

The Theresa May government: New era, new agenda, new politics?



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New era, new agenda, new politics

Theresa May has been a major political player in the UK for nearly two decades, but she's still something of an enigma; a politician who is not yet fully known or understood. What is her real personality, what drives her politics, and what does she want to achieve during her time at No.10? As she faces ever greater public scrutiny her character and political priorities will be of much wider interest.

This report aims to provide some insight into these topics, and some of the immediate conclusions we can draw from her first days in No.10. The report covers:

- The potential impact of a May leadership on the future direction of the Conservative party.
- What her election means for the UK's approach to the Brexit negotiations.
- The personalities in Theresa May's new Cabinet, and their likely priorities.
- May's key advisers and their roles in No.10.
- An overview of some of the key policy areas for Theresa May in her first months in power.

Reflecting on her time at the Home Office, May's detractors would be quick to paint her as a right wing authoritarian, keen on drastically reducing immigration and taking a hard stance on law and order issues. But in reality, her record is far more nuanced, with decidedly liberal moments including scrapping ID cards, reducing detention without charge to 14 days, reforming stop and search, and pushing through the Modern Slavery Act. She was also able to demonstrate her tough exterior and no-nonsense approach, taking on perceived vested interests with her call for the Police Federation to reform itself.

"My pitch is very simple, I'm Theresa May and I think I'm the best person to be Prime Minister"

Launch of Conservative leadership bid, June 2016

As a political operator, she doesn't readily fall into the narrow boxes that her critics would like her to. Yes, she takes a tough approach to immigration, but at the same time she has demonstrated her commitment to tackling modern slavery and labour market exploitation. It is the nuances in her approach make her an interesting and compelling politician.

During the past six years of government, May has strayed infrequently from her portfolio, and has demonstrated little of her views and positions on other policy areas. We know that she was a 'reluctant Remainer' during the referendum campaign, but unlike other senior government ministers she has not spoken widely on issues outside her own portfolio.



Over the last few weeks her broader political agenda has begun to emerge. She has set out her commitment to a 'Blue Collar conservatism' and it is clear that she intends to pursue a more radical course in some areas than her immediate predecessor. When entering Downing Street she made it clear that she would 'govern for everyone', saying that *"we won't entrench the advantages of the fortunate few, we will do everything we can to help anybody, whatever your background, to go as far as your talents will take you"*. Her rhetoric has set out her focus on social justice, and the pursuit of 'responsible capitalism.' Whether she is able to achieve these aims in light of all the other challenges she faces remains to be seen.

On a personal level, as Home Secretary Theresa May was perceived as a competent and reliable operator. In a role that in recent years has come to be seen as a poisoned chalice that is quite some achievement. Others would say she's been unexciting and technocratic.

Her leadership style has been described as demanding and controlling. She is seen as a master of detail, an unwilling delegator, but somebody who is tough and willing to stand up to others to get her own way. The former Liberal Democrat Home Office minister, Norman Baker, described trying to work under May as 'walking through mud', and it is clear that Mrs May can be ruthless when necessary. The question is whether she will need to adapt her style in Downing Street, where she will be less able to spend time focusing on the detail and will need to take a 'big picture' role of policymaking.

May surrounds herself with a small group of trusted advisers – a praetorian guard. She inspires unswerving loyalty amongst this group who defend her to the hilt, and in return she trusts them absolutely. All of her key advisers returned to run her leadership campaign, some leaving lucrative private sector careers to do so, and have been rewarded with senior roles in Downing Street. During her tenure in the Home Office they played a key role in ensuring that her political and policy priorities were implemented, going far beyond just offering media and political advice. As we set out below, these advisers will play a critical role in the coming months in ensuring that May's term in office starts smoothly.



Potential impact on the Conservative Party

The Conservative party enters a new dawn under Theresa May. The UK's new Prime Minister will preside over one of the most challenging periods in British political history – needing not only to act as a unifying force across a country fragmenting under the weight of its own political, demographic and economic pressures, but also to heal the deep wounds within the ranks of her own party.

Outwardly a supporter for the Remain campaign, but inwardly a Eurosceptic, this combination could prove pivotal in her ability to unify the divisions of the party. A reconciliation that David Cameron was ultimately unable to achieve.

Over the years, Theresa May has demonstrated a political savvy that stands her in good stead for the challenges ahead. Never dubbed a 'Cameroon', but always a loyal minister, she has ably ploughed her own furrow at the Home Office, quietly and doggedly demonstrating her skills as a political operator without the fanfare and showmanship displayed by others in the Cabinet. When former colleagues in the Home Office have been asked to describe Theresa May, common adjectives emerge: 'steadfast', 'hard

working' and 'trustworthy.' She believes in knowing her brief, and places emphasis on merit, ability and detail.

