



General Election 2017





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About Political Intelligence

Here we go again! A General Election has been called which will undoubtedly have major consequences for the United Kingdom. This will bring both risks and opportunities to UK businesses. The current picture suggests the re-election of the Conservatives with an increased majority. Here, we explore the reasons why the Prime Minister called the election, key seats to watch and outline what might happen next.

To discuss how to make the most of the opportunities by both the campaign and the post-Election environment, contact us:

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Background

The Prime Minister has called a General Election on 8th June, despite having previously stated that such a move would be “self-serving” at a time when the country needs stability. MPs voted on Wednesday afternoon by 522-13 votes to support the Government motion to trigger a provision of the Fixed Term Parliaments Act, which allows an early election to be called if two-thirds of MPs back the move.

May justified her decision by stating that opposition parties and the House of Lords had made it clear that they were going to attempt to frustrate her efforts to implement Brexit and would therefore weaken her negotiating hand with the EU. She said, “division in Westminster will risk our ability to make a success of Brexit”.

Polls currently suggest that the Conservatives will be re-elected with an increased majority, with some even indicating a landslide. Labour is expected to perform poorly, with dozens of Labour MPs at risk of losing their seats and a number choosing not to stand for re-election.



Why has the Election been called?

In her own words the Prime Minister called an election because “the country is coming together but Westminster is not”. In her speech May argued the election is necessary to overcome Brexit resistance in opposition parties such as the Liberal Democrats and SNP, as well as the House of Lords who she says have “vowed to fight us every step of the way”. In reality though, this election is about May securing the legitimacy to pursue her own Brexit agenda and capitalising on the weakness of the Labour Party.

Unlike her predecessor, the Prime Minister does not have a mandate of her own. With a fragile working majority of seventeen MPs, and no popular mandate to rely on, she has been under pressure from backbenchers; her spectacular U-turn on increasing National Insurance Contributions earlier this year is indicative of this. An early election would enable her to brush aside the obligations of the 2015 Tory manifesto, and free her Government from the policy agenda of David Cameron; she would then be free to pursue her own political agenda which, whilst likely to be slimmed-down and Brexit-focused, will also enable her to gain a mandate for her domestic policy priorities such as the setting up of new grammar schools.



Why has the Election been called?

The election will, of course, also impact on her Brexit negotiating position. Her current slim majority leaves her at the mercy of hard-line Tory Brexiteers, who have been successful in their efforts so far to force the Government into pursuing a so-called hard Brexit. An improvement on her current majority would allow May to dispel any accusations that voters do not endorse her current Brexit trajectory. It would give her a mandate of her own to pursue what she thinks is the best deal for the UK; currently, this is thought to be a softer Brexit than her previous rhetoric would suggest (allowing, for example, for a phased transition approach to a UK-EU free-trade deal).

The timing of May's decision also takes advantage of the fact that European Union leaders will not be ready to start formal negotiations until the autumn. Moreover, May's decision means the next election (after June) would be in 2022 instead of 2020, allowing her to continue focusing on the negotiations without the pressure of securing a deal that is palatable to the electorate, and campaigning for the election. The election is clearly also well timed to capitalise on the weakness of the Labour party, and their poor standing in the opinion polls.



How have the parties reacted?

Jeremy Corbyn welcomed the Prime Minister's announcement, saying the election is a "chance to vote for a government that will put the interests of the majority first". The Labour party confirmed that all current MPs will automatically be reselected as candidates. However, some have already confirmed they will not stand for re-election. Some notable figures, including Committee Chair Iain Wright, Pat Glass, Former Home Secretary Alan Johnson, Fiona Mactaggart, Tom Blenkinsop and Gisela Stuart will not stand again.



Perhaps the most notable figure who is not seeking re-election amongst the Tories is the former Chancellor and soon to be Editor of the Evening Standard, George Osborne. Osborne's statement did, however, leave open the possibility of a return to Westminster at some point for the 45 year old. Other Tory MPs who will be leaving Parliament include Simon Burns and Angela Watkinson, whilst Father of the House Ken Clarke pulled a surprise of his own by announcing that he would be standing again.



Meanwhile, the Liberal Democrats positioned themselves as the only party able to prevent a hard Brexit. Senior Liberal Democrats have also ruled out a coalition with the Labour party, in an attempt to distance themselves from Jeremy Corbyn's flailing leadership. Sir Vince Cable, after announcing his intention to re-stand in his old Twickenham constituency, said that Corbyn becoming Prime Minister was "way beyond what's possible". Whilst the party is rightfully optimistic about the election, John Pugh, one of only nine Liberal Democrat MPs, has announced he will not seek re-election.





How have the parties reacted?

