



General Election 2017

Conservative Manifesto – 'Forward Together'





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Overview

Speaking to an audience in Halifax, a marginal seat held by Labour, Theresa May launched the Conservative manifesto 'Forward Together'. Making a clear pitch for the centre-ground of British politics, May promised a 'mainstream government that would deliver for mainstream Britain'. The Prime Minister also used the opportunity to distance herself from traditional Conservative free market and small state principles and instead confirmed that, if elected, her government would adopt a more interventionist approach towards economic policy.

Notably, the manifesto also abolished a number of longstanding Conservative pledges such as the commitment not to raise income tax and National Insurance, but did however continue the party's longstanding approach to corporate taxation, skills, industrial strategy and business support.

On the key issue of Brexit, the manifesto confirmed the Prime Minister's existing approach, and recommitted to bringing migration down to the tens of thousands.

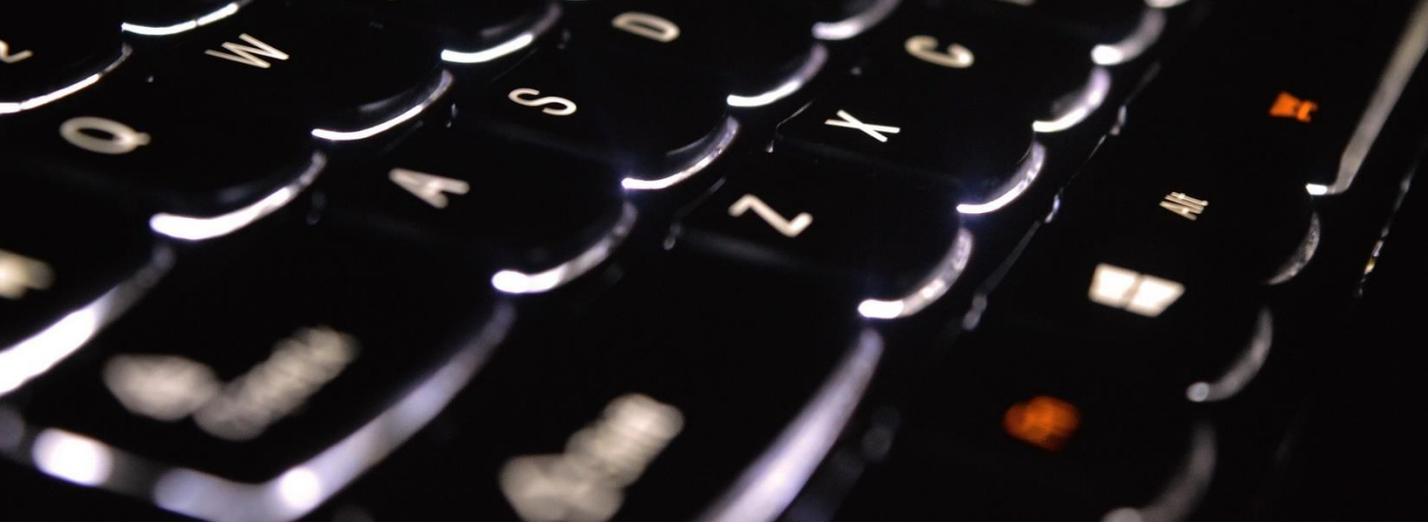


Key Messages

May's manifesto for mainstream Britain saw the Prime Minister broaden her support base with policies for those on both the left and right. Interestingly, her opinion poll lead also enabled her to make pledges that could anger some traditional Conservative demographics, such as the elderly.

