1 LABOUR'S THIRD TERM: A TALE OF TWO PRIME MINISTERS

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In the early hours of Friday 6 May 2005, Tony Blair's Labour party won its third successive general election and another term in office. Blair was now indisputably his party's most successful election winner.[1] His modernisation of Labour's programme and organisation, encapsulated in the name 'New Labour', had delivered 43.2 per cent of the vote and a landslide win in 1997 and 40.7 per cent of the vote and another landslide in 2001. Now Blair and Labour had scored a hat trick. Yet, the win in 2005 was far from convincing. Labour's share of the vote dropped sharply to just 35.2 per cent, a consequence of mounting dissatisfaction with the government's record and Blair's personal conduct and opposition to the Iraq war. A weak Conservative opposition and the vagaries of the first-past-the-post electoral system still ensured a handsome parliamentary majority but Labour's win was only superficially impressive.

Labour had never won more than two consecutive elections, and historical precedents from earlier third-term governments offered little guidance about what to expect. Harold Macmillan's 1959 Conservative government faced economic difficulties and scandal and went on to lose in 1964. Margaret Thatcher's 1987 Conservative government faced economic difficulties and internal divisions but went on to win again in 1992. History would, however, be a certain guide to Labour's third-term prospects in one respect: neither Macmillan nor Thatcher had survived as prime minister to fight the next election, and nor would Blair.[2] Blair had already announced that he would not fight another election so as to placate Gordon Brown, his hugely respected chancellor of the exchequer. Virtually no one thought that Blair would last for very long after 2005, and virtually everyone expected Brown to succeed him. The only real doubt was over whether Brown would subsequently call a snap election to secure a personal mandate, whether he would bide his time, or whether he would hold out until the last possible moment permitted by law. After all, a change in prime minister would not

automatically trigger an immediate election. Britain is a parliamentary system, and prime ministers are customarily the leader of the largest party in the House of Commons. When a prime minister steps down or is forced out in between elections, it is a matter for the party, not the voters, to choose a new leader and head of government.[3]

In 1997, Labour's campaign song had been called 'Things can only get better'. That title summed up the party's grounds for optimism in 2005. Memories of Iraq would fade, Blair would soon be gone. There was every reason to suppose that Labour under Brown might win a fourth term. But things did not get better. The economy deteriorated and the public turned against a government that seemed accident prone, directionless and haunted by earlier policy decisions. This chapter examines what went wrong during Labour's third term and how things got worse.[4]

Change at the top

To the outside world Tony Blair appeared to dominate the Labour party after becoming its leader in 1994. He persuaded the party to change Clause IV of its constitution and end its commitment to public ownership, and he engendered a previously unknown sense of discipline and unity in the party. But there was always one impediment to Blair's dominance: Gordon Brown. Blair and Brown had both entered Parliament in 1983, an election famous for Labour's lurch to the left and for being a contest in which Labour came close to coming third. This formative experience fostered in both men a shared determination to anchor the party firmly in the centre of British politics. In this enterprise they seemed closer than brothers. When John Smith, the then Labour leader, died in 1994, Blair and Brown reputedly made a pact: Brown would not contest the leadership and Blair, in return, would make way for Brown at some point in the future.[5] In the meantime, Brown as shadow chancellor was granted unprecedented autonomy to shape the party's economic policies and great swathes of its domestic policies. Between them, the two men drove forward New Labour's electoral strategy.

After the 1997 election, Blair and Brown worked together in an almost semi-presidential arrangement. Blair was like a French Fifth Republic president, Brown, ensconced in the Treasury, a Fifth Republic prime minister. Initially the relationship appeared to work well. During Labour's second term, however, it deteriorated markedly.[6] It began to resemble the French dual-executive during periods of cohabitation, but with Abel in the Élysée Palace and Cain in the Hôtel Matignon. It was no secret that Brown wanted Blair's job, nor was it a secret that Brown believed Blair had broken his promise to step aside.[7] Moreover, Brown's frustrated ambitions fuelled an

intense and increasingly public feud that extended into the wider party. In the 1950s, Labour had been split between supporters of Aneurin Bevan on the left and supporters of Hugh Gaitskell on the right. In the 2000s, it was divided between loyal Blairites and die-hard Brownites. With each clan working hard to undermine the other, British government at times resembled a cross between a soap opera and a turf war.[8]

The feuding was truly remarkable. It undermined the sense of unity at the top of government. It affected the conduct of government. It affected the way voters viewed the government. It weakened Blair's authority as leader and prime minister. And it ultimately led to both Blair's departure and Brown's accession.

Blair's long goodbye

Tony Blair had announced his intention to serve 'a full third term' if Labour was re-elected, but not to seek a fourth term, as far back as September 2004.[9] He had apparently calculated that his announcement would end speculation about his long-term plans and forestall any plot to remove him by an increasingly agitated Gordon Brown and his supporters. Making such an announcement was always risky, however. A prime minister's power depends, to some extent, upon others' judgements about his future prospects. As Richard Neustadt stressed in his classic study of the American presidency, any chief executive's capacity to influence others is affected by their public prestige – others' evaluations of how the public judges them, including their electoral prospects – and by their professional reputation – others' evaluations of their skills, tenacity and ruthlessness.[10] A prime minister who is not expected to lead his party into the next election will almost inevitably see his authority reduced, just as any president who is re-elected for a second term soon tends to become a lame duck. Any prime minister who sets a limit on his own tenure is likely to limit his own authority. And any prime minister who is perceived to have made himself a lame duck also diminishes his professional reputation.[11] For these reasons, few prime ministers talk publicly about their retirement plans. Margaret Thatcher famously talked of going 'on and on' after winning the 1987 general election. Not so Blair. No prime minister in the modern age had announced a limit to his ambitions so far in advance.

Blair's undermining of his own future prospects would have limited his standing in any event. Yet, his authority was also ebbing because of Labour's performance in the 2005 election. Many held Blair responsible for the party's reduced majority, which fell from 166 to 65.[12] Many ardently believed that the party's majority would have been much larger if Labour had been led by Brown. Immediately after the election, the Sunday Times contacted 100 Labour MPs, at least thirty of whom wanted to Blair to step down 'sooner rather than later'.[13] With the number of such 'friends' behind

him on the backbenches likely to grow, the odds were always against Blair serving a full third term.

Blair's diminishing influence over Labour MPs' was evident in their opposition to a number of key government measures. In the wake of the July 2005 London bombings, when four radicalised Muslims murdered fifty-two people, Blair pushed hard for new powers to allow the police to hold and question terrorist suspects for up to ninety days without charge. However, the government lost a vote on this measure in the House of Commons when forty-nine Labour MPs rebelled, and Blair had to settle for a twenty-eight-day detention measure. It was the first occasion on which his government had been defeated. Twelve weeks later, the government suffered two further Commons defeats when a number of Labour MPs rebelled over the controversial Racial and Religious Hatred Bill, which sought to extend race-hate laws to cover religious beliefs.

Blair's loss of authority also told in his failure to cement his domestic legacy and carry through his 'choice agenda'. Education was singled out for reform in Labour's third term. A 2006 education White Paper promised to give parents more rights and to establish new 'trust schools' that would have greater autonomy from local authorities in managing their affairs.[14] This policy touched a raw Labour nerve. Many in the party feared that the proposals could lead to a two-tier system, in which only the rich would go to the best schools. Amidst mounting opposition among ministers and MPs, Blair's education secretary Ruth Kelly was obliged to make a number of concessions, including sacrificing the name 'trust school'. When MPs debated the principle of the proposed changes in March 2006, a total of fifty-two Labour Members voted against the government. The bill passed but only because it had Conservative support.

Events compounded the sense that Blair's government was losing its way. In April 2006, it emerged that 1,023 foreign prisoners had been released without being considered for deportation, as the law demanded. There was further embarrassment when it emerged that the minister responsible, home secretary Charles Clarke, had been warned of the problem nearly a year before and that 288 prisoners had been released in the intervening period. Clarke was sacked a month later. It was left to his successor as home secretary, John Reid, to pass judgement on his own officials and his predecessors' legacies: 'not fit for purpose', was how Reid described his new department to a committee of MPs.[15]

By the summer of 2006, Blair's authority was stretched to breaking point. The prime minister seemed to acknowledge his political mortality when, in June, he began a series of valedictory lectures on domestic policy under the slogan 'Our Nation's Future'. Then, in July, he further antagonised his party by refusing to criticise Israel for its invasion of Lebanon. Many Labour MPs were still outraged by Blair's consistent support for President George W. Bush's foreign policy, and this was, for them, the final

straw. More importantly, supporters of Gordon Brown had also reached the limits of their patience with Blair's reluctance to stand aside and were now prepared to strike. In September, just before the party's annual conference, over a dozen Labour MPs signed a letter calling on Blair to step down. Brown was widely believed to be behind this move.[16] Meanwhile, and unbeknownst to the signatories, John Prescott, Labour's deputy leader and deputy prime minister, had already extracted from Blair a pledge to announce a timetable for his departure.[17] The letter now forced the prime minister to bring forward his announcement. Blair confirmed the following day that the coming party conference would be his last as leader. He would step down before the autumn of 2007.

