



THE STATE WE'RE IN

Lord Ashcroft KCMG PC
September 2023

Lord Ashcroft Polls

X @LordAshcroft

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INTRODUCTION

After 13 years of Conservative government, things were not supposed to look like this. Strikes, inflation, record NHS waiting lists, a sluggish economy and apparently uncontrollable migration point to a country where things are going wrong. Covid and Ukraine sound increasingly like excuses, not explanations.

But people sense more than an administration running out of steam after a bruising stint in office. I found more than seven in ten agreeing that Britain is broken and needs big changes, whichever party is in charge.

Political and economic sages debate how to boost the dismal rates of productivity that hold the country back compared to its more prosperous peers. For many Conservative thinkers, pondering the party's direction in a new term of government (or, as many expect, in opposition), the problem is the state itself. Recent Tory governments – prompted by Covid and a desire to show suspicious voters that austerity was over – have spent, taxed and borrowed at a rate that would have made Gordon Brown blush; these critics argue that government has grown too big, tries to do too much, and so imposes an excessive burden on business, workers and families.

There is a lot to be said for this view: allowing governments to consume ever more of our national income is a recipe for economic and social decline. But as Mrs. Thatcher's Tories understood in 1979, any attempt to reverse the trend has to start not with economic theory, but with people.

Talking about their goals in life – owning a home, seeing their children do well, retiring comfortably at a time of their choosing, living a healthy life – voters tend to see government as a potential source of help, albeit an unreliable one, not an obstacle. Two thirds say the government could do more to assist with the cost of living, but is choosing not to. Similar proportions say it's the government's responsibility to ensure people have decent housing, healthcare, education and enough to live on. Less than a quarter believe spending on public services has risen in the last decade, and only three in a hundred say those services have improved – hardly the ideal context in which to argue it is spending too much.

And though people doubt politicians' motives and competence, they harbour similar suspicions of the private sector. Most think companies have raised their prices to boost profits, over and above increases in their own costs. Voters overall are even less positive about capitalism and big businesses than they are about government. Many are suspicious of greater private involvement in delivering public services, even though they recognise such services are badly managed and inefficient. They see business regulation as a force for good, and are divided over new oil and gas production and the idea that major infrastructure projects should be pushed through faster. Clear majorities, even among Tory voters, say the government should own the water, electricity, gas and rail industries, believing the result would be more investment, better services and lower charges. Only just under half say economic growth means more prosperity all round; almost as many think that those already doing well seem to benefit.

Of course, people think things could be vastly improved. We heard some hair-raising examples of public sector profligacy from our focus group participants, especially those working in the NHS or firms contracting to it. Nor, to put it mildly, did we find an appetite for paying even more tax. Voters were eleven times as likely to feel they paid too much tax as too little, and while some said they would be happy to pay more if they thought services would improve as a result, few thought this would happen in practice.

What they did feel, very strongly, was a fraying relationship between what they put in and what they got out – or more to the point, what other people seemed to get out. Many complained that it was impossible to find recruits for reasonably paid jobs or that those who chose not to work seemed to live as comfortably as they did. Some, worried about losing the family home to pay for care, wondered why they had bothered with the “hamster wheel” of mortgages and savings. Many feel that the problem with Britain is that we no longer manufacture things, that we are too reliant on imported goods, energy, food and technology, and that our workforce lacks drive.

But few voters conclude from all this that the answer is for the state to do less (“what, even less?” as a woman in Walsall put it). It was telling that they saw the generous furlough scheme as one of the few bright spots in the Tories’ record – though even this was criticised by some as partly wasteful, ill-targeted and something the whole country was now paying for. While arguments for lower taxes are appealing, in practice even many Tory voters are nervous about the idea of rolling back the state. If the government stopped doing things, they say, who would do them instead? Few want us to become more like the USA, land of rugged individualism.

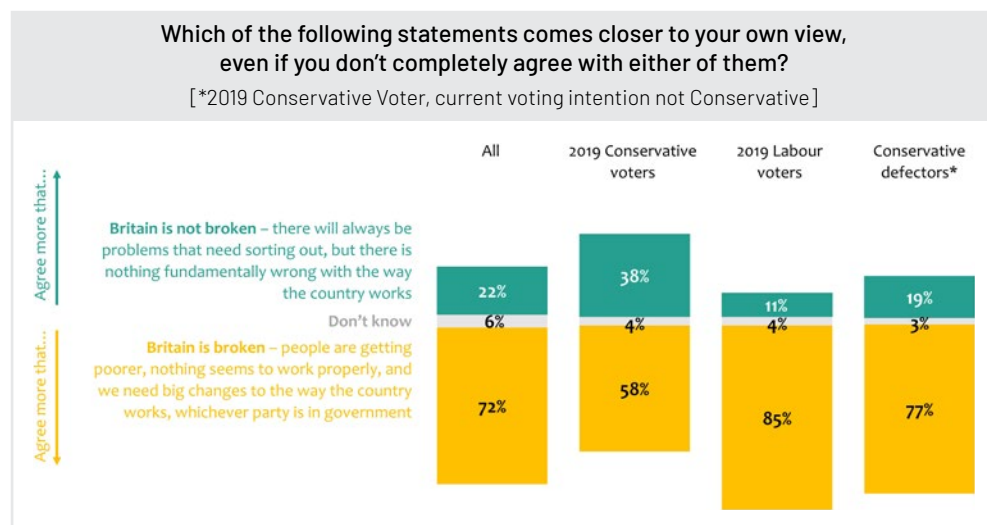
Many Tories might wish people felt differently about some of these things, but that is the backdrop for the next election. As the American PJ O’Rourke famously wrote, the Democrats say government “can make you richer, smarter, taller and get the chickweed out of your lawn. Republicans are the party that says government doesn’t work, and then they get elected and prove it.” The Tories will struggle to make a case for smaller government on the basis of having apparently bungled the job of running a bigger one. Rebuilding the 2019 Conservative coalition, with its diverse backgrounds and interests, will mean being honest about the choices facing the country, and imagining a state that does things better, enabling the heightened productivity – and, yes, tax cuts – that we’d all like to see.

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BROKEN BRITAIN?

In our 5,000-sample poll, more than 7 in 10 (72%) agreed with the statement “Britain is broken – people are getting poorer, nothing seems to work properly, and we need big changes to the way the country works, whichever party is in government.” More than half (58%) of 2019 Conservative voters agreed with the statement, as did 41% of those who intend to vote Tory at the next election. Conservative defectors – who voted Conservative in 2019 but do not currently intend to do so next time – were more likely than voters as a whole to say the country was broken and big changes were needed (77%).



Just over 1 in 5 (22%), including just 38% of 2019 Conservative voters, agreed with the alternative statement “Britain is not broken – there will always be problems that need sorting out, but there is nothing fundamentally wrong with the way the country works.”

Our focus group participants around the country often described the state of the country as “shambolic” and had a long list of complaints: the cost of living, the NHS, the cost of care for elderly relatives and supporting young people still living at home, mortgage and rent costs and the seeming impossibility of buying a house, strikes, childcare costs, motoring costs, the volume of legal and illegal migration, worsening local crime, growing homelessness and poverty, the state of roads, the cost and unreliability of public transport, declining town centres, and an apparently widening divide between rich and poor and between different parts of the country.

“ I’m sick of them blaming covid and Ukraine. Every time something goes wrong, it’s ‘oh, we’ve just come out of covid’. We’ve been out of it for two years now. It’s just an excuse. Boring.”

Many felt that the government seemed to lack a grip on events and a clear plan to tackle the country’s problems, for which they often thought covid or the Ukraine war were too often used as an excuse. Though there was some praise for Rishi Sunak and his restoration of a degree of stability after a turbulent period in politics, many said there seemed to be little accountability in public life – whether inside or outside politics – and that their trust in political leadership had not recovered from the “partygate” revelations and the impression that the governing class lived by different rules.



Some were less critical (“I don’t ever remember people moaning as much”; “people forget that they were furloughed for two years, and the government paid. They’ve got short memories”) but the general mood about the state of Britain was overwhelmingly negative.

“ We just lurch from one thing to another, whether it’s immigration, energy, mortgage rates...”

“ There’s no sense of direction. I can’t see any plan. We’ve got ourselves into this, but how are we going to get out of it? We don’t know.”

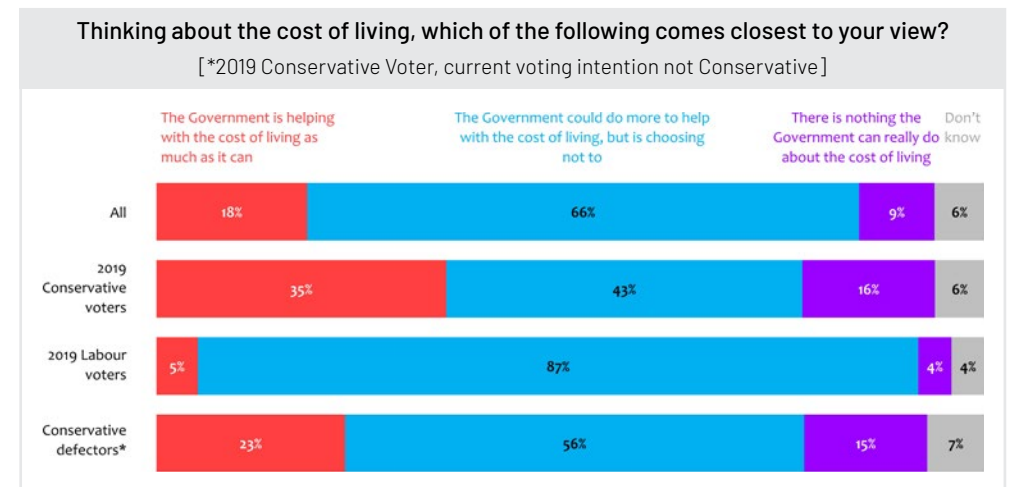
THE COST OF LIVING

Across the board, most people rejected the idea that prices were rising because suppliers' own costs were increasing. Only 29% agreed that "companies are putting up prices mostly because their own costs are going up". Nearly two thirds (64%), including majorities of all parties' supporters, agreed that "companies are putting up prices mostly to boost their own profits, over and above increases in their own costs."



In our poll, fewer than 1 in 5 (18%) though the government was helping with the cost of living as much as it could, while fewer than 1 in 10 (9%) thought there was nothing the government could really do about the problem. Two thirds of all respondents – including 43% of 2019 Tories and a majority (56%) of Conservative defectors – agreed that "the government could do more to help with the cost of living but is choosing not to."

Agreement that the government was choosing not to help as much as it could fell with age, from 79% of 18 to 24-year-olds to 47% of those aged 65 or over.



In our focus groups, people overwhelmingly blamed the rising cost of living on companies raising prices to improve their profit margins (rather than cover increases in their own costs) and the government for not doing more to tackle the issue. Though not sure what exactly politicians could be doing to help, they often argued that it was their job to come up with solutions to the country's problems.

“ Suppliers take advantage of these kinds of crises to line their own pockets. I don't think it really costs that much to deliver petrol and diesel to the pump. And when the price of a barrel goes down, you don't see that until months later. I've never understood why they don't do something about that. And then the government says, 'look how good we are, giving you a subsidy,' but it's just scratching the surface.”

“ The major companies of the world are all making record profits while we're struggling. There's got to be something wrong there. I'm not sure what we do about it, I'm not a politician.”

Several argued that not only was the government not helping, it was deliberately pushing up living costs, in the form of higher mortgage rates, as part of its economic policy. This meant that a small minority of the population was bearing the brunt of the crisis.

