

red alert: why Labour lost and what needs to change?

By Paul Hunter





The Smith Institute

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Foreword

Politics is ruthless and unsentimental, especially in the British winner takes all electoral system. As the famous American football coach, 'Red' Sanders put it, "winning isn't everything: it's the only thing". Labour lost the 2015 general election, despite securing slightly more votes than in 2010 and winning more seats from the Tories than they lost. Nevertheless, in terms of MPs (which ultimately is all that counts) Labour lost, and lost badly.

The defeat was as surprising as it was catastrophic, but it was a battle Labour failed to win against all the other parties. As this reading of the runes shows, Labour lost ground to the SNP, UKIP and the Greens and didn't gain traction with floating voters. The Tory marginals didn't swing Labour's way, but neither did the Labour marginals fall to the Tories. Apathy played a part, but in the end Labour and Tories reached a score draw. What did for Labour was the complete collapse of the Lib Dems, which supplemented by the debacle in Scotland made even hopes of a coalition government a pipedream.

The emergence of multi-party politics plays havoc with election campaign strategies, especially for the main opposition party trying to appeal to a fragmented electorate. However, as our autopsy of the election makes clear Labour's failure to win votes dates back to the elections in 2001 and 2005. Indeed, over the past 18 years Labour has lost roughly 4m votes. These voters have not simply switched to the Tories - who had roughly the same number of voters (9.6m) in 1997 as Labour has now. Labour has in fact struggled over the last two elections to win votes from across the political spectrum and from all regions of the UK (with the notable exception of London). As the paper explains, understanding where, who and why former Labour voters turned away is critical to winning again.

There's no simple political diagnostic test to show why Labour lost. The causes are multi-faceted and interconnected. However,

our analysis makes three important observations which must be fully considered in any rebuilding strategy.

The first is that Labour didn't lose because middle class voters deserted them. It was mostly working class voters who lost faith over the last decade in the Labour project. Second, while Labour did relatively better in most age categories it did abysmally among the over 55s, who are the largest voting cohort. Labour has a serious 'grey vote' problem that it has to fix to stand any chance of winning the next election.

And third, Labour has developed some worrying blind spots in its political geography. The 2015 election did little to support the thesis that Labour suffers from acute 'Southern discomfort'. What our examination shows is that Labour failed in struggling seaside towns, in suburbia, in new towns, in rural areas and in general in 'small town Britain'.

Labour's defeat is now history and the party has to begin again. As our paper concludes, that rebuilding has to be based on an honest and insightful understanding of how and why the election was lost. Our post mortem offers some intelligence on what happened and gives a perspective on the possible direction of travel.

We would agree wholeheartedly that Labour should avoid adopting a list of retail policies tailored-made for marginal seats. What we are saying is that Labour needs to rethink how it can best develop a winning strategy based on the values it believes in, but fully aware of its recent electoral weaknesses. Winning again won't be easy, but it is possible if Labour is willing to learn from its mistakes and forge a political strategy with policies and campaigns that resonate with its supporters and with voters who have walked away.

*Paul Hackett
Director, the Smith Institute*

Executive summary

Labour's performance

- Labour's vote has been in decline since 1997. The 2015 election reversed this trend with Labour gaining 741,000 votes and increasing its vote share slightly.
- However, these additional votes were concentrated in Labour seats, whilst there was a swing to the Tories in Conservative-held marginals.
- Around one in five of the electorate considered voting Labour but didn't. In the end, Labour won more seats from the Tories than they lost. But, continued its 14 year decline in seats won.
- The two party vote share remained the same in 2015 as 2010, but now Labour competes with four rather than two smaller parties.

Big holes

- With the exception of London, Labour made few gains in any part of the country. It lost seats in the East Midlands and Wales and of course Scotland, which is now the place in Britain where Labour holds fewest seats.
- Labour's poor performance in the South was not particularly out of trend with other parts of the country when compared to 2005 or 2010. The biggest failings were in suburbia, small towns and new towns. Labour also did poorly in seaside towns.
- Labour's vote by class remained similar to 2010 (the middle class vote held firm). However, Labour did poorly amongst blue collar voters - many of whom voted for the Tories and UKIP.
- Whilst Labour's vote amongst working age people bounced back in 2015, those aged 65 and over continued to drift off. The Conservatives gained twice as many votes from over 55s as Labour. Labour won just one in five of the 'grey vote'.
- Labour won around 450,000 more votes from women than men (mainly among women below retirement age).
- Labour did poorly amongst homeowners. But, it had the support of half of those in social housing and made gains with voters in the private rented sector.
- Labour secured the vote of two thirds of non-white voters. However, it gained the vote of just 28% of white voters - 11 percentage points behind the Conservatives.

Winning again

- Labour faces an even bigger challenge in 2020, and (with boundary changes) will have to win over 100 seats to command a majority, compared with 68 seats in 2015.
- For Labour to win a majority at the next election it would need a swing similar to that of 1997 (although a 5% swing could be enough for a minority/coalition).
- Most of these 100 seats need to be taken from the Tories (around 92 seats). They are spread across the country. The Conservative-Labour marginals will be in: middle Britain - major towns and outer urban areas; wealthier Britain in rural and suburban parts of the midlands and north; new towns, largely located in the south, and struggling seaside towns.
- In the 92 seats only 10 had a combined Lib Dem and Green vote that was bigger than UKIP's.

Policy implications

- The most important issues at the election were the NHS, economy and immigration, with the latter two seen as the top priority.
- Labour performed poorly on the economy. For every person that saw Labour best on the economy there were two who thought the Conservatives were.
- For those who considered Labour but voted Conservative, the biggest worry was that Labour could not be trusted on the economy; that they would make it too easy for people to live on benefits and may raise taxes. Large numbers also wanted Labour to be tougher on immigration.
- To win again Labour will need policies which are attractive to winning the support of older people.
- Labour needs to consider how it can reconnect with large numbers of blue collar voters.
- Labour must do better in the South, but outside of London making gains will be limited. To win again Labour must have an offer for places such as Scotland, seaside towns, suburbs and small towns.
- Retail policy offers to one group or another will not be enough to win again. Labour needs to be trusted on the economy, on immigration and welfare. It must start by being a credible and competent opposition.

Introduction

Labour always had a mountain to climb in 2015. Few parties lose office and are returned to power at the next election (in post-war Britain, only Harold Wilson managed to do so). After a long period in office Labour built up a coalition of disgruntled and disaffected former voters. Moreover, Labour was at the helm when the economic ship crashed and had a long way to go to be trusted again with the tiller.

Yet despite the inclement political climate for Labour it was hardly all sunshine and light for the Tories. The Conservative Party had to increase the number of seats it held to form a majority and at least hold on to almost all their seats to form a coalition – something few governing parties manage. Furthermore, sluggish growth and stagnating wages made for fertile ground for Labour to toil.

This backdrop suggested that the polls seemed credible. Up until 10pm on 6th May they suggested that Ed Miliband was set to enter No. 10, albeit with some sort of coalition. As it turned out, the result for Labour was in many respects a continuation of the party's downward trend in performances (in terms of seats rather than votes) from its peak in 1997.

The task is now tougher than the one Labour faced after the defeat in 2010. Labour faces much stronger competition from the populist right in the form of UKIP. The Green party are starting to offer a credible alternative to Labour on the liberal left, which

was previously the role of the Liberal Democrats. And picking up votes (as Labour managed to do in May) from the discredited Lib Dems offers very slim pickings.

Labour also has a long way to go to gain a proper foothold in Scotland, competing with a nationalist and anti-austerity Scottish National party. The biggest challenge nevertheless will be winning seats across England from the Conservatives who hold the majority of marginals that Labour will need to gain (in these marginals in May there was actually a swing to Tories).

The path to victory will be hard. Labour will need a 10% swing to secure a majority, similar to 1997. Getting the strategy right for an election in more than likely five years time will be tricky. The political landscape has changed in a way few predicted. However, it is not a straightforward decision about moving left or right or concentrating on clusters of seats in the North or South. The fragmentation of voting trends makes the task of forming a coalition of voters more complex than advancing a set of retail offers focused on individual groups in particular parts of the country.

This paper seeks to place the spotlight not just on why and where Labour lost, but also picks out some of the key policy implications. By doing so we hope to enlighten the debate (from a policy perspective) about where next for Labour after such a crushing and comprehensive defeat.

Losing again: Labour's performance

The Labour vote over the last twenty years

Labour's electoral high point came in 1997. It swept to a landslide with 419 seats, winning 43% of the popular vote. However, over its 13-year period in office it steadily lost support. In 2001, Labour only lost six seats. However its proportion of the vote dropped by 2 percentage points or 5% of their vote.