Key announcements included:

- **Scrapping the pensions triple-lock** – This will be replaced by a 'double lock' ensuring a rise in line with earnings or inflation.
- **Means testing winter fuel allowances** – Wealthier pensioners will not be entitled to the £300 payments.
- **Retention of lower Corporation Tax pledge** – Due to be lowered to 17% by 2020.
- **No rises in VAT** – But the 2015 manifesto commitment not to increase income tax and National Insurance was removed
- **Revised deficit elimination timeline** – This now stands at 2025.
- **Increasing the National Living Wage** – To be increased to 60% of median earnings by 2020.
- **Increasing the cost of care threshold from £23,000 to £100,000.**
- **Increased NHS funding** – Spending to rise by £8bn a year in real terms by 2022/23.
- **Increased school spending** – An extra £4bn by 2022.
- **Cutting migration** – The pledge to cut net migration to below 100,000, which has never been met, was retained.
- **Increased non-EU migrant-worker levy** – The Immigration Skills Charge, paid by firms employing non-EU migrant workers, will double.



Tech

In a change from manifestos from all parties in recent years, tech featured prominently with the Conservatives devoting one of their five manifesto chapters to the subject. The chapter 'Prosperity and Security in a Digital Age' touched on many aspects of tech policy rather than just the usual political priority of broadband and mobile connectivity. The document also included the intriguing line 'some people say that it is not for government to regulate when it comes to technology and the internet. We disagree'. Many of the announcements were, however, merely reiterating existing policy.

Online safety featured particularly prominently with commitments made to:

- Put a responsibility on industry not to direct users to hate speech, pornography or other 'sources of harm'.
- Introduce an industry-wide levy from social media companies and communications service providers to fund initiatives and prevention strategies to tackle 'internet harms'.

Other notable pledges included:

- Major fibre spines in over 100 towns and cities by 2022 with 10 million premises connected to full fibre within ten years.
- A commitment to have the majority of the population covered by a 5G signal by 2027.
- Establishment of an institute of technology – dedicated to establishing world-leading digital skills and developed and run in partnership with the tech industry.

However, one key policy which has somewhat overshadowed a manifesto which would otherwise have been broadly welcomed by the tech sector is the decision to double the Immigration Skills Charge from £1,000 to £2,000.



Health

The NHS is always an issue that is a battle of contention between the Labour Party and the Conservative Party come an election – each party thinking they can do it best. The NHS didn't feature as prominently in the Conservative manifesto as Labour's, but this isn't really a surprise. In terms of funding, the Conservatives are promising £8 billion over the next five years. However, they have, unlike Labour, given more detail as to how this money will be spent, by investing in "the most ambitious programme of investment in buildings and technology the NHS has ever seen".

The Conservatives reiterated their support for the Five Year Forward View and the implementation of the plan through the introduction of Sustainability and Transformation Plans, "providing they are clinically led and locally supported". There was more in this manifesto than others in regard to health innovation – with the commitment to continue to expand the number of NHS approved apps, as well as a pledge to implement the recommendations of the Accelerated Access Review to ensure the NHS gets best value for money and remains at the forefront of innovation.

Other notable pledges included:

- The commitment to introduce a Mental Health Bill
- A promise to 'make it a priority' in Brexit negotiations that 140,000 EU nationals working in health and care system 'can carry on making their vital contribution'
- Complete the 'most ambitious programme of investment in buildings and technology the NHS has ever seen'.



Energy

The manifesto watered down its original plans to cap bills but does outline a number of measures targeted at the retail energy market and warns that energy suppliers “have long operated a two-tier market”. The manifesto commits to:

An independent review into the cost of energy asking it to recommend how UK energy costs can be kept as low as possible. There is also a pledge to “pay immediate attention” to the retail energy market by:

- Ensuring that smart meters will be offered to every household and business by the end of 2020.
- Introducing a safeguard tariff cap that will extend the price protection currently in place for some vulnerable customers so that it covers customers on the poorest value tariffs.
- Supporting initiatives that make switching easier and more reliable.

As well as a pledge to outline a post-Brexit energy policy based on producing reliable and affordable energy, the manifesto commits to:

- Increased R&D spend on batteries to power ‘clean, efficient, electric vehicles’.
- Continued support for businesses developing tech such as smart grids.
- Targeted support for wind power e.g. in the remote islands of Scotland.
- Continued support for the North Sea oil and gas industry.
- Significant support for shale gas extraction including changes to planning law.