"A Conservative Party that occupies the common ground, that's tough on crime and immigration, progressive in its public service reforms, and reforming when it comes to the economy, can be an unstoppable force."

ConservativeHome's Victory 2015 conference, March 2015



It's likely then that she will be the architect of a more meritocratic government than we have seen for some time – making appointments on ability, eschewing the idea the government, and the wider party, should be dominated by vested interests and personal loyalties.

In terms of her personal style Theresa May is unlikely to 'wow' at the despatch box or have the wit or turn of phrase of David Cameron. She will, however, bring other qualities to the role that are arguably more valuable to the government. It is these qualities, she will be hoping, that will progress the Conservatives to a point where they can win the convincing electoral majority that eluded Cameron.

In terms of her own ideologies and how these will sit with colleagues, it has been said that her relationships have in the past been influenced less by what she believes and more by how she behaves; and has been known to make enemies because of this. Socially liberal, Theresa May was an early supporter of gay marriage, but takes a hard line on law and order, for example. It is likely then that we will see her establish a more pragmatic approach given she doesn't seem to be guided by a clear set of ideals.

"There's a lot we need to do in this party of ours. Our base is too narrow and so, occasionally, are our sympathies. You know what some people call us - the nasty party..."

"We need to reach out to all areas of our society. I want us to be the party that represents the whole of Britain and not merely some mythical place called 'Middle England', but the truth is that as our country has become more diverse, our party has remained the same."

Theresa May's now infamous speech as Conservative Party Chairman, 2002



Driven by a strong sense of morality, however Theresa May has already demonstrated her commitment to fairness and ‘doing the right thing’ in her approach to the economy. Her rhetoric on using the tax system to bear down on wealth inequality and tackle excessive boardroom pay is a clear departure from David Cameron and George Osborne’s record.

She has already indicated she will continue in the vein of David Cameron’s socially progressive agenda – working for a one nation government that aims to tackle the injustice of disadvantage to improve life chances.

Already the new Prime Minister has spoken deliberately to all corners of Britain. Calling the union a “precious, precious bond,” she has explicitly highlighted her unionist values and made a clear and unequivocal commitment to keep the UK together. A bold move that suggests Nicola Sturgeon may have finally met her match.

David Cameron faced criticism during his time as party leader from the party’s grassroots for at best ignoring them, and at worst treating them with what they viewed as contempt. Under David Cameron the party’s membership shrunk by nearly a half. One of his closest allies is alleged to have referred to party members as ‘swivel eyed loons’ whilst at the same time seeking to introduce radical reforms to the party’s structure perceived to weaken the influence of local associations.

While the unexpected 2015 General Election victory and the promise of a referendum restored some morale within the party, Theresa May faces a significant challenge to rebuild relations with the party’s base. Her reputation as somebody who is willing to travel around the local party circuit attending fundraising dinners and campaigning sessions is likely to make this easier, as will the perception that she is perhaps more ‘in tune’ with the views of members than David Cameron was.



May has also demonstrated her willingness to challenge party members though. Her 2002 party conference speech in which she conceded that some consider the Conservatives to be the 'nasty party' is just one example.

Within the parliamentary party, May is likely to command loyalty for the foreseeable future. The bold way in which she conducted her reshuffle leaves potential critics lurking on the back benches. While the most senior are likely to be loyal for now – Osborne and Gove in particular – there will be voices amongst the more socially liberal backbenchers, notably Nick Boles, Ed Vaizey and Anna Soubry, who will be prepared to challenge her and publicly scrutinise her policy progress. Those who campaigned to leave the EU but who missed out on a ministerial role, such as Dominic Raab, will be monitoring progress on Brexit with interest. While these are not likely to be immediate challenges, they do reflect the tightrope she will have to walk. The new and relatively inexperienced Chief Whip, Gavin Williamson, will have his hands full keeping these big personalities in check.

The way the leadership contest played out suggested that May received backing from MPs who believed her to be the most pragmatic and electorally successful option. Unlike other candidates, she perhaps didn't receive significant support based on her ideology or political philosophy. The new Prime Minister will need to foster a new generation of 'May-ites', in the same sense that George Osborne was able to build up a strong support base. As a new Prime Minister with significant power and patronage at her disposal this could be relatively straightforward.

May has ruled out calling a snap general election, saying there will be no election until 2020. However, despite claims she still has a mandate for a Conservative government from the manifesto that won last year's election, her premiership will see a divergence from the Cameron/Osborne era. Commentators have highlighted her strong criticism of Gordon Brown's decision in 2007 not to hold a general election, which may incentivise her not to repeat his mistake. And if she were to call an election, with the Labour Party in such disarray – what would she have to lose?