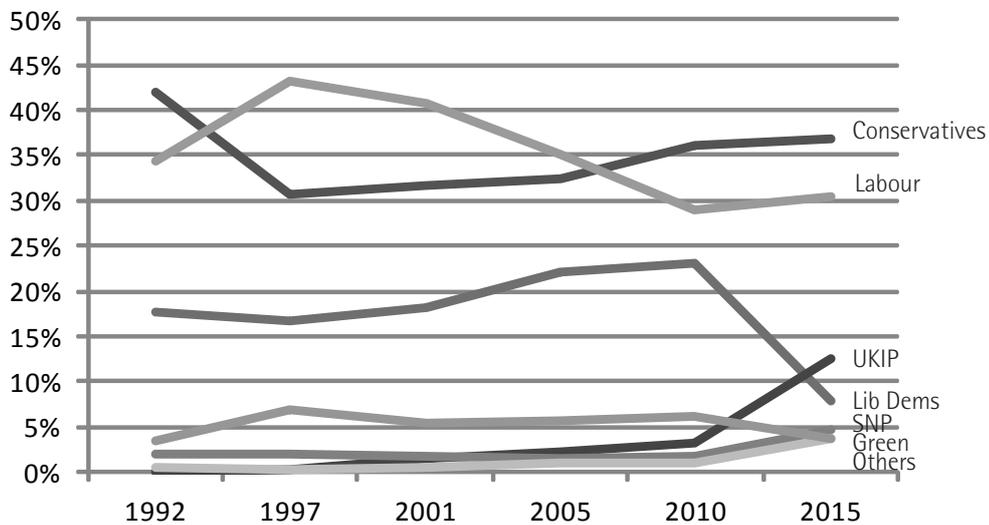
In the following two elections the drop was far more noticeable. In 2005 Labour's percentage of the vote dropped by a further 6 percentage points or 17% of their vote. This resulted in the loss of 57 seats – although still enough to form a government with a healthy majority (66 seats). In 2010 Labour suffered a further six percentage point drop (and a 20% fall in its vote) and lost 93 seats – enough to see them ejected from Downing Street.

By the 2015 election, Ed Miliband needed to gain around 68 seats to win a majority. Even coalition (or a minority government) meant reversing this downward trend in Labour support.

In one sense Labour did manage to stop the rot of a declining vote; it gained 30.4% of the vote. An improvement of 1.5 percentage points or 8.6% of its vote.

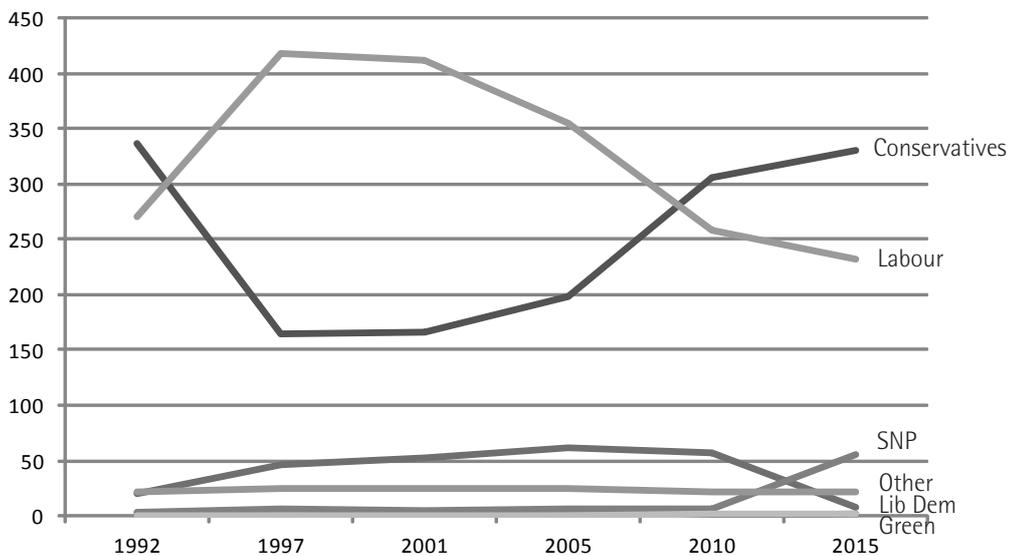
However, it was not nearly enough. And in terms of seats, the downward trend continued. Labour lost 26 seats while the Tories gained 24 – enough to give them a workable majority.

Figure 1: Percentage of the vote by party, 1992-2015



Sources: BBC, House of Commons Library

Figure 2: Seats by party, 1992-2015



Sources: BBC, House of Commons Library

2015: Winners and losers

In 2015 around 1 million more people voted. Turnout was up slightly from 65.1% to 66.1% and the electorate grew from 45.6m to 46.4m.

Labour gained some 741,000 votes compared with 2010 (a 9% increase). The Tories gained around 631,000 votes (a 6% increase) while the biggest losers were unsurprisingly the Lib Dems losing a massive 4.4 million votes (a 65% decrease).

It is also worth noting the (thankfully) forgotten party of 2015 election – the BNP. They were the other big loser and were almost completely wiped out (losing 560,000 votes and down to just 1,667).

Apart from Labour and the Tories, the other winners were UKIP up by a staggering 2,961,000 votes (a 322% increase), the Greens up by 872,000 (an increase of 305%) and SNP up 963,000 (a 196% increase).

Whilst Labour's vote was flat, polling conducted by Lord Ashcroft after the general election suggested that Labour gained from the Lib Dems collapse. Indeed, perhaps gained as much as it lost support from the Tories. However, Labour lost more support than they gained from UKIP, the Greens and the SNP respectively.¹

Swing in marginals

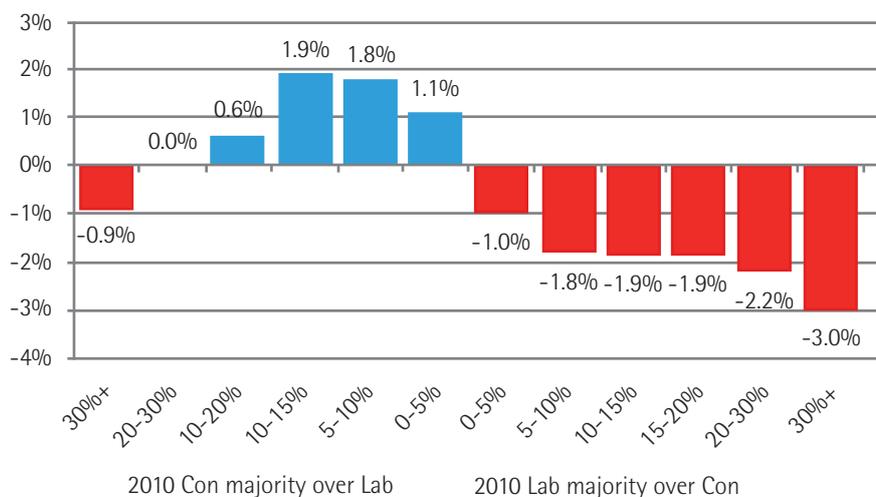
Nationally there was a small swing from Labour to the Conservatives. Critically, in the seats that Labour needed to win to form a government the swing went towards the Conservatives. Labour instead stacked up votes in places where their majority was largest. Whilst this helps explain why Labour failed to win, more importantly it suggests that the task it faces in 2020 will in some respects be harder than in the 2015 election. The electoral arithmetic implies Labour has to win where it's been losing most.

Voting patterns, 2010-2015

	Votes (2010)	Votes (2015)	Votes gained/lost	% of vote 2010	% vote 2015	% point change	% Change
Labour	8,606,517	9,347,304	740,787	29.0%	30.4%	1.5%	8.6%
Conservative	10,703,654	11,334,576	630,922	36.1%	36.9%	0.9%	5.9%
Lib Dems	6,836,248	2,415,862	-4,420,386	23.0%	7.9%	-15.7%	-64.7%
SNP	491,386	1,454,436	963,050	1.7%	4.7%	3.1%	196.0%
PC	165,394	181,704	16,310	0.6%	0.6%	0.0%	9.9%
UKIP	919,471	3,881,099	2,961,628	3.1%	12.6%	9.5%	322.1%
Green	285,612	1,157,613	872,001	1.0%	3.8%	2.8%	305.3%
BNP	564,321	1,667	-562,654	1.9%	0.0%	-1.9%	-99.7%
Other	1,115,001	923,584	-191,417	3.8%	3.0%	-0.8%	-17.2%

Sources: BBC, House of Commons Library

Swing from Labour to Conservatives in Con-Lab seats



Source: UK Polling Report

Longer term voting trends

Over the 13 years to 2010 Labour lost 5 million votes, mostly to the Lib Dems, Tories and to those not voting.² A better target than the high-water mark of 1997 is the 2005 result. Like the 2010-15 period the big losers are the Lib Dems, while UKIP are the clear winners. Meanwhile, the SNP and Greens increased their share of the vote. The fundamental challenge for Labour at that time was to effectively swap their position with the Tories.

Also noteworthy is that whilst the two-party share of the vote has remained the same over the 2010-15 period (around two thirds) what has changed now is that there is no longer a dominant third party. Instead, there are now four parties with over 3% of the vote, whereas there was just one in 2005.

The 2015 election marked not so much the demise of two party politics. Instead, it saw the decline of two plus one party politics, replaced by two plus four party politics.

Conclusion

Labour gained some additional votes in 2015. However that is where the good news ends. It was still significantly short of gaining enough votes to ensure more seats than the Conservatives, let alone a majority in parliament. Furthermore, it was punished by the first past the post system and went backwards in terms of seats.