Regarding energy efficiency, the following pledges were included:

- An industrial energy efficiency scheme to help large companies to install energy efficiency measures.
- A commitment to upgrade all fuel poor homes by EPC Band C by 2030.



Transport

The Conservative manifesto's transport pledges are interesting in that they provide a clear indication of the party's ambitions and ideological shifts.

The manifesto's focus on public transport shows little overlap with those of Labour, and will please core Tory voters: the pledge to work with train companies and their employees to guarantee minimal standards during industrial action being a notable example. The party also pledged to:

- Create extra capacity on railways, increase service on main lines and commuter routes, and tackle "perverse pricing" and introduce a rail passenger ombudsman.
- Continue investment in Northern Powerhouse Rail, as well as HS2 and proceed with the expansion of Heathrow.
- Continue development of the strategic road network and investment in roads to fix pinch points, as well as opportunities for new housing and local growth with rail expansion into poorly-served areas.

The manifesto did also include some more green-focused transport policies, with pledges to:

- Invest £600 million by 2020 to achieve an ambition for every car and van to be zero-emission by 2050
- Continued support for local authorities to expand cycle networks as well as road quality across the country



Media Reaction

The general election furore is less about the Conservatives than it is about Theresa May, who has galvanised support for the party and demonstrated wide-reaching support in an almost totally unprecedented manner.

Left-wing press

The launch of the manifesto saw her finally shrug off those tired Thatcher comparisons: her concessions to the centre ground saw the Guardian gush "May signals break with Thatcherism in manifesto for 'country and community"; in a separate article in the same publication Matthew d'Ancona marvelled at her "huge break with past Tory thinking... hence May's emphasis on new rights for employees... it marks a basic challenge to the assumptions of free-market, deregulatory, state-shrinking conservatism". This is a manifesto, after all, that declares "we do not believe in untrammelled free markets". Condemnation from swathes of the left and from industry voices were all but drowned out by reluctant praise of this sort.

Right-wing press

More traditional supporters such as the Daily Mail noted May's "bold pitch for working class support", deeming it a "tough-love manifesto" that "attempts to re-draw the map with Mrs May's own distinctive brand of Conservatism." Praise from other right-wing publications such as the Spectator and the Telegraph was forthcoming, but similarly muted. The Spectator deemed her "Red Theresa", lauding her popularity whilst condemning her willingness to take on formerly Labour policies. The Telegraph praise the manifesto's pragmatic move towards the centre on specific issues, deeming it "a triumph of common sense over ideology"; or, as another Telegraph writer put it: "she doesn't just want to win it. She wants to win big". Meanwhile, the Times focused on a report from the Institute of Fiscal Studies which identified a £40bn blackhole in spending.

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Conclusion

Theresa May's first manifesto comes with a clear underlying statement: "it's the end of the Cameron-Osborne era". With the manifesto, May has made a clear pitch to the middle ground. She will have upset a number of core Conservative supporters, with the elderly likely to be particularly unhappy due to the announcement that winter fuel allowance will be means tested, many will need to pay more for their social care and that the "triple lock" on pensions has been abandoned.

The manifesto does however manage to move the Conservatives to the centre whilst still appealing to former UKIP voters through retaining the commitment to reducing net migration to the tens of thousands.

There was also an anti-business tone with what May terms an end to 'untrammelled free markets' and tighter controls on corporate governance. However, her bet is that businesses, even if annoyed, will not switch sides and support Corbyn on June 8th.

Through this manifesto, May has managed to place herself to the left on the economy and to the right on social issues and has set herself up to appeal to people who have never voted Conservative before. May outlines in the manifesto plans not only for the country, but also how she plans on reshaping the Conservatives. Regardless of this, her success as Prime Minister will be judged against the success of Brexit, something that she will be all too aware of.