Blair had never been loved by Labour but he had been tolerated because of his election-winning talents. Now, with Labour's popularity in the doldrums, as Figure 1.1 shows, Blair was finding that support within his party was not broad enough to sustain him in the bad times. Labour MPs and activists were all too aware of their party's diminished standing. They were also aware of Blair's diminished personal standing. Each month since he first came to office, Ipsos MORI had asked respondents whether they were satisfied or dissatisfied with the way Blair was doing his job as prime minister.[18] During his first term, between May 1997 and June 2001, 56 per cent of respondents were, on average, satisfied with Blair. During his second

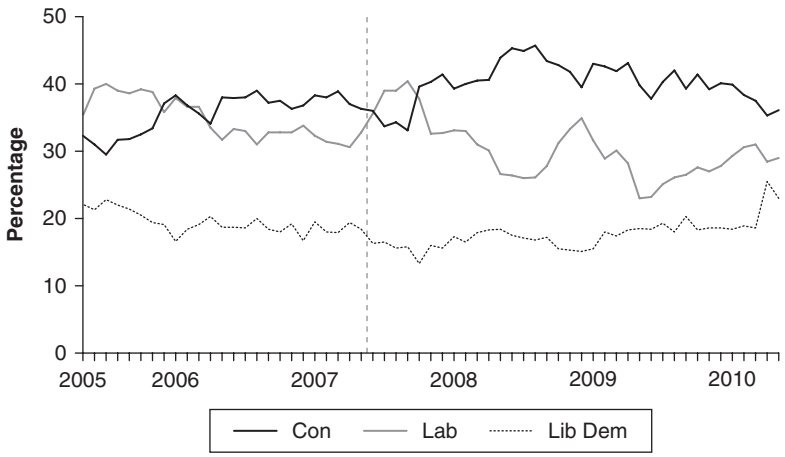

FIGURE 1.1 *Voting intentions, 2005–2010*

Source: UK Polling Report, 'Voting intention', available at http://ukpollingreport.co.uk/blog/voting-intention. Last accessed on 26 August 2010.

Notes: The figure displays average findings by calendar month of all polls published by Angus Reid, BPIX, Communicate, ComRes, Harris, ICM, Ipsos-MORI, Marketing Sciences, Opinium, Populus, TNS BMRB and YouGov between June 2005 and March 2010. The May 2005 voting intentions are the results of the 2005 election.

term, between June 2001 and May 2005, this proportion fell to 39 per cent. Between May 2005 and his final departure from office, only 32 per cent of respondents were, on average, satisfied with Blair. Conscious that the prime minister was no longer an asset, most in the party were relieved at his going. In a YouGov survey that September, 82 per cent of Labour members agreed that Blair should be gone by the next conference, if not sooner.[19]

What Figure 1.1 does not show, but what Labour MPs and activists were fully aware of, was that the press was also becoming more intensely censorious of Labour. The party had been backed by fewer newspapers in 2005 than in 2001, and even those that had supported Labour, such as the left-wing Guardian, were increasingly critical. Other newspapers, notably the right-wing Daily Mail, were plain hostile. At the very end of his premiership, Blair took on his critics when he likened the media to a 'feral beast' in its political coverage.[20] His critics responded by pointing out that Blair had enthusiastically manipulated the media in the early years of New Labour and contributed to a culture of 'spin'. The crucial point, of course, was that a hostile press made life harder for Labour, and in this respect, Blair's going would probably make little difference. Indeed, in September 2009, *The Sun*, Rupert Murdoch's tabloid newspaper and political bellwether, would publicly shift its support from Labour to the Conservatives.

Blair soldiered on for another nine months after his final autumn conference. His government had already taken a few long-term and sometimes difficult decisions, including increasing the state retirement age to 68 and pressing ahead with building new nuclear power stations. Now it took another and in March 2007 the government won a parliamentary vote to renew Trident, Britain's nuclear deterrent. Yet, despite all this policy activity, all eyes were looking to the future. In May 2007, the prime minister confirmed that he would resign on 27 June. Blair then undertook an extended farewell tour, visiting Washington, D.C., Iraq and even the Vatican.[21] His formal resignation followed one last prime minister's questions. After the usual exchanges, Blair told MPs simply: 'That is that. The end.'[22] MPs from all parties responded with a rare standing ovation.

Great expectations

In 2005, many disillusioned supporters had held their nose and voted Labour, comfortable in the knowledge that they would 'vote Blair, get Brown'.[23] There was widespread hope in the party that Gordon Brown, when he became prime minister, would provide the government with a renewed and improved sense of direction. This hope rested on three foundations. The first was Brown's immense reputation as chancellor of the exchequer. Brown had presided over a booming economy since May 1997. Unusually for a Labour chancellor, Brown had also won the confidence of the City and the financial markets. But his reputation did not extend solely

to macro-economic management. As chancellor, he had initially reined in public spending before rapidly increasing the money available to pay for schools and hospitals in the 2000 comprehensive spending review. He had also used his position in the Treasury to determine large measures of domestic policy, especially in the field of social security, through his tax-credit schemes. In a 2006 survey of British political scientists, Brown was judged to be the most successful post-war British chancellor by a country mile.[24]

The second foundation of Labour's optimism was the expectation that Brown's leadership would be more in tune with the party's traditions and ethos than Blair's. Even though Brown had been Blair's co-architect in the creation of New Labour, and even though the policy differences between them were difficult to discern, Brown was thought to be closer to Labour's ideological heart. Labour party members tended to regard Blair as a centrist or even right-of-centre politician and Brown as a left-of-centre politician whose views were much closer to their own. Such perceptions were partly a consequence of many in the party wanting or needing to believe that this was the case. They were also a consequence of what Brown said and did. Unlike Blair, Brown was steeped in Labour history and his speeches were carefully crafted to project an image of him being the champion of 'True Labour'.[25] Many in the party, longing for reassurance as Blair took them to unfamiliar places, lapped it up. It probably helped that Brown spoke with an authentic Labour accent, a Scottish accent, whereas Blair spoke very un-Labour public-school English. Blair's electoral success had given him license to change the party. Now, with memories of success fading, many in the party hoped that Brown would return Labour to its roots.

The third foundation of Labour's optimism was more mundane: there was simply no one else other than Brown who seemed to offer a clear sense of direction. In most governments, heavyweight figures emerge who wield an unusually large influence and who often come to be thought of as potential leaders. Clement Attlee's government had Ernest Bevin, Herbert Morrison and Sir Stafford Cripps. Harold Wilson's had George Brown, James Callaghan, Roy Jenkins and others. Callaghan's had Dennis Healey. During Blair's premiership, there was only ever one prime minister in waiting: Gordon Brown. At various points, others were mooted as possible alternatives, including Charles Clarke, Alan Milburn, a former health secretary, and David Miliband, a youthful rising star of the party. But none managed to acquire a significant following. With the exception of Blair, Brown stood head, shoulders and torso above everyone else in the government.

Brown was unrivalled but he was still subject to criticism. Some colleagues were concerned about his operating style and his followers' tendency to brief against opponents. Clarke, never one of Brown's fans, labelled him a 'control freak' and 'totally uncollegiate'.[26] Others were concerned about his indecisiveness when big decisions had to be taken.[27] Yet others expressed concern about Brown's obsession with politics, his obsession with detail

and his thin skin.[28] In a particularly withering attack, Frank Field, a former social security minister who had once crossed swords with the chancellor, warned that: 'Allowing Gordon Brown into No 10 would be like letting Mrs Rochester out of the attic. He has no empathy with people'.[29] Neutral insiders echoed such reservations. Just before Brown's last budget as chancellor, Lord Turnbull, a former cabinet secretary, Britain's most senior civil servant, accused Brown of acting with 'Stalinist ruthlessness' and treating cabinet colleagues with 'more or less complete contempt'.[30] Turnbull also accused Brown of possessing a 'Macavity quality'; like the cat in T.S. Eliott's poem, Brown was never there when things went wrong.