Nicola Sturgeon has said that the Scottish National Party, who abstained from the election vote in the House of Commons, would be willing to form part of a “progressive alliance” with Labour and the Liberal Democrats if it means keeping the Conservatives out of power. Sturgeon also made it clear that continued support for the SNP in Scotland will be taken as endorsement for a second referendum; she said, “make no mistake, if the SNP wins this election in Scotland - and the Tories don't – then Theresa May's attempt to block our mandate to hold another referendum when the time is right, will crumble to dust”.



UKIP leader Paul Nuttall said he welcomed the Prime Minister's decision, but called it a “cynical decision” motivated by the “weakness” of the Labour party. UKIP defector and Tory MP Douglas Carswell will not stand again. UKIP party donor Arron Banks looks set to contest the Clacton seat. Nigel Farage has, after much speculation, declared that he will not be seeking election to Parliament for an 8th time. He did however stir up trouble for the new leader Paul Nuttall, stating that he has just “six weeks to prove himself”.





Where are the Conservatives hoping to pick up seats?

Theresa May's snap general election is set to be waged on two fronts as she targets Labour's Brexit supporting constituencies and attempts to prevent losses to the Liberal Democrats in pro-EU seats. The Prime Minister's commanding polling lead will see a fierce battleground across the midlands as well as parts of the north and London suburbs, as the Tories look to sweep up Labour seats. Jeremy Corbyn's failure to win over the support of Labour voters could result in gains for both the Tories and the Liberal Democrats.

The Conservatives will in particular be targeting Leave-voting Labour constituencies with a margin of less than 5,000 votes. There are currently 36 such seats, 26 of which are in the Midlands – making this region a key battleground. Leave-voting Labour constituencies may see a large swing towards the Tories, as has been seen in the Copeland by-election.





Where are the Conservatives hoping to pick up seats?

Top 15 marginal Leave-voting Tory target seats:

1. Halifax (Labour)
2. Ilford North (Labour)
3. Newcastle-under-Lyme (Labour).
4. Barrow & Furness (Labour)
5. Wolverhampton South West (Labour).
6. Lancaster & Fleetwood (Labour)
7. Dewsbury (Labour)
8. Wrexham (Labour)
9. Derbyshire North East (Labour)
10. Walsall North (Labour)
11. Middlesbrough South & Cleveland East (Labour).
12. Clwyd South (Labour)
13. Birmingham Northfield (Labour)
14. Stoke-on-Trent South (Labour)
15. Blackpool South (Labour)

Top 15 marginal Remain-voting Tory target seats:

1. City of Chester (Labour)
2. Ealing Central and Acton (Labour)
3. Berwickshire, Roxburgh and Selkirk (SNP)
4. Brentworth and Isworth (Labour)
5. Wirral West (Labour)
6. Hampstead and Kilburn (Labour)
7. Enfield North (Labour)
8. Hove (Labour)
9. Southport (Lib Dem)
10. Carshalton and Wallington (Lib Dem)
11. Harrow West (Labour)
12. Bridgend (Labour)
13. Westminster North (Labour)
14. Tooting (Labour)
15. Birmingham Northfield (Labour)



Are there any threats to May's plan?

Lib Dem Surge

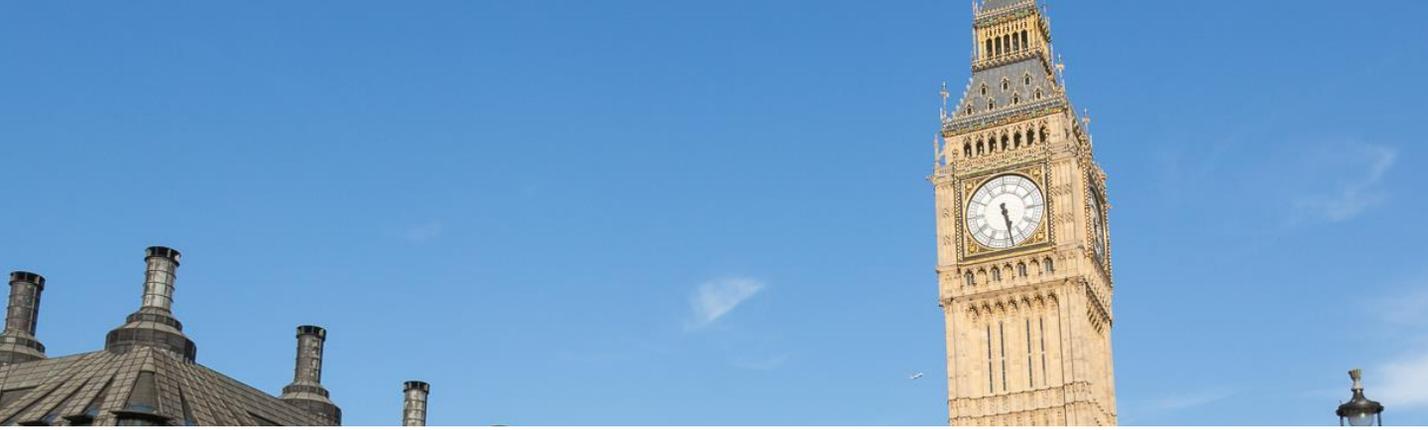
The most significant threat currently lies with the Liberal Democrats, who are likely to make a number of gains. Tim Farron has positioned the Lib Dems as the only national party opposing Brexit. With 48% of the country voting Remain, and a proportion of this vote unsupportive of May's Brexit direction, and Labour providing a confused position on Brexit, the Lib Dems are likely to attract Remain voters across the country. Constituencies such as Lewes, Bath, and Twickenham will be key targets for the Lib Dems, as the Tories have slim majorities in these Remain-voting seats in the South West and London. However, even the most optimistic forecasts of Lib Dem gains are unlikely to disrupt May's electoral gains.

