

### Hung Parliament

## What is meant by a hung Parliament, what arrangements are possible and what alliances could form?





#### **Overview**

Another hung Parliament is a very real possibility this election, in which there is no clear mandate, no majority, and no consensus on the way forward.

This briefing explains what that means, how government formation works and what the possible options parties will have as well as assessing their likelihood.

#### Contents

- What is a hung parliament?
- Formation of government and possible outcomes: minority government, interparty agreements and coalitions
- <u>Case studies of hung parliaments and lessons to be drawn</u>
- Main scenarios





#### What is a Hung Parliament?

It is a core element of the UK constitution that a Government can only form and govern if it has the confidence of the House of Commons. The easiest way for a party to demonstrate that they have this confidence is by winning an outright majority in a General Election. A nominal majority equates to 326 seats. However, due to a number of seats remaining vacant, such as the Speakers and Deputy Speakers and Sinn Fein, a party only needs 320 seats to command a simple majority. Nevertheless, there have been a number of occasions – most recently in 2017 – when no party has won an overall majority. This is known as a hung Parliament.

Traditionally it would be for the party with the most seats to try and form a Government which has the confidence of the House. The incumbent Prime Minister remains in office until a time when the Monarch invites a successor to form a Government.

If no party can govern with the confidence of the House, then another General Election may be triggered via the 2011 Fixed Terms Parliaments Act.

#### How formation of Government works, what are the possible and most probable scenarios, how long it is likely to take

Given that the government of the day must have the confidence of the House of Commons, a hung parliament can present challenges in instating a new government. When no single party holds a majority of seats, the formation of a government may be delayed, and the process will follow particular rules and conventions. Government activity will also be restricted until a new administration is formed.

Until an alternative Prime Minister is appointed by the Queen, the incumbent Prime Minister remains, also known as a 'caretaker' administration. The incumbent government is entitled to see if it can command the confidence of the House when the new Parliament has met, but if it is unlikely that they will be able to do so, they are expected to resign.

In the event that no party has a majority, political parties hold discussions to establish who is best placed to command the confidence of the House and, therefore, who should form the next government. There is no legal requirement for the formation of a new government to take place within a set time period, but the UK is not used to long period of government formation negotiations. Although the Sovereign would not become involved in any negotiations, there is a duty to keep them informed.

The Cabinet Manual outlines three types of government that can form:

- Single-party, minority government, where the party may (although not necessarily) be supported by a series of ad hoc agreements based on common interests
- Formal inter-party agreement
- Formal coalition government, which generally consists of ministers from more than one political party, and typically commands a majority in the House of Commons.



#### **Minority Government**

A minority Government is usually made up of the party with the largest seats, who can easily demonstrate that they are more likely to be able to command the support of the House.

A minority Government can govern without entering into any formal arrangements with the other parties if it is clear that they have support from other parties.

If a minority Government had support from other parties on an ad hoc basis or were able to govern and pass legislation via opposition party abstentions, then they could take office and remain as long as they do not lose a Vote of No Confidence via the Fixed Terms Parliaments Act.

It is also possible for the incumbent Government to continue in office and test the confidence of the House in a Queen's Speech or confidence motion. Losing that would trigger the resignation of the Government.

Not all minority government's begin their term as one, but instead gradually lose their majority over the course of a Parliament. For example, John Major lost a number of MPs throughout his last Government and by 1997 he was operating as a minority Government.

In the event of a minority Government, the Government would find it difficult to pass legislation without the support of other parties on an ad hoc basis. It could result in the governing party having to make many compromises to garner support.

#### **Confidence and Supply**

Minority Governments can also govern by entering into a Confidence and Supply agreement with an opposition party(ies). This arrangement would usually involve the two sides agreeing on a number of policy positions and for the smaller party to agree to support the Government in crucial votes such as: The Queen's Speech; Budget; and finance and money bills.

Most minority Governments would seek for this arrangement to be in place for the whole length of the Parliament, with perhaps a renewal clause in after each session.

The most recent example of this is the 2017 arrangement between Theresa May's Conservative Government and the Democratic Unionist Party, in which a financial offer was made to secure DUP support.



#### **A Coalition Government**

A coalition is a formal arrangement which two or more parties enter into in order to form a working majority Government. These can form in times of national crisis, for instance a 'national unity government', or in the event where no party have an outright majority after an election. The arrangement involves the governing parties finding compromise to align their legislative agendas and involves MPs from both sides holding offices of state and sharing collective responsibility, the dominance of any one party within it. The most recent example was the 2015 Conservative – Lib Dem coalition, which proved deeply damaging politically for the smaller party.

If no alternative government can be formed, or if the government loses confidence, there could be another general election. It is impossible to estimate how long negotiations might last before parties decide an agreement cannot be reached. It is down to Parliament to decide whether an alternative government could be formed and if this becomes untenable (within 14 days if a vote of no confidence occurs) a new general election would be triggered.

# This section looks at when in the past a hung parliament happened, what the circumstances were and what lessons could be drawn from those cases.