In the event, such warnings did not induce any fellow cabinet minister to oppose Brown, who inherited the leadership and premiership by acclamation. A challenge by John McDonnell, chairman of the left-wing Socialist Campaign Group, failed to secure sufficient nominations. There was, however, a contested election for the post of deputy leader, which was triggered by John Prescott's decision to bow out along with Blair. Six MPs were nominated: Alan Johnson, Hilary Benn, Peter Hain and Hazel Blears, all cabinet ministers; Harriet Harman, a junior minister; and Jon Cruddas, a backbench MP. Through successive rounds of counting, the field was gradually whittled down. Blears, the most Blairite candidate, went out in the first round, followed by Hain, Benn and then Cruddas. In the final round, Harman surprised most people by narrowly defeating Johnson, 50.4 per cent to 49.6 per cent.[31]

From Stalin to Mr Bean

The widespread hope that Gordon Brown would bring a new sense of direction to the government soon withered. In the space of a dramatic twelve months, Brown's authority evaporated, and the government's standing collapsed, never fully to recover.[32]

In contrast to his reputation as chancellor, and probably because of it, Brown sought to demonstrate a more inclusive style when he became head of government. He appointed some of Blair's supporters to top jobs, most notably David Miliband as foreign secretary. He also sought to involve a number of figures from other parties: two Conservative MPs, John Bercow and Patrick Mercer, and a Liberal Democrat MP, Matthew Taylor, agreed to act as advisers to the government. Brown's attempt to entice the former Liberal Democrat leader Paddy Ashdown into his cabinet was rebuffed, but he was gifted with the defection of Quentin Davies, a Conservative MP who crossed the floor to join Labour.[33] Brown also invited a number of political outsiders to join his 'government of all the talents', including Sir Alan West, a former head of the Royal Navy, Professor Sir Ara Darzi, a consultant surgeon, Sir Digby Jones, a leading businessman and former director general of the CBI, and Sir Mark Malloch Brown, a former UN deputy general

secretary. These 'GOATS' had mixed success in office. Their real value was always symbolic.

Brown also sought to counter his reputation by projecting a more collegial style as prime minister. He pledged to restore collective decision making, thereby dissociating himself from the 'command' style of leadership that Blair had exercised as prime minister and he had exercised as chancellor. He also sought to distance himself from Blair's style of 'sofa government', with all its informality and ever-changing circle of ministers, advisers and confidantes.[34] Brown made much of the fact that his first full cabinet meeting had involved a lengthy discussion about constitutional reform with everyone taking part. 'This is not what some people have called "sofa government". It is Cabinet government.'[35]

Within days of taking office, Brown had an immediate opportunity to counter another perceived weakness: his indecision. He responded robustly to attempted terror attacks in London and Scotland, making very public use of the government's emergency committee 'Cobra' (which takes its name from the Cabinet Office Briefing Room where it meets), and he responded swiftly three weeks later when heavy rain caused extensive flooding to some parts of the country. Brown again convened Cobra and visited the worst-hit areas.

Brown's first few weeks as prime minister were generally praised, and there was a bounce in support for Labour, as a glance back to Figure 1.1 shows. Almost inevitably, speculation mounted of a snap election. The main argument for going to the country now was that Labour was ahead in the polls, and there was an opportunity for Brown to gain his own mandate. The main argument against was that Labour was only two years into a five-year term, and holding an election was risky. Brown was torn. He had waited years to become prime minister and had no wish to risk losing office so soon; yet he also coveted winning without Blair. He was also probably mindful of the fate of James Callaghan, who succeeded Harold Wilson as Labour prime minister in 1976. Callaghan decided against calling a snap election in the autumn of 1978, when he might have won, and went on to lose in 1979.

As Brown considered his options, Labour prepared. At the 2007 autumn conference, some of Brown's aides and several cabinet ministers talked more or less openly about a snap election. A decision was also taken to bring forward the government's pre-budget report and the comprehensive spending review, which would set out long-term spending plans. It seemed to everyone that Brown would go to the country. But then: the Conservatives had a good conference, and Labour's standing in the polls dipped. Brown blinked and announced there would be no election. No one believed him when he suggested that he had never seriously entertained the prospect. Labour had invested thousands of hours' worth of work and spent £1.2 million in preparing for an election that never was.[36] Critics claimed that the prime minister had bottled it.

Brown and Labour might have recovered from this setback. But it suddenly seemed that everything that could go wrong did go wrong. In September, as speculation mounted about an election, there was a run on the Northern Rock bank, one of Britain's largest mortgage lenders. Thousands of jittery investors queued to withdraw their funds. The government was forced to pump more and more taxpayers' money into the institution until about £55 billion had been spent. It was all to no avail. In February 2008, the government reluctantly took the bank into public ownership.

It was difficult to blame the government directly for the run on Northern Rock but it was possible to blame the government for the loss in October 2007 of two data disks containing the personal and banking details of more than 20 million people. Although the episode was a low-level operational failing by Her Majesty's Revenue and Customs, it contributed to a growing sense of an inept government that was bungling from one failure to the next.

Things went from bad to worse when, days after the data discs were lost, the *Mail on Sunday* published allegations that a wealthy Labour donor, David Abrahams, had donated large sums of money to the party in other people's names. On becoming prime minister, Brown had pledge to provide a 'moral compass' to his government. Questions were now raised as to how much he had known. During an exchange in the House of Commons, the Liberal Democrat Vince Cable joked about Brown's 'remarkable transformation in the past few weeks from Stalin to Mr Bean creating chaos out of order, rather than order out of chaos.'[37] There were howls of laughter on both sides of the House.

The last major fiasco of Brown's first year was all the more damaging because it was entirely of his making. As chancellor back in March 2007, Brown had announced a surprise cut in the basic rate of income tax, from 22 pence in the pound to 20 pence. At the same time, he had abolished the 10 per cent starting rate for income tax. The announcement was a blatant ploy to appeal to aspirational middle-class voters; the move actually harmed the very lowest-paid workers, Labour's traditional constituency. Brown got away with it at the time because his prestige and reputation were such that few in the party dared challenge him. The situation was very different in March 2008 when the tax-rate changes were due to take effect. Many Labour MPs, led by Frank Field, now pressed the government to compensate those most affected by the changes. A threatened rebellion by MPs was only averted after ministers promised a compensation package. It was an embarrassing climb down and it challenged the assumption that Brown would be more Old Labour than Blair.

The cumulative impact of all the events of Brown's first year can be seen in his approval ratings, which plummeted after he took office. Figure 1.2 tracks responses to a YouGov question that asked respondents whether they thought Brown was doing well or badly as prime minister. In August 2007, two months after Brown's accession, 65 per cent of respondents said Brown was doing well, as opposed to 17 per cent who said he was doing badly, a net rating of 48 points. Twelve months later, a mere 16 per cent of

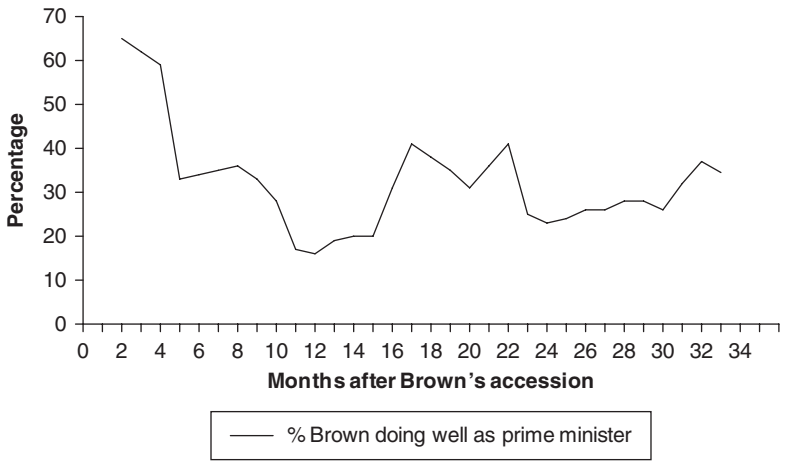

FIGURE 1.2 *Gordon Brown's approval rating as prime minister*

Source: YouGov, 'The Party Leaders', available at http://www.yougov.co.uk/extranets/ygarchives/content/pdf/YG%20trackers%20-%20leaders.pdf. Last accessed on 26 August 2010.

Note: The figure reports the percentages of those who answered 'well' when asked: 'Is Gordon Brown doing well or badly as Prime Minister?'

respondents said Brown was doing a good job, and 78 per cent now said he was doing a bad job, a net rating of minus 62.

The sense of authority lost that pervaded Brown's first year in office was compounded by his failure to establish a distinctive agenda for his premiership. In fairness, that was never going to be easy. Labour's mandate to govern was based on its 2005 manifesto, and Brown had been Blair's virtual co-ruler for the last ten years. The new prime minister was unable to offer much that was new. The best he could offer was a programme of constitutional renewal, something that was never likely to resonate with the public or provide a clear sense of direction for the government as a whole. His apparent conversion to political reform also sat uneasily with his total lack of enthusiasm for constitutional change ten years earlier.

Brown may thus have been unlucky during his first year, but he was also the author of some of his own misfortunes. Many of the decisions he had made as chancellor returned to haunt him in his new job. More generally, Brown was the victim of a misplaced hope that he had cultivated. He could never provide the break with New Labour that many people craved because he had helped to create it. As a result, there was a structural expectations gap between what the party – and indeed the public – thought Brown would do and what he was actually capable of doing. That gap would magnify the political damage when things inevitably went wrong.