Labour underestimated?

On the other hand, May's plan could be derailed if Labour's current standing in the polls improves, or is shown to underestimate their level of support. With six weeks of campaigning to go, there's plenty of time for Labour's current direction to change. Quite how likely this scenario is remains to be seen.

Tory Marginals

Finally, it is also possible that the Tories could struggle to hold on to their current marginal seats. For example, the Conservatives currently hold Gower by just 27 votes. Tory seats will be at risk if Labour support proves to be stronger than predicted, particularly in constituencies which voted Remain (such as Croydon) and are unhappy with Brexit. However, increased support for the Lib Dems could stave off Labour gains by splitting the Labour vote.



Are there any threats to May's plan?

If the Labour Party were to outperform expectations, the following Tory held seats could be at risk:

Tory seats at threat from Labour:

1. Gower (0.03% margin).
2. Derby North (0.05% margin).
3. Croydon Central (0.16% margin).
4. Vale of Clwyd (0.34% margin).
5. Bury North (0.42% margin).
6. Morley and Outwood (0.4% margin).
7. Thurrock (0.54% margin).
8. Plymouth Sutton and Devonport (0.55% margin).
9. Brighton Kempdown (0.76% margin).
10. Bolton West (0.82% margin).
11. Weaver Vale (0.86% margin).
12. Telford (0.90% margin).
13. Bedford (1.19% margin).
14. Plymouth Moor View (1.20% margin).
15. Lincoln (1.54% margin).

Meanwhile, the Liberal Democrats will be targeting the following seats particularly closely:

Top Liberal Democrat target seats:

1. Cambridge (Labour) (1.16% margin).
2. Eastbourne (Conservative) (1.39% margin).
3. Thornbury and Yate (Conservative) (1.54% margin).
4. Twickenham (Conservative) (1.63% margin).
5. Lewes (Conservative) (2.14% margin).
6. Dunbartonshire East (SNP) (3.95% margin).
7. Kingston and Surbiton (Conservative) (4.78% margin).
8. St Ives (Conservative) (5.11% swing needed).
9. Edinburgh West (SNP) (5.85% margin).
10. Torbay (Conservative) (6.83% margin).



What do the polls say?

Prediction polls are near-unanimous that the Conservatives are set to make gains at Labour's cost. Polls are less sure, however, about the size of this gain. On the one hand, the Conservatives could win a majority of over 100-seats walking away with 375 seats to Labour's 189, according to *The Daily Telegraph*. Other estimates suggest between 50 and 70 seats will turn blue. Below is a selection of polling information; however, if recent years have taught us anything, it's that polls can change very dramatically and very quickly.

- The first YouGov poll since the election was announced puts the Tories on 48%, Labour on 24%, the Lib Dems on 12%, and UKIP on 7%.
- Pre-announcement polling this month put the Tories on an aggregate of 43%, Labour on 24, Liberal Democrats on 11 and UKIP on 10. Assuming a uniform national swing, the Tories would have 382 seats, Labour 179, the Lib Dems 10, the SNP 56 and other 23, giving the government a majority of 114.
- 45% of Labour voters think Jeremy Corbyn would be the best PM. The Conservatives were the most trusted to lead Brexit negotiations among 35% of respondents. This compares with 12% for Labour. Labour was more trusted than the Conservatives only on the NHS, beating the Tories by eight percentage points on 28%. Labour was least trusted on immigration, with 7% rating the party top on the issue.

Sources:

YouGov poll for *The Times*, 20.04.2017.

YouGov poll of polls for *The Guardian*.

Opinium poll for *The Guardian*, 11.04.2017.



