

REGULATION & PUBLIC POLICY

UK General Election 4 July

Context and issues

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BRUNSWICK

UK General Election called for 4 July 2024

The UK's Prime Minister, Rishi Sunak, has called a general election to take place on 4 July 2024. An election was due before January 2025, but the July date was seen as a low probability event given the significant lead the Opposition Labour party had in the opinion polls. The boldness of the election timing may still not be enough to help the Conservatives close the gap on Labour, with Sir Keir Starmer the favourite to be the next UK Prime Minister.

Election backdrop

The Conservatives, who have been in power since 2010, face significant obstacles if they are to win a record fifth election in a row. Their electoral coalition in 2019, brought together by their determination to deliver Brexit and their contrast to the left-wing policies of Labour at the time, has fallen away markedly since 2021. The downfall of Boris Johnson, and the economic and political shock caused by Liz Truss's short-lived reform programme, have weakened the credibility of the Conservatives' traditional claims about being the party of stability and sound management of public finances. Notwithstanding successes such as the negotiation of the Windsor Framework, Sunak has been unable to address weak performance across the public services or increasing disunity in his party and, despite multiple government resets, he has been unable to improve the Tories' standing in the polls in his 18 months in office.

The Labour party, under Starmer, has benefitted from the Conservatives' unpopularity and the cost of living pressures on households since energy prices and interest rates rose dramatically in 2022. They have also stepped away from policies which were of greatest concern to voters and businesses in 2019, focusing on a growth agenda which increases state direction over investment and the rights of workers, but within a more stable policy framework and bounded by fiscal rules which copy those of the current government.

Opinion polls point to a substantial Labour victory if they were to remain unchanged over the six weeks of campaigning that lies ahead. Labour have maintained around a 20-percentage point lead over the Conservatives (44% to 23%) for several months. Some Conservative support is expected to return to the party during an election campaign, particularly from the Reform Party. However, pollsters are clear that any shift back is still highly unlikely to block Starmer's path to Downing Street.

Campaign issues

The UK's economic prospects will form a key part of the election. The UK emerged from a recession (described as two quarters of negative GDP growth) earlier in May, and inflation has just returned to a normal range around the Bank of England's 2% target for monetary policy. However, the effects of the decline on living standards continue to be felt, with unemployment rising, and public debt nearing 100% of GDP.

Both main parties will attempt to convince voters that they have the right plan to spur growth: the Conservatives through lower taxes and Labour through greater investment especially in the transition to net zero. However, expectations are that whoever wins the election will face painful trade-offs, and electoral pledges – particularly those relating to taxation – will come under significant pressure.

Other issues which are likely to feature heavily in the election campaign are managing geopolitical threats, with Sunak emphasising the risk of changing government at this point given world events. Also, tackling uncontrolled immigration, in particular asylum seekers who have been crossing the English Channel in small boats. Labour have already announced pledges which seek to convince voters that they will improve public services, particularly on health and education, and catalyse growth via house building.

Smaller parties will try to build their representation in Parliament, but UK-wide parties struggle to win seats due to the first past the post system. The Scottish National Party, with the third largest number of members of Parliament, has seen its support fall significantly in the face of scandals and leadership changes. It remains to be seen whether their new leader, John Swinney, can stem the likelihood of losing around half of their seats, mostly to Labour's benefit. The Liberal Democrats have made little progress in national polling and appear to still be hampered by their coalition deal with the Conservatives from 2010-15.

The timetable for the campaign

Technically, the election campaign does not begin right away. Rather, MPs and Peers will this week pass more uncontentious pieces of legislation. Parliament will be officially dissolved on 30 May. In reality, though, the campaign is already underway.

There is no set timing for the publication of election manifestos, which articulate the parties' programme for government, but they are typically launched around three weeks before the vote, and normally the parties publish within a few days of each other. The current expectation is that neither Labour nor the Conservatives will publish a long or very detailed manifesto – not least because the Labour party is likely to pursue a 'safety first' approach to the campaign, giving its opponents as small a target as possible to attack.

We would expect television debates between the leaders during the upcoming campaign. Sunak has said he will go head-to-head with Starmer "as many times as he likes". Although the exact number and format of the debates is unknown, it is currently assumed we will see a repeat of the 2019 campaign with two head-to-head leaders' debates as well as those with the leaders of smaller parties. While Starmer is widely viewed as having more to lose from a poor or indifferent performance, these very high-profile events do have the advantage of enabling him to define his offer to the electorate. Polls continue to suggest that British voters are uncertain what he stands for.

After the election

In the UK, power transfers at the point the election result is clear. Government departments will be run by current ministers during the campaign but civil servants will be using the campaign period to prepare how to support the implementation of any programme of government.

Parliament will reconvene with its new members on 9 July and the State Opening of Parliament, where the King sets out the government's legislative agenda, is scheduled to take place on 17 July. A new government could make early decisions including on tax and public spending, however given the timetable for the independent production of fiscal forecasts, the first Budget may not happen until the autumn.