The challenge Labour now faces is more diverse. Whilst the two party share has stayed steady there are now four smaller alternative parties, rather than just the Lib Dems. This makes the climb back all the harder when trying to attract (and retain) votes from all angles.

2005-2015 Voting trends

	Votes (2005)	Votes (2015)	Votes gained/ lost	% of vote 2005	% vote 2015	% point change
Labour	9,552,436	9,347,304	-205,132	35.2%	30.4%	-4.7%
Conservative	8,784,915	11,334,576	2,549,661	32.4%	36.9%	4.6%
Lib Dems	5,985,454	2,415,862	-3,569,592	22.1%	7.9%	-14.2%
SNP	412,267	1,454,436	1,042,169	1.5%	4.7%	3.2%
PC	174,838	181,704	6,866	0.6%	0.6%	0.0%
UKIP	605,973	3,881,099	3,275,126	2.2%	12.6%	10.4%
Green	283,414	1,157,613	874,199	1.0%	3.8%	2.7%
BNP	192,745	1,667	-191,078	0.7%	0.0%	-0.7%
Other	1156468	923,584	-232,884	4.3%	3.0%	-1.3%
Turnout	27,148,510	30,697,845				

Sources: BBC, House of Commons Library

Electoral geography

Understanding the predicament that Labour faces is especially problematic from a geographic perspective.

In total Labour gained 26 fewer seats than in 2010. Making gains in 22 seats but losing 48 seats. The Conservatives gained 24 seats losing 11 and gaining 35. The Lib Dems lost 49 seats and the SNP gained 50.

Labour's loss was not just a loss to David Cameron's Tories in England and Wales but also to Nicola Sturgeon's SNP in Scotland. The difference between 2010 is stark. Labour lost all but one of its seats in Scotland – losing 40 seats. This was predicted in the months before

the election. However, Labour was predicted (according to polls at least) to make gains in England and Wales. In the event Labour performed less well; achieving a score draw with the Tories – gaining ten seats and losing eight.³ Although Labour did take twelve seats from the Lib Dems.

The Conservatives were meanwhile not affected by the SNP surge in Scotland losing no seats and holding on to one seat and losing ten seats to Labour. They gained only eight seats from Labour in England and Wales. What secured their majority was the destruction of their Coalition partners. Whilst Labour gained 12 seats from the Lib Dems the Tories took 27.

Seats won and lost, by party

	Seats	Gained	Lost	Net gains/loss
Conservatives	331	35	11	24
Labour	232	22	48	-26
SNP	56	50	0	50
Green	1	0	0	0
UKIP	1	1	0	1
Lib Dem	8	0	49	-49

Labour seats won and lost by region

	Total	Gained	Lost	Change	All	% Won	% Net gain
London	45	7	0	7	73	62%	10%
SE	4	1	1	0	84	5%	0%
SW	4	1	1	0	55	7%	0%
Eastern	4	2	0	2	58	7%	3%
West Midlands	25	2	1	1	59	42%	2%
East Midlands	14	0	1	-1	46	30%	-2%
Y&H	33	2	1	1	54	61%	2%
NW	51	5	1	4	75	68%	5%
NE	26	1	0	1	29	90%	3%
England	206	21	6	15	533	39%	3%
Wales	25	1	2	-1	40	63%	-4%
Scotland	1	0	40	-40	59	2%	-68%
Great Britain	232	22	48	-26	632	37%	-11%

Regional breakdown

Labour's poor showing in Scotland inevitably overshadows its performance elsewhere. In Scotland Labour went from controlling 69% of seats to just 2% of seats. It is now the part of Britain where Labour holds least seats, far fewer than Tory strongholds of the South East and South West.

But Labour's poor performance was not confined to Scotland (although it was far worse). Labour could have formed a minority government if it had commanded a similar number of seats in England and Wales as the Tories. Instead Miliband secured 113 seats less than Cameron.

For Labour to have gained a majority it would have needed to have gained around 68 of the seats (10%) contested in Britain. Given Labour's strong position in some regions they would have had to be concentrated in certain regions – notably the Midlands and North West.⁴ However, Labour failed to make the required gains in all places with the exception of London where it picked up 7 seats.

Regional vote

The geographic spread of Labour's seats won and lost is reflected in changes in the vote share. In 2015 Labour only outperformed its 2005 election win in London. It also performed well in the North West compared with 2005, even though the result was below 2005. Whilst it performed better across all of England compared with

2010, Labour secured few additional votes in the South East and East Midlands. Labour also failed to make much advance in Wales, and (as mentioned) in Scotland suffered a huge drop.

Southern discomfort?

Examining these tables would suggest that Labour has a serious problem in the South East and South West. Labour secured under 20% of the popular vote in both regions. However, Labour has never performed well in the South East and South West. When comparing its vote share or seats gained with the last time Labour won in 2005 shows that it is not out of step with other places.

Clearly, Labour needs to perform better in the South but the potential to make gains is somewhat limited. Moreover, in regional terms, London is part of the South and did well there. So the argument Labour failed in the South compared with elsewhere doesn't quite hold true.

This is not to deny the need to win seats in the South but to suggest that any strategy focused purely on the South misses seats elsewhere, which are more numerous. Labour will also need to be careful not to alienate people in places which have traditionally voted Labour (Scotland being a case in point). In summary Labour lost across the country and in seats better defined locally than regionally.

Changes in vote share by region

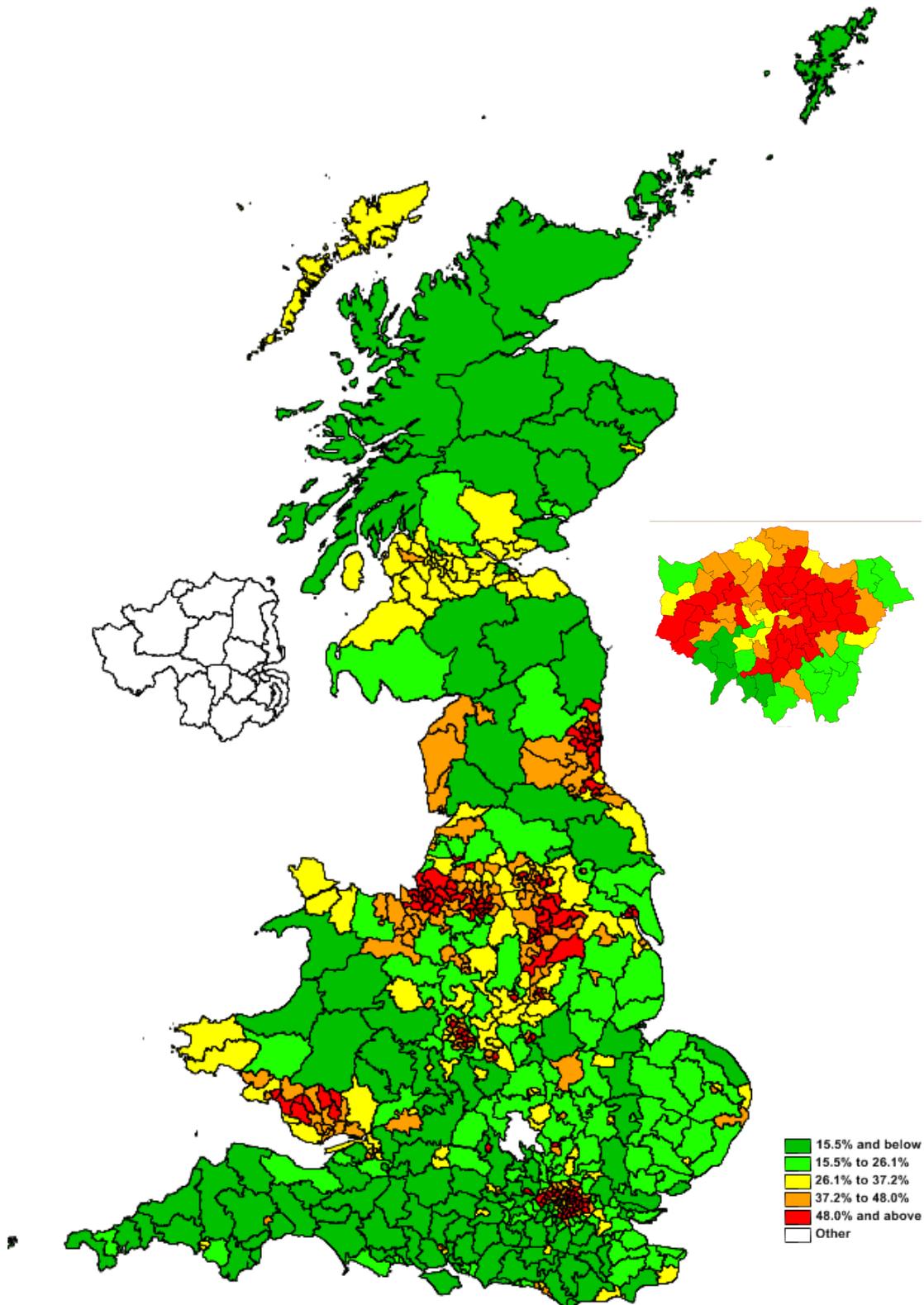
	2015	2010	2005	Change 2015-2010 (pp)	Change 2015-2005 (pp)
London	43.7	36.6	38.9	7.1	4.8
SE	16.5	16.2	24.4	0.2	-7.9
SW	17.7	15.4	22.8	2.3	-5.1
Eastern	22.0	19.6	29.8	2.4	-7.8
West Midlands	33.1	29.8	38.7	3.4	-5.6
East Midlands	31.6	30.6	39	1.0	-7.4
Y&H	39.1	34.7	43.6	4.5	-4.4
NW	43.6	39.5	45.1	4.2	-1.5
NE	46.3	43.6	52.9	2.8	-6.5
England	31.6	28.1		3.5	
Wales	36.9	36.2	42.7	0.7	-5.8
Scotland	24.3	42	38.9	-17.7	-14.6

Cities, small towns and suburbs

Mapping Labour's vote shows that the places where it did poorly and where it needed to win were not its traditional inner city

heartlands but small towns and suburbs. The map below shows how Labour's vote is spread across the country. What is immediately apparent is how concentrated it is within major urban areas.

