

UK GENERAL ELECTION 2015

Election Analysis

**The implications for corporate
responsibility and sustainability
professionals**

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Introduction

Too close to call

The UK's General Election has widely been cited as too close to call. Following the close of polls on 7 May 2015, the UK could well find itself with another hung Parliament in which no single party commands a majority.

If so, the policies of many smaller parties will become more important as trade-offs and negotiations come about.

The major party pledges have received much media attention, but the implications for those working in corporate responsibility and sustainability roles have not. Corporate Citizenship has undertaken a detailed analysis of nine manifestos in order to draw out the salient points.

Implications for corporate responsibility and sustainability

For each party, we looked at their promises on issues that are the bread-and-butter of many UK practitioners such as: community volunteering, climate change and energy, and apprenticeships. We also looked at issues such as zero-hours contracts which are important for some sectors but not others and single sector issues such as alcohol pricing controls.

Whilst we cannot predict what form the UK Government will take after 7 May, less still what policies and priorities the next government will implement, we hope that the analysis presented here can ensure that practitioners are better informed and prepared.

Key findings

On a number of issues significant convergence can be seen between the parties, others less so. We examine these issues in turn, noting those where the parties differ.

Apprenticeships

Cross party support is evident for an increase in the number of apprenticeships.

Climate change

With the exception of UKIP, the parties show no inclination to repeal the Climate Change Act 2008. Parties differ on what further anti-climate change actions are desirable.

Circular Economy

The Circular Economy is an issue that has gained significant traction since 2010. This is not reflected in all party manifestos: the Conservative and Labour manifestos are, for instance, silent on this issue.

Low pay and variable working hours

Low pay and variable working hours make a strong showing. The related issues of the minimum wage and the level of the personal allowance for income tax receive significant attention. In effect, a consensus now exists that a person working a full working week at the minimum wage should not have to pay any income tax. At the same time parties are in favour of an increase in the minimum wage with some setting a target date and target figure for the increase.

The Living Wage receives coverage but any promises made are necessarily vaguer and more aspirational.

From the manifestos one would have to conclude that there will be significant support in the new Parliament for detailed regulation of zero-hours contracts.

Gender in the workplace

The gender pay gap seems certain to receive increased regulation. As a minimum, all companies with over 250 employees should expect to be reporting publicly on their gender pay gap in the near future.

Corporate Governance

One of the surprises is the extent to which the manifestos include radical proposals on corporate governance: consumer representatives on company boards (Green Party), employee representatives on boards (Green Party, Plaid Cymru), employee representatives on remuneration committees (Labour, Liberal Democrats), the right for employees who collectively own 5% of a company to be represented on the board (Liberal Democrats) and a 50:50 gender split on boards (SNP).

This all shows a strong appetite for change in Corporate Governance. It is far from clear that business is ready for such changes.

Public procurement

Finally, significant support for using public procurement policy to secure social goals is in evidence: for instance using it to encourage SMEs or to secure clear community benefits.

Closing observation

All this detail is interesting. It should not eclipse the central truth about the Parliament to be elected on May 7.

MPs will be seeking to secure improvements at a time when the UK is still running an unsustainable current account deficit. Voters will expect action to tackle the problems they face.

Government will act but is most likely to be attracted to solutions where the cost falls not upon the taxpayer but upon business.

Conservative

[The Conservative Party Manifesto 2015](#)

Overall Positioning

Securing the economic recovery is the key theme of the Conservatives' manifesto. The overall tone champions economic success, comparing Labour's record with Conservative commitments.

Amid the pledges on tax cuts and welfare caps, there is some interesting detail around the social responsibilities of companies. The Big Society – a popular term for Conservatives in 2010 – re-emerges as a significant theme. Buried in the detail of the 83-page document, there are commitments that many would not automatically associate with Conservatives: more volunteering in company time; new gender pay requirements; and increased scrutiny of companies' tax affairs.

