

Politics in Practice

How to implement and regulate new strategies to stay ahead of change



Hanbury on: Campaigning

“ If the UK is to make the most of Brexit, and create a dynamic, pro-enterprise, pro-growth, pro-jobs economy, it will be up to businesses to fight for the changes in regulation that will make a difference. ”

We live in times of global political instability. This impacts businesses on a daily basis and, perhaps now more than ever before, professional advisers need to be alive to the political climate.

Politics and law are inextricably linked. Hanbury Strategy and Irwin Mitchell can together ensure that clients are not only kept abreast of the likely direction of the political landscape but also understand how to implement and regulate new strategies to stay ahead of change.



James Paton-Philip
Partner, Irwin Mitchell Private Wealth

The SNP tsunami at the last General Election. Leave's triumph in the referendum. The rise of new political parties across Europe. The mood of the moment is that politics as usual is over, with a populist wave sweeping away the establishment.

And it's fair to say there are political currents, which some are struggling to deal with, that flow from the changes brought by globalisation. Communities are reacting to economic injustice and our country's long-term failure to deal with deep questions of identity and purpose.

But let's not get carried away. While there's an appetite for change among some, there's also a desire for security. After all, Scotland did end up voting to stay in the Union. David Cameron's Conservatives did win a majority in 2015. And in all likelihood, a Conservative will hammer a radical North London socialist next month.

Politics may be unpredictable and new movements may be on the march, but it's a mistake to assume that irresistible forces are pushing people all one way. What all these elections show is that, on any given issue, there are millions who are open to persuasion - who will respond to clear arguments and can be won over by committed advocates making a coherent case.

For anyone who wants to change things for the better, from our climate for enterprise to our environment, you need to understand how to campaign effectively if you're going to move people. We have been at the heart of winning and losing campaigns (most recently on opposite sides of the EU referendum). We joined them because we had deeply-held convictions about how to make our country a better place. And while we've sometimes disagreed about what's best for the future of Britain, we're totally at one on what makes a campaign to secure victory successful.

A winning campaign will make good use of data

If you're working on a campaign you are often bombarded with advice. 'Remain needs to be more positive'. 'Leave should focus on the economy'.

It's all well meaning, but inevitably based on people's pet theories, hunches and prejudices. Winning strategies are built on clearly defined research, which targets key voters and crucially understands what drives them.

In the 2015 election, it was all about economic security. In 2016, it ended up being about taking a once-in-a-generation opportunity to control immigration. Towards the end of the campaign, whatever the fluctuations in voting intention, both campaigns were privy to private

polling that showed a clear trend: more and more people were prepared to take an economic risk to bring immigration down. That was the issue at the heart of the referendum - so the result naturally followed. That's not to say the Remain campaign shouldn't have focused on the economy - it was always their best chance of success. But Leave won because they prosecuted their argument with sharper focus. Which brings us to...

Keep it simple, keep it focused

People engage with politics very rarely, and for very short periods of time. When they do, they must only hear what the campaign wants them to. 'Long-term economic plan'. 'Take back control'.

Simple messages, repeated endlessly. And that's not talking down to people - it's respecting the fact that voters are busy and paying them the courtesy of crystallising choices for them.

After the clinical precision of the 2015 General Election campaign, the biggest frustration in Downing Street in last year's referendum was the lack of control over message. What was seen as one of the Remain campaign's biggest strengths - the broadness of its coalition - was actually a debilitating weakness - too many message carriers saying too many different things. 'Fasten your seatbelts' became the call in Number Ten, whenever Jeremy Corbyn appeared on TV.

This powerlessness was no better exemplified than in the final ten days of the referendum, when campaign plans were torn up and space was made for more progressive voices to make their case. What happened? Labour decided to use this opportunity to have a public debate about the future of immigration policy, playing directly into the hands of Leave.

Indeed, it was also a deliberate strategy on the part of Leave to advance arguments and figures they knew Remain would dispute, ensuring the debate was on issues where they were strong. Too often, the Remain camp got sidetracked, contesting these points instead of advancing their own case.

Reach out and expand, especially online

No campaign will win without mobilising its base.

But today, with political allegiances so fragmented, core vote strategies alone won't deliver victory. Instead, winning campaigns need to target new voters with new strategies, not least online.