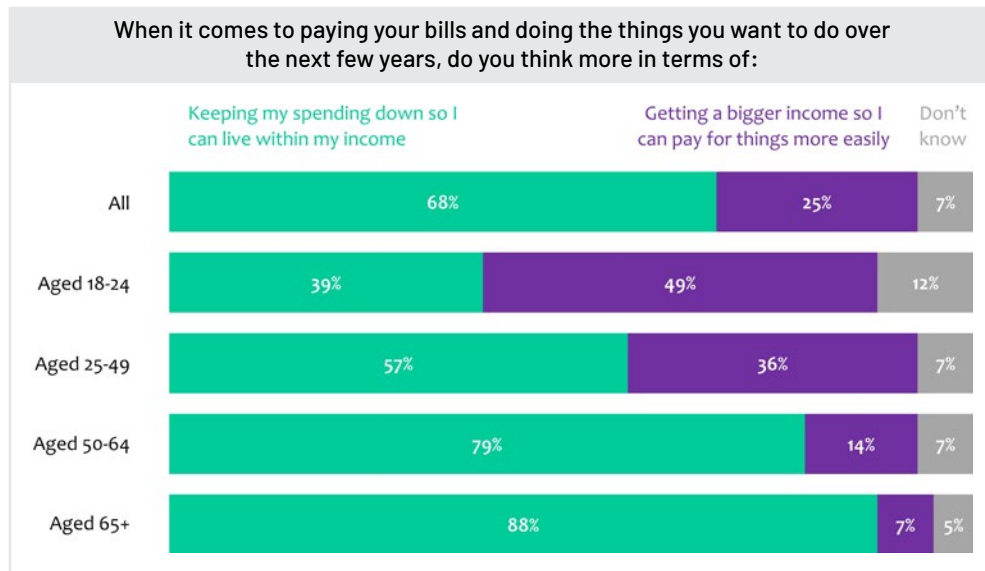
“ It's deliberate, they're making it happen. Only a third of people have mortgages and only a fraction of them are on trackers or are ready to renew. So bringing down inflation is being put on a small group of people, while other people are getting record salary increases.”

Many in our focus groups said that the most depressing aspect of the current state of affairs was that it no longer felt like a temporary problem but a situation from which it would take years to emerge, or even a “new normal”.

“ We're on this hamster wheel, really. And nobody's helping you get off. There's no light at the end of the tunnel. Nobody's saying to us 'this is going to be OK, we're going to do this, that and the other and it will be all right'.”

“ I felt like I was moving forward, achieving something, my mortgage was coming down. I could save, we had nice holidays. But my disposable income now has been used up with interest rates rising. You'd like to think you could slow down and finish at around 60 but that's being pushed away. We're not looking at the next 5 or 10 years, we're looking at 15 years.”

When we asked our poll respondents how they thought about the challenge of paying their bills and doing the things they wanted to do, more than two thirds (68%) said “keeping my spending down so I can live within my income,” compared to one quarter who answered “getting a bigger income so I can pay for things more easily.” However, there was a wide variation by age: 18-24s were the only group more likely to think in terms of growing their income (49%) than controlling their spending (39%); majorities in other age groups, including 88% of those aged 65+, were more focused on keeping their spending down.



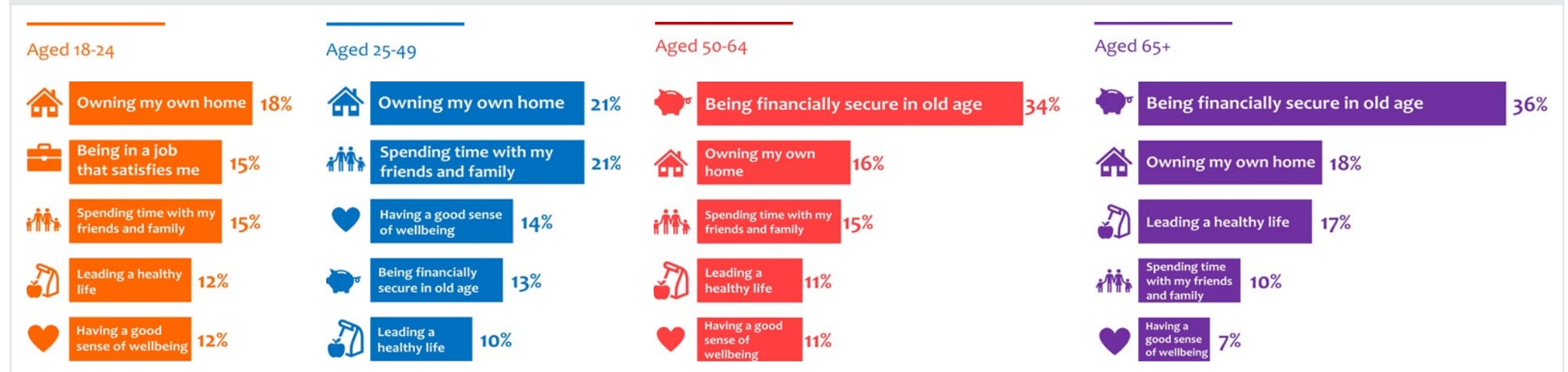
WHAT DOES RECOVERY LOOK LIKE?

We explored what goals people had for the future, and what would need to change in their own lives for people to feel that things were improving. In our poll, the most frequently chosen answers for people aged up to 49 was “owning my own home”, with “being financially secure in old age” rising to the top for those aged 50 and above. Notably, “being in a job that satisfies me” dropped out of the top five for those aged 25 and over, but “living a healthy life” was a priority for all age groups.

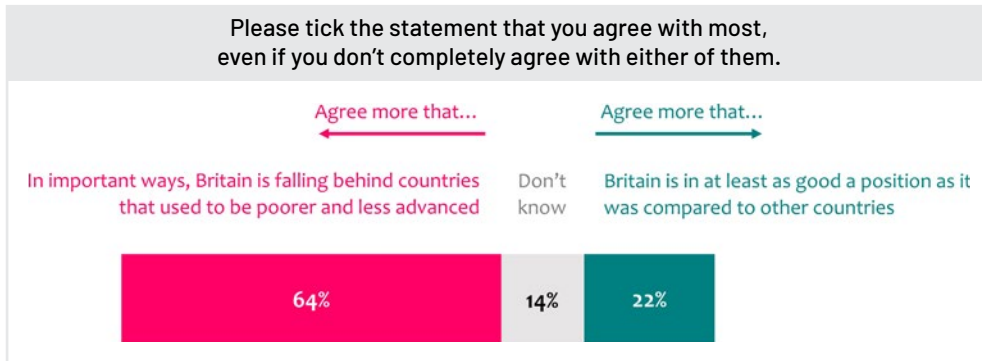
These concerns and ambitions were echoed in our focus groups, with many saying they worried about their children being able to afford housing, or what would happen to their own property if they needed long-term care. Some had had to defer retirement plans as their financial situation deteriorated. Several said they dreaded becoming ill because the NHS seemed unable to cope. More immediate signs of recovery would include being able to go out to eat, take holidays, turn the central heating on when they wanted, or shop for food without having to worry about what they were spending.

Thinking about your life goals for the future, please rank the following in order so that the most important scores 1, the next most important scores 2 and so on, down to 10 for your least important current priority.

[NB Showing top 5 ordered by % naming as top priority]

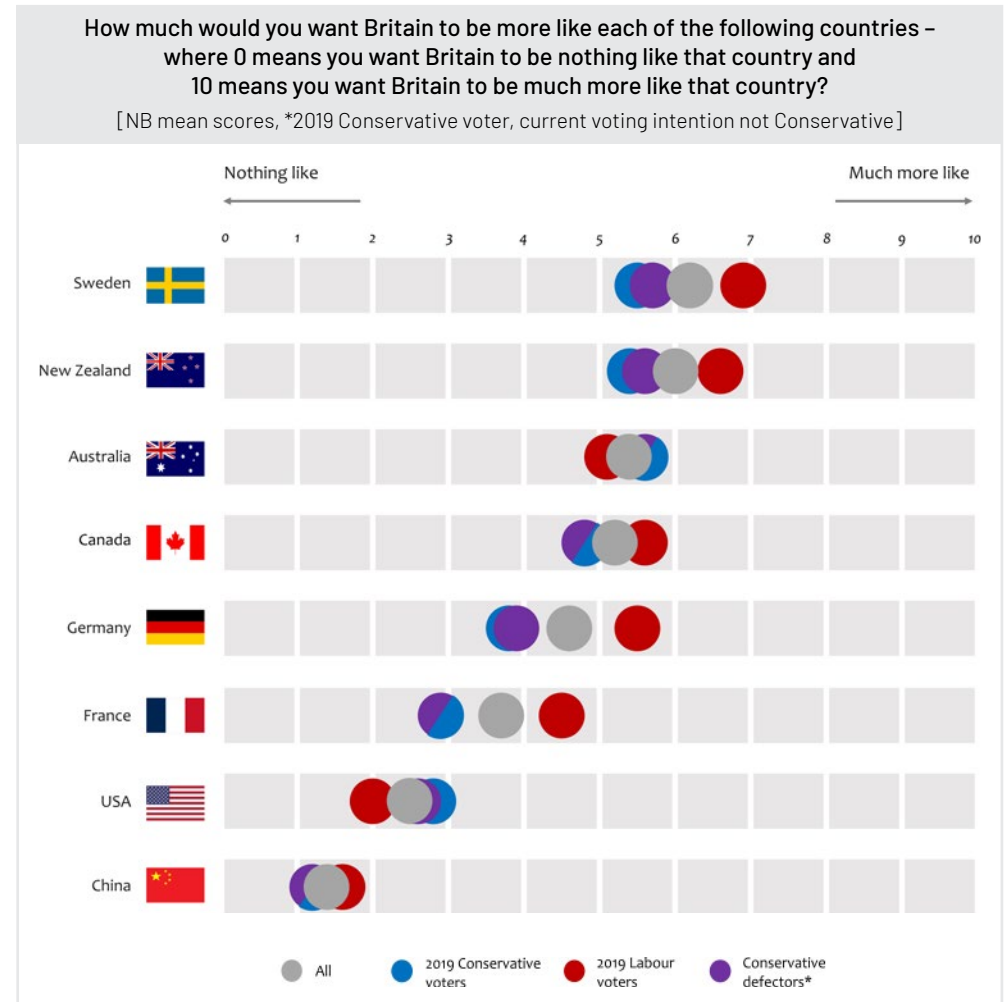


Where is the grass greener?



Nearly two thirds (64%) of all respondents agreed that “in important ways, Britain is falling behind countries that used to be poorer and less advanced”, while 22% thought Britain was “in at least as good a position as it was compared to other countries”. A majority of all parties’ 2019 voters agreed that Britain was falling behind, including 52% of those who voted Conservative, and nearly two thirds (65%) of Conservative defectors.

Those currently intending to vote Tory at the next election were the only group more likely to agree that Britain is in at least as good a position as it was, but only by 47% to 41%.



When we asked whether Britain ought to be more or less like various countries, the most popular role models were Sweden, New Zealand and Australia. The two least popular on our list, both for the population as a whole and for all political groups, were China and the United States.

This was strongly reflected in our focus groups. Asked which countries they thought did things better than the UK, the most frequent answers were Sweden (though some noted taxes were higher), New Zealand, Australia and Canada. When we asked which countries they would not want us to be more like, all groups mentioned the US – usually citing healthcare, guns and social division.

Some were not persuaded that Britain was falling seriously behind (“I think we’ve all got the same issues. It doesn’t matter which country you go to”), and were doubtful when told, for example, that Poland’s GDP per capita was projected to overtake Britain’s by 2030 (“is that comparing apples and pears?”) However, most were ready to accept the general point that other countries were catching up terms of relative prosperity. People tended to put this down to various combinations of three factors: a decline the UK manufacturing sector and a related reliance on overseas imports; differences in attitude between British and overseas workers; and emerging countries focusing on their own interests.