Time will tell whether Theresa May's words on tackling an unequal Britain can truly affect change. Her experience demonstrates she has the qualities to steady the country during a turbulent time and is a trustworthy and determined politician.



Implications for Brexit

'Reluctant remainder' Theresa May kept a low profile during the referendum campaign, subsequently leading more hard line Brexiteers to question her commitment to the voters' decision to leave. Despite this, May has been adamant that "Brexit means Brexit" and has confirmed that there will be "no attempts to remain inside the EU" or "attempts to re-join it by the back door". She has also dismissed talk of a second referendum. In line with her traditionally careful approach to decision-making, May has said she will not trigger Article 50 until at least 2017, emphasising the need to allow sufficient time to get "the right deal" for the UK.

Having held responsibility for immigration as Home Secretary since 2010, we can expect this to remain a key focus for the Prime Minister. She is only too aware of the enormous political weight carried by immigration during the referendum campaign, particularly amongst grassroots Leave voters. Unlike her leadership rivals, she refused to guarantee the rights of EU citizens to remain in the UK after Brexit. Indeed, David Davis MP, May's chief Brexit negotiator, has said that she made an explicit pledge to prioritise immigration control in Brexit negotiations, even if this results in economic concessions. German Chancellor Angela Merkel has warned that Britain will not be allowed to cherry pick EU laws, which will undoubtedly necessitate at least some compromise.

"Brexit means Brexit. The public made their verdict."

Conservative leadership campaign, July 2016



Other sources have said security, including the ability to deport foreign criminals and terrorists, will be a key component of May's post-Brexit vision. As Home Secretary, her main argument in favour of the EU was its role in protecting European peace and security. She is therefore likely to seek to maintain access to mechanisms such as the European Arrest Warrant and the European Criminal Records Information System. While she has always been a vocal critic of the European Convention on Human Rights, she has quietly abandoned her ambition for the UK to withdraw, on the grounds this would be divisive and would command no parliamentary majority were it put to a vote. In contrast to the inevitable comparisons with Margaret Thatcher, this paints a picture of May as pragmatist rather than ideologue.

And what do other European leaders make of her? European Council President Donald Tusk has, uncharacteristically, kept his cards close to his chest in his views on May, saying only that he looks forward to a "fruitful working relationship" with her.

Similarly, European Commission President Jean-Claude Juncker has spoken of the need to "work closely" with May on what he euphemistically calls "the new situation which the United Kingdom and the European Union will have to address soon". Angela Merkel spoke with May on the evening of her appointment as Prime Minister and has sought a calm and measured approach to Brexit, in contrast to murmurs of revenge from her French and Eastern European colleagues. They are all, however, united in their agreement that Britain must invoke Article 50 prior to starting negotiations, which jars with May's pledge to begin the exit process once "the right deal" has been secured for Britain.



May will also have her work cut out dealing with the SNP Government in Edinburgh to prevent the break-up of the United Kingdom. David Cameron's last Prime Minister's Questions in the House of Commons was met with a stony silence from SNP MPs, who refused to applaud him on the grounds that his government had taken Scotland out of the EU against the wishes of the Scottish people. May has a strong ally in Scottish Conservative Leader Ruth Davidson, who will help fight her pro-union corner, but pressure for a second independence referendum is likely to continue. Interestingly, May has another valuable ally in Spanish Prime Minister Mariano Rajoy, as tensions arising from the Catalan and Basque separatist movements have led Rajoy to pledge that any attempt by an independent Scotland to join the EU would be vetoed by Spain.

It's been said that Brexit is the biggest challenge faced by any Prime Minister since the Second World War. It will be a painful and gruelling process - even for "a bloody difficult woman".

"Not everybody knows this but the full title of my party is the Conservative and Unionist Party and that word unionist is very important to me. It means we believe in the union, the precious, precious bond between England, Scotland, Wales and Northern Ireland."

Inaugural speech as UK Prime Minister, July 2016



May's new cabinet

Appointing her new Government May has given a demonstration of her new found power. Far from the 'continuity cabinet' that some expected, the Prime Minister has purged old adversaries and promoted a number of faces relatively unknown outside the Westminster bubble.

In particular, all the key Cameroons are out, whether sacked (George Osborne, Michael Gove, Oliver Letwin, Nicky Morgan) or resigned (Nick Boles, Stephen Crabb). Four of these six harboured hope to lead the party themselves. Politics is a brutal sport. In their place, and taking on newly created roles, are a mixture of Brexiteers, up-and-coming May allies, and a few of the 'old guard' brought back into the fold – big beasts like David Davis from the pre-Cameron era.

