



**PCF and ACE seminar  
The General Election and Beyond  
22 May 2017, Institute for Government**

**Event Summary**

With the 2017 General Election imminent on June 8th, PCF and ACE were delighted to welcome a panel of experts to discuss what may be in store for government and arm's-length bodies. Our speakers included: Vicky Pryce, Economist and former joint Head of the Government Economic Service; UKIP MEP William Dartmouth and PWC's Head of Reputational Damage, Neil Sherlock.

Neil began the seminar by emphasising the extent of political change since the 2015 General Election. No one could have predicted that David Cameron would only be Prime Minister for a year, that Jeremy Corbyn would be leader of the Labour Party, that Donald Trump would be the President of the United States and few would have heard of Emmanuel Macron.

The dynamic of this election has been compared to 1983 with points such as leadership and nationalisation high on the agenda of the respective Conservative and Labour manifestos. However, Neil was keen to reinforce some stark differences, such as the more interventionist stance adopted by the Conservatives today; with plans to intervene in energy markets and implement tougher rules on executive pay. Neil noted the bravery of the Conservative manifesto, for example in their stance over social care, and also highlighted that their detailed plans could result in a faster policy-making process, due to decreased delays from the Lords as per the Salisbury Convention.

Neil cautioned that it must not be underestimated how much of Ministers and senior civil servants time will be taken up by Brexit; it may be challenging for ALB leaders to get public service issues high on the agenda. The Conservative manifesto sets out plans to move ALBs out of London and merge some public bodies, which could have implications for ACE and PCF members. There is also a leadership challenge for Chairs and CEOs to drive the risks and opportunities arising from Brexit through their organisations, as well as cope with the challenges arising from further austerity measures. Neil finished his presentation predicting a 50-75 majority for the Conservatives.

Our second speaker, William Dartmouth, was keen to discuss trading opportunities post-Brexit. While there is concern for the shortage of trade experts for negotiations, William emphasised the high level of skill and expertise of British lawyers who can contribute to developing strong trading agreements – as these are essentially legal agreements. He also noted that access to the single market does not necessarily require trading agreements or freedom of movement. He looked to countries such as China, Russia and the US as positive examples which have been largely excluded from the public domain. He also felt that Parliament is not representing the views and preferences of the public, drawing on the

Lords' amendments to the Brexit bill. Moreover, while UKIP gained more votes than the Liberal Democrats and the Green Party in 2015, they had no seats in the Commons. William also argued that the Great Repeal Bill is far less complicated than has been argued to the public, as decisions to modify, retain or repeal EU regulations could be done over a long period.

Vicky Pryce then offered an economist's perspective. She argued that the voice of business has been largely absent from the EU debate and manifestos of this election. While the economy is currently doing reasonably well, Vicky highlighted areas of potential concern; high inflation, slumps in business confidence, slow infrastructure spend, declining consumer consumption and a slowdown in the housing market. There will undoubtedly be a need to rebalance the markets, which although absent from the un-costed Conservative manifesto, is likely to mean higher taxes, increased borrowing and further austerity measures. Vicky predicted that any extra money will be used for infrastructure projects which may have implications for public services. Although she expressed doubts over whether the infrastructure projects will result in the successes the government predict.

Vicky emphasised that free trade agreements are good for GDP and growth. There is no guarantee that the UK will secure good trading agreements and there are uncertainties over the impact for the long-term effects of low confidence on the economy if a good deal is not secured. Although, it is a hopeful sign that there is evidence that markets are still prepared to borrow at good rates. Vicky also raised concern over whether our public services will be able to cope with the movement of goods post-Brexit and argued there must be conscious effort to build up capabilities. On the Great Repeal Bill, Vicky highlighted that it is likely that there will be duplications of work while government is in transition, and when equivalents are adopted, there must be a continued process of monitoring the EU regulations and adjusting accordingly.

Our speakers then opened the discussion for questions from the floor. Key points included;

- After 5 years of austerity, there is concern over the time and space in government and parliament to cope with Brexit.
- Attendees highlighted a tension between the huge uncertainties surrounding Brexit and the impact on the economy and public services, which has been largely absent from debate during this election period.
- Some attendees reinforced the need for trading experts to execute negotiations.
- Others defended that that Lords had proved an essential part of holding the government to account over Brexit and offer a valuable forum for lively debate that is separated from the politics of the Commons.
- Some felt it is too simplistic to argue that access to the single market can be secured without trading agreements or freedom of movement, as it depends on the terms of access.
- The 8week long election period, adds an interesting dimension to this election. It will be interesting to see whether the Conservatives continue to reinforce the strength of the Prime Minister or adopt new approaches.
- Whether there will be any implications of a more interventionist government on the role of Chairs and CEOs and the relationship with their government departments is yet to be seen.