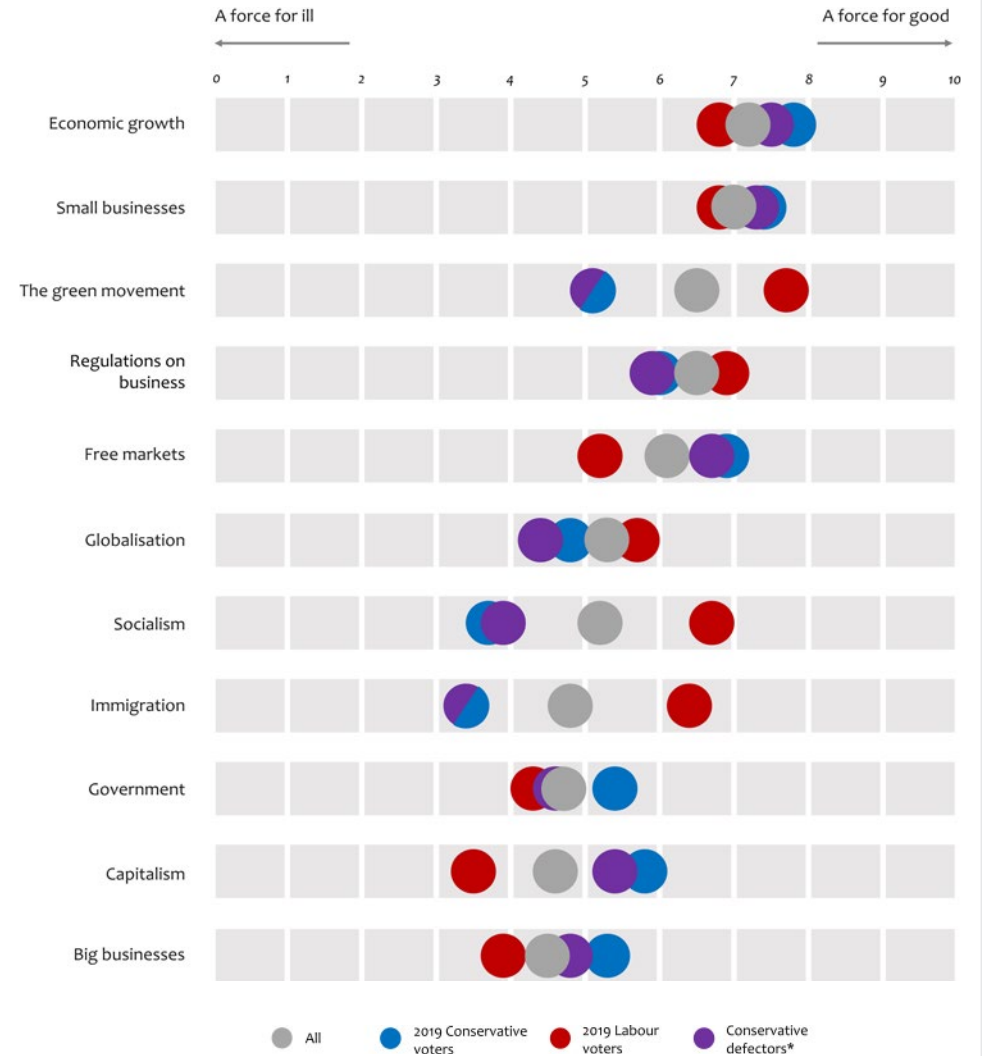
- “ Even Land Rover have a factory in Slovakia now. What do we do?”**
- “ We’re slipping in things like technology and manufacturing. We’re probably more dependent on other countries than we should be.”**
- “ We’re behind on electric car batteries. You hear about all this government investment to draw these companies in to build car batteries in America, whereas over here we’re not doing that. And I’m wondering why not.”**
- “ It just reinforces my positive stereotype of Polish people. Polish carpenters, electricians, they worked their socks off, and it just reinforces the positive view I had of the Polish community in England.”**
- “ They’re hungry, aren’t they? Whereas we’re not hungry. We’re sitting back saying ‘someone’s going to give me a job. Oh, it’s a rubbish job and I ain’t going to work for £15 an hour.’”**
- “ It’s because Poland focused on what was best for them. They look after their own. They’re not PC-compliant and they don’t have much immigration.”**

ECONOMIC ATTITUDES

We asked our poll respondents whether they thought various entities, movements or other phenomena were forces for good or ill, on a scale from 0 to 10. Economic growth was the most popular, with a mean score of 7.2 and relatively little variation between political groups. Small businesses were next (7.0), though big businesses (4.5) were the least popular. Third overall was the green movement, though with a wider range of scores from different voter types – as was the case with socialism and immigration. Regulations on business and free markets were also generally seen in a positive light.



Do you think the following things are generally a force for good, or a force for ill?
Please give each a score between 0 and 10, where 0 means it is very much a force for ill, 10 means it is very much a force for good, and 5 means it is a mixed blessing.
[NB mean scores, *2019 Conservative voter, current voting intention not Conservative]

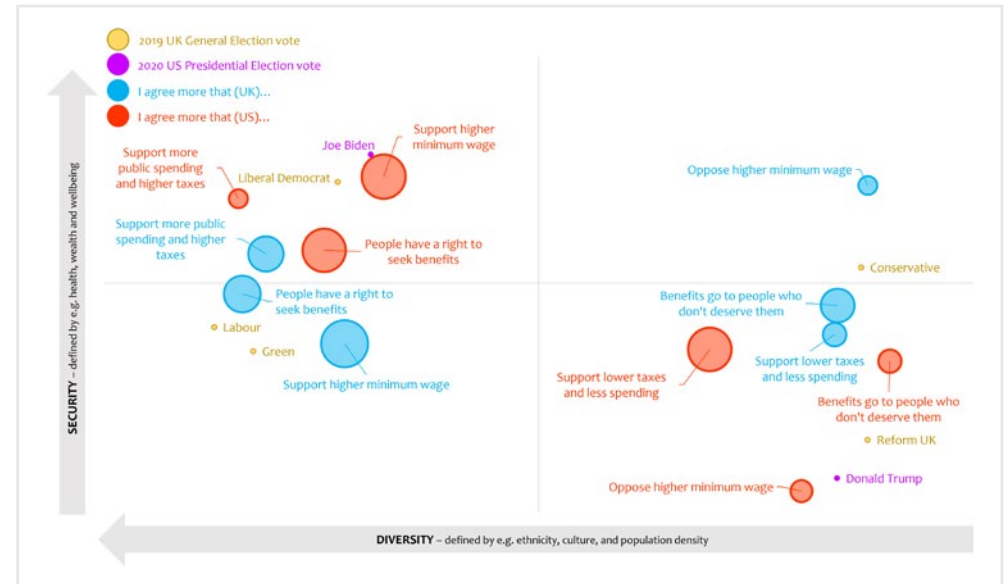




Our political map shows how different issues, attributes, personalities and opinions interact with one another. The closer the plot points are to each other, the more closely related they are. Here we see how the entities we asked about are seen by different parts of the community.

Small business and economic growth as a force for good are both close to the centre of the map, showing that this view is widely shared across different voter types. Positive views of free markets and (especially) capitalism and big business are most likely to be found in the more secure, prosperous and less diverse top-right quadrant. The top-left quadrant – also well-off, but more diverse, liberal and remain-voting – are where we are also most likely to find positive views of globalisation, immigration, business regulation and the green movement.

It is notable that negative views of everything except socialism are most likely to be found in the less secure and prosperous half of the map. Those who think immigration, globalisation and the green movement are force for ill are most likely to be found in the less diverse, leave-voting bottom right, while those who think the same of capitalism and big business are most often found in the more diverse bottom left, where we also find the centre of gravity of 2019 Labour support.

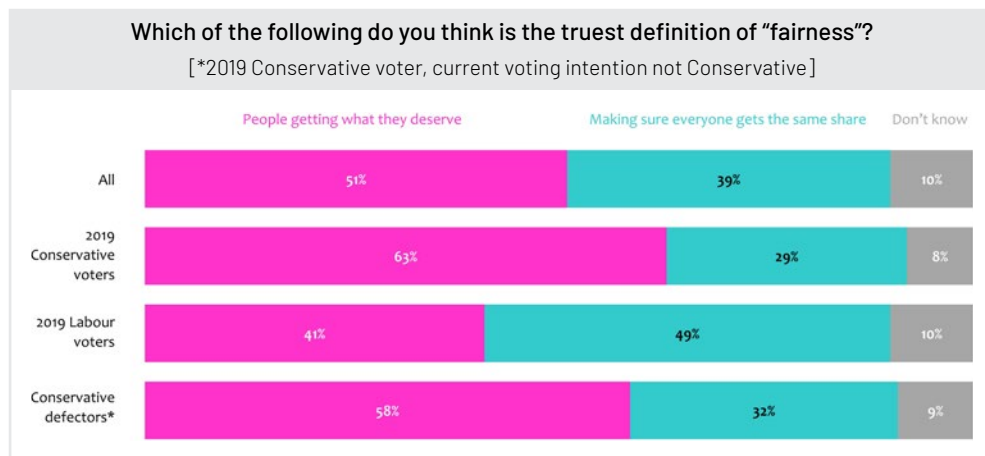


We also asked how people felt about various other propositions to do with the economy, and compared the results with our most recent polling in the US, conducted in August 2022. We found that peak support for more public spending and higher taxes, people’s right to seek government benefits was found in relatively more secure and prosperous parts of the community in the US than it was in Britain. This was even more the case with the minimum wage: in the UK, opposition to a higher minimum wage was most likely to be found in relatively well-off, Conservative-voting territory. In the US, however, the same view was most likely to be found among much less affluent voters, while support for raising the minimum wage was most likely to be found in more liberal, prosperous territory than was the case in Britain.

This may owe something to the observation that American politics is still led more by culture than economics, to the extent that people’s economic attitudes are to a degree conditioned by their cultural outlook. Even in the UK, however, it is striking that the view that government benefits often go to people who don’t deserve them, and who prefer lower rather than higher taxes and government spending, are most likely to be found in the less secure and prosperous half of the map.

WHAT IS FAIRNESS?

People's attitudes to these questions may be explained in part by what they understand by "fairness". In our poll we asked people to choose between two definitions of the term: "people getting what they deserve" or "making sure everyone gets the same share". Overall, just over half (51%), including 63% of 2019 Conservatives, preferred the first definition, with just under 4 in 10 (39%) choosing the second. However, 2019 Labour voters chose "making sure everyone gets the same share" by 49% to 41%, as did SNP voters by 52% to 40%.



Notably, 18-24-year-olds chose "people getting what they deserve" by a 21-point margin, bigger than the country as a whole – compared to 7 points among 25-49s and 12 points among 50-64s. Those aged 65+ chose this definition by 57% to 34%.

Our focus group participants often spontaneously raised ideas about fairness when discussing the economy, and especially tax and public spending. People often felt things were skewed against those who work

and save and tried to be responsible with money, and resented what they saw as excessively generous state provision for people who seemed not to want to work – often feeling that they as contributors were missing out on provision that was made to people who did not seem to contribute themselves.

“ The situation in this country is quite skewed against those of us who plod on and get on that hamster wheel of mortgages, because when you come to your dotage and need care, it will all be taken away from you.”

“ People who earn and graft get penalised. I've went to the doctor's the other day and got two lots of tablets and it cost like £20, and it annoys me when people get it for free. It's not about getting something out of the system, it's about having a fair share.”

“ If you work 16 hours a week you get 30 hours' free childcare. Why should you get 30 hours? I see mothers at the school gate, and they say, 'I'm taking the little one to childcare and then I'm off to have a day to myself'. And I think, that's nice, isn't it? I'm paying for that.”

“ If you haven't got savings, haven't got a job, you can go and get solar panels, new windows, lagging for your house. I can't get anything because I have something, but I'm working damn hard to get it. I'm not saying if you don't have anything, you can't have anything. But it should be a bit more of a level playing field.”

WHO GAINS FROM GROWTH?



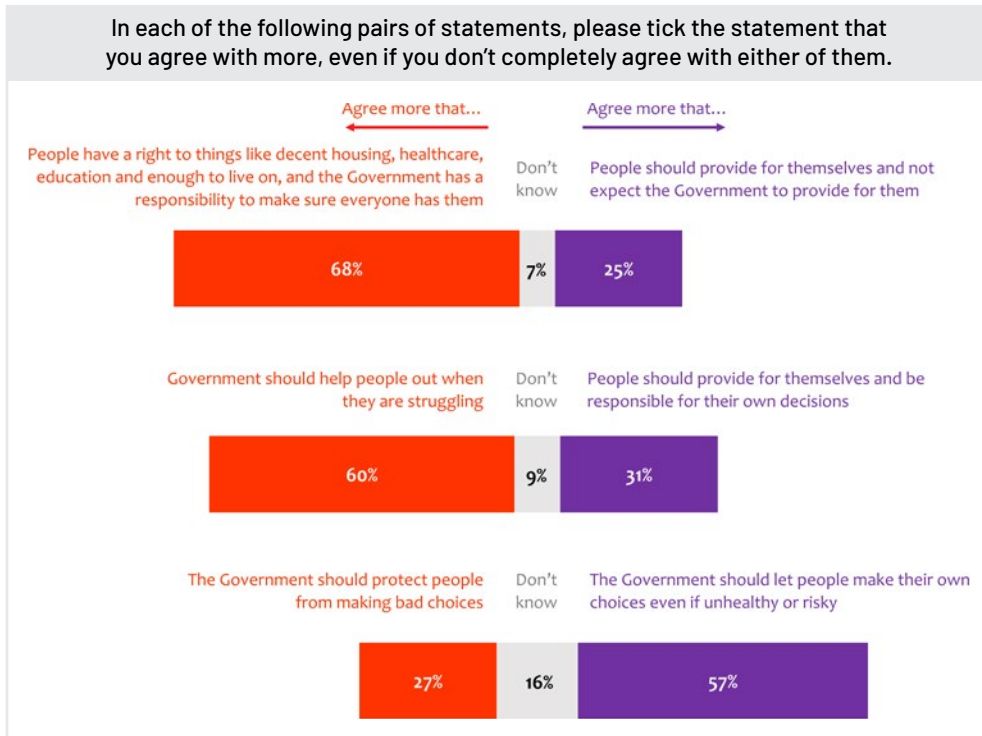
Asking specifically about economic growth, we found less than a quarter (23%) agreeing it was more important that the economy grows faster in the long term “even if the divisions between rich and poor grow larger in the short term”. A clear majority (63%, including 43% of 2019 Tories and 84% of Labour voters, and majorities in all age groups) agreed it was more important that such divisions are reduced “even if that means the national economy grows more slowly in the long term.” Those intending to vote Conservative at the next election were the only group more likely to agree with the second statement than the first (by 48% to 37%).