The appointment of David Davis and Liam Fox to new roles have given great comfort to Brexiteers who might otherwise have objected to the appointment of Phillip Hammond, a remainer, as Chancellor. Davis and Fox, in charge of exit negotiations and international trade respectively, will now hold great responsibility to deliver a successful Brexit. Their ministerial appointments also allowed May to install Boris Johnson as Foreign Secretary while significantly clipping his wings. Johnson's appointment may be damaging (in the short term at least) in foreign capitals, but has allowed May to seal off his allies as a source of potential frustration to her government. Taken together, these three appointments mean May has both reassured Brexiteers, and made clear that they now have to deliver on their promises.

But the new Cabinet is not just about the Tory right. Overall, May has taken a deliberately broad-church approach that reflects her fragile Tory majority, as well as her belief in social justice. Amber Rudd, only a Cabinet Minister for 13 months, now holds one of the great offices of state as Home Secretary. Justine Greening has been promoted to a newly enlarged education department, Liz Truss to Justice, and Damian Green to Work and Pensions. These are all firmly centrist voices.



What can we expect from the key personnel now in place? Hammond is the classic 'safe pair of hands.' Steady, unshowy, though occasionally soporific. Policy-wise he is a fiscal hawk and a free-marketeer perhaps more in line with Osborne's views than May's. But he has a proven ability to faithfully serve his political masters. He is not a Brown-style plotter. Nor will he expect the almost equal status with May that Osborne had with Cameron. Expect him to quietly get on with the job, working closely and productively with May and her team.

Liam Fox, despite his relatively recent disgrace (he resigned as Defence Secretary in 2011), should prove to be competent and enthusiastic in his pursuit of international trade. He has been a committed Atlanticist for several decades so should be well suited to seek closer transatlantic trade relationships.

David Davis is strangely a known and unknown quantity at the same time. A self-proclaimed 'tough-guy' who has broken his nose five times, the 67 year old former SAS operative will relish the coming negotiations. And unlike some of his fellow Brexiteers, he can actually claim to have some idea of what he wants to do, having recently penned a 2,000 word essay for [ConservativeHome](#) on his preferred approach to exit. He is confident that ahead of our formal exit of the EU, the UK will be able to agree trade deals with non-EU partners that will massively increase the size of our export markets and cut the costs for manufacturing industries. Combined with support for SMEs in the UK, Davis believes Britain will thrive in a post-EU world.

How Davis will act with the heavy responsibility of high office is less clear. He has a prickly nature, once resigning and calling a by-election to highlight a point of principle. Some doubt his staying power, but he will need patience in his new role.

As you might expect from a politician whose own views resist easy definition, May's first cabinet is pluralist and varied. It is certainly an interesting group. Perhaps the key question for the years ahead is, is it adequately talented? Gove, Osborne, Crabb and Letwin were all great talents, albeit in different ways. Are Hammond, Rudd, Fox, Davis et al of a similar calibre? The success of May's government now depends on it.



May's key advisers

Ministerial appointments will undoubtedly receive significantly more press coverage and public interest than the appointment of May's special advisers. However, May relied heavily on an inner circle of advisers during her time at the Home Office, and it is likely that they will continue to have significant influence on the direction of government policy over the course of her premiership. May reportedly takes a long time to trust those around her but when her trust is earned, she places it in high regard. Her staff are fiercely loyal to her and these close relationships can cause friction with her ministers, who feel they can sometimes be kept out of the loop when policy decisions are made.

May has a number of political advisers who she trusts. Her two most significant advisers are Fiona Hill (formerly Cunningham) and Nick Timothy. Both have moved with her to No. 10 to become her

Joint Chiefs of Staff. One senior Home Office official said: "The Home Secretary licensed them to fight her battles for her... Nick and Fiona are both serious operators and highly effective."

What is clear is that May is not surrounding herself with former Etonians and London-centric advisers. This is a clear break from the Cameron/ Osborne regime.

Nick Timothy - Joint Chief of Staff

Nick Timothy was May's most senior adviser in her role as Home Secretary, until he left in 2015. He went on to run the New Schools Network, a charity that supports free schools. Timothy tried to broaden May's political range to areas like social reform and responsible capitalism. Given the content of May's first speech on the steps of No.10, Timothy's advice seems to have been heeded by May.