It's the stupid economy

If clear leadership had been one ingredient in New Labour's past victories, a buoyant economy had been the crucial ingredient. During Labour's first decade in power, between 1997 and 2007, the economy had grown by an average of 2.7 per cent a year and inflation, unemployment and interest rates had all stayed low.[38] Most people were content with their finances. In March 2007, a newspaper poll found that 56 per cent of respondents thought that the last ten years had been prosperous for Britain as a whole, and 61 per cent thought the decade had been prosperous for them and their families.[39] The good times looked set to carry on when Brown became prime minister. As Table 1.1 shows, from the beginning of Labour's third term in 2005 to the end of the first quarter in 2008, the British economy continued to grow. Meanwhile, official unemployment remained low and inflation remained close to the government's 2 per cent target.

TABLE 1.1 *Objective economic indicators, 2005–2010*

		Growth of GDP (%)	Inflation (%)	Unemployment (%)	Interest rates (%)
2005	Q2	0.7	2.0	4.8	4.8
	Q3	0.6	2.4	4.8	4.5
	Q4	0.7	2.1	5.2	4.5
2006	Q1	1.1	1.9	5.2	4.5
	Q2	0.4	2.3	5.5	4.5
	Q3	0.5	2.4	5.5	4.8
	Q4	0.8	2.7	5.5	5.0
2007	Q1	0.7	2.9	5.5	5.3
	Q2	0.6	2.6	5.4	5.5
	Q3	0.5	1.8	5.3	5.8
	Q4	0.5	2.1	5.2	5.5
2008	Q1	0.7	2.4	5.2	5.3
	Q2	–0.1	3.4	5.4	5.0
	Q3	–0.9	4.8	5.9	5.0
	Q4	–1.8	3.9	6.4	2.0
2009	Q1	–2.6	3.0	7.1	0.5
	Q2	–0.7	2.1	7.8	0.5
	Q3	–0.3	1.5	7.8	0.5
	Q4	0.4	2.1	7.8	0.5
2010	Q1	0.2	3.3	8.0	0.5

Sources: Office for National Statistics and Bank of England.

Notes: Growth is shown as the percentage increase in GDP at market prices compared with the previous quarter. The inflation measure is the Consumer Price Index annual percentage change. Unemployment is shown as the ILO rate, including all adults (16+) to retirement age. Interest rates refer to the Bank of England's official bank rate at the end of each quarter.

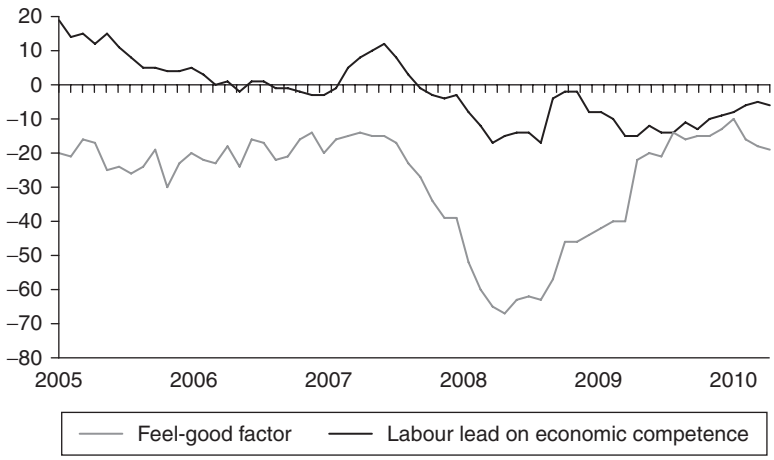

FIGURE 1.3 *Labour and the economy, 2005–2010*

Sources: YouGov, 'Daily Telegraph political trends', available at http://www.yougov.co.uk/extranets/ygarchives/content/pdf/Political%20trends%20post%202005.pdf; and 'The Economy', available at http://www.yougov.co.uk/extranets/ygarchives/content/pdf/YG%20trackers%20-%20economy.pdf. Last accessed 26 August 2010.

Notes: The feel-good factor is calculated by subtracting the percentage of people who, when asked: 'How do you think the financial situation of your household will change over the next 12 months?', say 'get worse' from the percentage of people who say 'get better'. Labour's lead on economic competence is calculated by subtracting the proportion of respondents who answered the Conservatives were more likely to run Britain's economy well from the proportion who said Labour were more likely to.

Storm clouds were gathering, however. Figure 1.3 shows how the run on Northern Rock in September 2007 triggered a sharp and extended fall in the 'feel-good factor' (the proportion of people expecting their household finances to improve minus the proportion expecting them to worsen). It also triggered a drop in Labour's lead over the Conservatives as the party best able to run the economy. Labour governments past had struggled to maintain any reputation for economic competence, and since 1997, Brown as chancellor had carefully nurtured it. Now that reputation was crumbling. Brown resisted using the word 'recession', even when it was obvious that that was where Britain was headed. Beginning in the second quarter of 2008, the economy entered a recession, the worst since the 1950s, 1940s or 1930s, depending on which newspaper you read. Inflation began to climb, so did unemployment, and so too did levels of personal debt, which had stimulated consumer spending. In August 2007, Britons' personal debt exceeded gross domestic product (GDP) for the first time ever. Twelve months later, in August 2008, the new chancellor Alistair Darling warned that the economic

circumstances were 'arguably the worst they've been in 60 years.'[40] His gloomy prognosis was borne out weeks later when the Wall Street giant Lehman Brothers went bankrupt, a consequence of the credit crunch strangling the American economy. British banks were soon in danger of going the same way as the financial crisis began to bite (see Chapter 5).

On one day in October 2008, share prices in London suffered a record fall, as nearly £100 billion was wiped off the value of the leading 100 companies, and the banks found themselves without money to lend. The government responded promptly by providing a £50 billion bailout, equivalent to £2,000 for every British taxpayer, and by making available a further £450 billion to fund short-term loans and inter-bank lending.[41] Over the crucial weekend of 11–12 October, the government further brokered a deal among G7 finance ministers to recapitalise the banks. As a result, the British government soon took major stakes – in some cases the majority stake – in several banks. Labour's unpalatably left-wing 1983 manifesto, mocked as 'the longest suicide note in history', had threatened to nationalise one or more of the major clearing banks. By 2009, Lloyds TSB and Royal Bank of Scotland, together with Northern Rock, were effectively in public hands.

With the economy contracting throughout the summer and autumn of 2008, Alistair Darling used his November pre-budget report to unveil a fiscal stimulus package, estimated to be worth about £20 billion. This package included a temporary cut in the rate of VAT, Britain's sales tax, which is levied on most goods and services. Darling also announced a plan to reduce the deficit by implementing spending cuts and by increasing national iInsurance contributions by half a point and raising the top-rate of income tax to 45 per cent in 2011.[42] Raising income tax in this way was a gamble. It broke a long-standing manifesto pledge not to do so, and it risked alienating aspirational voters. However, in the straitened circumstances, Darling had little choice. The following spring he announced a further increase in the top rate to 50 pence in the pound, and the following autumn he announced a further half-point increase in national insurance, which the Conservatives criticised as a 'tax on jobs'. The logic behind the stimulus was obvious: deficit spend now, tax later. Keynes was back in vogue.

Another casualty of the stimulus measures was Brown's 'golden rule', a self-denying ordinance that pledged the state to borrow money only to finance investment. A further casualty was Brown's 'sustainable investment rule', which stipulated that the national debt be kept below 40 per cent of national income over the economic cycle. In the 2008–09 financial year, public debt, as a proportion of GDP, climbed to 43.8 per cent.[43] In his 2010 budget, Darling predicted that debt would rise to 54.1 per cent of GDP in 2009-10 and to around 75 per cent a few years thereafter.[44] To address this mounting debt, he pledged to halve public borrowing over four years from its expected peak in 2009–10.

The Bank of England also did what it could to stimulate economic activity by reducing interest rates repeatedly, until they fell to just 0.5 per cent, their lowest level in the Bank's 315-year history. When that proved insufficient to stimulate the economy, the Bank began to purchase financial assets as part of its policy of 'quantitative easing', the equivalent of printing more money. The inflationary risk was judged worth taking in order to stop unemployment rising out of control.

Overseeing all government responses to the economic downturn was Gordon Brown. Financial meltdown had finally given him a sense of purpose and a mission. Invoking all his prior experience as chancellor, he took it upon himself to save not only Britain's economy but the world's. There was an obvious irony to this new-found sense of direction. Labour's past success had been built on the foundations of a strong economy. The government now hoped to capitalise on the deteriorating economy and use it as a springboard for electoral recovery. There were some grounds for optimism amidst the pessimism. Margaret Thatcher's unpopular government had bounced back to win in 1983 thanks, in part, to a rise in the 'feel good factor', as well as victory in the Falklands war.