People were more closely divided as to whether “there are more jobs and more money for public services, so everybody benefits” when the economy grows (48%), or whether “only the people already doing well seem to benefit” (42%). Majorities of 2019 Labour (59%), SNP (56%) and Green voters (55%) agreed that only those doing well benefit from economic growth, while 2019 Tories (69%) and those intending to vote Tory next time (77%) were the most likely to believe that everybody benefits.

This range of opinion was largely reflected in our groups, where there was also a feeling that the best off and those who do not work seem to benefit most from growth and to be the most insulated from tougher times.

“ My perception is that it's never the people in the middle who benefit, which is the folk who work hard and pay taxes. It's either those who don't work, or those who know how to fiddle the system because they've got fancy lawyers and accountants.”

THE ROLE OF THE STATE



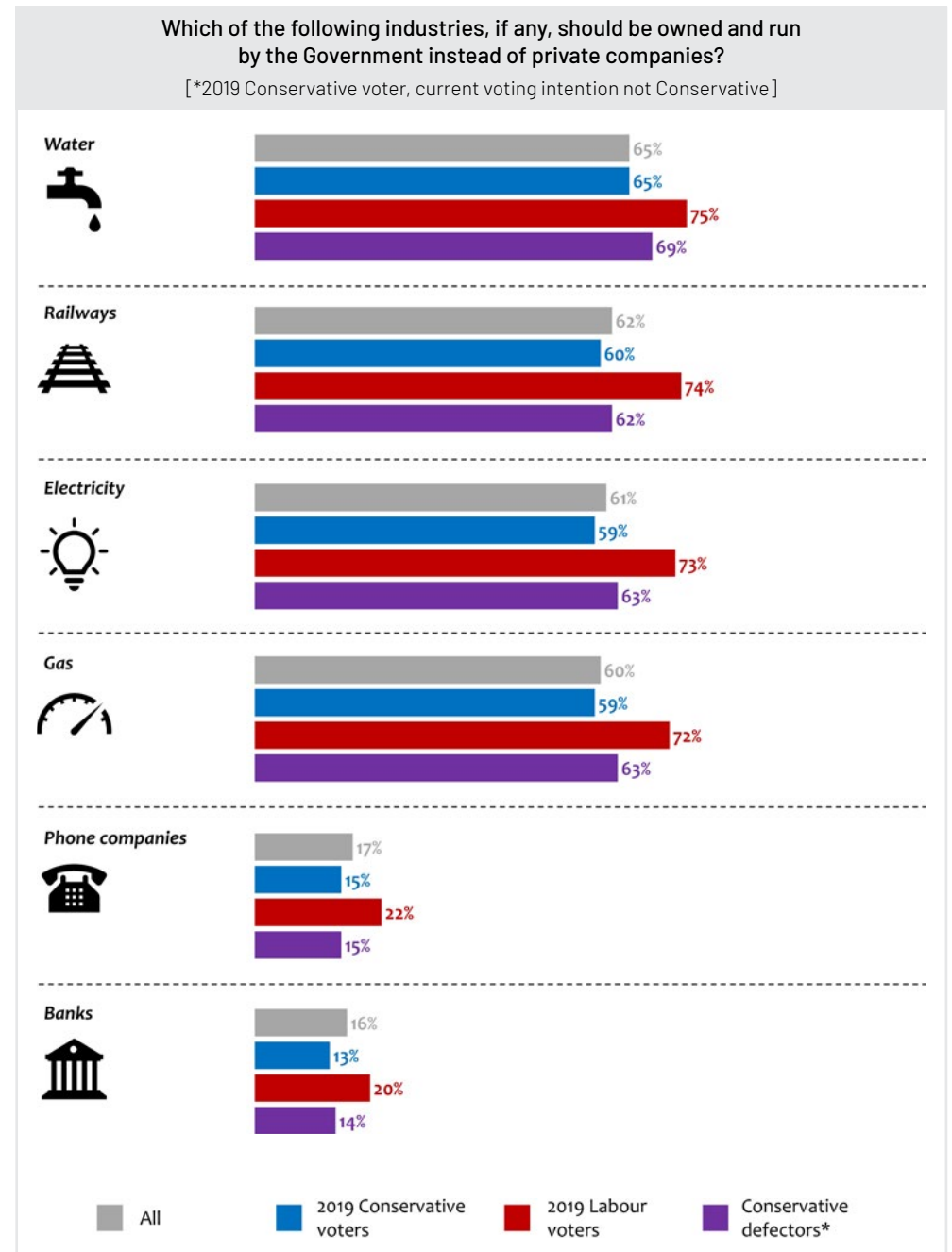
We asked a number of questions to explore people's views about the role of the state in people's lives and the wider economy. Asked which of two statements they agreed with more, over two thirds (68%) chose "people have a right to things like decent housing, healthcare, education and enough to live on, and the government has a responsibility to make sure everyone has them"; only a quarter agreed more that "people should provide for themselves and not expect the government to provide for them." Those intending to vote Conservative at the next election were the only group to prefer the second statement, though only by 49% to 43%.

Similarly, respondents overall were nearly twice as likely to think that "government should help people out when they're struggling" (60%) as to think "people should provide for themselves and be responsible for their own decisions" (31%). Again, there were differences between political groups, with 53% of 2019 Tories but only 12% of Labour voters preferring the second statement.

However, there was much less support for the broader idea that government “should protect people from making bad choices” (27%), with a clear majority (57%) thinking the government “should let people make their own choices even if they are unhealthy or risky.”

We asked whether various key industries should be owned and run by the government or by private companies. Clear majorities overall thought water, rail, electricity and gas ought to be owned and managed by the state. Though Labour voters were more likely to think so than Conservatives, more than half of 2019 Tories (up to 65% in the case of water) agreed.

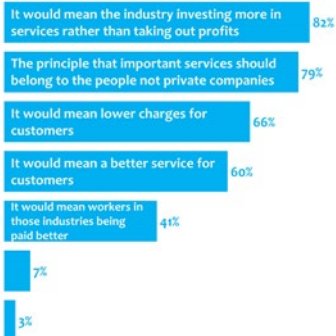
Only a small minority – though around 1 in 5 Labour voters – thought the state should own and run banks and telephone companies.



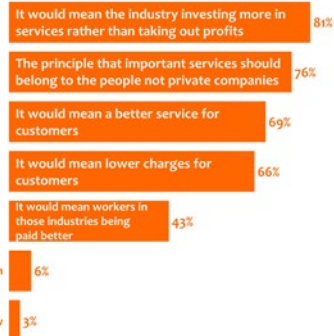
Why do you think that each of the following industries should be owned and run by the Government? Please tick all that apply for each industry.

[NB asked only to those who said one or more industries should be nationalised]

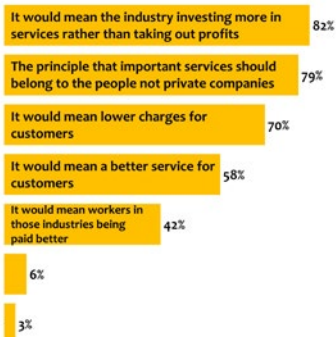
Water



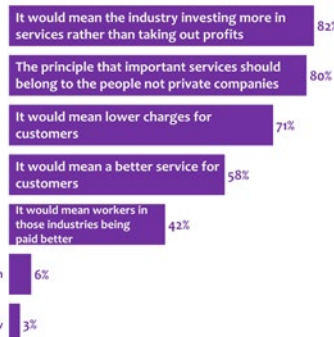
Railways



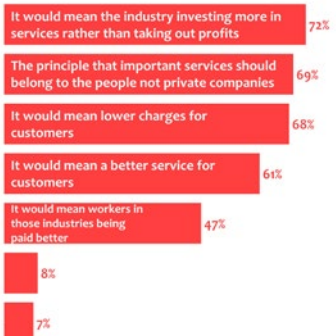
Electricity



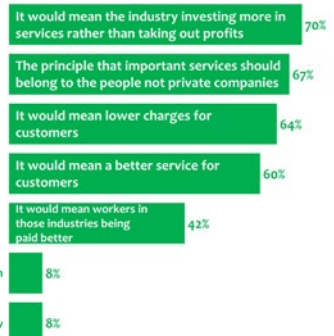
Gas



Phone companies



Banks

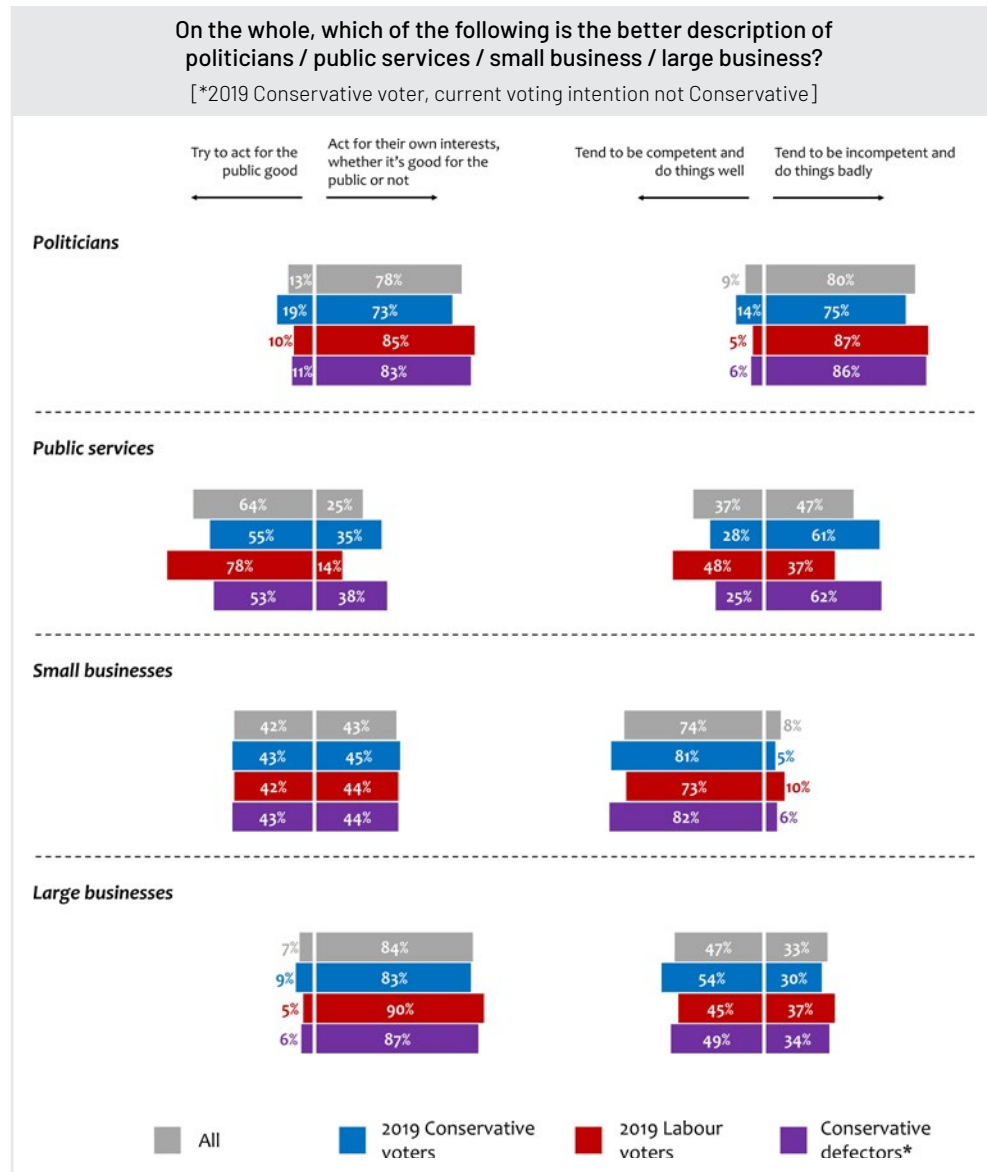


We asked those saying an industry should be owned by the government the reason for their opinion. In every case the most popular answer was “it would mean the industry investing more in services rather than taking out profits”, followed by “the principle that important services should belong to the people not private companies.” In the case of water, electricity, gas, phone companies and banks, the third most popular reason was “it would mean lower charges for customers”; for railways, “it would mean a better service for customers.”