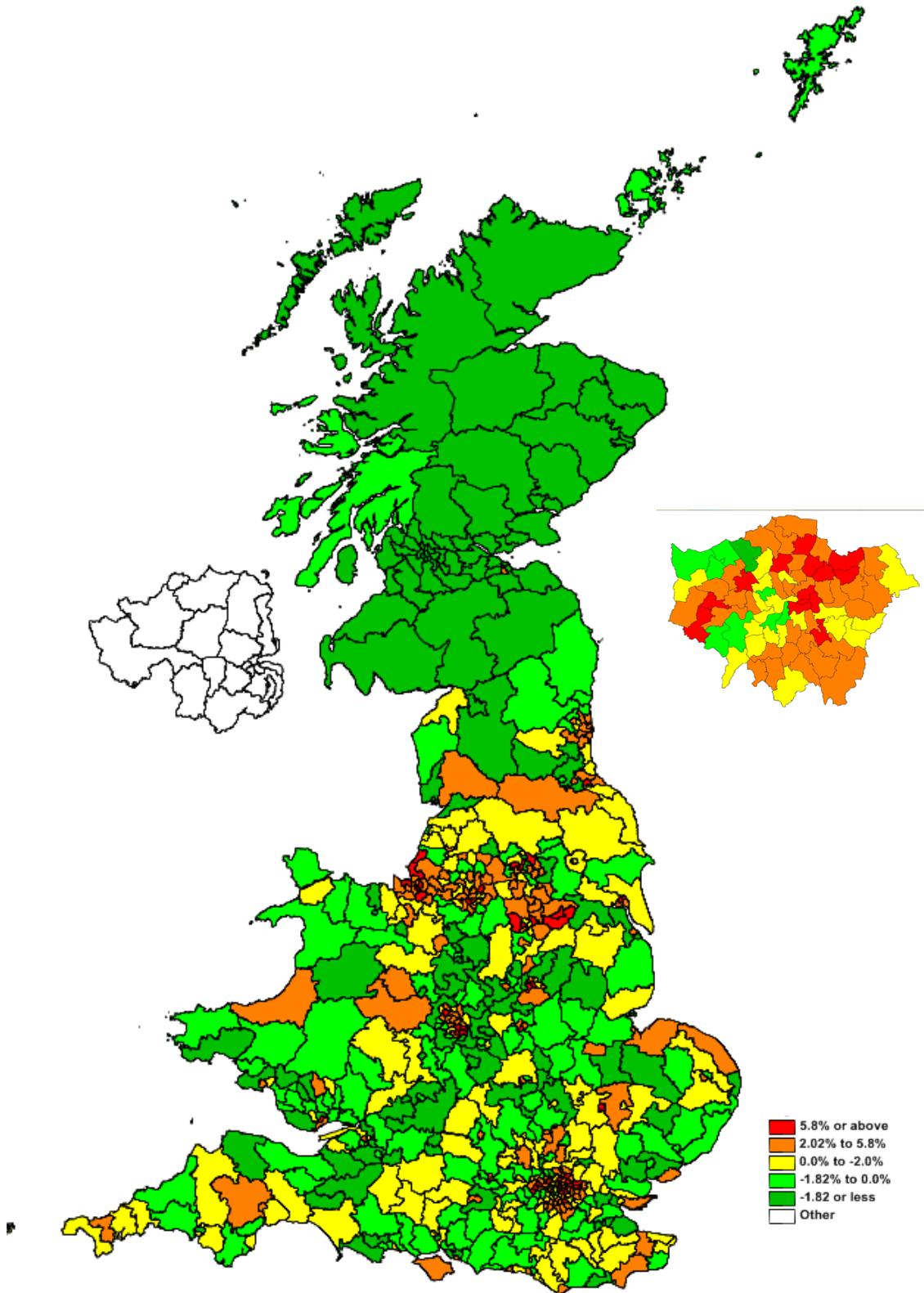
Labour's vote share



This may have always been the case but the places that Labour had its best chance to win in are located beyond the major city boundaries. In many of these places Labour performance fell

short in 2015. Whilst Labour gained votes in its heartlands it in fact lost ground in the suburbs and small towns it needed to win.

Labour-Conservative swing



Who Labour might need to win back

Social class

As was the case following Labour's defeat in 2010 the post-mortem has focused on who Labour failed to win over. Whilst some have suggested Labour needs to court the aspirational vote (generally connoting middle class), others have suggested Labour would only win when it reconnects with its 'core vote' (generally connoting working class voters).

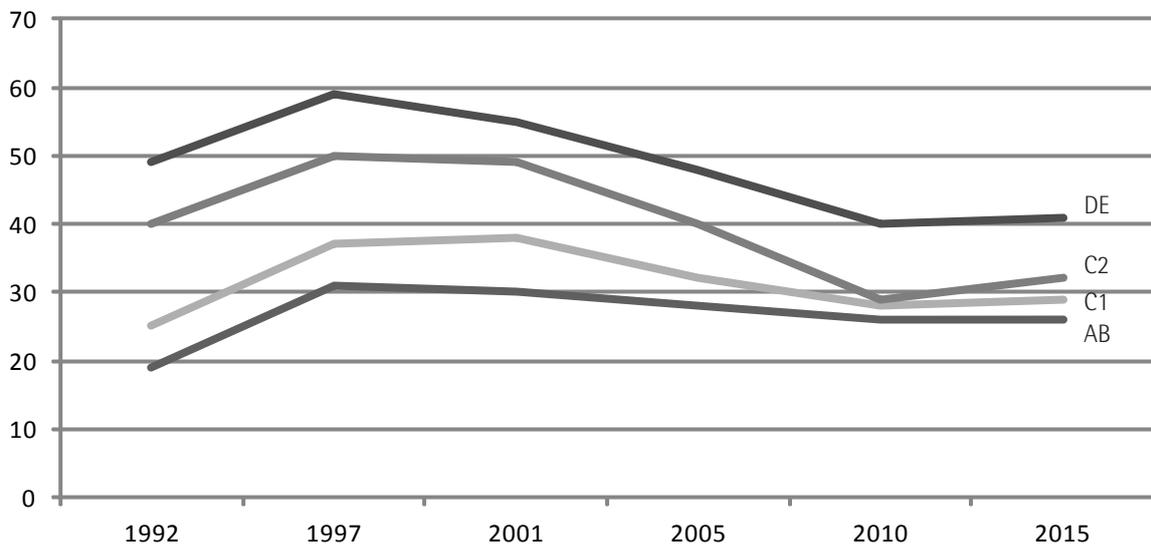
What is apparent from the data on voting trends by class is how similar it was to 2010. If the Miliband leadership marked a swing to the left, then the evidence suggests that it made little difference in voting patterns in terms of class. As the graph below shows, the changes were very small between 2010 and 2015.

The graph also challenges the idea that the loss of middle class voters is why Labour lost the last two elections. The big falls have come from working class voters. Whilst the ABC1 is higher than it was in 1992, the C2DE vote is significantly lower.

What is also clear is that the two are not mutually exclusive – votes amongst all classes were highest during the same period (i.e. 1997).