Particular issues

Apprenticeships: Create 3 million new apprenticeships over the next five years. **(Page 18)**

Competition: Continue to promote competition in both the banking **(Page 11)** and energy markets. **(Page 57)**

Energy: Commitment to expand nuclear, shale gas and "good value green energy". Pledge to "halt" onshore wind farms through the removal of public subsidy and ensuring a local veto over any plans – alongside commitments to greater funding for renewables; smart meters for every business and home by 2020; and a "strong global climate deal" in Paris in December. **(Page 57)**

Farming: Promise to work with industry on a new 25-year vision for the future of British farming – and a "science-led" approach to GM **(Page 21)**. Also a commitment to push for high animal welfare standards to be incorporated into international trade agreements. **(Page 55)**

Gender and Pay: Requirement for companies with more than 250 employees to publish details on the average pay for male and female employees. **(Page 19)**

Marine & Biodiversity: a new blue belt to preserve sensitive marine habitats around Britain and certain overseas territories, as well as a 25-year plan to restore biodiversity. **(Page 55)**

Public Service Delivery: Continue to innovate in public service delivery, involving charities and social enterprises and mechanisms like social impact bonds. **(Page 46)**

Tax: Promise to "lead international efforts to ensure global companies pay their fair share of tax"; new laws to make it a crime for companies to fail to stop tax evasion; a push for all countries to sign up to the Extractives Industries Transparency Initiative; and more capacity building and access to information for developing countries to tackle corporate tax issues. **(Page 11)**

Volunteering: A new "workplace entitlement" for everyone working in large companies or the public sector for 3 days a year of volunteering, "on full pay". Volunteering for a local charity or serving as a school governor are cited as examples, but no further details on the implications for businesses are given. Separately, the manifesto includes pledges to roll out the National Citizen Service **(Page 45)** and treble the size of the International Citizen Service **(Page 79)**, and support for the Prince of Wales' Step up to Serve initiative. **(Page 45)**

DUP

[DUP Westminster Manifesto 2015](#)

Overall Positioning

"Self-evidently, the DUP will not be in a position to form the next UK Government. Indeed, we have already ruled out playing a part in any coalition. However, our votes could be vital in the formation of the next government. That is why it is important to set out where we stand on these matters."

Particular issues

Minimum Wage: UK Government should work with the Low Pay Commission on a five-year plan to restore the real value of the Minimum Wage. This plan would ensure the lowest paid receive above inflation rises over the next five years. **(Page 8)**

Tax:

Corporation Tax: Devolution to Northern Ireland Assembly. **(Page 10)**

Evasion: We support the introduction of a more aggressive and targeted recovery strategy that is properly resourced. **(Page 7)**

VAT: The hospitality sector should be re-categorised and benefit from a reduced rate. **(Page 7)**

Zero Hours Contracts

The fundamental reform of zero hours contracts including the removal of exclusivity. **(Page 11)**

Green Party

[For the Common Good: Green Party Manifesto 2015](#)

Overall Positioning

Create a fairer government and society that works for the common good, while healing the planet from the effects of an unstable, unsustainable economy.

Particular issues

Banking: Separate retail and investment banking. Introduce a financial transaction tax. Create a network of local banks and invest in community banking. **(Page 46)**

Circular Economy: Use tax and regulation to encourage circular product and packaging design. Follow Scotland by banning organic waste to landfill. **(Page 18)**

Construction: Break up big builder cartels and diversify the house-building industry **(Page 42)**. Set up a full investigation into blacklisting **(Page 46)**. Provide a free nationwide insulation programme, and require all new homes to be built to the *Passivhaus standard* **(Page 21)**.

Energy: Split up vertically-integrated energy companies and secure public strategic control of the National Grid. Invest up to £35bn in renewables. Give priority to community energy products. Phase out fossil-fuel based and nuclear power. End fossil fuel tax breaks and subsidies. Ban fracking and other 'extreme' energy technologies. **(Pages 22, 23)**

Equality: Enforce penalties for unequal pay. Progressively introduce anonymised CVs. **(Page 26)**

Food: Encourage sustainable farming and fishing practices. Improve food labelling and traceability. Support an EU moratorium on GMOs **(Pages 15, 16)**. Promote fair trade, and end funding for the "corporate takeover of African food". **(Page 73)**