Our focus group discussions reflected these findings, with few if any arguing that private operators do a better job than a state-run provider would. Some cited EDF as an example of an effective state operator that seemed more responsive to customers’ needs.



We asked two questions about politicians, public services, small businesses and large businesses – whether they try to act for the public good or only in their own interests, and whether they tend to be competent or incompetent.

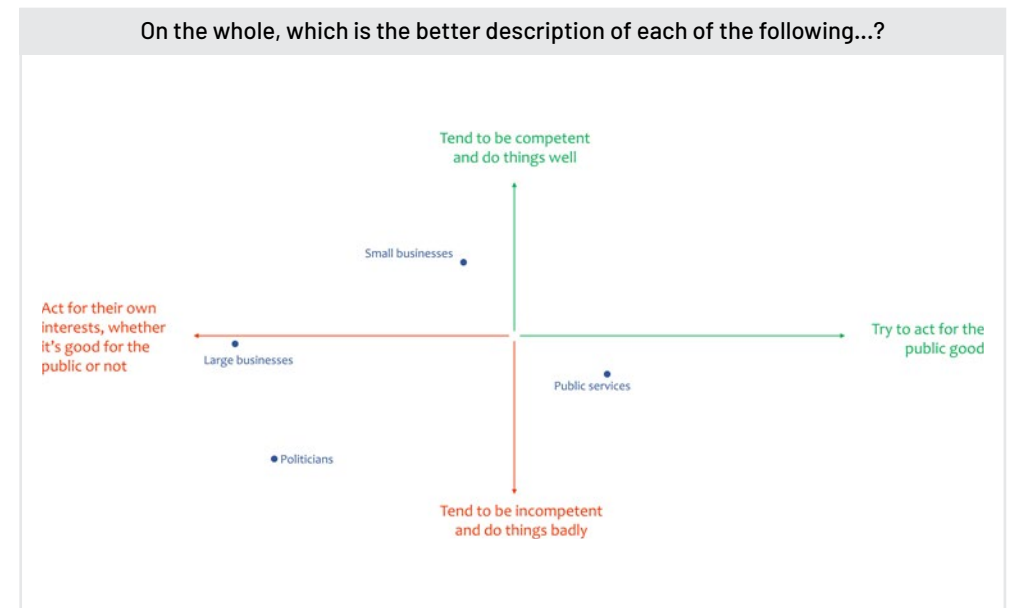


Small businesses came out best; people were almost equally likely to say tried to act for the public good (42%) as to act only in their own interests (43%), and nearly three quarters (74%) said they tended to be competent and do things well. There was no significant variation between political groups.

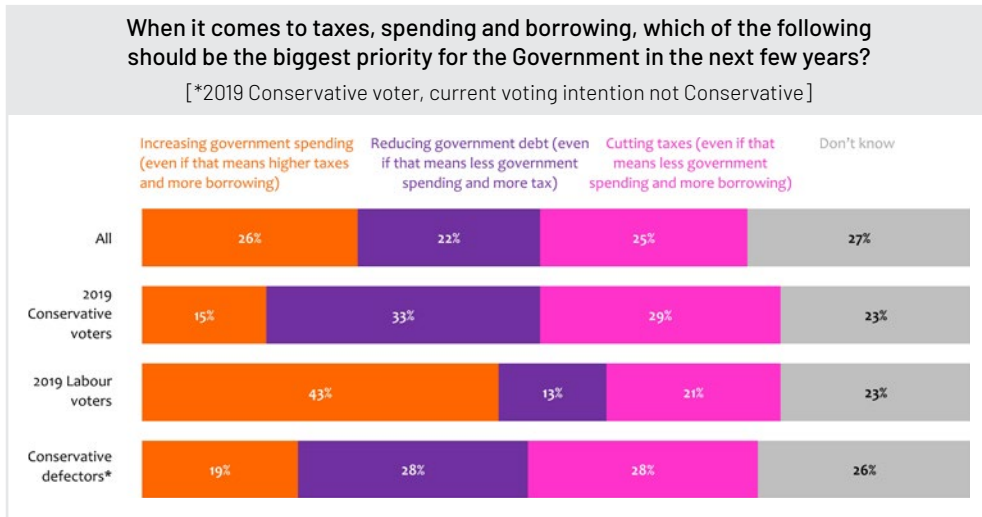
Large businesses were the next most likely to be considered competent (though fewer than half, 47%, thought this was the case), but people were nearly twice as likely to think they acted only in their own interests (84%) as was the case with small businesses.

Just under two thirds (64%) said public services tried to act for the public good (though only 55% of 2019 Conservatives, compared to 78% of Labour voters). However, people were more likely to think they tended to be incompetent and did things badly (47%, including 61% of 2019 Tories) than that they were competent and did things well (37%).

Large majorities thought politicians both acted in their own interests irrespective of the public good (78%) and tended to be incompetent and do things badly (80%).



THE TAX BURDEN



We asked our poll respondents whether the government’s priority should be to increase spending, reduce debt, or cut taxes. Overall, there was a fairly even division between the three, with just over a quarter (27%) saying they didn’t know. However, there was a marked difference between political groups. One in three 2019 Conservatives prioritised reducing debt, compared to just 13% of Labour voters, while 43% of Labour voters wanted prioritised higher spending, compared to 15% of 2019 Conservatives.

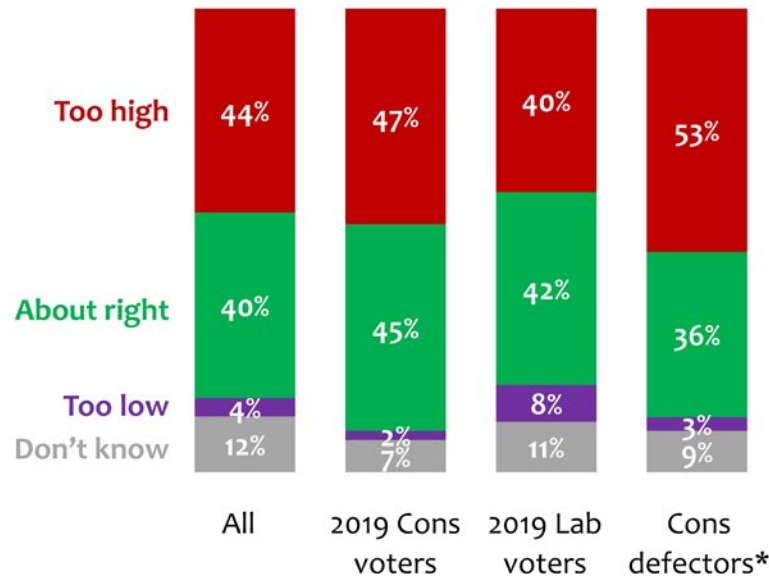


Our political map shows how these priorities appeal to distinct parts of the electorate. Those who want to see higher spending are most likely to be found in Labour–Remain–Lib Dem territory, as might be expected. On the other side we see two poles of competing priorities in 2019 Conservative-voting territory. Those wanting to reduce debt are firmly in the more prosperous and secure top-right quadrant, while those wanting to see tax cuts prioritised are in the less secure, largely Leave-voting bottom right.

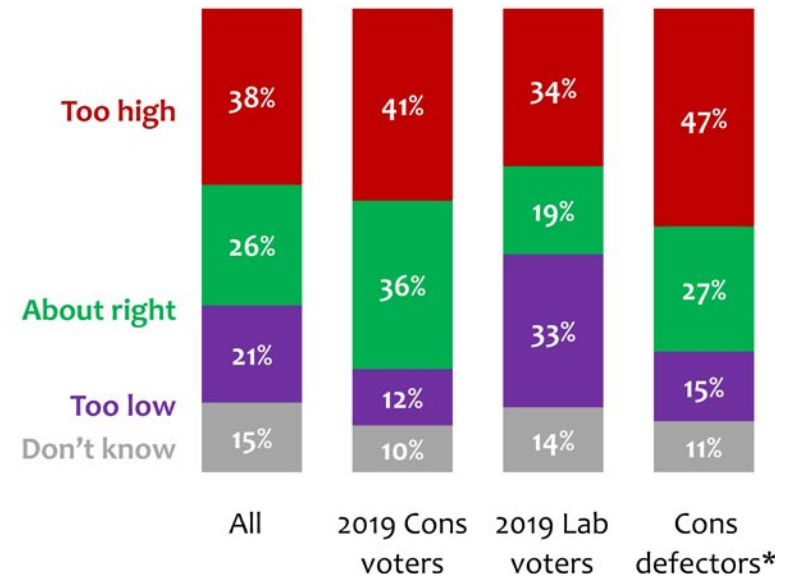
Would you say the amount of money the Government takes in tax from you and your family / overall is:

[*2019 Conservative voter, current voting intention not Conservative]

You and your family...



Overall...



Just under half of all voters (44%) thought the amount of tax they paid was too high, though only 38% thought this was true of the amount of tax the government takes overall. Most groups were fairly evenly divided between thinking the amount of tax they paid was too high or about right. However, as we see again from our political map, those thinking that the government takes too much in tax both from they themselves and the country overall are most likely to be found in the less prosperous bottom-right quadrant.



When we asked focus groups whether they thought they got value for money for the tax they paid, they often thought first about council tax and local services: they related their monthly direct debit to their assessment of local amenities like roads, street lighting or refuse collection. People found it more difficult to assess whether they received value from central government because they were less clear about how much tax they paid, or what government provided. Even so, they could think of plenty of examples where they did not feel government did not provide what it should – NHS waiting lists, unavailability of GP appointments, police stations closing, poor local infrastructure – whether through inefficiency or lack of resources. Many examples of perceived public sector waste were cited – often at first hand, and often related to procurement – which fed into a widespread view that the state could do things better without having to increase taxes any further.

“ We have people who come from abroad for HIV medication, which costs a minimum of £60k a year, so they pay for their two-week holiday, get a year’s worth of meds and then go home and come back the next year and do it again. That comes out of our taxes, and then you need treatment for cancer and there’s no funding in the budget.”

“ I know a guy on the council who’s in charge of potholes. The contracts they have are 10-year contracts – not 2-year rolling contracts, but 10 years and they’re allowed to go up by CPI, so they’ve been going up by 10%. And they never seem to fill the potholes.”

“ When they built those aircraft carriers, they had the problem with the propeller and the government had to pay another billion pounds or whatever it was to fix it. But it was down to the company that made it. Surely they should be fixing it?”

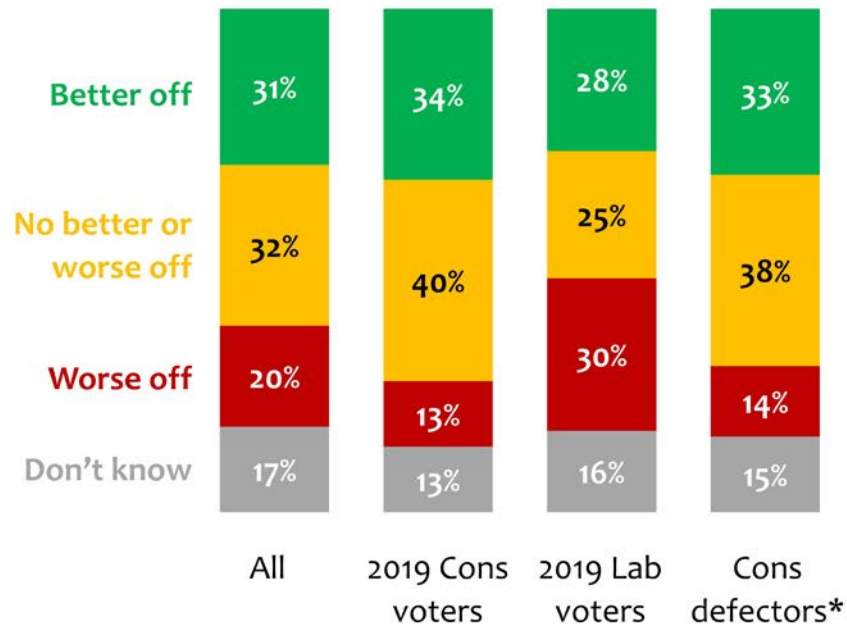
“ The NHS spend millions on cybersecurity but there’s no procurement of services across NHS trusts. If they did, they could save hundreds of millions a year, and that’s just one area that I know about. There are things in the background just swallowing money.”