Key contests

- **Twickenham:** This Tory-held constituency voted 66% to Remain. Former Lib Dem MP Vince Cable has announced he will be standing again for the seat, after having lost by just 2,000 votes in 2015.
- **Cornwall North:** The Liberal Democrats held Cornwall North for 23 years, until Tory Scott Mann (Leave) won it in 2015. Mann has a 6,600 majority, which will be hard for Lib Dems to overturn, but is a distinct possibility considering its two-and-a-half-decade history.
- **South Thanet:** This was a major battleground in the 2015 election, which the Tories ultimately won by a majority of 2,800 votes.
- **Dumfriesshire, Clydesdale and Tweeddale:** Is one of only three Scottish constituencies not currently held by the SNP. However, the current Conservative MP has a margin of just 798, meaning only 0.77% swing is needed for the SNP to gain the seat.
- **Ealing Central & Acton:** This Labour-held seat has strong Tory opposition, and is Labour's most vulnerable seat in London.
- **Berwickshire, Roxburgh & Selkirk:** Currently held by the SNP's Calum Kerr by just over 300 votes, this is the Tory's main target seat in Scotland.
- **Vauxhall:** Vauxhall voted Remain in the referendum by the highest majority in the country (77.6%). However, current MP Kate Hoey (Labour) is a Brexiteer who supported Arron Banks' campaign. In 2015 she secured a 12,700 majority, which the Liberal Democrats will be looking to overturn.
- **Thurrock:** Currently held by a Tory MP with a majority of 974. This is a key UKIP target seat, with a swing of 0.98% needed to gain the seat.
- **Norwich South:** This marginal seat is currently held by Labour's Clive Lewis, but has a high student population which the Lib Dems will be looking to capitalise on. It is the most marginal seat in the eastern region after the Lib Dems lost it to Labour in 2015.
- **Putney:** Justin Greening, the most at risk cabinet minister, currently has a 10,000 majority here. However, as Education Secretary, she faces backlash against the Conservatives' controversial grammar school policy, which puts the constituency at risk of a Liberal Democrat surge.



The Manifestos

Though no formal details of election manifestos have yet been released, party leaders have already indicated the direction of the policy agendas.

Theresa May's election manifesto will almost certainly include guarantees to end the free movement of European Union citizens, to leave the European single market, and to end the jurisdiction of the European Court of Justice. Increasing her current majority on these pledges would make it extremely difficult for Remain-backing Tory MPs to rebel on May's Brexit direction in the House of Commons. These pledges would also force the House of Lords to fall into line behind May, since the Salisbury convention prevents Peers opposing any commitments outlined in the government's manifesto. The Conservative manifesto is also likely to focus on the theme of strong leadership and will present the alternative as a 'coalition of chaos'.

In a speech launching Labour's election campaign, Jeremy Corbyn made it clear that his party's manifesto would promise radical measures to redress what, borrowing Donald Trump's campaign rhetoric, he described as a "rigged economic system". He said, "we will no longer allow those at the top to leach off of those who bust their guts on zero hours contracts or those forced to make sacrifices to pay their mortgage or their rent", and also confirmed that Labour would not be cutting corporation tax. The party's desire for tariff-free access to the single market is likely to appear prominently in the manifesto.



What happens next

GENERAL ELECTION 2017

2ND MAY

Deadline for the Government passing legislation it wants to fast-track (such as the Finance Bill), whilst allowing other legislation to time out as Parliament is dissolved.

4TH MAY

Local Election Polling Day

Local council elections will take place in England, Scotland and Wales. This may provide some indications as to the direction of the General Election.

22ND MAY

Deadline to register to vote

3RD MAY

Dissolution of Parliament and beginning of 25 working days of 'short campaigning'.

8TH MAY

Rumoured publication date of Tory manifesto

12TH MAY

Deadline for General Election candidates

8TH JUNE
Polling Day



Conclusions

At this stage there is near-unanimous agreement that the Conservatives will be re-elected with an increased majority. A Tory landslide also does remain a real possibility. However, it should be acknowledged that many of those forecasting a majority of 100 or over are basing this on a uniform national swing, which does not take into account important local factors. Similarly the Liberal Democrat vote will be concentrated in remain-backing seats which is likely to result in them outperforming their opinion poll rating.

Unless Jeremy Corbyn performs a miraculous turnaround on the campaign trail, it is likely that Labour will be hit hard and can expect heavy losses and a Tory landslide would almost-certainly spell the end of Corbyn as leader. If Corbyn was to lose his position as leader, a fierce fight over the future control of the party would be break out and rumours are already circulating that centrist figures such as Chuka Umunna and Yvette Cooper are positioning themselves ahead of a leadership contest.

However, with seven weeks to go, and the publication of the party manifestos yet to take place, everything could change. With recent years vividly illustrating the unpredictability of global politics, only time will tell whether the UK General Election of 2017 provides the latest shock.

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