Brown's stock rose in April 2009 when he presided over a special meeting of the G20 in London. He was instrumental in persuading world leaders to inject $1.1 trillion (£681 billion) into the global economy. The G20 also agreed to tighten financial regulation and to clamp down on tax havens. In marked contrast to domestic opinion, the prime minister was still a respected operator on the world stage. Unfortunately for him, he also still found it hard to shift domestic opinion. Gradually, Labour's reputation for economic management improved after the G20 success, but it was picking up from a low base. Much the same could be said of the economy, which emerged hesitantly from recession in September 2009.

Policy hangovers

There was always the risk that a third-term government could appear to be running out of steam. All long-serving governments face similar problems, akin to what some economists call 'the cost of ruling'.[45] New policies seem jaded and rehashed, while the need for new policies is itself recognition that old policies have failed. More importantly, perhaps, long-serving governments find themselves unable to use the timeless excuse available to new governments: 'it was the other lot's fault!' After 1997, and to a lesser extent after 2001, Labour could plausibly blame the Conservatives for the country's problems. After 2005, they could blame only themselves, as their opponents liked to point out.

Serving the public

Not surprisingly, as Table 1.2 shows, the economy was the dominant issue during Brown's premiership. But other issues mattered to voters throughout Labour's third term, just as they had always mattered. The public services, especially health and education, were of particular concern. Most Britons continued to rely entirely on the government for their healthcare and children's schooling. Labour therefore had a strong electoral incentive, as well as a long-standing ideological commitment, to fund and maintain these services. Striking the right balance between taxing and spending was as important as ever, but in the new economic circumstances, with levels of public debt rising, it was more difficult than ever.

TABLE 1.2 *Most important issue facing Britain today, 1997–2010*

		Second	Third term			
	First term	term	Blair	Brown	Total	1997–2010
Crime	20	26	32	36	35	27
Immigration	7	26	34	32	33	22
Economy	14	11	10	42	30	17
Health	44	44	34	21	26	38
Defence/Foreign Affairs	6	31	34	17	22	20
Education	34	29	23	14	17	27
Unemployment	25	8	7	14	12	15
Inflation	4	2	3	12	9	5
Environment	6	3	10	8	9	6
Pensions/social security	13	11	10	5	7	10
Europe	24	11	4	3	3	13

Source: Ipsos MORI, 'Issues Index: Trends since 1997', available at http://www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemID=56&view=wide. Last accessed on 26 August 2010.

Notes: Figures are the average percentage of respondents citing each issue in reply to the following questions: 'What would you say is the most important issue facing Britain today?', and 'What do you see as other important issues facing Britain today?' The answers combine responses and are unprompted. Only the most frequently cited and other selected issues are included.

Between 1996–97 and 2008–09, government spending on education as a proportion of national income increased from 4.6 per cent to 5.7 per cent. Spending on the National Health Service increased from 5.1 per cent to 7.8 per cent in the same period.[46] There were undoubted improvements in terms of NHS waiting lists and the education infrastructure, but Labour's largesse did not transform perceptions of these services or prompt universal praise. In March 2007, ICM asked the public: 'Overall would you say that the extra money the government has spent on public services such as health and

education over the last decade has generally been spent well or spent badly?' Exactly a quarter of respondents said the money had been spent well. Nearly three-quarters, 71 per cent, thought said it had been spent badly.[47] Popular scepticism was doubtless fuelled by newspaper tales of badly negotiated GP contracts, which meant that doctors earned more for working less; of many hospitals ending their financial years in deficit; and of 'fat cat' senior public-sector managers, who earned more than the prime minister.

Vast sums were certainly being spent on salaries in parts of the public sector. There were tens of thousands more doctors, nurses, teachers and support staff as a result of Labour's increased spending. All these salaries contributed greatly to the structural deficit in the public finances. One obvious solution, reducing manpower, was always difficult. It was even more difficult amidst an economic downturn and before an election. The 2007 comprehensive spending review scaled down projected increases in health and education expenditure, but Labour took care to package the reductions as efficiency savings. Where it could, the government also sought to meet public concerns about the salaries of senior managers. In a 2009 speech on smarter government, Brown promised that overpaid public sector workers would be 'named and shamed' and resources would be switched 'from the back office to the front line'.[48]

If people were sceptical of Labour's spending, it was also easy to be sceptical of yet more promised reforms. During its first term, Labour had introduced hundreds of binding targets in various public-sector agreements to improve the delivery of public services. During its second term, it had tried to decentralise education and healthcare provision. A key objective for Blair in Labour's third term was to inject a greater spirit of choice into Britain's public services and to make them, as its 2005 manifesto put it, 'free to all, personal to each'.[49] The 'choice agenda' was Blair's. It was ahead of mainstream Labour thinking, which favoured uniformity in public-service provision, and it was ahead of public opinion. Voters liked the idea of choice in accessing public services but did not necessarily want those services to be provided by the private or charitable sectors.[50] Moreover, even if the reforms were effective, there would be a considerable lag before voters perceived any marked improvements.

Contrary to the expectations of many in the Labour party, Brown had indicated his commitment to the choice agenda before he became prime minister. In March 2007, he enthused about public services that were 'personal to the citizen's needs, and to the citizen's wishes', and called for 'greater choice, greater competition, greater contestability' in their provision.[51] By 2008 commentators were noting the near-total conversion of Brown to Blairism.[52] The idea that Brown had undergone any kind of conversion was misleading, however. Brown had always had much more in common with his predecessor than some liked to admit. To be sure, Brown was more of a statist than Blair by inclination, but the difference between

them was one of degree, not of kind. Brown's conversion occurred largely in people's perceptions.

The essence of the choice agenda was simple: citizens should have greater choice among state-financed schools and hospitals and should even be able to access state-financed but privately-provided services, if appropriate. In healthcare in England, choice and diversity would be strengthened by allowing local providers to deliver more services. London experimented with 'polyclinics', and outside London there was a push to establish more GP-led health centres. Meanwhile, service users' rights were to be protected by a new NHS constitution; there would even be a legal entitlement for patients who had to wait longer than eighteen weeks for NHS treatment to receive free private healthcare. In education, Blair sought to entrench choice and diversity with his half-successful plan to create 'trust schools', and Brown's education secretary Ed Balls pressed ahead with plans to create legally enforceable rights for children and parents. The planned rights included one-to-one tuition in maths and writing for children who needed it, national report cards for primary and secondary schools and five-yearly check-ups on teachers' competence. The onset of the 2010 election meant that the measures did not enter onto the statute book.

Protecting the public

Labour had come to power in 1997 promising to be 'tough on crime, tough on the causes of crime'. Successive home secretaries preferred to emphasise the former, particularly when courting favourable headlines in right-wing newspapers like the *Daily Mail*. Toughness on crime remained the central message of Labour's third term. This approach was both a consequence, and perhaps also a cause, of an increase in people's fear of crime. The authoritative British Crime Survey found a marked rise in the proportion of people who thought crime had increased nationally from 61 per cent in 2004–05 to 75 per cent in 2008–09.[53] Fears were stoked by a spate of knife attacks in London and elsewhere in 2007 and 2008. The reality was that the number of reported crimes had declined, and so too had the risk of being a victim of crime.[54]

Labour's tough approach extended to drugs policy. Here the government was torn between wanting to appear liberal and pragmatic – by making the possession of the widely-used drug cannabis a less serious offence – and wanting to appear tough – by making illegal previously legal substances and by backtracking on a more liberal cannabis policy. Toughness won out, but this brought the government into conflict with its own Advisory Council on the Misuse of Drugs. Professor David Nutt, its chairman, was sacked by home secretary Alan Johnson in November 2009 for stating that two currently illegal substances, LSD and ecstasy, were less dangerous than alcohol. Other members of the Council resigned in protest at the sacking. The

incident was not as damaging to the government as it might have been; most voters broadly favoured a tougher anti-drugs line.[55]

Toughness also characterised Labour's approach to dealing with terrorism. Blair pushed to allow the police to hold and question terrorist suspects for up to ninety days without charge, which fuelled concerns that the government was trampling on civil liberties in the name of security. An especially tragic *cause célèbre* was the 2005 shooting of an innocent Brazilian, Jean Charles de Menezes, who police mistook for a suicide bomber. Campaigners like Shami Chakrabarti, the director of the campaign group Liberty, criticised Labour's authoritarianism. She and others also campaigned against the growing number of closed-circuit television cameras as well as government plans to introduce a national identity-card scheme. Concerns about the erosion of civil liberties also drew the Conservatives and Liberal Democrats closer together.