“ If I thought making an extra contribution would improve the health service, I would happily do it. But only if I really knew that.”

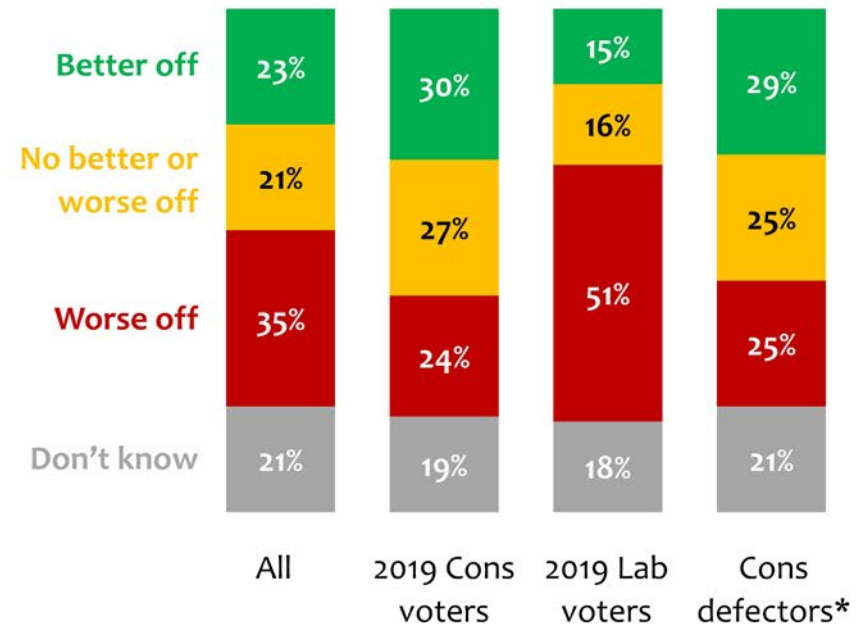
Imagine the Government decided to cut taxes for businesses and individuals, and to reduce government spending.
Do you think this would make you / the country as a whole better off, worse off, or no better or worse off?

[*2019 Conservative voter, current voting intention not Conservative]

You...



The country as a whole...



We asked our poll respondents if they thought they themselves, and the country as a whole, would be better or worse off if the government decided to cut both tax and government spending. Only 31% thought they personally would be better off, though this was more than thought the same would be true of the country as a whole (23%). 35% thought the country would be worse off, though only 1 in 5 (20%) thought they would be worse off personally.

In focus groups, many said the amount of tax they paid was not among their main worries, or that tax cuts would not make any significant difference to their standard of living – at least not compared to higher energy costs or mortgage payments. People were also sceptical about the idea that lower taxes would encourage people to work more.

“ I don’t earn enough. I don’t have enough taken off me to sweat about how much I pay.”

“ The higher earners will benefit because it would be hundreds, thousands of pounds. Great. The middle bit wouldn’t benefit because you’re only talking a few pounds.”

“ I don’t think it’s the biggest issue. I think it’s because it goes out at source, so I don’t really miss it. None of us know what we’re really paying in taxes.”

“ I couldn’t really work harder than what I do.”

Some accepted the idea in principle that a smaller state that taxed less might be able to do the things it focused on more effectively. However, they struggled to think of things the state currently did that it could stop doing or leave to individuals or non-state bodies. People also reasoned that these things would still have to be paid for, even if not out of taxes, leaving them no better off.

“ If you’re given too much work, everything gets done to a minimum and nothing gets done properly or to the end, so it does make sense. But then who’s going to do the other work?”

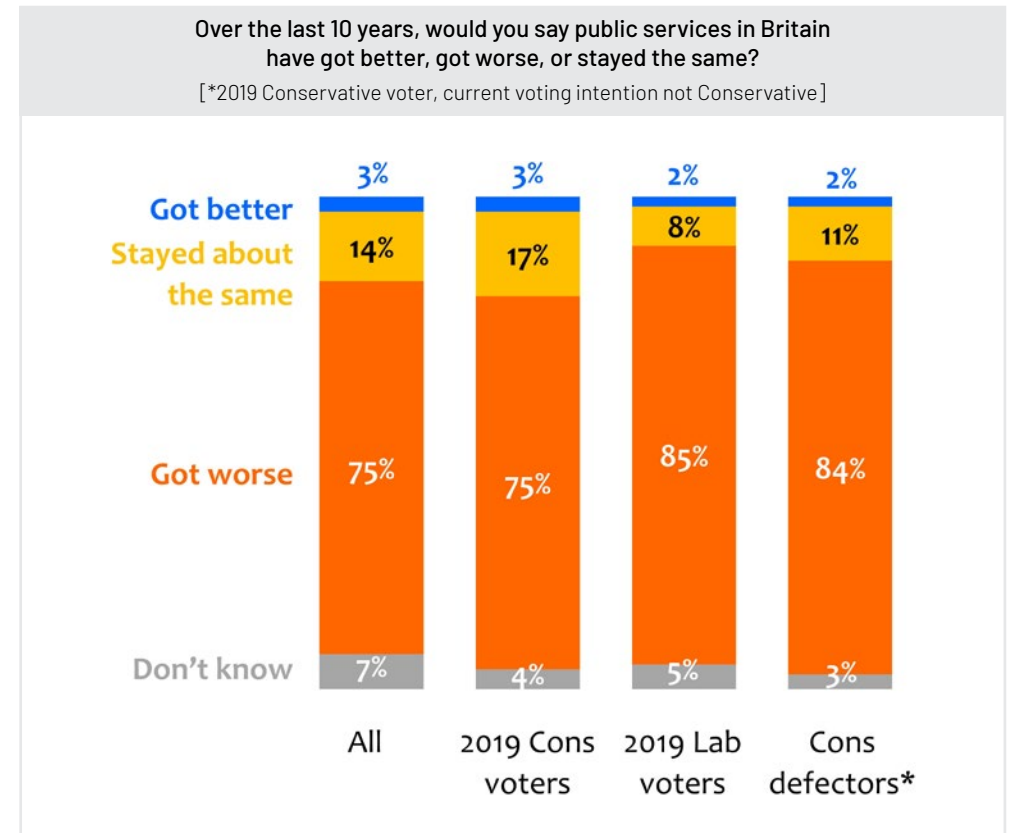
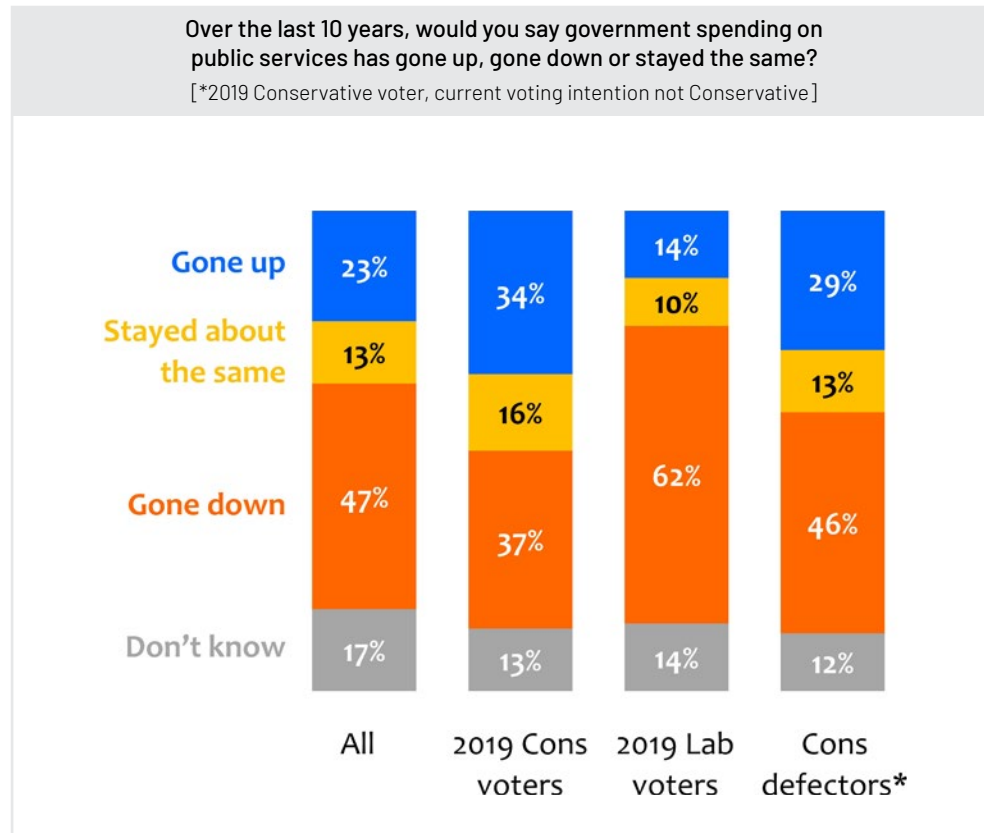
“ I think we’re at the stage where we’ve cut so much you can’t cut any more. You see it in roads, in services.”

More often, people thought the problem was that the state did things badly or that essential services like health, schools and the police were underfunded. They tended to conclude that it ought to be doing more, not less (“what, even less?”, as a woman in Walsall put it incredulously). Others noted that with current levels of borrowing and debt, significant tax cuts were simply unrealistic.

SPENDING, AUSTERITY AND PUBLIC SERVICES

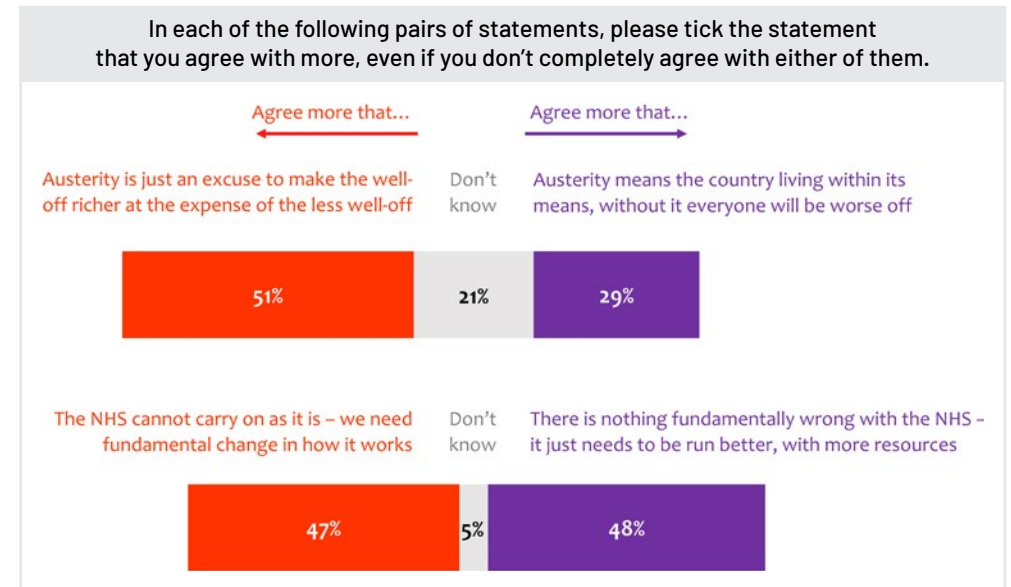
Nearly half (47%) of all respondents thought spending on public services in general had gone down over the last 10 years, and three quarters (75%) said they thought public services had got worse over that time. While nearly a quarter (23%) said they thought spending had gone up, only 3 in 100 thought services had improved.

Those currently intending to vote Conservative were the most likely to think spending on public services had risen in the last decade, though only 38% of them thought this was the case. Only 29% of Conservative defectors thought so. Only 5% of likely Conservative voters (and 2% of defectors) thought services had improved.





Just over half (51%) of all voters said they regarded austerity more as “an excuse to make the well-off richer at the expense of the less well-off” than as “the country living within its means, without it everyone will be worse off” (29%). 2019 Conservatives (53%) and those currently intending to vote Tory (63%) were the only groups among whom a majority saw austerity as the country living within its means; Conservative defectors were more likely to see it as an excuse to favour the rich over the poor, by 43% to 38%.