Governance: Mandatory environmental and social impact reporting for medium and large companies. Employee and consumer representatives on company boards. **(Page 48)**

Natural and Social Capital: Introduce a measure of 'Adjusted National Product' to replace GDP, to account for capital and environmental depreciation and unpaid work. **(Page 11)**

Tax: Introduce legislation designed to tackle tax avoidance. Raise corporation tax for large firms. Abolish tax relief on salaries over ten times that of the lowest-paid employee. **(Page 51)**

Introduce new taxes on plastic bags, use of water by businesses, and waste heat from power stations. Increase alcohol and tobacco taxes, and end aviation tax breaks. **(Page 52)**

Transport: Bring rail services into public ownership and control. **(Page 64)**

Work and wages: Replace the minimum wage with a living wage. Phase in a 35-hour week. End exploitative zero-hours contracts. Ensure no unpaid internship lasts more than 4 weeks. **(Page 46)**

Labour

[The Labour Party Manifesto 2015](#)

Overall Positioning

Secure the national finances, in order to secure the family finances of working people.

Particular issues

Apprenticeships: Switch spending from low-level apprenticeships for older people, to apprenticeships focused on new job entrants, lasting at least two years, and providing level three qualifications or above. **(Page 24)**

Carbon: A legal target to remove the carbon from the electricity supply by 2030. **(Page 20)**

Energy: Freeze energy bills until 2017. Give the regulator the power to cut bills this winter. The generation and supply businesses of the 'Big Six' energy companies will be separated. **(Page 25)**

Jobs Guarantee: Introduce a Compulsory Jobs Guarantee, paid for by a bank bonus tax. It will provide a paid starter job for every young person unemployed for over a year – a job which they will have to take or lose benefits. **(Page 24)**

Minimum Wage: Raise the National Minimum Wage to more than £8 an hour by October 2019. **(Page 10)**

Living Wage: Give tax rebates to businesses who sign up to paying the Living Wage in the first year of a Labour Government. Require companies to report on whether or not they pay the Living Wage. **(Page 23)**

Zero-hours Contracts: Ban exploitative zero-hours contracts. Those who work regular hours for more than 12 weeks will have a right to a regular contract. **(Page 23)**

Nutrition: Set maximum-permitted levels of sugar, salt and fat in foods marketed substantially to children. **(Page 35)**

Supply Chains: Ensure companies have sustainable supply chains that are free from slavery, treat their workers fairly, and pay taxes where they are due. **(Page 80)**

Tax: Seek international agreement to make country-by-country reporting information publicly available **(Page 18)**. Continue to have the most competitive rate of Corporation Tax in the G7. **(Page 19)**

Tobacco: A levy on Tobacco companies to generate funding for the NHS. **(Page 33)**

Top Pay: Require employee representation on remuneration committees. **(Page 21)**

Water: Water companies must sign up to a new national affordability scheme. Empower the regulator to change licences, limit price rises and enforce industry standards. **(Page 26)**

Liberal Democrats

Overall Positioning

[Stronger Economy. Fairer Society. Opportunity for Everyone](#)

Particular issues

Alcohol: Introduce Minimum Unit Pricing for alcohol. **(Page 76)**

Apprenticeships: A major expansion of high-quality and advanced apprenticeships. **(Page 25)**

Banks: Separate retail banking from investment banking. Continue the Banking Levy and introduce a time-limited supplementary Corporation Tax charge on the banking sector. **(Page 27)**

Diversity: Require companies with more than 250 employees to publish details of the different pay levels of men and women in their organisation **(Page 47)**. Set a goal to see a million more women in work by 2020 **(Page 107)**. Encourage businesses to ensure at least one place on their board is filled by a BAME candidate and outlaw caste discrimination. **(Page 108)**

Employees on Boards: Staff representation on remuneration committees and the right for employees who collectively own 5% of a company to be represented on the board. **(Page 137)**