"I think there can only ever be one Margaret Thatcher. I'm not someone who naturally looks to role models. I've always, whatever job it is I'm doing at the time, given it my best shot. I put my all into it, and try to do the best job I can"

Evening Standard, July 2016



Fiona Hill - Joint Chief of Staff

Fiona Hill was May's adviser at the Home Office. She was forced to resign in 2014 after she allegedly briefed newspapers in a dispute with May's cabinet colleague Michael Gove over who was to blame for the rise of extremism in Britain's schools. It is widely acknowledged that she 'fell on her sword' for May and that they remained close after Hill's departure. Having supported May in the leadership election she has been rewarded for her loyalty with a senior role at Number 10. As a former journalist and key architect of what became the Modern Slavery Act she is equally capable of providing May with both policy and media counsel.

Katie Perrior - Director of Communications

Katie Perrior took a break from her PR firm to help run May's leadership campaign. Perrior is best known for heading up communications for Boris Johnson's successful 2008 mayoral campaign. She was also Senior Media Adviser to Theresa May in her role as Chairman of the Conservative Party and to David Davis MP in his Shadow Home Secretary role.

John Godfrey - Director of Policy

Former Corporate Affairs Director at investment giant Legal & General, Godfrey has said that, purely in terms of effectiveness, his favourite PR campaign ever was the Blair government.

Lizzie Loudon - Press Secretary

Lizzie Loudon is the former special adviser to Iain Duncan Smith. She moved on to be the Communications Manager for the Vote Leave campaign, when her former boss walked out of the cabinet.

Liz Sanderson - Head of Features

Liz Sanderson is a former journalist with the *Daily Mail*. Sanderson handled media for May when Fiona Hill was forced to quit as her special adviser. She was recently credited by the *Daily Mail* for "softening" May's image ahead of the Conservative leadership contest.

Stephen Parkinson - role TBC

Stephen Parkinson is a former special adviser to May. He was part of the Vote Leave campaign in the EU referendum but worked on May's leadership campaign. He is a former lobbyist and was also involved in campaigning for a No vote in the 2011 referendum on changing the UK's voting system. Parkinson will join May at Number 10 but his exact role is not yet confirmed.

Policy outlook



The economy

The May government's overriding objective will be to ensure Brexit does not unduly harm the British economy. But setting aside the unknowable developments of future trade talks, how will it approach economic management? It is already clear that May has more interventionist instincts than her predecessors. She has in recent days expressed consternation at the approach taken to potential takeovers in key sectors (pharmaceuticals) and less key sectors (chocolate).

May has also indicated a willingness to pursue an agenda of reforming capitalism, to make the economy "work for everyone" and to share prosperity. Most radically, this has included a proposal to have employee representation on company boards. The bulk of May's focus in this area, however, is on productivity, with supply-side reforms mooted in relation to energy, infrastructure and house building.



"Under my leadership, the Conservative Party will put itself – completely, absolutely, unequivocally – at the service of ordinary, working people. It is why we will make Britain a country that works for everyone."

Launch of Conservative leadership bid, June 2016

On infrastructure (more of which below), May has promised a rebalancing away from financial services in favour of manufacturing. This has been reflected in the creation of a new Department for Business, Energy and Industrial Strategy.

Many will be cynical – Osborne's 2011 promises of a 'march of the makers' barely materialised. But there are reasons to believe this is not merely casual rhetoric now. May's key adviser on these issues, Nick Timothy, is a firm believer in robust, interventionist government. Expect the development of an industrial strategy, the acceleration of devolution to promote city and regional growth, greater efforts from government to promote key infrastructure and the investment in manufacturing required to support it.

What of deficit reduction? It has been displaced by Brexit as the government's *raison d'être*, but by no means abandoned. May's appointment of Philip Hammond as Chancellor gives an indication of the direction of travel: expect a soberer, sensible fiscal path to be forged, without the gimmicks Osborne relished such as the welfare cap or legislating for a surplus.

May has already said that the government will not be working to meet Osborne's 2020 surplus target. It was highly unlikely to ever be met, but with this early move May has given her government more room for manoeuvre. This will be vital to reposition the UK's economy to be competitive in the post-Brexit world.



International relations

May's international priorities, outside of negotiating Britain's exit from the EU, will focus on promoting the UK abroad. Boris Johnson as Foreign Secretary and Liam Fox as International Trade Secretary are both likely to have a focus on building global relations and presenting the UK as a global trading nation willing and open for business in a post-Brexit world.

In this respect, both roles are likely to be fairly ambassadorial, something which both Johnson and Fox with their backgrounds as Mayor of London and Defence Secretary respectively have experience at. As Mayor, Johnson was a matchless representative for London, touring the world promoting the capital with his unique and very effective brand of salesmanship.



On defence and diplomacy, the Leave side stressed during the referendum campaign that Britain would still be an active global participant and would not retreat inwards. The challenge for Mrs May's government will be to demonstrate this is the case. Retaining Michael Fallon as defence secretary, who already has strong international relationships, is likely to make it easier to do this.