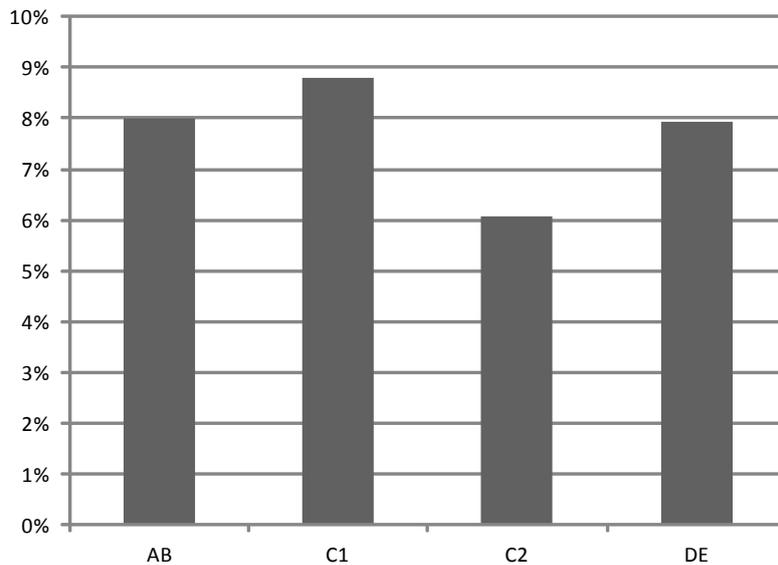
It is also worth stressing that the four categories of social class are not of equal size. Instead, what is shown in the graph below is that Labour's vote was made up of more middle class votes than working class votes. This is in part due to the fact that ABC1s make up 60% of voters (in part due to the fact that whereas 75% of ABs voted only 57% of DEs did).

Proportion of different social classes voting Labour



Source: Ipsos-Mori

Labour vote by social class – weighted for size and turnout



Source: Authors calculations based on Greenberg Quinlan Rosner Research/TUC poll Ipsos-Mori

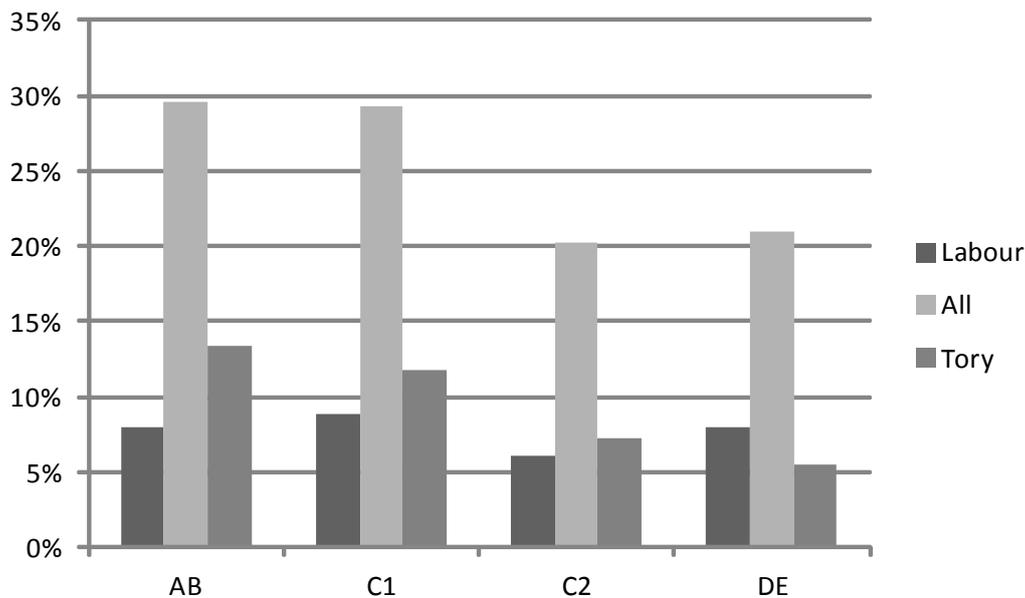
Even despite being a smaller voting group Labour's poor performance amongst C2s should be worrying. According to GQRR polling⁶ the Tories had a six point lead over Labour within this group.

Ipsos-Mori polling shows a more equal result between Labour and the Conservatives within this group. Nevertheless, many would expect Labour to be polling much better amongst these

voters. Cameron's recent blue collar Conservatism pitch signifies how politically significant this group is.

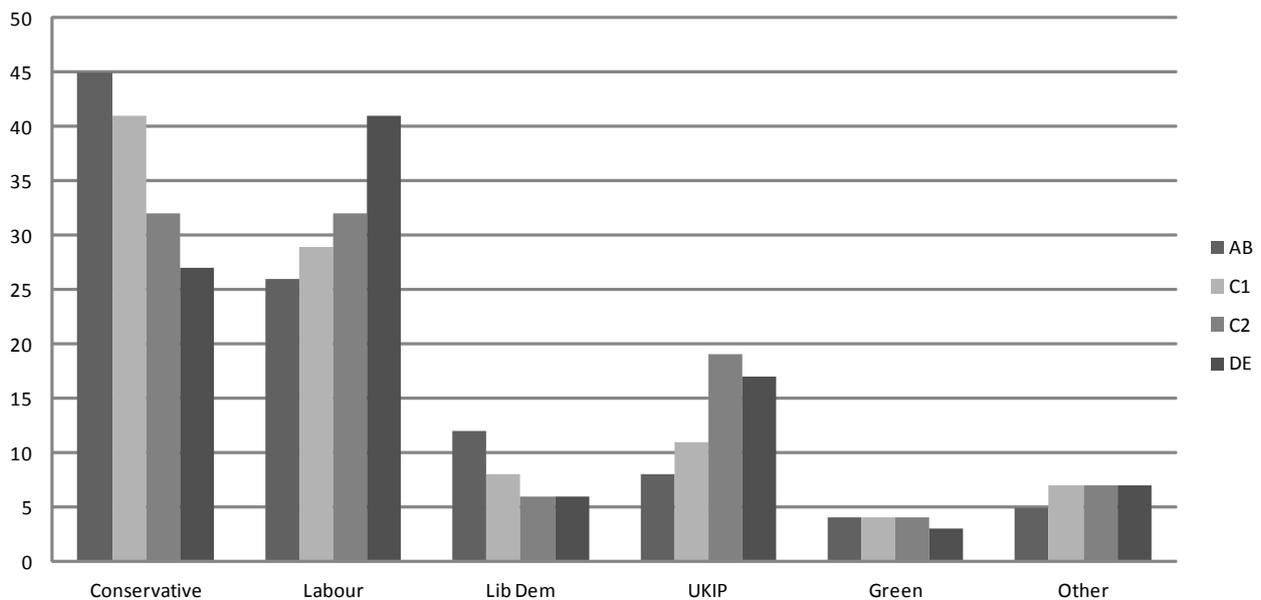
What is also evident is that UKIP's rise has been based to a significant extent on winning working class voters. They performed much better amongst C2DEs than middle class voters, although it's unclear how sustainable that support will be.

Labour and Tory vote by social class – weighted for size and turnout



Source: Authors calculations based on Greenberg Quinlan Rosner Research/TUC poll ipsos-Mori

Voting by class



Source: Ipsos-Mori

Age and voting: a triple-locked victory for the Conservatives

Over the course of the last parliament, much was made of the generational implications of the Coalition's reform programme. Whereas state benefits for older people went largely protected support for children and working age households was often cut in real terms. For example, while the state pension was triple locked (rising by whichever is higher - inflation, wages or 2.5%), tuition fees could triple and child benefits frozen.

This tactic by the Conservatives paid off. For Labour the picture is stark when comparing 2005, 2010, and 2015 voting by age. In most age categories Labour bounced back in 2015 to 2005 levels (doing better amongst the youngest cohort and less well amongst 45-54), but it carried on falling amongst those who had retired.

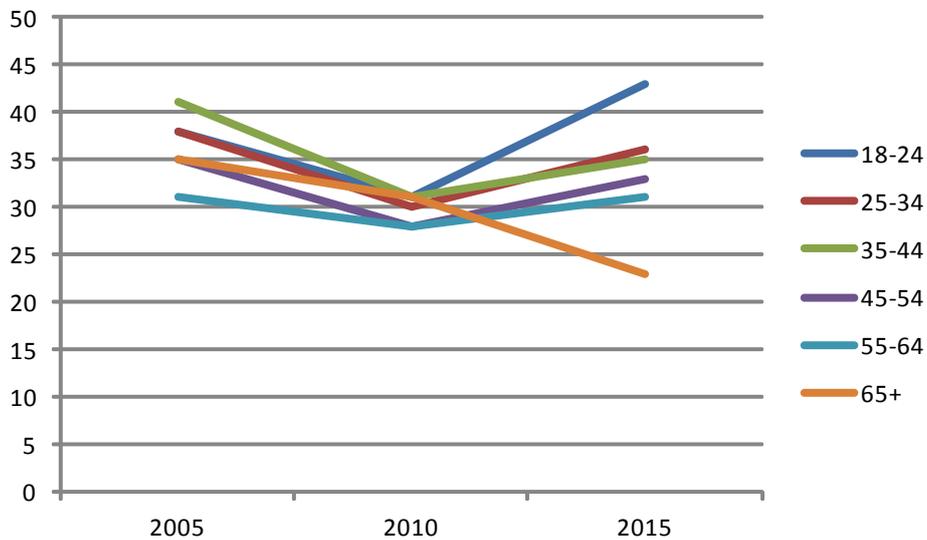
As a proportion, Labour won just over one in five (22%) of the

vote of those in retirement – the largest age cohort and the one most likely to vote.

Weighting the age categories for their relative proportion of the electorate also shows the importance of the older cohort in winning elections. Split slightly differently to the Ipsos-Mori poll, GQRR's post-election survey shows that over 40% of the electorate are 55 and over. What their polling also shows is that the Tories gained twice as many votes in this group as Labour. Over half (20% of 38%) of their vote came from this group. It formed just a third for Labour despite this group forming 40% of the electorate.

