be too late in the year to hold an election and that he would therefore go to the country in the spring (when an election is due anyway).

On balance, Brown looks likely to lead Labour into the next election, and certainly far more likely than appeared to be the case at 10pm on 4 June.

## Looking to the Future

There are no certainties in politics, but the most likely scenario is now for the Labour government to limp on to next May and for the election to be held on the same day as the London borough elections (6 May 2010). A narrow Conservative win (in terms of seats) is on the cards, but is still not a foregone conclusion.

### *The following factors could yet influence events:*

Gordon Brown could be ousted in the autumn, which would probably mean an election in the spring (say March), in which it is possible that Labour would do rather better and perhaps even emerge as the largest party in a hung parliament

To achieve this they would be helped (as we pointed out in our earlier paper on Cameron's Conservatives) by the considerable bias in the electoral system to Labour: remember the Tories need to be about 8 points ahead in the popular vote to win an overall majority of seats

If the disgust felt with the major parties persists, the fringe parties could poll well at the general election and therefore affect the result. This – simplistically - is more likely to hurt Labour (through the BNP) than the Tories (through UKIP), but might increase the chances of a hung parliament

Any further revelations or scandals could yet destabilise any of the main parties: the Conservatives are concerned about details of Tory MPs' income from other sources (such as directorships) creating a further public backlash

There could yet be an economic recovery, helping Labour's fortunes to recover (though the public finances will still be in a mess).

*And, of course, there are always "Events".*