When Brown replaced Blair, the new prime minister proved just as keen to take a tough approach to dealing with terrorism. In June 2008, he reignited the controversy of detaining terrorist suspects without charge and pushed for an extension of the current twenty-eight-day limit to forty-two days. Like Blair, Brown met resistance, and his proposals were defeated in the House of Lords. Although Brown lost face among his colleagues, he did not do himself too much damage in the eyes of British voters, who tolerated such measures in the name of security.[56]

Europe and Immigration

Britain's membership of the European Union had the potential to derail the government in its third term thanks to a commitment made in its second. In 2004, Labour promised voters a referendum on the proposed EU Constitution, a referendum it was widely expected to lose.[57] However, thanks to the people of France and the Netherlands, who rejected the Constitution in referendums in 2005, Labour was spared the need to hold a vote and the potential embarrassment of losing it. The Constitution, with all its symbolism, was dead. It was no more. It was an ex-Constitution. In its place, EU leaders cobbled together at Lisbon in 2007 an 'amending treaty', which salvaged most but not all of the Constitution's provisions. This time, following the lead of the French and Dutch governments, Labour declined to hold a referendum on the new treaty, which it again probably would have lost, on the grounds that it was 'substantially' different to the abortive Constitution. On a strict legal interpretation, the two texts were clearly not identical.[58] But some took a different view, including a committee of MPs, who insisted that the Lisbon Treaty and the Constitution were 'substantially equivalent'.[59] For most voters, however, Europe was, by now, an unimportant issue. Calls for a new referendum never fired the public imagination.

Of all the government's third-term policy hangovers, immigration was one of the hardest for Labour to deal with. It might easily have become

a race issue, especially after the London bombings in July 2005; it soon became an economic one, especially when figures released in 2007 suggested that half the new jobs created since 1997 had gone to foreign workers.[60] Labour had no wish to be seen supporting racist tendencies in British society, but it did wish to be seen supporting blue-collar workers who were fearful of foreign workers taking their jobs. Brown talked of 'British jobs for British workers', and in March 2008 the government unveiled a new points-based system to deter unskilled economic migrants from entering the UK from outside the EU. A majority of the public seemed to approve of Labour's approach to restricting immigration. In a 2009 ICM survey, 54 per cent said that the best policy of dealing with immigrants from outside the EU was to 'allow entry based on a points system' compared with 28 per cent who said the best policy was to 'set an annual limit on the numbers allowed into Britain', the solution proposed by the Tories.[61] Only 15 per cent said no more immigration at all should be allowed. Nevertheless, for those for whom the issue burned, the Conservative policy appeared more attractive.

In one curious episode, the government was actually criticised for its restrictive policies towards one group of foreign nationals, the Gurkhas. Gurkhas are Nepalese mercenaries recruited by the British army, and in 2004, the government had decided to allow those who had retired after 1997 – the year the regiment moved its base from Hong Kong to the UK – to live in Britain. A Gurkha Justice Campaign called for all former Gurkhas to have residency rights. Led by Joanna Lumley, the popular actress and star of *Absolutely Fabulous*, the campaign brought enormous pressure to bear on the government. At times, it seemed, the actress was dictating terms to ministers. A government defeat in the House of Commons on a Liberal Democrat motion only added to the pressure, and the government eventually decided to allow all Gurkha veterans who had served for at least four years to settle in Britain. It was an enormous loss of face for Brown's government, which had managed to appear on the wrong side of the argument even when it thought it had been following public opinion. Once the mood turns against a government, it can potentially get everything wrong.

Iraq and Afghanistan

The most costly hangover for Labour in its third term – at least in human terms – lay in the field of foreign policy. After 9/11, Blair had been an active cheerleader of President Bush's war on terror. He had led Britain to war in Afghanistan to oust the Taliban regime, and he had also been an ardent supporter of the invasion of Iraq. The Iraq war was especially controversial. Hundreds of thousands if not millions of British citizens had taken to the streets in 2003 to march against it, and four ministers resigned from the government in protest.

Iraq was still a running sore in British politics after 2005, but at least it was no longer an open wound for the government. In December 2007, Basra, the last Iraq province under British control, was returned to the Iraqis, and combat operations officially finished at the end of April 2009. By that time, 179 UK servicemen and women had been killed. The conflict had also claimed the lives of many Iraqis, and had cost the UK taxpayers about £8 billion.[62]

Ever since the invasion, there had been demands for a full inquiry into the UK's involvement in Iraq. Blair had conceded two very limited inquiries during his second term. The first, the Hutton Inquiry, had examined the circumstances surrounding the death of Dr David Kelly, a government adviser who may have briefed a journalist against the government. The second, the Butler Inquiry, had examined the government's intelligence relating to Iraq's alleged weapons of mass destruction. Brown went much further in June 2009 when he decided to establish an official committee of inquiry, chaired by Sir John Chilcot, a former civil servant, with wide-ranging terms of reference. There was no danger of Chilcot publishing a damaging report before the general election but his inquiry could still embarrass. There was particular anticipation ahead of Tony Blair's public appearance before the inquiry on 29 January 2010 and Gordon Brown' on 5 March. Blair gave little away and offered no regrets when he gave evidence. Brown did admit regret but he robustly defended the invasion and insisted it was 'the right decision, and it was [done] for the right reasons'.[63]

Brown's appearance was important, not because he was closely associated with the Iraq war, but because as chancellor he had had to find the money for it. He faced criticisms that he had failed to provide sufficient funds to equip the armed forces. This criticism carried greater weight because similar concerns were being expressed in respect of Britain's ongoing commitment in Afghanistan. In particular, a shortage of helicopters was exposing soldiers to improvised explosive devices on the ground. At one point, the head of the army, General Sir Richard Dannatt, voiced his concerns about the shortage of equipment, a rare venture into the political arena by a serving solider. Dannatt's intervention was condemned by fellow officers but his concerns resonated among the public. In July 2009, YouGov asked voters whether they thought Brown was doing his best to supply British troops with the equipment they needed, or was failing to provide adequate resources. Exactly three-fifths agreed that 'He is deliberately trying to fight the war "on the cheap"'.[64]

The growing body count in Afghanistan seemed to support such concerns. During Blair's second term just four British servicemen died in Afghanistan. The first fatality during Labour's third term came in October 2005. Thereafter, the death count climbed: thirty-nine in 2006, forty-two in 2007, fifty-one in 2008 and than 108 in 2009.[65] Many of the dead soldiers' bodies were driven through a small English market town, Wootton Bassett,

after being repatriated to nearby RAF Lyneham. Played out in front of the television cameras, these journeys became something of a morbid ritual and were a stark reminder of the war's human cost.

Brown continued his predecessor's practice of writing letters of condolence to bereaved families. Somehow even this act of kindness became a stick with which to beat him after the mother of one fallen soldier accused him of careless handwriting and misspelling her name. The *Sun*'s attempts to make more of the incident – another instance of the press's hostility towards Labour – backfired after it was pointed out that Brown's handwriting was affected by his poor eyesight, the result of a sporting injury.

Despite the growing body count, Afghanistan never provoked the passions aroused by Iraq, not least because this invasion had clear United Nations' support. It was not as divisive among Labour MPs, nor was it as unpopular among the public. In an ICM survey conducted in July 2009, 46 per cent of respondents supported the British military operation in Afghanistan (as opposed to 47 per cent who opposed it), an increase on the 31 per cent who had supported the operation in September 2006.[66] Most people recognised that Brown had inherited Afghanistan. It was never *his* war, even if was criticised for its funding.

Scandal!

By virtue of their longevity, long-serving governments are more likely to have to contend with a greater number of fiascos, cock-ups and other assorted scandals. More than that, they face the disadvantage that mistakes tend to accumulate in the public consciousness and create an impression of systematic incompetence.

The Labour government during its first and second terms had survived its share of fiascos. None of those that occurred during its third term was fatal by itself, but each made it easier to characterise the government as being accident prone. Each knocked confidence in the government and damaged its morale.

Labour sleaze

Labour's third term was blighted by a number of scandals that cast doubt on the government's integrity. In 1997, Blair had pledged that his government would be 'purer than pure'. After its first term and a series of financial scandals, one commentator described Labour as 'slightly soiled'.[67] By 2010, 'totally tarnished' was perhaps more appropriate.

The scandals came in various forms. The least consequential were those of a personal nature. In this category fell the November 2005 resignation of work and pensions secretary David Blunkett. Blind since birth, Blunkett

was a senior figure in the government. He had already resigned once from the government – in December 2004, after allegedly abusing his position to speed up his lover's nanny's visa application – but had returned in May 2005. During the lull in his ministerial career, he had taken up a directorship with a DNA-testing company but had not sought official approval before doing so as the rules required. Blair had no choice but to accept Blunkett's resignation a second time.

Much more significant were two party-funding scandals. One, the David Abrahams controversy, has already been referred to in the context of Gordon Brown's first-year woes. The other, the 2006 'loans for peerages' scandal, was even more damaging for Labour. In March that year, the newspapers printed allegations that Labour had received a large number of secret loans from benefactors who were subsequently nominated to the House of Lords. Whereas the upper house of Congress, the Senate, is directly elected, the Lords is largely appointed. All parties have, at some point, rewarded benefactors by appointing them to the Lords. The practice is technically legal provided there is no explicit quid pro quo; but it has always been unsavoury. What was especially damning about this scandal, however, was that Labour was also breaching the spirit of its own legislation, the Political Parties, Elections and Referendums Act 2000. Labour appeared to be treating many of the loans as open-ended donations but had not registered them with the Electoral Commission, as it was required to do. Some £14 million had poured into Labour's coffers in this way. The party would have been unable to fund its 2005 election campaign without them.