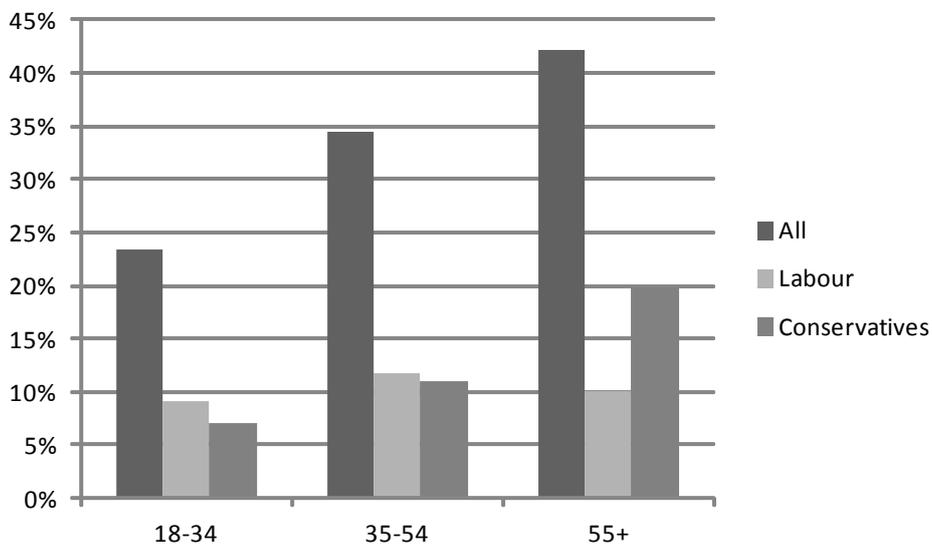
With an ageing population, the 'grey vote' will be even bigger still in 2020. Indeed, the next election may well be contested around winning the votes of older people.

Voting by age and party



Source: Ipsos-Mori

Labour and Tory vote by age – weighted for size and turnout



Source: Authors calculations based on Greenberg Quinlan Rosner Research/TUC poll Ipsos-Mori

Gender: Labour's men problem?

When the polls were looking bleak for the Tories it was often said that they had a 'women problem'. In truth the Conservatives performed similarly amongst men (38%) and women (37%). The gap for Labour was wider, with 33% of women voting Labour compared with 30% of men.⁶ Whilst the margin was not substantial it does equate to a difference of 450,000 votes. Although not as worrying as the voting trends by age it cannot be ignored.

A big part of that difference (as in 2010) is that women aged 25-34 were more likely to vote Labour than men of the same age (40% v 32%). This trend changes among older voters with only 2 percentage points between male and female voters aged 55 and over.⁷

Home owning democracy

The Conservative party continued to do well amongst homeowners. Labour performed similarly to 2010 amongst those who own their home outright without a mortgage (most of whom will be older⁸) trailing by 24 points to the Conservatives (reflecting differences in support amongst different age cohorts). Labour performed better, but still trailed the Tories by 8 points, amongst those who owned their home with a mortgage (31% to 39%).⁹

Labour did however have the support of half of those in social housing and made significant strides amongst those who rent privately. In 2010 Labour trailed the Conservatives in this group by six points, but now lead by 11 (28% v 39%). Interestingly UKIP's vote is strongest amongst social renters and those who own outright – reflecting the class and age of their support.

Comparing the results with 2005, Labour is still not back up to the level of support it had with those who own outright (-7 points), own with a mortgage (-5 points) and social renters (-5 points). Whilst those renting privately are a smaller group than homeowners, doing better within this group is likely to become more important as the number of private renters continues to grow (over the last ten years the proportion of households renting privately has doubled from 10% to 20%).¹⁰ These voters are of course concentrated amongst younger voters.

Ethnicity

It is sometimes said that ethnicity is becoming a bigger indicator of voting intention than class. In 2015, 65% of non-white voters voted Labour. Labour increased its share amongst this group by 5 points. It is worth noting that the Conservatives gained even more however, up 7 points (but still winning less than a quarter of the vote). Labour performed less well amongst the white population – winning 28% of their vote and 11 points behind the Conservatives.¹¹ Moreover, Labour has failed to make any ground within this group since 2010.

Conclusion: the case for majoritarianism

The data all points in the same direction. Trying to pick one group off is likely to alienate another. Nevertheless, there is clear evidence that Labour needs to do better amongst blue collar voters. Labour also desperately needs to do much better with older voters. Whilst support recovered amongst the working age population, Labour continued to haemorrhage voters over 65. It seems unrealistic for Labour to hope to win again if it fails to pick up support amongst this age group.

What were the most important issues?

All elections have their own distinct backdrop. Issues which matter change as circumstances do. In 2010 the economy dominated, five years later it ranked alongside NHS and immigration. Interestingly, and something which might go some way towards explaining Labour's defeat, immigration and the economy were the most important first issues – ahead of the NHS.

In separate polling by Ipsos-Mori, when asked about which party is best on certain issues, Labour performed well on the NHS. It was more trusted than the Conservatives with a 13 point lead, larger than in 2010, similar to 2005 but much smaller than in the 1997-2003 period.

Perhaps surprisingly Labour was ahead of the other parties on immigration. In the past the Conservatives has enjoyed healthy double digit leads. Ahead of the 2005 general election the Conservatives were 18 points ahead of Labour. However, the rise of UKIP seems to have split support from those advocating a tougher stance on immigration (37% saw either UKIP or the Tories as best). It has also steadily risen up the agenda of importance.

The biggest gap on the top three issues came over the economy. 41% thought that the Conservatives were best able to manage

the economy versus just 23% for Labour. Labour's position in 2015 was only marginally better in 1997. However in 1997 the Conservatives were no longer trusted (only 33% thought they were best), something which they only recovered from after May 2010 (they were down at 29% in March 2010). Indeed, the same is true for Labour, only gaining the confidence of the public after they won.¹²

Polling by Lord Ashcroft immediately after the election also indicates where Labour might have been weakest. In his polling (below) voters were asked what they thought were the most important issue facing the country and the results split by who they voted for. Whilst not a perfect match, it gives some indication of where Labour voters differ from the general public and which voters Labour might need to do more to attract.

The table below shows where the big differences are: immigration, Europe, deficit/debt and reforming welfare. These issues mirror the results from the Ipsos-Mori poll as well as concerns about Labour raised in focus groups conducted by BritainThinks in five key marginals.¹³

Top issues and issues Labour is best

	Top	Top 1&2	Labour best
National Health Service/Hospitals/Health care	13%	44%	36%
Immigration/immigrants	21%	40%	21%
Economy/economic situation	20%	36%	23%
Education/Schools	3%	21%	31%
Unemployment/Factory Closure/Lack of Industry	6%	19%	30%
Poverty/Inequality	8%	17%	
Housing	4%	16%	31%
Low pay/minimum wage/fair wages	3%	11%	
Pensions/social security/benefits	2%	11%	
Crime/law & order/violence/vandalism/ASB	2%	10	21%

Source: Ipsos-Mori

Difference between Labour vote and the public on key issues

	All	Labour	Difference
Improving the NHS	55	76	21
Getting the economy growing and creating jobs	51	50	-1
Controlling immigration	41	28	-13
Improving schools	13	19	6
Reforming welfare to cut benefit dependency	20	12	-8
Cutting the deficit and the debt	30	15	-15
Dealing with crime	6	7	1
Protecting the environment	9	9	0
Defending Britain's interests in europe	18	8	-10
Tackling the cost of living crisis	25	41	16
Something else	12	14	2

Source: Lord Ascroft Polls

Issues for floating voters

Whilst these surveys give an indication of the issues they do not tell us what undecided voters thought of Labour. The GQRR post-election survey¹⁴ sheds light on the views of those who considered Labour, but in the end voted for another party. What is clear is that views are to some extent split between those who ended up voting Tory and those whose vote went to neither of the main two parties.

In total 17% of the electorate considered voting Labour but didn't. Of those who considered Labour around 35% voted Conservative, 23% Lib Dem, 17% UKIP and 14% Green. Although those considering who to vote for were drawn from all parties, it is worth remembering that in Tory-Labour marginal seats, winning Tory votes essentially counts as double.

Of those considering voting Labour, the NHS was the most important issue when deciding who to vote for. A party's approach to growing the economy was important for those who considered Labour but voted Tory, whilst fewer of those who voted for another party judged it as important. There was a similar difference between reducing the deficit and immigration.

A party's approach to welfare was also seen as important for both groups (although this could be for different reasons) as was family values. In terms of taxes – those who ended up voting Tory considered taxes on middle income people more important compared with others who considered voting Labour. The opposite was true for taxing wealthier people.

There was a similar divergence over policy positions. Most of those who considered Labour but voted Tory stated that the best way to grow the economy was to cut taxes, and reduce the deficit and red tape (53%). Only 39% thought making people feel better off and more "comfortable spending" was the best option. The split amongst those who considered Labour but voted for other parties was 66% – 25% the other way.