May has already stated that she wants to build up Britain's trade relationships outside Europe, with China and Australia at the front of the queue for any deals. Whether she will be as friendly to the Chinese as George Osborne remains to be seen, with her joint chief of staff, Nick Timothy, having previously been scathing about this approach.

"We are living through an important moment in our country's history. Following the referendum, we face a time of great national change. And I know because we're Great Britain that we will rise to the challenge. As we leave the European Union, we will forge a bold new positive role for ourselves in the world, and we will make Britain a country that works not for a privileged few, but for every one of us."

Inaugural speech as UK Prime Minister, July 2016

Stemming from trade deals May will need to ensure post-Brexit Britain remains outward-looking and is expected to run an internationalist foreign policy. This will include re-affirming the UK's commitment to NATO, having

previously stated the importance of maintaining Britain's membership in the interests of security. Demonstrating her commitment to defence, one of May's first actions as Prime Minister was to call a vote on the renewal of Trident.



Healthcare

NHS finances featured predominantly in the Brexit debate, and we can expect NHS resources and financial control to remain high on the agenda (although it's likely that the 'reset moment' of NHS finances, which was due to happen earlier this month, will be slightly pushed back.)

Health Secretary Jeremy Hunt, who has retained his post, is likely to push on with his plan to impose the current junior doctors' contract. The BMA may yet respond to its members' rejection of the new contract with more strikes, but Theresa May has shown her strength in facing-down public sector unions.

During her leadership campaign she reinforced the importance of the pharmaceutical industry. Commenting on the recent attempted AstraZeneca takeover bid, she said a "proper industrial strategy" should "be capable of stepping in to defend a sector that is as important as pharmaceuticals is to Britain."

The Prime Minister used her first Downing Street speech to highlight a commitment to equality and the public health agenda, although it waits to be seen what her personal priorities on health will be. Her own diagnosis with Type 1 diabetes and her role as patron of the National Rheumatoid Arthritis Society may shape her outlook. Her mother passed away from multiple sclerosis when May was in her mid-twenties, giving her first-hand knowledge of living with degenerative diseases. Her advisors have strong links with a number of healthcare charities and support her ambition to provide equal life chances to everyone, including those with disabilities.

May's joint chief of staff Fiona Hill previously worked for the Conservative Party as a press officer for then-shadow health secretary Andrew Lansley, giving her a solid background in health politics and policy.

"Under this Government we are seeing a significant change in the way in which people with mental health problems are being dealt with by both the police and the NHS."

House of Commons, January 2015



Education, schools and family

May's first speech outside No.10 focused on tackling social injustice. She paid tribute to Cameron's record and made it clear that she will continue to pursue his One Nation Conservative agenda including his focus on improving 'life chances'.



The emphasis on tackling inequalities and social mobility through improvements to education, skills and family policy is already clear. On the steps of No.10, May said: "If you're a white, working-class boy, you are less likely than anybody else in Britain to go to university. If you're at a state school, you're less likely to reach the top professions than if you are educated privately." Major reforms already underway to the national funding formula are also set to progress under May who has particularly welcomed the extra funding for children from disadvantaged backgrounds.

May's appointment of Justine Greening as Education Secretary, the first to be educated at a comprehensive school, reflects her commitment to putting education at the centre of the life chances and social justice agenda.

May's interest in education will likely be spurred on by joint Chief of Staff Nick Timothy. Timothy, May's former senior adviser in her role as Home Secretary, was until a few days ago head of the New Schools Network, a charity dedicated to supporting free schools. His appointment will increase the likelihood that Justine Greening, as Education Secretary, will be given the support and encouragement needed to continue to deliver some of the radical changes introduced under David Cameron.

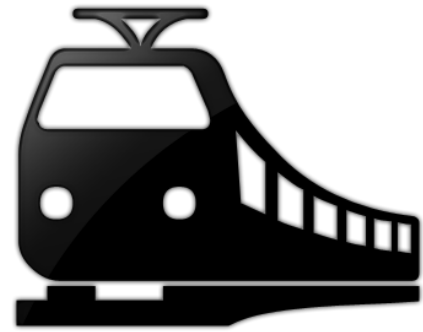
Responsibility for higher education and skills is to be moved from the Department for Business, Innovation and Skills into the Department for Education. The importance of social mobility and helping people reach their potential will continue to be reflected in higher education policy – as it has been under Jo Johnson's reforms to HE. However, how it will be linked to education for primary and secondary schools is now in the hands of Justine Greening and her team.



Transport and infrastructure

May's commitment to lead the UK in the spirit of 'one nation' has real implications for transport and infrastructure policy. It suggests continuity from the previous administration, which should provide some comfort to infrastructure investors at a time of uncertainty.