Attention soon focused on the role of Lord Levy, Labour's principal fundraiser, who was sometimes known as 'Lord Cashpoint'. Levy was close to Blair. His ability to raise large sums of money from wealthy individuals was highly prized as Labour tried to reduce its financial reliance on the trade unions. Levy was one of several individuals close to the prime minister to be arrested over the scandal – Levy was actually arrested twice – and Blair himself suffered the ignominy of being interviewed twice by police. Following an investigation that lasted for the remainder of Blair's time in office, no one was charged. The damage to Labour, however, was considerable.

Other scandals involved parliamentarians and their relations with lobbyists. In 2009, two Labour peers, Lords Truscott and Taylor, were suspended from the House of Lords for telling undercover reporters of their willingness to amend legislation for money. In 2010 several MPs were secretly filmed boasting of their abilities to influence ministers. The former transport secretary Stephen Byers, described himself as 'sort of like a cab for hire'.

One of the most intriguing scandals – intriguing because it revealed something of the workings of the Brown government – occurred in April 2009. This affair centred on the activities of one of Brown's closest aides, Damian McBride.[68] McBride had sent emails from his official Downing

Street email account discussing the possibility of spreading false rumours about the private lives of Conservative politicians. Once the planned dirty-tricks campaign came to light, there was no option but for McBride to quit. Some people believed that Brown had sanctioned McBride's dirty tricks, others that he had simply tolerated them. Either way, the company he kept reflected badly on the prime minister. It also reminded people of New Labour's proclivity to 'spin'.

Thanks to such scandals, Labour's image after 2005 was distinctly grubby. Various opinion pollsters had occasionally asked the question: 'Do you agree or disagree with the following statement: "Labour these days gives the impression of being very sleazy and disreputable"?' In March 1997 the Gallup organisation reported that only 19 per cent of respondents agreed. By January 2001, when NOP asked the question, 49 per cent now agreed that Labour gave the impression of being sleazy and disreputable. Mid-way though Labour's third term, in November 2007, when YouGov asked the question, the proportion of respondents was 60 per cent.[69]

The expenses scandal

The 2009 MPs' expenses controversy was in a league of its own. It was not a Labour scandal but a parliamentary one: every party had MPs' implicated in the widespread misuse and abuse of parliamentary expenses. It was also a scandal that revealed much about the growing divide between voters and all politicians, as Chapter 5 describes in greater detail. But Labour was the party of government and its MPs dominated the House of Commons. As such, it came to be held responsible for much of the wrongdoing.

As a foretaste of the drama to come, two Labour ministers, home secretary Jacqui Smith and employment minister Tony McNulty, were accused of taking advantage of parliament's second-home allowance scheme at the beginning of 2009. Smith had claimed money for the upkeep of her main family home, located in her Redditch constituency, by designating her sister's house in London as her main residence. McNulty had claimed money for a second home in Harrow just eight miles from his main home in Hammersmith. Both MPs were later found to have breached the Commons' code of conduct.

The real drama came in May, when the *Daily Telegraph* newspaper began publishing the details of all MPs' expenses and allowances claims, information that MPs had previously kept secret. Day after day, the newspaper exposed some of the more dubious claims: some, for bath plugs and biscuits, were petty; others, for duck houses, bags of manure and plasma televisions, were more exotic. Rarely was it obvious how such objects were needed by MPs to perform their parliamentary duties. Even more scandalous was the fact that some MPs had 'flipped' or re-designated their main addresses

in order to redecorate their house at public expense and, in a few cases, to avoid paying tax. Voters were incensed. A YouGov survey, published shortly after the expenses scandal first broke, found that 86 per cent of respondents felt there was 'a widespread problem involving a large number of MPs claiming money to which they are not entitled'.[70] The police agreed. In February 2010, it was announced that criminal charges would be brought against three Labour MPs, Elliot Morley, David Chaytor and Jim Devine, in relation to false accounting.[71]

Meanwhile, as the media whipped up the public's anger at 'the rotten Parliament', politicians sought desperately to respond. Heads rolled, including that of the Speaker, Michael Martin, who became the first holder of that office to be forced out since 1695. Many of the worst transgressors announced their intention to stand down at the next election. Others were forced to by their local party associations. Yet others were punished by their national party organisations. Labour barred five MPs from standing as candidates in future elections, including Dr Ian Gibson, a popular local MP, who immediately quit in protest at his treatment by a 'kangaroo court' and triggered a by-election that Labour lost.[72]

MPs and the public looked to the government to provide leadership. Brown duly promised to overhaul the expenses regime in a disastrous *YouTube* video, made famous by his awkward smiling. Parliament later established a new Independent Parliamentary Standards Authority that would take responsibility for paying MPs' salaries and for drawing up, reviewing and administering the system of parliamentary allowances. But there was little credit in shutting the stable doors.

Labour was unlucky that the expenses scandal exploded on its watch. It was, after all, an institutional scandal that affected all parties, and the parliamentary culture of treating allowances and expenses as a top-up to MP's wages pre-dated Labour's coming to power in 1997. But as the majority and governing party, Labour could expect a proportional share of public opprobrium, and a proportional share meant that its credibility would take the biggest hit. Labour may even have suffered more because it was traditionally the party of the working man and woman, yet its MPs seemed no less willing to profit from taxpayers' money. When an ICM poll asked which of the three main parties had been damaged most by the scandal, 2 per cent said the Liberal Democrats, 13 per cent said the Conservatives, 25 per cent said all parties equally and 53 per cent said Labour.[73]

Opposition forces

Whenever slings and arrows had been thrown at the government during its first and second terms, Labour had taken comfort in being faced by a

weak opposition. The Conservatives, once the natural party of government, were a broken force after 1997. As Labour leader, Blair had faced five Conservative leaders – John Major, William Hague, Iain Duncan Smith Michael Howard and David Cameron – and bested all but the last, who he never faced in a general election. The Conservatives' weakness allowed Labour to repeat their landslide win in 2001, and it had also been a major factor in allowing the government to win despite its unpopularity in 2005. The election of Cameron as Conservative leader signalled that Labour could no longer count on being so lucky. The Conservatives once more became a potential party of government.

A glance back at Figure 1.1 shows how, from 2006, Labour tended to trail in the opinion polls. Labour also haemorrhaged support in actual elections. During Labour's first term, the party avoided losing any by-elections, what Americans call special elections. In Labour's second term, six by-elections were held, all in seats previously held by Labour, and the party lost two, both to the Liberal Democrats. During Labour's third term, there were fourteen by-elections, and Labour lost four of the eight seats it was defending (see Table 1.3). Of these, perhaps the most significant was the Nantwich and Crewe by-election in 2008, which marked the first time that Labour had lost a by-election to the Conservatives since 1982. Labour again lost to the Conservatives in the Norwich North by-election caused by Ian Gibson's resignation in July 2009.

Labour also suffered setbacks in every set of second-order elections between the 2005 and 2010 general elections. Back in 1999, Labour had created a Scottish Parliament and National Assembly for Wales as part of its devolution programme, and the party dominated both institutions until 2007. Its results in that year's Scottish parliamentary and Welsh assembly elections were hugely disappointing. In Wales, Labour's share of the vote fell from 38.3 per cent to 30.9 per cent, and the party, which had governed alone since 2003, was forced to enter into a coalition with the Welsh nationalists, Plaid Cymru. In Scotland, Labour's share of the vote fell by less than two points, from 32 per cent to 30.6 per cent, but it lost the popular vote to Alex Salmond's Scottish National Party, which one 32 per cent of the vote and a plurality of MSPs. The SNP proceeded to form a minority government.

Labour also fared badly in the 2008 London authority elections. The maverick Labour politician Ken Livingstone had been London's directly elected mayor since the office was created in 2000, first as an independent, when Labour refused to make him their official candidate, and then as an official Labour man, after the party welcomed him back. By 2008, Livingstone's personal popularity had ebbed and was no longer sufficient to counter Labour's unpopularity. He was beaten by the blond-haired Conservative, Boris Johnson. The defeat was all the more galling for Labour activists who generally saw Boris as an upper-class buffoon.

