

2024 UK General Election Post-Election Analysis

OVERVIEW

- The UK is waking up to a new Prime Minister and new government on Friday, with Keir Starmer's Labour sweeping to victory in a landslide smaller than some polls predicted, but significant all the same.
- Attention will now turn to Labour's critical first 100 days in government, with the party under pressure from media and commentators to deliver the 'change' promised during the election campaign.
- Keir Starmer faces not just a mammoth task to transform an ailing economy and achieve key missions on growth, healthcare, energy, security and opportunity, but in holding together what could prove to be a somewhat fragile coalition of voter support.

Labour spent many long months preceding the election putting in the time, effort and engagement with business leaders, knowing it will need their buy-in to achieve ambitious growth targets.

Rachel Reeves, as the UK's first female Chancellor, will continue her quest to foster those close partnerships, particularly with firms who can help bolster Labour's industrial strategy and 'securomomics' plan to transform British productivity, innovation and infrastructure.

What next for a battered and bruised Conservative Party remains unclear, with the blame game already in full force in the early hours.

Many potential future leaders failed to be elected - though some key figures remain - with some factions of the party left significantly depleted. It is not yet obvious who will emerge for the upcoming contest to succeed Rishi Sunak. The mechanics will need to be decided by a new 1922 Committee, after many of the previous postholders stood down, including chair Graham Brady. A meeting is expected early next week.

The direction the party takes, whether to continue on the trajectory to the right or challenge for the centreground once again, is going to be determined by the new groups which surviving Tory MPs coalesce around.

The next few days will be definitive in what that looks like. It also will depend on whether members are given a vote or if, as some suggested pre-election, that the decision should remain with the Parliamentary party.



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RESULTS

The below figures are accurate as of 10:30am, 5 July 2024

LAB	CON	LD	SNP	SF	OTH
412	121	71	9	7	28
+211	-250	+63	-38	-	+14

Change since 2019 (2 seats left to declare)

Source: [BBC News](#)

KEY ELECTION TAKEAWAYS

The Labour Party enter government for the first time in 14 years, having won a landslide victory.

Rishi Sunak's huge electoral gamble in May backfired, leaving the Conservative party dealing with huge losses. Many Cabinet ministers have lost their seats including Penny Mordaunt, Gillian Keegan, Alex Chalk, Michelle Donelan, Simon Hart, Johnny Mercer, Mark Harper and Grant Shapps, alongside several other leading figures of the party including former Prime Minister Liz Truss and Jacob Rees-Mogg.

This wipeout came not just at the hands of Labour, who gained 211 seats overall, but via surges for the Liberal Democrats, who gained 63 seats - which saw them return as the third largest party of UK politics.

Reform UK also gained 4 seats, the party having a outsized impact on the election as they took votes from the Conservatives across swathes of the UK. Scottish constituencies also played a key role in the final result, with the formerly dominant Scottish National Party reduced to only 9 seats.

With a majority of roughly 170 MPs, the Labour party has won its biggest victory since 1997 under Tony Blair, giving Keir Starmer a clear mandate and ability to legislate. It is now highly unlikely the government will lose votes on future legislation in the House of Commons, empowering Labour to drive forward its agenda for change over the next five years.

There were several electoral shake-ups, some expected, some not so much

Not all results fell as expected overnight, Jonathan Ashworth, Labour's Shadow Paymaster General who played a huge role in the party's election campaign, lost his Leicester South seat to an independent candidate in one of the more shocking results of the night. Labour's Thangham Debbonaire, the Shadow Culture Secretary, also lost her Bristol Central seat to the Green Party, as they performed better than expected, electing 4 MPs overall.

Elsewhere, headline-grabbing figures such as Reform UK's leader, Nigel Farage, took Clacton and was elected to Westminster for the first time, with former Labour leader, Jeremy Corbyn, winning Islington North by a distance as an Independent.

Prominent politicians such as Wes Streeting only narrowly won his seat by just over 500 seats, with Labour's stance on the conflict in Gaza causing the party issues in many areas. Similarly, Jess Phillips who resigned the front bench over the issue, only held on with 700 votes. The Middle East conflict will remain a challenge for the new administration to navigate.

Shattered norms

With turnout set to be the lowest for a General Election in more than 20 years, the common theme of the night is an increasingly fragmented UK political landscape. The level of Conservative losses leaves the party with an uncertain future, with the right-wing of UK politics now clearly split between the Tories and Reform UK, despite Farage in his victory speech warning his party is now “coming for Labour votes”.

SNP Leader Stephen Flynn looked visibly shocked as his party suffered significant losses across Scotland, pushing back the Independence cause. Curveballs came from every angle and there was no real common theme that could be applied universally across the country.

IMPLICATIONS FOR BUSINESS

First 100 days will be vital

Labour’s loss of two high profile frontbenchers will mean Labour needs to review the planned team for government. A King’s Speech is expected quickly, on July 17, which will set out Labour’s immediate legislative agenda. Flagship policies to watch out for will include the creation of Great British Energy, the establishment of the UK’s National Wealth Fund, planning reform and changes to worker’s rights.

With most major announcements made pre-election, business has had months to plan ahead, with few major surprises expected. Senior figures within the party will be keen to hit the ground running, making early progress on tangible targets set around economic growth, reducing NHS waiting lists and tackling immigration.

Voters who lent Labour their support, despite the party not being their natural electoral home, will be impatient to see results, meaning Prime Minister Starmer will have to invoke his ‘country first, party second’ mantra from day one.

Stability and growth will remain at the heart of Labour’s agenda.

The PM and his likely new Chancellor have fought hard to build the public’s trust in Labour’s ability to manage the economy. Their pledge to hold a global investment summit in the UK during the first 100 days in office will be a first key milestone in this journey, as will plans to strengthen the Office for Budget Responsibility (OBR) and take every government decision in line with its fiscal rules.

Labour was at pains to stress its manifesto was “fully costed”, pledging the balancing of the books so that day-to-day costs are met by revenue, and that debt must be falling as a share of the economy by its fifth forecast year.

Reeves will seek to raise capital by reforming the tax system, abolishing non-dom status, ending the use of offshore trusts to avoid inheritance tax and closing loopholes which allow private equity pay to be treated as capital gains. Through this stability, Labour hopes to give investors more confidence in UK industry to fuel growth, while using public investment to unlock additional private sector investment.

Businesses who can show where they fit in will reap the benefits

Business leaders and firms who can readily demonstrate how they could work with government to achieve easy 'wins' have the most to gain. The broad nature of Labour's "mission-driven government" means there will be plenty of angles to probe, from attracting investment to regional growth, technological and digital advancements to green energy.

Those who have laid the groundwork with engagement ahead of the election will be starting from a good place, but it's not too late for those who have had little interaction with the party so far.

Its drive to push forward regional growth plans across the country and reform procurement processes so smaller businesses are given more opportunity to win government contracts are areas where industry will play a key role, outside of the flagship new British Infrastructure Council and National Infrastructure and Service Transformation Authority.

Business leaders must be aware that although this is a changed Labour party, vastly different in many way from the offer made to the electorate in 2019, it remains a party with social democratic values at its core and a progressive leader at its helm. While investment and growth are vital to a Labour government being able to achieve its aims, potential private sector partners must also take into account pledges around workers' rights and protections and a desire to end links between access to ministers and an inside track to public contracts.