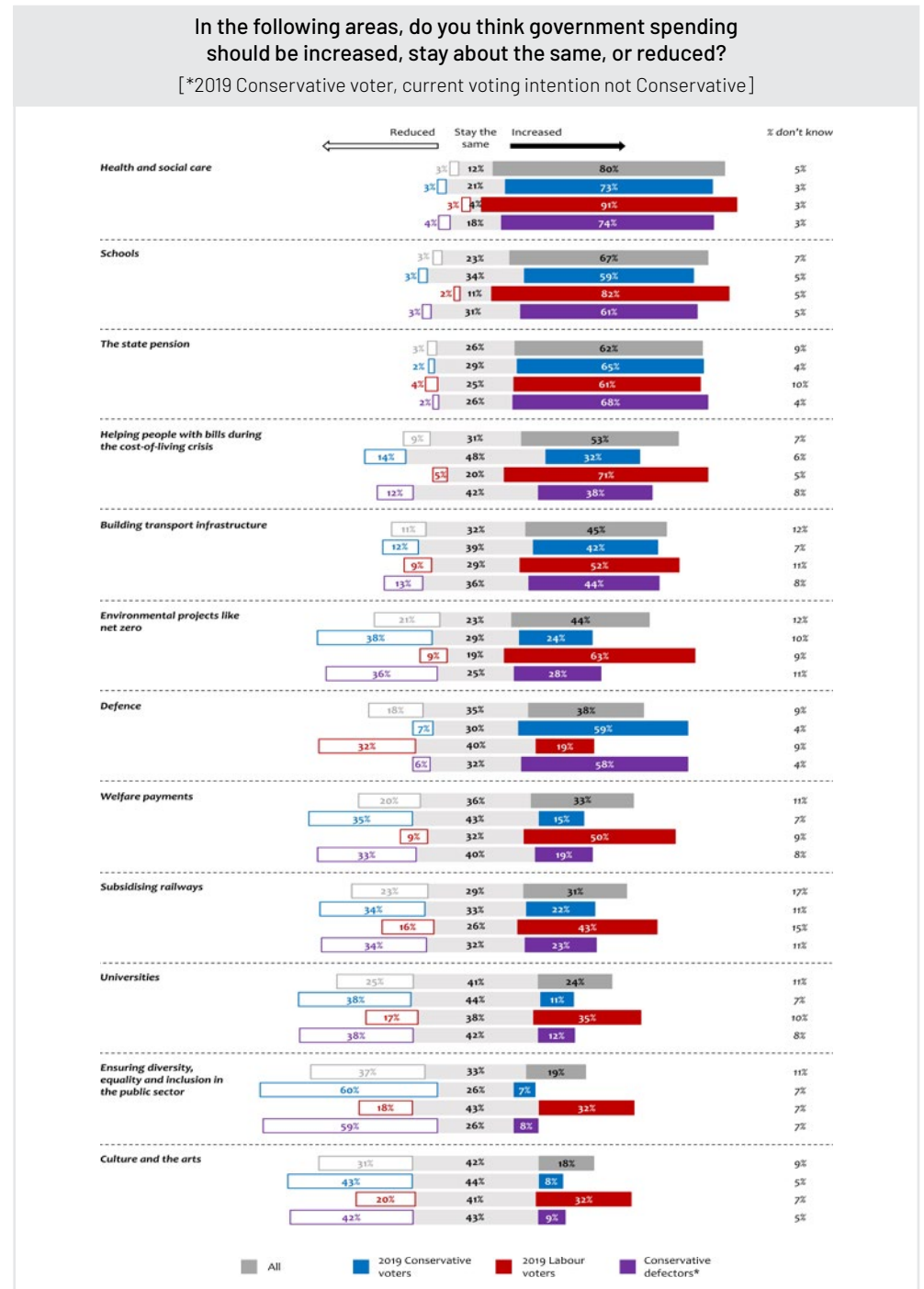
In a separate question, people were very closely divided as to whether the NHS “cannot carry on as it is – we need fundamental change in how it works” (47%), or whether there is “nothing fundamentally wrong with the NHS – it just needs to be run better, with more resources” (48%).

Different political and social groups leaned different ways on this question, but not to a huge degree. 2019 Conservatives agreed there was a need for “fundamental change” by 56% to 41%, while 2019 Labour voters thought it just needed to be “run better, with more resources” by 57% to 39%.

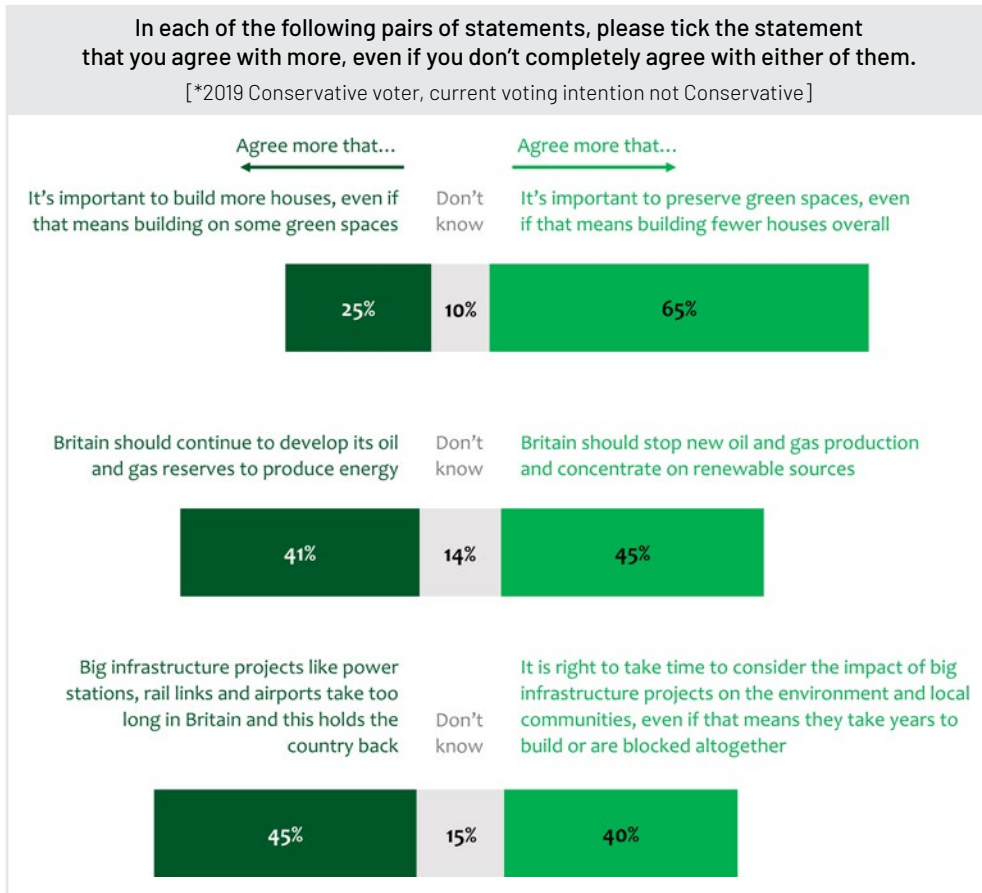
When we asked whether domestic government spending in certain areas should rise, stay the same or fall, majorities wanted to see increases in health and social care (80%), schools (67%), the state pension (62%) and helping people with bills during the cost-of-living crisis (53%). In the first three, majorities of all parties’ voters wanted to see increases; only 32% of 2019 Conservatives wanted to see spending on cost-of-living help increased (while 48% wanted it to stay the same).

On transport, the environment, defence, welfare and railways, more wanted to see increases than cuts, though more wanted to see welfare maintained at current levels than increased (and a majority of 2019 Tories – 59% – wanted to see defence spending rise).

Only in universities, diversity and inclusion and culture and the arts did more say they there should be cuts than increases – though in each case the proportion saying spending should be maintained or increased easily outweighed that saying it should be reduced.



GET BRITAIN BUILDING?



We asked a number of other questions to explore people's attitudes to growth and the economy's productive capacity. Only one quarter (25%) agreed "it's important to build more houses, even if that means building on some green spaces." Two thirds (65%) – including 70% of 2019 Conservatives and 72% of Tory defectors – agreed it was "more important to preserve green spaces, even if that means building fewer houses overall." Majorities in all political and demographic groups preferred the second statement, though SNP voters (54%) were the least likely to do so.

People were more closely divided over energy production and infrastructure. Just under half (45%, including majorities of Labour, Lib Dem, SNP and Green voters, and age groups up to 49) thought Britain should stop new oil and gas production and concentrate on renewable sources, while 41% (including 67% of 2019 Conservatives) thought the country should continue to develop its oil and gas reserves to produce energy.

By a similarly small margin, people were more likely to think that big infrastructure projects like power stations, rail links and airports "take too long in Britain and this holds the country back" (45%) than that it is right to take time to consider the impact of such projects on the environment and local communities, "even if that means they take years to build or are blocked altogether" (40%). 2019 Labour (49% to 38%) and Green voters (61% to 31%) preferred the second statement, while 2019 Conservatives (58% to 31%), Lib Dems and SNP voters (both 49% to 42%) were more likely to think infrastructure projects took too long, to the country's detriment.

TOUGH CHOICES

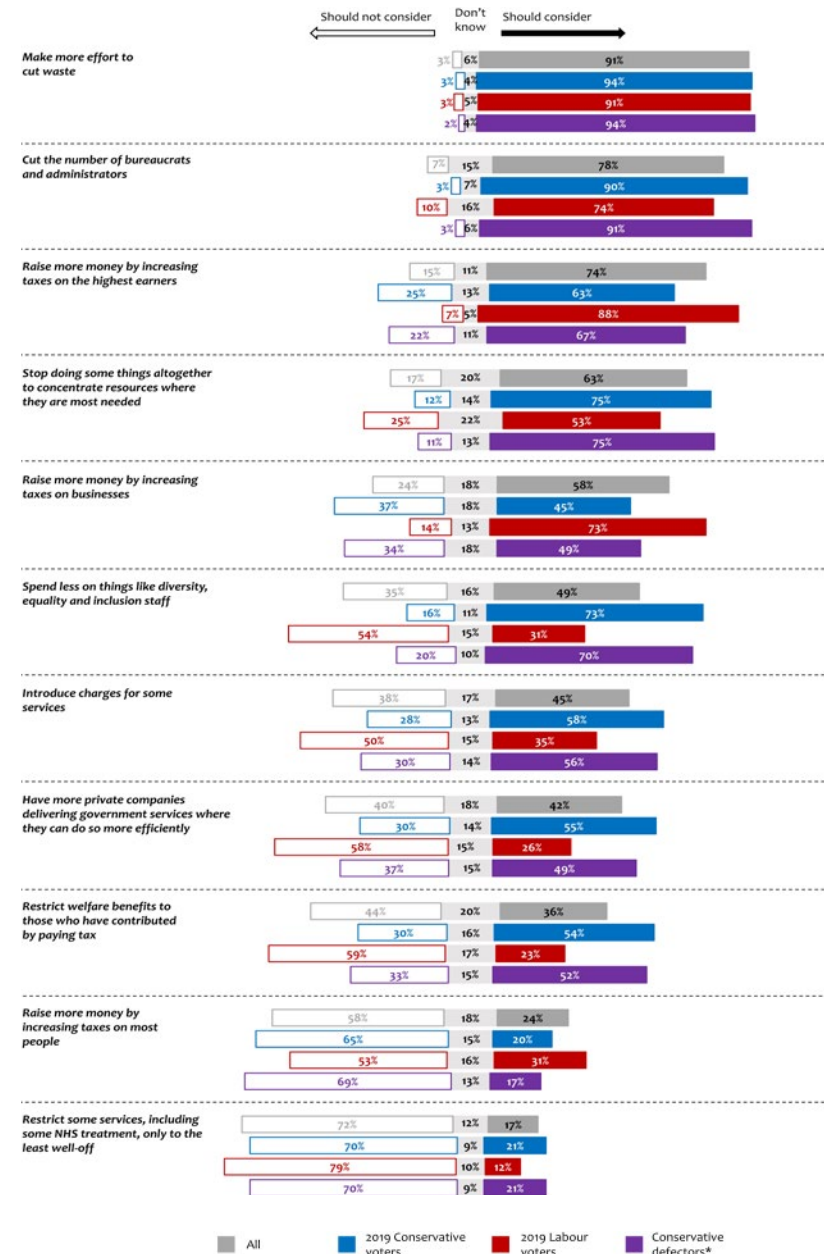
We offered our poll respondents various suggestions for improving public services and asked whether the government should or should not consider each one. Clear majorities of all voters supported making more effort to cut waste (91%), cutting the number of bureaucrats and administrators (78%), increasing taxes on the highest earners (74%, including 63% of 2019 Tories) and stopping doing some things altogether to concentrate resources where they are most needed (63%) – though as we found in our focus groups and other poll questions, support for cutting specific areas of activity was rather more scarce.