#### A peaceful co-existence

An exploration of historical hung Parliaments takes one back to two other December elections, in 1909 and 1910, both resulting in Liberal minority Governments. The Liberals governed with the support of Irish Nationalists by prioritising the passage of the Home Rule Bill. They further solicited the support of the Labour Party through the pursuit of social welfare and trade union legislation. This demonstrates how minority government can present few problems when minor parties have little option but to co-operate, and the party in power has a common vision for reform.

#### The impact of controversy

Minority Labour administrations followed in 1924 and 1929. In the former, Conservative Prime Minister, Stanley Baldwin, foreshadowing the error of future Tory leaders, staked his premiership on a major issue, tariff reform, but lost his majority. After lending Labour their support, the Liberals were aghast at Ramsey MacDonald's decision to call a general election over the "Campbell Case". The poll would return Baldwin to power and cut the Liberal seats from 151 to 40 MPs. This highlights how partners in Government can be exposed to the political crises of their allies.

In 1929 MacDonald again relied on the reticent support of the Liberals, with the Labour assailed by the demands of international finance and trade unions as the Great Depression unfolded. Flashpoints were not uncommon. Sir John Simon and two other Liberals resigned the whip in June 1931, and it is likely that closer collaboration would have deepened discontent.



#### The fear of another election

1974 was arguably the most dramatic year in modern British politics. With the intention of strengthening his hand against the unions, Conservative PM Ted Heath posed the now infamous question; "Who Governs Britain"? The election produced the first hung parliament since 1929, and the question would be answered four days later in the form of a minority Labour government. Harold Wilson governed for six months reliant on crucial abstentions by Conservatives, fearful of a second election after their earlier defeat. Wilson then called another general election in October 1974, producing a Labour majority of 3, but crucially, a majority of 42 over the Conservatives. His calculation acknowledged the reality that minority governments can only rely on the acquiescence of opposition parties for so long, no matter how unappealing an election may appear.

#### The risk for the junior coalition partner

The next election to result in a hung parliament was 2010, although John Major did govern with a minority in Parliament after Conservative divisions exploded over the Maastricht Treaty. David Cameron would become the first Tory PM since Major and bring his party into coalition with the Lib Dems. The 'Agreement for Stability and Reform' laid out the basis on which the Government would be maintained, with chief tenets including: accelerated deficit reduction, expansion of civil liberties, and increasing personal income tax allowance. Only 2 Lib Dem MPs refused, including former leader Charles Kennedy. Nevertheless, both parties continued to disagree on several issues, including; boundary changes, the Leveson report, and a referendum on the UK's continued EU membership, deemed by Clegg to be "not in the national interest". In 2015, the Conservatives returned with a majority Government, whilst the Lib Dems were reduced to just 8 MP. This highlights the dangers of coalition for junior partners, as tuition fee reform became emblematic of a perceived capitulation to Tory wishes during the Lib Dems' time in office.

#### The Kingmaker becomes the King-slayer

An ill-fated walking holiday would result in the most recent hung parliament, with Theresa May's catastrophic loss of her majority in the 2017 general election. The resultant confidence and supply agreement with the DUP stipulated that Arlene Foster's party would support the Conservatives in all matters related to: motions of confidence, the budget, national security, and Brexit legislation. Crucially however, May failed to secure the DUP's support for any of the three "meaningful votes" on her Brexit deal, leading to the demise of her premiership. Boris Johnson further ruptured relations with the DUP, with his deal eliciting unionist disquiet over proposed customs arrangements between Britain and Northern Ireland.

The last two years have demonstrated how intractable differences between governing partners can result in major political impasse. There is a considerable possibility that the 2019 election could engender the same circumstances.



#### A Hung parliament - Arrangements and coalition options

As the previous section has shown hung parliament arrangements are all plight with uncertainties. This section looks at the main possible scenarios assessing their likelihood.

#### Labour & the SNP

An arrangement between Labour and the SNP hinges on whether Labour would commit to approve a new Scottish independence referendum. First Minister Nicola Sturgeon has said the SNP will not support Corbyn into power unless he accepts the "principle" of a second referendum.

On Wednesday, Corbyn ruled out approving a referendum in the first term of a Labour Government; but later rowed back saying this would not be a priority in the "early years". Corbyn indicated the week before he would allow one but "not any time soon." Sturgeon hinted last week she was confident a Labour Government would agree to indyref2.

Focussing on investment in Scotland, as Corbyn committed to on the campaign trail in Glasgow, and a new Brexit deal, Labour probably hopes to convince the Scottish people to stay in the UK in the event of a referendum.

There is clearly space for a deal to be struck between the two parties. In terms of their politics, the two parties would agree on a greater role of the state.

But questions remain: would the two parties have enough MPs to command the confidence of the House? And how sustainable would this be considering the SNP have campaigned against Brexit and would be on a different side in a second indyref?

#### Labour & the Lib Dems

Despite the rhetoric used by both parties against each other, an arrangement between Labour and the Lib Dems is more likely than they let it seem. Their comments have been categorical. Last week Jo Swinson ruled out that any votes for her party would translate into getting Corbyn into No 10. Despite being under pressure following this week's announcement from two candidates that they will stand down to avoid splitting the Remain vote, Swinson insisted she would not do deals with and make no favours to Corbyn.