There was a similar split over how meritocratic Britain is (those who voted Conservative considering it to be about hard work whilst others thought there were structural barriers to getting on) and whether the focus should be on rewarding hard work or reducing inequality.

Where there was consensus between the two groups was concerning reducing inequality, which it was felt best achieved through work rather than the tax system and approach to politics – better to focus on solid plans than grand visions.¹⁵

What is clear is that large numbers thought Labour should be tougher on immigration (although a minority thought Labour should extol the benefits of immigration). There was much more of a split over welfare – most who ended up voting Conservative considered Labour too soft while there was more of an even split on the question from those who voted elsewhere.

A divide also emerges on whether to focus on growth or living standards, with Tory voters largely emphasising the former. Those who voted Tory were split about whether the deficit should be cut faster or slower than Labour planned. Those who voted for another party were more likely to think that Labour should cut slower.

When it came down to it Labour was viewed as being on the side of ordinary people and a defender of the NHS. However, the biggest concern amongst those who in the end voted Conservative was that Labour would spend too much and could not be trusted with the economy. Over 40% stated this as a reason. Just under a third thought that Labour would make it too easy for people to live on benefits and a quarter were worried that Labour would raise taxes. There were also concerns about doing a deal with Nicola Sturgeon (30%), and 32% stated that they preferred Cameron to Miliband.

A different picture emerges for those who considered Labour but voted for another party. Concerns were less prominent but still noticeable in terms of the economy and spending (24%) and welfare (23%). However the biggest concern was a potential deal with Nicola Sturgeon (29%). Not promising a vote on Europe was higher than those who voted Tory, perhaps reflecting the numbers who ended up voting UKIP.

Conclusion

The issues which dominated the 2015 were health, the economy and immigration. In all but the first Labour trailed the Conservatives. And, on the economy almost double the number thought the Conservatives better. This was mirrored in the surveys of floating voters. Labour was too often seen as weak on the economy and out of step with key voters on the deficit, immigration and welfare.

There were noticeable splits between different types of floating voters and tensions between gaining votes in one group at the expense of others. However as the following section demonstrates Labour's main opposition in the marginals are the Conservatives (and to a lesser extent UKIP in terms of votes). Winning these votes will be critical at the next election.

Winning again: Where Labour lost and needs to win

Labour faces a bigger challenge in 2020 than it did in 2015. The Tories now have a majority and with Scotland turning to the SNP Labour holds fewer seats.

With 232 seats Labour will need to win 94 seats to command a majority in a parliament of 650 MPs.¹⁶ With boundary changes firmly on the agenda the target will be higher still. Whilst the exact shape of the boundary reforms is unknown it is safe to assume that Labour will be the losers. Based on the previous boundary review in 2013 the Fabian's have suggested that the total needed will be 106 seats in a 650 seat parliament.¹⁷ And for a working majority Labour will require an even larger swing. Putting this into perspective, in 2015 Labour needed to win 68 seats.

Basing the required seats on the same assumptions Labour would need to win seats largely from the Conservatives but will also need to pick up seats from the SNP. The political arithmetic at the next election will therefore be different, not least because Labour

will have to win more Tory seats to form a majority (and many of these seats would not be classified as marginals).

The table also highlights the level of swing Labour would require. For a majority Labour would require a 10% swing - something not seen since 1997. The next biggest swing over the last 50 years is around 5%. That would be enough to secure around 48 additional seats. Under that scenario Labour would still trail the Conservatives with around 282 seats (the Conservatives would have 287 seats).

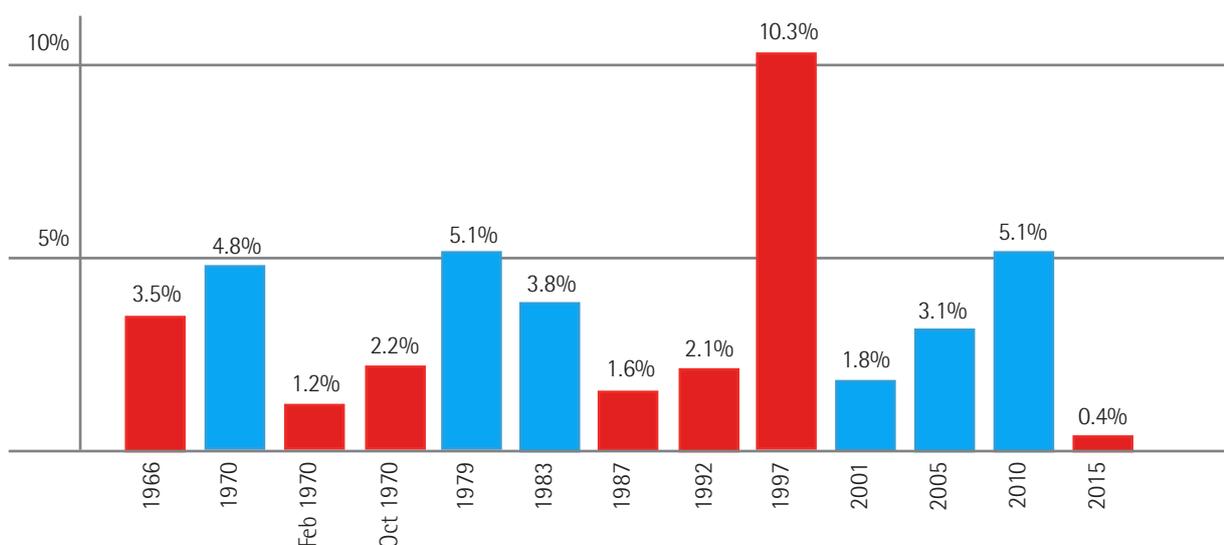
Although far from a ringing endorsement from the electorate a 5% swing could however give Labour the opportunity to form a minority or coalition government. The approach for 2020 would then mirror that of 2015, with the election campaign focused on coalition rather than outright victory. However, as 2015 proved this left Labour vulnerable to the Tory charge that the SNP tail would be wagging the English dog.

Seats won by level of universal swing

	0-2.5 swing	2.5-4.9 swing	5-7.4 swing	7.5-9.9 swing	10-12.4 swing
Conservative	20	24	29	19	30
SNP		2	3	11	11
LD	1	1			
Green			1		
PC			2		
Total	21	27	35	30	41
Cumulative total		48	83	113	154

Average swing across UK in general elections, 1966-2010

Figures represent change between Labour and Conservative (or vice versa) as denoted by colour



Source: www.ukgeneralelection.com; 2015 author's calculation

Seats won by region by level of universal swing

	0-2.5	2.5-4.9	5-7.4	7.5-9.9	10-12.4	0-10%
London	1	2	3	2	5	8
SE	1	2	7	4	5	14
SW	2	2	2	2	5	8
Eastern	4	1	3	3	4	11
West Midlands	1	2	6	3	5	12
East Midlands	3	7		1	2	11
Y&H	2	5	2	2	2	11
NW	4	3	4		1	11
NE		1				1
Wales	3		5	2	1	10
Scotland		2	3	11	11	16

For Labour to win it needs to gain seats across the whole country. On a universal swing most come from Scotland followed by the South East, West Midlands, East Midlands, North West, Eastern region then Wales. The spread suggests that a simple reversion to a strategy based on winning the South misses the geographic spread of the seats Labour needs. That's not, however, the same as saying Labour doesn't need to win seats in the South.

The types of seats Labour needs to win

A more detailed, albeit still cursory, look at the types of seats that Labour needs to win shows again the difficulties of just targeting one group over another.

The Conservative held seats that Labour needs to win are split into four broad groups outlined in the table opposite.

The table covers nearly 100 seats. There are few threads that run through them all. For example, employment rates tend to be higher in suburban areas and new towns but not in struggling seaside towns, which have large white British populations and are more likely to vote UKIP.

Nevertheless they are suburban. They might feel neglected by the emphasis on big cities (even suburbs in London often feel inner London receives all the attention and money is not for them¹⁸). Homeownership is also likely to be important (the majority being homeowners), but house prices in these areas are unlikely to be high compared with London (and in some cases will be lower than their peak in 2007).

The vast majority do however tend to have relatively few Lib Dem or Green voters. Only 10 of the listed 92 seats had a combined Lib Dem – Green vote of over 10%. And in the vast majority of these seats (78 out of 92) UKIP's vote was greater than the Green/Lib Dem vote combined.

Type	Characteristics
<i>Struggling seaside seats (22 seats)</i>	As name suggests: seaside seats Spread across south and north of England and Wales Split age (some old population v some young population) Low employment rates Large white British population Slightly lower than average homeownership rates Higher than average UKIP vote
<i>Middle Britain: Major towns and outer urban suburbs (25 seats)</i>	Edge of cities and large towns South and Midlands Higher population density Average age Lower than average white British population Average levels of homeownership Slightly better employment rate Slightly lower than average UKIP vote
<i>Wealthier Britain: rural and suburban (32 seats)</i>	Suburban seats Midlands and North Lower population densities Slightly older than average population Very high rates of white British population Very high rates of homeownership High employment rates Average UKIP voting rate
<i>New (town) suburbs (13 seats)</i>	New towns and rapidly growing older towns Mainly in the South with some in the Midlands Lower population densities Average White British population Higher than average employment rates Average rates of homeownership (slightly lower) Younger than average population High UKIP voting rate

Talking points: the policy implications

Labour's defeat in 2015 was comprehensive. The task at hand to win again (even without a parliamentary majority) is thus not simply about winning over one group or another. Labour has to win votes from 2015 Conservative voters to stand a chance of winning in key constituencies. It must also win back the trust of those voters who turned to UKIP and the SNP, while ensuring there isn't a 'Green surge' (or Lib Dem revival) over the coming five years.