Environment: Five Green Laws: *Green Buildings Act, Green Transport Act, Nature Act, Resource Efficiency and Zero Waste Britain Act, Zero Carbon Britain Act*. Key provisions include: steadily higher green criteria in public procurement, waste recycling target of 70% for England, reduce UK greenhouse gas emissions by 80% by 2050 based on the 1990 and new energy efficiency and heat saving regulations to reduce heat and energy use. **(Pages 90-91)**

Living Wage: Consult on how to set a fair Living Wage across all sectors. **(Page 47)**

Minimum Wage: Look at ways of raising the National Minimum Wage, without damaging employment opportunities. **(Page 47)**

Procurement: Continue our work to open up public procurement to small and medium-sized companies and to the voluntary sector. **(Page 26)**

Tax: No increase in the headline rates of Income Tax, NI, VAT or Corporation Tax. **(Page 19)**

Tobacco: Introduce a tax levy on tobacco companies so they fairly contribute to the costs of health care and smoking cessation services. **(Page 76)**

Zero Hours Contracts: Create a formal right to request a fixed contract and consult on introducing a right to make regular patterns of work contractual after a period of time. **(Page 48)**

Plaid Cymru

[Working for Wales: 2015 Westminster Election Manifesto](#)

Overall Positioning

Unsurprisingly this is a Wales-focused manifesto that visualises more devolution of powers to Cardiff:

- “We are ready and able to take on Westminster, challenging the UK parties. We refuse to let Wales be treated as second class, because we’re not tied to London party bosses, unlike ALL the UK parties.” (Page 2)

What is surprising is that two of the four main promises refer to companies:

- “To get Wales working again: 50,000 jobs through more public contracts for Welsh companies (Page 3)
- A fairer economy: increase the minimum wage to a living wage for more than 250,000 workers and zero business rates for over 70,000 Welsh companies” (Page 3)

The overall tone is anti-austerity and anti-big business:

- “The cuts being forced on Wales because of the financial crash are a reminder that when banks and big business fail, it is the rest of us that pick up the tab.” (Page 14)

Particular issues

Alcohol: Plaid Cymru proposes to introduce a 50p minimum price per unit on alcohol sales. (Page 19)

Banks: The manifesto proposes separating retail and investment banks (Page 15). Plaid Cymru is committed to doubling the bankers’ levy. (Page 13)

Employee Ownership: The manifesto promises to consider the benefits of establishing a Welsh Institute of Employee Ownership to encourage the creation of companies which are owned or controlled by employees. (Page 9)

Governance: Supervisory boards of major companies who employ more than 500 staff to include elected employees. (Page 11)

Pay: In addition to the headline commitment on the Living Wage, the manifesto says: “A ‘fair pay’ scheme will be introduced to link the pay of everybody within a company, to prevent spiralling executive pay whilst other staff receive no pay rise”.

Tax: Plaid Cymru wishes to transfer responsibility for Corporation Tax in Wales to the Welsh Assembly (Page 13). The manifesto also promotes: a Financial Transactions Tax (Page 14), a tax on sugary drinks (Page 19) and a potential windfall tax on payday lenders that can be used to promote credit unions and responsible lending. (Page 27)

SDLP

[Prosperity not Austerity: SDLP Westminster Manifesto 2015](#)

Overall Positioning

The SDLP is offering a simple choice: prosperity not austerity.

Particular issues

Carbon: introduce a Climate Change Bill in the Assembly and resist any attempt at Westminster to row back on carbon emission targets. **(Page 12)**

Diversity: Continue to defend human and equality rights and seek a robust, updated race equality law. **(Page 14)**

Living Wage: Full support for the Living Wage. **(Page 5)**

Procurement: Reform public procurement so it becomes more accessible to small local businesses, eliminate red tape and ensure prompt payment to firms working on government contracts. **(Page 4)**

Tax: Devolution of Corporation Tax to the Northern Ireland Assembly. **(Page 3)**

Reduce the rate of Northern Ireland's VAT rate to 5% in the tourism and hospitality sectors. **(Page 6)**

Zero Hours Contracts: Proper regulation of Zero Hour Contracts and for Northern Ireland to lead the way by introducing legal protections for those on Zero Hour contracts. **(Page 5)**

Overall Positioning

Making Scotland stronger. An end to austerity and Trident and more investment in jobs. The SNP position themselves as ready to collaborate: many of the pledges are phrased as “we will support...” to indicate the role they hope to play after 7 May.