It's one of the crucial reasons Leave won last year - by speaking to people who hadn't voted for a long time. And it's the reason why Theresa May is riding high in the polls - taking the Tory message to the Labour heartlands.

Raise the risk of the alternative

Campaigns are ultimately about making life better, but they need to emphasise that a failure to win isn't just a missed opportunity, it will also hurt.

This isn't 'negative' campaigning. It's about understanding what motivates voters, and their hopes - and yes, fears - for the future.

Last year, people were worried about what an unreconstructed Labour Party joined by a belligerent SNP would mean for their family finances - so it was natural for the Conservatives to make that a central warning. And this year, the Leave campaign made clear that the risk of remaining - with uncontrolled free movement - was a bigger cause for worry than the concerns being raised about economic insecurity.

In both these cases, the real knockout blows came from finding 'the unanswerable question'. Ed Miliband couldn't answer how he could possibly govern without being beholden to the SNP, when all the electoral arithmetic suggested he would be reliant on their support.

Likewise, Remain couldn't answer how Turkey wouldn't join the EU when it was both that institution's, and the UK Government's, policy that it would be. Both questions unanswerable. Both questions reinforcing key strategic objectives of their opponents. Both questions leading to defeat.

It was the former New York Governor Mario Cuomo who said you 'campaign in poetry'. And that's true - campaigns remain the best way to motivate people and lead change. But our experience, and the experience of all these elections, is that they will only succeed if you understand the science behind it. So for idealists everywhere. Never lose sight of what you want to achieve. But never forget the way to achieve it.

Hanbury on: the Brexit negotiations

Even though the UK's departure from the EU is now inevitable, there's still a lot of politics and negotiation to come - and not a little confusion about what exactly comes next.

On one level this isn't all that surprising. Brexit is, after all, an unprecedented event - there's no guidebook for this process. Add to that the Prime Minister's decision to call a snap election - and a lot of focus from now until June 8 will be on the domestic scene.

The Prime Minister's speeches and Government statements - among other sources - have given us some insight into how Theresa May plans to approach the upcoming discussions: with a mixture of charm, clarity and bluntness.

And yet, despite the fog of war, it is possible to get a flavour for what the UK's negotiating strategy will look like when talks begin in earnest this summer.

First, the charm. As the Prime Minister's Lancaster House speech and Article 50 letter made clear, the UK is not entering these negotiations to cause the EU difficulty. Front and centre of her approach is to demonstrate that the UK wants a strong EU - and a 'deep and special partnership' between the two at the end of these negotiations.

Second, the clarity. The Prime Minister has made clear that she wants to end free movement and the jurisdiction of the European Court of Justice. In short, the UK will leave the Single Market and try to sign a wide-ranging Free Trade Agreement with the EU. This is smart - she does not go into these negotiations demanding things she knows the EU cannot give. It would be pointless wasting scarce negotiating time, for example, trying to secure full membership of the Single Market while trying to control immigration. It's also reasonable. The Brits will go into the negotiations saying: let's keep things tariff free. It will be up to the Europeans to impose the first post-war tariffs on the continent if that's what they decide is best.

Third, the bluntness. The Prime Minister knows she needs negotiating chips up her sleeve - and she has them. What the EU needs off the Brits more than anything is money, and Theresa May has already made clear that same arrangement (though unlikely the 60 billion euros that has been suggested) can be made on the EU budget. Theresa May, as was noticeable in her Article 50 letter, has also put UK defence and security co-operation with the EU on the negotiating table. But perhaps her most blunt line to date has been her statement that 'no deal is better than a bad deal'. By letting Brussels know she'll walk away if she believes the terms of any deal aren't good enough, she has let them know she means business.

Of course, this is a negotiation of two parties - or to be precise, 27 parties versus 1. The preservation of the European project is more important to the EU than giving the Brits some special deal. Indeed, awarding the latter, in the minds of some, could lead to the collapse of the former. So they will drive a hard bargain. In particular, the Europeans are worried about what they call the 'level playing field' or regulatory divergence. In plain English, they are concerned about the UK's ability to undertake a programme of deregulation that puts the EU at a competitive disadvantage in the future. If an adequate compromise can be found here, a deal is more likely than not.