Both Cameron and George Osborne saw grand infrastructure projects as tools to achieve 'one nation' aims. By investing in links to physically connect the country, they believed they could foster a sense of national unity. On this front, early signs suggest May will follow her predecessors. In fact, she might even go further.



During her leadership campaign, she criticised the lack of "deep economic reform" over the last six years and highlighted the UK's productivity problem. She pledged this would be a priority for the Treasury and promised more Treasury-backed project bonds for infrastructure projects to address it. She also promised a plan to "help not one or even two of our great regional cities but every single one of them."

This veiled dig at Osborne's Northern Powerhouse project reflected her view that the previous government did not go far enough to stimulate infrastructure investment. Budget 2016 saw the government accept the National Infrastructure Commission's recommendations on connectivity between northern cities. Under May's tenure, we might see the Commission's attention turn to connectivity in other regions too.

On HS2, May has supported the project to date. The project's spiralling costs are likely to come under growing scrutiny in the next few years, which might pose a challenge to her fiscal agenda. Nonetheless, the aims of the project are aligned with her own 'one nation' ethos, suggesting it is likely safe.

Some questions remain however. May's constituency of Maidenhead falls within the zone west of London that would be affected by Heathrow expansion. However, May will want to show that she is putting the national interest at the forefront of her decision making, and ensuring that the UK demonstrates that it is 'open for business' in a post EU-world. It would be unsurprising if Theresa May now decides to follow the advice of the Airports Commission and approve the third runway at Heathrow.

Theresa May has indicated that housing will continue to be an area of focus for No. 10. Already, she has offered her prescription of the housing crisis – an undersupply of housing is causing prices to rise, making it difficult for young people to own their own home. It is clear that May will continue to focus on increasing home ownership, despite some calls for an approach that addresses issues across all tenures.

"I want to see an energy policy that emphasises the reliability of supply and lower costs for users. A better research and development policy that helps firms to make the right investment decisions. More Treasury-backed project bonds for new infrastructure projects. More house building. A proper industrial strategy to get the whole economy firing. And a plan to help not one or even two of our great regional cities but every single one of them."

Launch of Conservative leadership bid, June 2016

Much of the heavy lifting on housing policy has been done, particularly with the passage of the Housing and Planning Act. Expect policies such as extending Right to Buy and delivering Starter Homes to continue.

It is possible, however, that the new Chancellor Philip Hammond will take another look at the plethora of subsidies on offer to homebuyers. Some analysts believe these are exacerbating the housing crisis by placing additional pressure on the limited supply of homes – not to mention the cost posed to the Exchequer.

Interestingly, May has also drawn a line between the housing and productivity challenges that the UK faces, stating that too much “of the country’s money will go into expensive housing instead of more productive investments that generate more economic growth.” This could open the door to supply-side reforms, including further liberalisation of planning policy or government intervention to get the housing market working in the interests of homebuyers rather than developers.

May could therefore represent continuity in objectives, but perhaps departure in means. She will continue in the spirit of her predecessor’s one nation conservatism, but will go further in seeking to achieve it, releasing Treasury bonds and rolling out the Northern Powerhouse concept to other regions. What is clear is that before 2020, we will see infrastructure at the heart of the government’s one nation agenda.



Local government

The May administration has started at a time when political attention is focused on European affairs and the economy. What future, then, for localism?

As a starting point, it should be remembered, that as Home Secretary Theresa May introduced directly-elected Police and Crime Commissioner. They brought with them local political accountability over policing for the first time.

Institutionally, parts of the civil service machinery are now bought into the devolution agenda with teams in Treasury and DCLG overseeing implementation of the policies previously spearheaded by George Osborne.

With six combined authorities coming into being around the country, it will be up to the new Chancellor Philip Hammond to decide whether to strike further devolution deals. As Transport Secretary he was committed to localism, but as a fiscal hawk it will have to be seen if he will put his money where his mouth is.

Other reforms face a more uncertain future. The detail of proposals to allow local authorities to retain business rates is still being worked out and could be watered down.

London has so far lagged behind in the trend towards greater devolution. Sadiq Khan has called for a new settlement from central government since his election. He may get greater powers if he can convince central government that the GLA can act to help protect the capital's economy. It may also suit the Conservative administration for Labour-led City Hall to share accountability in London.

Councils will undoubtedly continue to face a challenging funding environment, with cuts to their central government grants, ageing populations to cater for, and a possible recession impacting on locally-generated funding streams.