Particular issues

Apprenticeships: 30,000 new Modern Apprenticeships every year (**Page 43**) and faster intervention for unemployed young people. (**Page 48**)

Banks: Tax on bankers' bonuses and a bank levy. (**Page 25**)

Circular Economy and Waste: Stimulate more networks and supply chains that encourage remanufacturing. Support for businesses “working to boost productivity by using energy, materials and water more efficiently, so we can build a more resource efficient Scotland”. Support for a zero waste strategy, including a pilot for “reverse vending machines” that give rewards for recycling. (**Page 49**)

Climate Change: More ambitious carbon targets, a Climate Justice Fund and an end to fracking. (**Page 34**)

Contracts with Public Sector: Public contracts should deliver “clear community benefits” such as local employment, training opportunities and “support for community initiatives”. (**Page 49**)

Energy: New laws to ensure energy companies pass on “lower prices to consumers” (**Page 10**), more investment in renewables, particularly offshore wind (**Page 27**) and increased community ownership of local renewable assets. (**Page 49**)

Gambling & Payday Lending: More regulation of Fixed Odds Betting Terminals and payday lenders. (**Page 37**)

Gender: Push for 50:50 representation on public and private boards (**Page 10**) and gender pay audits for companies with more than 250 employees. (**Page 23**)

Innovation: £1 million Innovation Challenge Fund to help address major societal and industrial challenges. (**Page 44**)

Minimum and Living Wages: Raise living wage to £8.70 by 2020 and extend the Living Wage, starting with government employees (**Page 8**) and ensuring suppliers to the Scottish government pay a Living Wage. (**Page 45**)

Tax: Global fair tax summit and a new crackdown on tax avoidance (**Page 31**) as well as changes to National Insurance and allowances to promote job creation. (**Page 9**)

UKIP

[Believe in Britain: UKIP Manifesto 2015](#)

Overall Positioning

UKIP is proposing an *inward-looking agenda* where prosperity is achieved through a strengthening of British identity and a rebalancing of power away from the EU.

Particular issues

Energy: Abolish taxes on energy companies to finance climate change policies and so reduce domestic fuel bills for residents. **(Page 38)**

Environment: Support for development of shale gas across the UK via fracking. **(Page 38)**

Europe/workforce: Hold a referendum to leave the European Union with the aims of: closing the door on freedom of movement of workers and restoring British tax sovereignty. **(Pages 10, 11)**

Minimum wage: Enforce the minimum wage and raise the personal tax allowance to £13,000 so no one working full time on minimum wage pays tax. **(Pages 7, 41)**

Property development: Financial incentives available to developers building housing on brownfield sites. **(Page 33)**

Tax:

VAT: Will be removed from listed buildings and sanitary products to begin with. **(Page 7)**

Corporation Tax: Introduce measures to put an end to multinational companies' tax avoidance schemes. **(Page 7)**

Tobacco: Reverse legislation that will force tobacco products to be in plain paper packaging. **(Page 51)**

Trade: By leaving the EU and taking back its seat at the World Trade Organisation, UKIP proposes that Britain negotiates its own trade positions, including a bespoke trade agreement with the EU. **(Page 63)**

Voluntary sector policy: Abolish the Big Society programme and National Citizen Service. **(Page 9)**

Zero hours contracts: Introduce a code of conduct to increase employees' rights and remove prohibitive clauses. **(Page 40)**

About Corporate Citizenship

Corporate Citizenship is a global business consultancy specialising in sustainability and corporate responsibility. The team uses expert insight and a simplified approach to sustainability to deliver growth and long-term value for business and society. With teams in London, New York, San Francisco, Santiago and Singapore we work with clients on both a local and global level. We help our clients to make the smart choices that will enable them to survive and thrive in an increasingly challenging business environment. We advise a global client list on a number of areas including strategy, community, environment, supply chain, socio-economic impacts, reporting and assurance.

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