This means retail offers to one group or another will not be enough. Indeed, it would prove extremely difficult to imagine how this could be done without jeopardising the (prospective) support of other groups of voters. Nevertheless, a new policy agenda has to focus on areas where Labour performed poorly.

The pre-election policy agenda is of course some way off. Few voters will in truth be paying much attention to Labour's offer until a year or so away from the next general election, which gives the left some time to consider 'where next' (the immediate challenge for Labour is being an effective, competent and credible opposition).

Clearly the task is to form a overarching narrative, be seen as a credible and competent party of government and have macro policies on the economy, the UK's place in the world and on the role of state. The policy questions in this equation are of course too large to even attempt to answer in this short paper. However, the following talking points on key policy issues are seen as an attempt to carve out a majoritarian agenda which attempts to speak to the groups Labour failed to convince in May 2015.

Ageing population

Labour's defeat in many respects was due to older voters staying and indeed turning to the Conservatives. The Conservatives gained twice as many votes amongst this group as Labour. What's more there will be relatively more older voters in 2020 than in 2015.¹⁹

The Conservatives have protected older voters relatively more than those of working age.²⁰ Appealing to older voters who in the round have largely been unaffected by the government's economic and fiscal policies will not be straightforward. One of the totemic Conservative promises was the triple lock to ensure pensions rose by at least 2.5% a year. Attempts to raise the state pension further will not be cheap and would require savings to be made elsewhere (or tax rises).

Of course all older people's are not the same. And within this group there are different generations, backgrounds and incomes. The NHS is natural terrain for Labour to furrow, which around three quarters of older voters see as an important issue. But older people also saw the economy/deficit and immigration and patriotism as important issues and were more critical of Labour's record in office and less likely to see Labour as competent.

Forming popular policies for this group (or indeed groups within older people) should be seen as an electoral priority. However, policies which could be perceived as undermining the interests

of older people could easily become counter-productive. For instance, issues affecting younger people, not least access to decent housing, can become about reducing the value of homes. Equally inheritance tax and previous attempts by Labour to improve adult social care can easily be painted as draconian 'death taxes'. A rise in interest rates offers a double edged sword for the government amongst this group – with savings and pensions likely to rise with negative impacts on house prices.²¹

Blue collar Labour

Labour's recent performance amongst its historic electoral base has been far from great. Going forward the party clearly needs an agenda which speaks to the hopes and aspirations of blue collar voters, but does not alienate other voters whose support for Labour has remained fairly steady since 2005.

This is not simply a left-right choice. The 'New Labour' agenda of open markets and support for immigration comes into conflict with the views of many blue collar workers. Amongst C2DE voters, immigration and patriotism were of more importance than for wealthier voters – this can be seen in the support UKIP gained from blue collar voters. Hostility to immigration, of course, might run the risk of losing other voters.

There was also more support amongst DE voters than other voters for more traditional Labour policies around tax on wealthy people and the cost of living. The most worrying trend is perhaps amongst the C2s where the Conservatives were level, if not ahead of Labour. Zero-hour contracts, the minimum wage and out-of-work benefits are unlikely to directly affect them. A much broader policy appeal has to be made. Whilst C2 views are closer to DEs on immigration and patriotism the group is closer to the views of wealthier voters on the economy and social policy.

Forming a coherent position about Britain's place in the world will be critical. With the European referendum there will be an opportunity to make the case for the social dimension of EU membership, which could appeal to blue collar voters. But there will also need to be clearer stance on immigration, its interaction with the welfare system and what a fair deal and (social and economic) protection should look like in a globalised economy. It also suggests that Labour needs to articulate a new vision for Britain and Britishness. This also seems vitally important if Labour stands a chance of winning seats in Scotland. The framing of the public debate on cultural identity (something broader than just national identity) as well as localism also presents Labour with a further challenge.

Winning in the places that matter

Where votes are to be won obviously matters. Winning more votes is essential for legitimacy but winning votes in seats that are already Labour does little to help the fight back.

One of the most worrying trends in the election was the swing away from Labour in the places that it needed to win. These seats were spread across the country, both North and South. However, there were common themes between some.

One of the key grouping of seats that Labour needs to win are seaside towns. These places have populations which are largely white British and have low employment rates. In many respects these places are the forgotten parts of the UK. Focusing efforts and policy thinking on these places could help Labour win again and will have much in common with struggling former industrial towns.

However, seaside towns do not form the majority of the marginal constituencies that Labour needs to be targeting. Understanding the needs of new towns, small towns and suburbs seem also critical to winning again. Whilst these places are diverse they are very different from the major cities. This explains why highlighting escalating and unaffordable high house prices are unlikely to chime with many of those in middle (small town) Britain. Understanding their concerns and what matters in terms of place but also how public services function in areas with lower densities and less deprivation could also help shape an offer for winning again.

Conclusion: the economy and the state

These policy areas are of course small components of a much bigger strategy that Labour needs to adopt to convince large parts of the electorate to vote for them. Hanging over Labour is the major challenge of being seen as competent and credible on the economy and public finances.

The two are often conflated, and it is in many respects a fool's errand to attempt to persuade the public that they are wrong about whether Labour spent too much (on the wrong people and wrong things) or even that this is what caused the financial crash.

Labour has to move on from that debate. It has instead to carve out an alternative agenda, new popular policies and ultimately a compelling narrative that Labour is competent and can be trusted. It has to prove that public money will be spent wisely, be it on social security or public services. This will probably demand reimagining the state. It will mean placing a much stronger emphasis on what government can do to help and support social justice – 'a hand up, not a hand out'. It will also mean giving people the tools to get on in life but also greater power over how decisions are made as citizens (at a local and national level), producers (in the workplace) and consumers.

This must be tied to a convincing story on the economy and (good) growth; that extending opportunity is the best way to growing the economy. That the state should seek to invest not just in infrastructure but also in people, be it in education or other forms of social goods (often merit goods). The winning argument needs to stress that investment cannot just be delivered best by Labour, but only Labour can be trusted to deliver it in an equitable way. And that the equity is not an added extra for good times but essential to sustained growth. In short Labour needs to rediscover its tradition as the party of work and good growth as well as the language of economic efficiency and social justice being two sides of the same coin.

This is of course is easy to say. It will require tough choices and tunnel-like vision on priorities. However, with five years until the next general election, the immediate task for Labour must be to show first and foremost that the party can be a credible and competent opposition.

Notes

1 Lord Ascroft Polls, <http://lordashcrofthpolls.com/wp-content/uploads/2015/05/LORD-ASHCROFT-POLLS-Post-vote-poll-summary1.pdf>

2 Hunter, P *Winning back the 5 million: understanding the fragmentation of Labour's vote* (Smith Institute, 2011)

3 This compares 2010 general election results with 2015 and ignores by-election results

4 See Hunter, P *Winning back the 5 million: understanding the fragmentation of Labour's vote* (Smith Institute, 2011)

5 Greenberg Quinlan Rosner Research/TUC poll - <http://www.gqrr.com/uk-post-election-2/>

6 Ipsos-Mori

7 *ibid*

8 71% of those 65+ own outright, 49% of 55-64 year olds, 21% of 45-54 year olds and just 7% of 35-44 year olds. Family Resource Survey

9 Ipsos-Mori

10 *Ibid*

11 Ipsos-Mori

12 In 1997 the economy was a lower order priority for the electorate.

13 BritainThinks 'Battleground Britain' <http://britainthinks.com/battleground-britain>

14 Greenberg Quinlan Rosner Research/TUC poll <http://www.gqrr.com/uk-post-election-2/>. Following data also taken from the same survey

15 This focus on competence over valence issues was also stressed by panellists in BritainThinks' 'Battleground Britain' research

16 As Sinn Fein do not sit the required seats is less. 326 is however used not least because a majority of one is hardly a solid base from which to govern

17 Harrop, A *The mountain to climb: Labour's 2020 challenge* (Fabian Society, 2015)

18 See Britain Thinks 'Capital Gains? A study of Londoners' (2014)

19 ONS population projections forecast that there will be 626,000 more people aged between 20-64 by 2020 but 936,000 more people 65 and over. There are of course spatial disparities within these broader trends with London the only region where the growth of working aged people exceeds that of pensioners.

20 See for example, IFS: <http://www.ifs.org.uk/uploads/publications/bns/BN165.pdf>

21 Interest rate rises could well become a major political issue for working age people with considerable secure and unsecured debt. See for example, the OBR forecast on household debt and also the FCA Risk Outlook, 2014