Energy

It looks as though energy will be high on the new Prime Minister's agenda, with Theresa May having referenced both price increases and priorities in the 'trilemma' in her leadership speech on Monday. Noting that energy bills had 'rocketed' could well mean energy executives are going to feel the heat about bills and the perennial 'rocket and feathers' argument (when prices shoot up like a rocket but fall like a feather) once again. On the trilemma, only two elements were mentioned: reliability of supply (a change to the common parlance of 'security of supply' - perhaps a slight at intermittent generation) and cost. Decarbonisation was notable by its absence.



Theresa May has not been particularly vocal about climate change in her Parliamentary career but [Carbon Brief](#) have turned up some very green comments she made in opposition. In a cached version of her website she refers to the need to reduce our reliance on fossil fuels and support solar and wind energy while not 'giving unfair subsidies to new nuclear power stations'.

"Britain is the first country in the world to formally bind itself to cut greenhouse emissions and I strongly believe this will improve our national and economic security. To stay reliant on fossil fuels would mean tying ourselves to increasingly unstable supplies which could endanger our energy security and the Climate Change and Energy Bills mark an important step for both the health of our economy and the health of our nation. It is now vital that we stick to these targets."

Statement on Climate Change Act, 2008

The cost of living also featured in her speech outside No. 10. With 2.38 million households in fuel poverty in 2014, an increase on the previous year, this will be a major focus of energy policy for a Prime Minister who has already set social justice as the key theme of her premiership.



What's next for the Prime Minister?

20th July 2016	Prime Minister May faces her first PMQs. Many pundits predict a more muted affair than those presided over by David Cameron.
4th – 5th September 2016	May makes her debut on the world stage at the G20 in China.
1st October 2016	Time for celebrations: the Prime Minister turns 60.
5th October 2016	May gives her first party conference speech as Conservative leader and Prime Minister.
20th October 2016	May attends a meeting of the EU Council. She will likely use the meeting to try to forge positive relationships with European leaders in advance of triggering Article 50.
November 2016	Phillip Hammond delivers the Autumn Statement. Keep a close eye on whether May sticks to her guns on loosening austerity.
2017	<p>Triggering of Article 50. May has been deliberately non-committal about when the formal negotiation process for exiting the EU will be triggered, saying it won't be before the end of 2016.</p> <p>Triggering in 2017 means the two year process completes in 2019, a year before the general election. Depending on the success of negotiations, this provides May with her platform for re-election.</p>
May 2020	General election.



How we can support your organisation to respond

Making sure you are in the best place to respond to the evolving policy and regulatory environment is key to ensuring you protect your ability to operate effectively.

Westminster Advisers offer a range of integrated communications services to help you effectively respond to the rapidly evolving political environment.

Assessment of impact on your organisation

An assessment of the political and economic implications of the new government for your organisation or sector:

1. The latest political developments and implications for your sector.
2. How to effectively position your business within the developing political, media and policy narrative.
3. A presentation to your senior team on the above, including the production of analysis and outputs.



Stress-testing your strategy

A deep-dive into your public affairs, PR and communications strategy to help you maximise impact in the new political environment:

1. Review your strategy and stress-test your messaging within the new political landscape.
2. Make recommendations on how you revise your strategy to ensure it resonates with new stakeholders.
3. Putting you in the best position to be influential and win advocates for your messaging.
4. Help you forward-plan your strategy against key milestones.



Supporting your internal comms

Helping you to effectively communicate to your staff to ensure that they are all informed and understand the implications of the EU referendum, the new government, and its implications.

1. Review your internal communications plan to ensure it sets out your position in a clear, accessible way.
2. Help you to maximise message delivery by advising you on effective forward planning, as well as ensuring messages are consistent and targeted.
3. Assess the channels and messages you intend to use with your audience to make sure they provide clarity and comfort.
4. Ensure your internal communications strategy supports two-way communication with employees.



Policy analysis for investors

An in-depth look at the policy risks to your business to identify:

1. Your portfolio's exposure to UK and European policy, regulation, trade or labour supply. This ranges from implemented and expected European Directives to stated UK government and opposition policy and legislative programmes.
2. Potential changes to these policy areas and how these affect your businesses' operation.
3. The commercial risks this presents to your assets and where there are opportunities to mitigate these factors.
4. A regular review of political risks on individual assets, exploring in further detail where changeable or business-critical risks are identified.



Insight, monitoring and analysis

Ensuring you stay ahead of the curve in understanding:

1. Who the new key players are in government and the opposition.
2. The outputs of the newly formed Department for Exiting the European Union.
3. The policy priorities of No.10 and key government departments.
4. Where the political pressure points are in the new government, and how you can make your voice heard.
5. Effectively tracking the policy development process.



ABOUT WESTMINSTER ADVISERS

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