The bad news is: there is a lot to get done, and the chances are Brexit could be very disorderly. Any number of things could cause the negotiations to stall - such

as the amount of money the UK owes the EU, or the sequencing of the negotiations, or the fate of politically sensitive issues on both sides of the channel, such as agriculture or fishing.

The good news is: the UK and EU now have more time. The decision to call the snap election has pushed the political deadline for Brexit from 2020 (when the next General Election was due to be held) to 2022. This gives Theresa May, when she wins the election next month, five years to resolve the negotiation. An 'orderly' Brexit therefore, with a suitable transition period, could be much more possible.

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————— Hanbury on: what British business should look out for —————

While it might be a bit too early to say what the final relationship between Britain and the EU might look like, there's one thing British business should keep a keen eye on: the future regulatory landscape in the UK.

The simple fact is thousands upon thousands of laws will now come under the direct remit of the UK Parliament. These cover everything from data protection to planning policy, infrastructure, housing and financial services. In a post-Brexit Britain, these can now be repealed, replaced or improved by British parliamentarians. Many of these are politically sensitive - so unless you make the case for change, no one else will.

Put another way, if the UK is to make the most of Brexit, and create a dynamic, pro-enterprise, pro-growth, pro-jobs economy, it will be up to businesses to fight for

the changes in regulation that will make a difference. That may mean raising and elevating the sorts of opportunities on offer on your own. Or it may mean coming together with other businesses and trade bodies.

Either way, you need to campaign for it - publicly, regularly, in the press and online - so you put pressure on parliamentarians to get the changes that you need. And that comes back to how we started - if you use data, develop the right message and reach out to the right people, you can build a winning coalition for change that can help your business thrive and grow.



Ameet Gill OBE

The former Director of Strategy to Prime Minister David Cameron, Ameet helped Cameron become the first sitting Conservative Prime Minister in living memory to increase his party’s share of the vote in a General Election. He spent six years working in Downing Street, was responsible for the delivery of the program of domestic reform and has an unparalleled knowledge of the workings of Whitehall. He also played a central role in three campaigns: the Scottish Referendum of 2014, the General Election of 2015, and the EU referendum of 2016. He has been described by the Mail on Sunday as ‘the most influential figure from an ethnic minority background in British politics’.



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James advises both private and public listed companies on a wide range of domestic and international corporate transactions, including AIM and Main Market listings, mergers and acquisitions, disposals, venture capital and private equity investments, joint ventures and reorganisations. James has a particular focus on the technology sector and advises clients across the full breadth of their lifecycle, from start-up to exit.



Paul Stephenson

During the EU Referendum to leave the European Union, Paul was Director of Communications for the Vote Leave campaign – where he took on the global establishment and won. A former Government Special Adviser to The Secretaries of State for both Transport and Health, Paul has worked at the heart of British politics for over a decade. He became Executive Director at the British Bankers’ Association (BBA) in 2012 and has been described by the Daily Mail as ‘one of the best communicators and operators in Westminster’.



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Laurence advises clients in regulated sectors, particularly FCA-authorised firms, charities, education sector bodies, sports industry companies and PLCs, on a range of commercial and compliance matters. These include sales and sourcing agreements, joint ventures and collaborative working, public procurement and state aid, funding agreements and constitutional arrangements, all of which are affected by constant regulatory updates. He also advises on corporate finance matters such as capital raisings and public takeovers.



Simon Evans

Formerly Head of Government Affairs and Regulation at an international strategic advisory firm, Simon has advised high-profile business leaders, corporations, entrepreneurs, investors and philanthropists in Europe, US and China. He has worked with some of the world’s largest technology companies on a variety of advisory services including growth strategy, policy and all aspects of their reputation and public profile. A former City lawyer, Simon previously worked in private practice at an international law firm.



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Nick specialises in international structuring for ultra-high net worth individuals, families, trusts and structures, dynastic planning, succession and asset protection structuring. He also advises investors and managers on structuring private investment funds and vehicles. Typical clients are private banks and trust companies, families, individuals and family offices.

Authorship and acknowledgements

This report has been produced by Hanbury Strategy, a strategic consultancy company focussed on political insight.
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