But we are still early days in the campaign so there is still time for a climb down, albeit a big one. Asked if she would work with Labour following Farage's announcement to stand down candidates in Tory held seats, Swinson said her party approached Labour when the Unite to Remain alliance was forming and Labour refused. Her comment shows she was not long ago ready to accept an arrangement with Labour despite her denial to do so throughout the campaign.

It is not difficult to see how the two parties would find a compromise. Lib Dems would allow for another Brexit delay whilst Labour attempts to strike a new deal with the EU. In return Labour would commit to holding a referendum on the deal at the earliest possible opportunity.

However, a significant sticking point for the Lib Dems has also been the leadership of Corbyn. A number of their new MPs defected from Labour stating they couldn't countenance Corbyn becoming leader.



Another question to be ironed out, should a deal between Labour and Lib Dems be struck, would be how the two parties would agree on a plan B if an extension is not accepted by the EU. The Lib Dems would push for revoking, but it is uncertain what Labour would do, considering Corbyn's long held Euroscepticism.

#### The Conservatives & the Brexit Party

With many moderates having left the parliamentary party and Johnson's readiness for a hard Brexit, what would have been an inconceivable arrangement, looks more probable. Farage's recent retreat, standing down candidates in Tory-held seats has arguably led to the Conservatives surging in polls (YouGov) to 42 percent followed by Labour with 28 percent and the Brexit party plunging to 4 percent with Lib Dems steady at 15 percent.

Farage's announcement followed Johnson's commitment on Sunday that a future Tory government would not extend the post-Brexit transition period and would pursue "a super Canada-plus arrangement" with the EU not "based on any kind of political alignment." Despite the denial on both sides that there had been any kind of the deal between the two parties, speculation is running high that this in fact has been the case. The BBC have also reported that Johnson's statement came in response to a Brexit Party demand, via Brexiteer Tory MPs, for a public statement from the government that would "give them faith they all wanted the same kind of Brexit".

#### The Conservatives & the DUP

The former confidence-and-supply allies of the Conservative Party are now ever more distant from Johnson's party. The PM's Brexit deal infuriated the DUP, who claimed that the deal's consent mechanism "drives a coach and horses through the Good Friday Agreement." The relationship was already strained under Theresa May, with the unionist party voting against her deal each time it was put to the Commons, arguing that the Irish Backstop had the potential to create an internal border within the UK. The union comes first for the DUP, making the possibility of them supporting Johnson bringing back his Withdrawal Agreement Bill very unlikely.

However, the DUP MPs did vote for the Queen's Speech last month on the last occasion despite the two parties' relationship reaching almost breaking point. This means that the possibility of an arrangement between the two parties cannot be ignored.

#### Labour & the DUP

Although it sounds inconceivable on first thought, an arrangement between Labour and the DUP should not be completely ruled out either. The DUP sits firmly on the right with regards to issues such as abortion or gay rights and would certainly make a very strange bedfellow to the Labour party leading to much outrage in the party. The two parties have also campaigned for opposing camps in the EU referendum. Given this, only a very loose or ad hoc arrangement would be possible.

However, Labour is the DUP's only choice that claims to offer them both Brexit and remaining part of the UK in every sense. The height of their collaboration albeit in a strict sense was Labour opening the door to the DUP to discuss how best to improve the Withdrawal Agreement Bill. Labour Brexit spokesperson Sir Keir Starmer said: "I say to the DUP in particular: if you want to work with us on this to improve the situation our door is open to that discussion."



However, any arrangement with the DUP would be difficult: the DUP are not in favour of another referendum, the Labour party is split between Remain and a better Brexit deal and their standing on social issues is miles apart.

#### **Conservative minority Government based on ad-hoc arrangements**

The Conservatives may also decide to go it alone bullishly hoping to convince MPs to vote their Queen's Speech and then pass their Brexit deal through the House. If they fail to pass the Queen's Speech, the Government is expected to resign. The opposition could trigger a no confidence vote and an alternative Government could be formed, or a new election could be called.

If they pass the Queen's Speech, uncertainty will linger with regards to Brexit as it remains to be seen if the Withdrawal Agreement Bill would go through the Commons before the 31 January 2020, avoiding a new Groundhog Day cycle.

A Conservative minority could also, having passed their Queen Speech, decide to pull their Withdrawal Agreement Bill if it is successfully amended by the opposition and seek to 'run down the clock' and leave without a deal on 31st January. MPs would attempt to prevent them from doing this, but the mechanisms given to them by Speaker Bercow may not be guaranteed under Lindsay Hoyle.



Essential information and connections

London 11th Floor | The Shard | 32 London Bridge Street | London SE1 9SG
 Brussels 7th Floor | Rue du Trône 60 | Brussels 1050 | Belgium
 Edinburgh 32 Calton Road | Edinburgh | EH8 8DP
 Paris 315 Bureaux de la Colline | 92213 Saint-Cloud cedex | Paris

+44 20 7593 5500 1 +44 20 7593 5501 customer.service@dodsgroup.com () www.dodsgroup.com
Registered in England number: 04267888 © Dods Group plc 2017