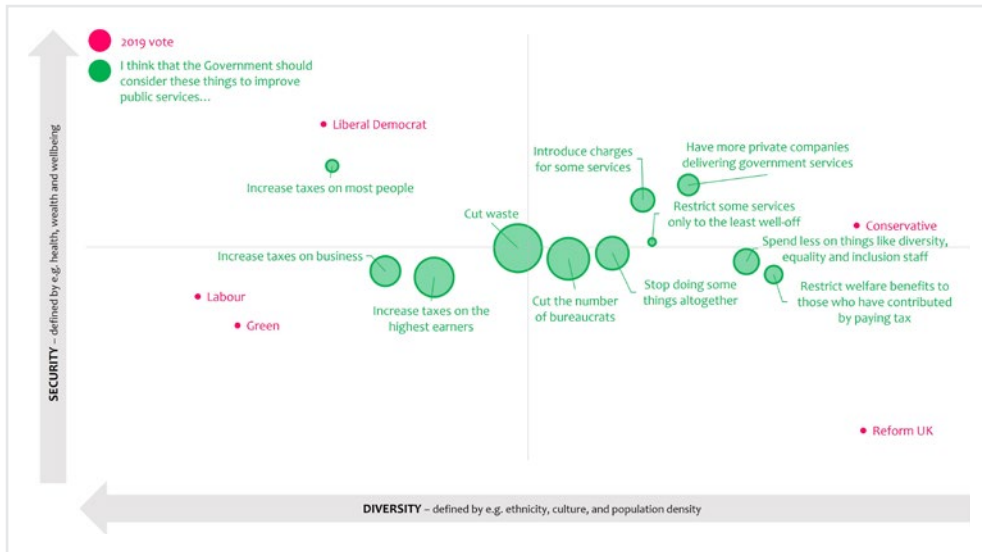
Other suggestions produced more disagreement between political groups. A majority overall (58%) supported raising more money by increasing taxes on business, but only 45% of 2019 Conservatives agreed. And while most 2019 Tories said they would be happy to see less spent on diversity, equality and inclusion staff (73%), introducing charges for some services (58%), more private sector involvement in delivering public services (55%) and restricting welfare benefits to those who have paid tax (54%), only a minority of the population overall disagreed.

Clear majorities in all groups opposed raising more money by increasing taxes on most people, and restricting some NHS treatments and other services only to the least well-off.

Here are some things people have suggested for improving public services in the UK. Which of them should the Government consider?

[*2019 Conservative voter, current voting intention not Conservative]





Our political map shows where support for each of these propositions is most likely to be found throughout the electorate.

Many in our focus groups felt that while bold decisions might be needed on many of the things they had discussed – such as public sector waste, the welfare system or migration – they doubted whether any government would have the nerve to take them; the equivalent of the Thatcher reforms would never happen today, they argued. Fear of criticism on social media or loss of support at the following election would lead politicians to take the path of least resistance, which usually meant simply spending more money. The perception that the Conservatives had achieved little of significance with their 80-seat majority reinforced this view.

- “ They need to get a pair of balls and stand up and say no. These do-gooders say ‘welcome,’ but they don’t know who they’re welcoming.”
- “ I don’t think you’d get away with [the Thatcher reforms] again. They’d be too scared to do it because they’d lose votes. Nobody’s going to say ‘right, we need to reform the benefits system’ because with social media it would be all over the news, ‘my kids are starving’, etc. They’re just not going to make those big changes that need making to encourage people back to work.”
- “ They’ve had an 80-seat majority. They should have done a bit more with that.”
- “ I guarantee you the first thing Johnson did when he walked through the door after winning that election was start planning for the next election. It’s all they’re worried about, and that’s why they won’t stick their head above the parapet.”
- “ BT are 110,000 people, about to go down to 50,000 people over the next 5 years. That’s to drive efficiencies, bring costs under control. But if it was the government, they’d just spend more money.”

LOWER TAXES?

We presented our poll respondents with various arguments for low taxes and asked how strongly they agreed or disagreed with each one. Most popular were the statements “the more tax companies have to pay, the more they will put their prices up,” that “the government can’t be trusted to spend taxpayers’ money effectively” whichever party is in power, and “I know how to spend my money better than the government” – though in each case more said they “somewhat” agreed than did so “strongly”.

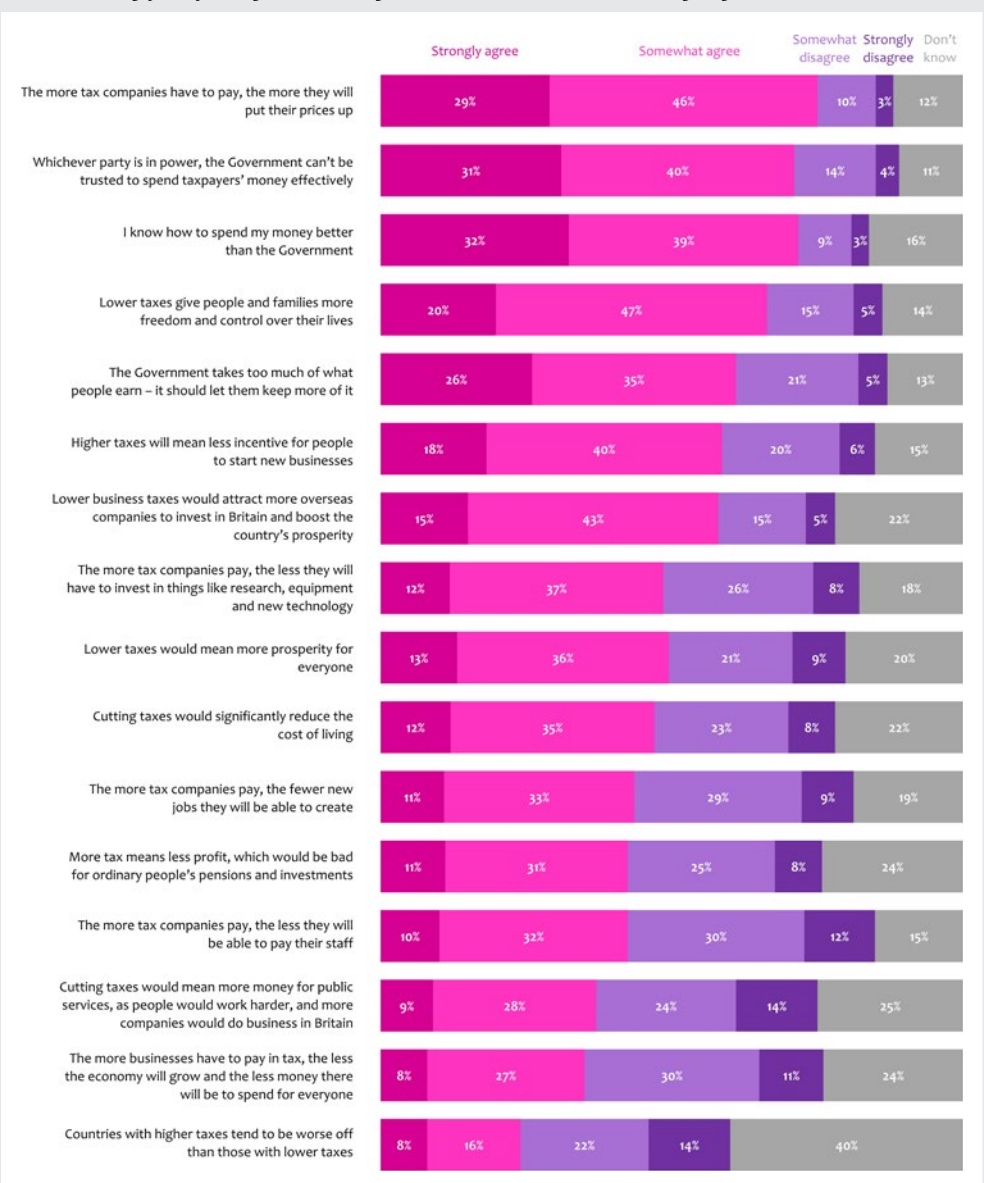
Other statements commanding majority agreement were “lower taxes give people and families more freedom and control over their lives,” “the government takes too much of what people earn – it should let them keep more of it,” and “higher taxes will mean less incentive for people to start a new business” (though only 18% agreed strongly with this statement).

People were somewhat less convinced by the arguments that lower taxes would attract more overseas investment; would prompt UK companies to invest more in research, equipment and technology; would mean more prosperity for everyone; would significantly reduce the cost of living; and that higher business taxes will mean fewer new jobs and lower pay for staff.

More disagreed than agreed with the propositions “countries with higher taxes tend to be worse off” (with 40% saying they didn’t know), “the more businesses have to pay, the less the economy will grow and the less money there will be to spend for everyone,” and “cutting taxes will mean less money for public services.”

2019 Conservative voters were the most likely to agree with every argument, though only a minority of them agreed that lower taxes meant more money for public services, or that higher-tax countries tend to be worse off.

How strongly do you agree or disagree with each of the following arguments / statements?



TAX, SPENDING AND THE PARTIES

We asked whether Labour or the Conservatives would be more likely to keep taxes down and use the money effectively. Labour were thought more likely than the Tories to keep taxes down for workers and families (by 34% to 14%) – and only 29% of 2019 Tory voters named the Conservatives, compared to 33% of them who said neither party would do so.

All parties' voters saw the Conservatives as the party most likely to keep taxes down for businesses (with 2019 Labour voters nearly as likely to say this as 2019 Tories). More than three times as many voters overall said the Tories would be most likely to keep taxes low for business as said they would be most likely to keep taxes low for workers and families.

Only 15% of voters as a whole – and only 36% of 2019 Conservatives – saw the Tories as the party most likely to use taxpayers' money as effectively as possible. In both cases, people were more likely to say neither party would do so than to name Labour or the Conservatives.



METHODOLOGICAL NOTE

5,060 adults in Great Britain were interviewed online between 31 July and 3 August 2023. Results have been weighted to be representative of all adults in Great Britain. Full data tables are available at [LordAshcroftPolls.com](https://www.lordashcroftpolls.com).

12 focus groups were held between 8 and 17 August in the following locations:

- Cheltenham
- Wimbledon
- Walsall
- Newbury
- Maidenhead
- Bolton

The groups comprised voters from a wide range of backgrounds who voted Conservative at the 2019 general election. The groups included equal numbers of men and women.



ABOUT LORD ASHCROFT

Lord Ashcroft KCMG PC is an international businessman, philanthropist, author and pollster. He is a former treasurer and deputy chairman of the UK Conservative Party. He is also honorary chairman and a former treasurer of the International Democrat Union. He is founder and chairman of the board of trustees of Crimestoppers, vice-patron of the Intelligence Corps Museum, chairman of the trustees of Ashcroft Technology Academy, a senior fellow of the International Strategic Studies Association, former chancellor of Anglia Ruskin University and a former trustee of Imperial War Museums.

His political books include:

- Smell the Coffee: A Wake-Up Call for the Conservative Party
- Call Me Dave: The Unauthorised Biography of David Cameron
- Hopes and Fears: Trump, Clinton, the Voters and the Future
- Well, You Did Ask: Why the UK Voted to Leave the EU
- The Lost Majority: The 2017 Election, the Conservative Party, the Voters and the Future
- Jacob's Ladder: The Unauthorised Biography of Jacob Rees-Mogg
- Diagnosis of Defeat: Labour's Turn to Smell the Coffee
- Going for Broke: The Rise of Rishi Sunak
- Reunited Nation? American Politics Beyond the 2020 Election
- Red Knight: The Unauthorised Biography of Sir Keir Starmer
- First Lady: Intrigue at the Court of Carrie and Boris Johnson
- All To Play For: The Advance Of Rishi Sunak

His other books include:

- Victoria Cross Heroes, Volumes I and II
- Special Forces Heroes
- George Cross Heroes
- Special Ops Heroes
- Heroes of the Skies
- White Flag? An Examination of the UK's Defence Capability
- Unfair Game: An Exposé of South Africa's Captive-Bred Lion Industry
- Life Support: The State of the NHS in an Age of Pandemics
- In the Shadows: The Extraordinary Men and Women of the Intelligence Corps