TABLE 1.3 *By-election results, 2005–2010*

Date	Constituency	Reason for by-election	Result
14 July 2005	Cheadle	Death of Patsy Calton (Lib Dem)	Lib Dem hold
29 September 2005	Livingston	Death of Robin Cook (Lab)	Lab hold (Lab)
9 February 2006	Dunfermline & West	Death of Rachel Squire (Lab)	Lib Dem gain
29 June 2006	Bromley & Chislehurst	Death of Eric Forth (Con)	Con hold
29 June 2006	Blaenau Gwent	Death of Peter Law (Ind)	Ind hold
19 July 2007	Ealing Southall	Death of Piara Khabra (Lab)	Lab hold
19 July 2007	Sedgefield	Resignation of Tony Blair (Lab)	Lab hold
22 May 2008	Crewe and Nantwich	Death of Gwyneth Dunwoody (Lab)	Con gain
26 June 2008	Henley	Resignation of Boris Johnson (Con)	Con hold
10 July 2008	Haltemprice and Howden	Resignation of David Davis (Con)	Con hold
24 July 2008	Glasgow East	Resignation of David Marshall (Lab)	SNP gain
6 November 2008	Glenrothes	Death of John MacDougall (Lab)	Lab hold
23 July 2009	Norwich North	Resignation of Dr Ian Gibson (Lab)	Con gain
12 November 2009	Glasgow North East	Resignation of Michael Martin (Speaker)	Lab win

Note: Three further by-elections could have been held following the death in December 2009 of the Labour MP for North West Leicestershire, David Taylor, the resignation in January 2010 of the Democratic Unionist MP for Strangford, Iris Robinson, and the death in March 2010 of the Labour MP Ashok Kumar. In the event, by-elections were not held before the general election.

Labour also lost ground in every set of annual local elections held after 2005. In 2006, Labour's estimated equivalent share of the national vote, based on their performance in that year's local elections, was just 26 per cent. This result put the party behind the Conservatives on 39 per cent but ahead of the Liberal Democrats on 25 per cent. In the May 2008 local elections, Labour's estimated share fell to just 24 per cent, and the party lost 334 local council seats and the control of nine councils. It was their worst showing in decades.[74] In the 2009 local elections in England, the last before the general election, Labour's 22 per cent of the vote meant the party slumped into third place, behind the Conservatives on 35 per cent and the Liberal Democrats on 25 per cent.[75]

The 2009 local elections were held on the same day as that year's European parliamentary elections. Labour again came third with 15.7 per cent, the worst performance by any governing party since direct elections were first held in 1979. This time, Labour was beaten by the Conservatives (27.7 per cent) and the United Kingdom Independence Party or UKIP (16.5 per cent), a party committed to withdrawal from the EU Union. There were also successes for the far-right British National Party (BNP). Worryingly for the government, the BNP tended to perform best in areas that were considered to be natural Labour territory, in the Midlands and the North. Here, many white working-class voters, hostile to immigration, felt let down and forgotten by Labour. In Barnsley, a former mining town in Yorkshire and the archetypal compact working-class community, the party's share of the vote dropped from 45 per cent to 25 per cent. The BNP's rose from 8 per cent to 17 per cent.

Enemies within the gates

The Labour government also had to contend with internal opponents. One group who might have been expected to cause mischief were the trade unions. Both the party and the unions were part of a wider Labour movement; the unions had founded the party in 1900 and bankrolled it ever since. Together, the unions and Labour formed a mutually beneficial but sometimes 'contentious alliance'.[76] One of Blair's objectives as leader had been to end Labour's symbolic dependence on the industrial wing of the movement. He had promised them 'fairness not favours', a promise generally made good. Labour's second term witnessed an acrimonious strike by the Fire Brigades Union, but otherwise, and by historical standards, Labour faced no serious industrial unrest.[77] It was much the same during Labour's third term. The unions obtained concessions from the government over its plans to raise the public-sector retirement age to 65, and the Communication Workers Union inconvenienced the public with a series of strikes by postal workers in 2007 and 2009. But there was no hint of a repeat of the 'Winter of Discontent' and the breakdown in government-union relations that had hamstrung Callaghan's ministry in 1979.

Much more threatening for the government was its own parliamentary party. Historically, Labour MPs had been riven by factionalism and tribalism. Another of Blair's objectives as leader had been to introduce greater discipline. In this, he was initially too successful. Labour MPs were actually criticised for their servility in the government's first term. The unity began to fray during Labour's second term. Opposition to the Iraq war, discontent with the government's public-service reforms and dissatisfaction with Blair's style, coupled with a now solid core of refuseniks, fuelled a wider confidence among backbench Labour MPs that they could rebel and get away with it.[78]

The fraying of discipline continued in the third term, as Table 4 shows. Labour's third term was in fact the most rebellious in the whole of the post-war period, with 365 rebellions involving government MPs (28.3 per cent of all votes in the Commons). During Blair's final two years in office, the government was defeated four times, despite its healthy overall majority. The party proved no less rebellious under Brown, who suffered two defeats and 235 rebellions in three years.

TABLE 1.4 *The restless PLP, 1997–2010*

	First term	Second term	Third term			1997–2010
			Blair	Brown	Total	
Total number of rebellions	96	259	130	235	365	720
Rebellions as % of all divisions	7.5%	20.8%	26.0%	29.8%	28.3%	18.9%
Rebellions involving 20+ MPs	28	63	23	23	46	137
Number of individual Labour MPs who rebelled at least once	133	218	109	142	174	292
Government defeats	0	0	4	2	6	6

Source: Philip Cowley and Mark Stuart, www.revolts.co.uk

As ever, the most worrying internal opponents for both Blair and Brown were to be found at the very top of government. Brown was Blair's most dangerous rival, while Brown discovered that his closest colleagues were potential assassins. Labour's dire electoral performances, coupled with his own perceived shortcomings, contributed to a run on Brown's personal authority no less dramatic than the run on Northern Rock. Brown endured no fewer than three attempted putsches during his premiership. The first came in the late summer of 2008 when David Miliband, the foreign secretary, added his voice to the dissatisfaction being expressed by many MPs

about Brown's leadership. Miliband soon backed down, conscious that there was no consensus in the cabinet to oust Brown and absolutely no consensus on who should replace him. The prime minister's hold on office was strengthened when he brought back Peter Mandelson into the government in an autumn reshuffle.[79] Mandelson was the third man of the New Labour project, and, with Blair and Brown, was one of its chief architects. His presence temporarily neutered Blairite opposition to Brown. Although a controversial character – he had twice resigned from Blair's cabinet because of scandal – Mandelson's stint as Britain's commissioner in the European Commission had given him additional stature. His authority bolstered Brown's.

The second putsch came in the summer of 2009 and was a much more serious affair. In the immediate wake of the expenses scandal, one cabinet minister, Hazel Blears, publicly criticised the government's failure to connect with the public and personally criticised the prime minister. Ministers who speak out in such ways rarely last long. Blears, aware that a reshuffle was imminent, quit the government. Then, on the day of the local and European parliamentary elections, an up-and-coming Blairite minister, the work and pensions secretary James Purnell, resigned. Purnell's letter to Brown was blunt: 'I now believe your continued leadership makes a Conservative victory more, not less likely.' Again, however, the putsch failed, partly because the party's own rules made it very difficult to mount a challenge, partly because other ministers were unsure whether having a new leader would actually help Labour's prospects or not, but largely because there was still no consensus on who should replace him.[80] A large number of Labour MPs and ministers wanted Brown gone, yet no one was prepared to wield the dagger. Mandelson, the man who might have tipped the balance, remained loyal.

The last Labour prime minister to be the object of such intense vilification in his own cabinet, Harold Wilson in the late 1960s, had been fortunate in that there were always at least two very obvious contenders for his crown, first George Brown and Jim Callaghan, then Callaghan and Roy Jenkins, who each checked the others' ambitions.[81] Gordon Brown was helped by the fact that there was no pretender to his throne. The political dominance that he had shared with Blair since 1997 was reaping dividends. This factor, coupled with his almost super-human doggedness, probably saved his skin.

The final attempted putsch came in January 2010 when two former cabinet ministers, Geoff Hoon and Patricia Hewitt, wrote an open letter calling for a vote of confidence in Brown's leadership. Despite garnering headlines, their call attracted little support among Labour MPs, not least because an election was now months away. Nevertheless, it was a good indication of how panicked many in the party were by fears of an impending electoral meltdown. The episode also confirmed what the public suspected. In April 2008, YouGov had asked voters: 'Do you think the Labour Party at the moment is

united or divided?' In response, 76 per cent had answered 'divided'.[82] The attempts to unseat Brown only made the party seem more so.

Conclusion

By the beginning of 2010, with an election looming, Labour's disunity in the face of political adversity was just one of many problems confronting the government. The once-buoyant economy, which had underpinned the government throughout its first and second terms, had punctured, and Brown, like Blair in his final months, seemed unable to give the government a clear sense of direction. Blair and Brown in tandem had been a powerful and dominant partnership. As their relationship disintegrated, so too did the New Labour project. By 2010, the party was Old and Tired Labour.

A lack of direction from the top was also evident in the party's preparations for the forthcoming election. Brown, the tribal politician, wanted to stress the dividing lines between Labour, the party of social justice and fairness, and the Conservatives, the party of privilege. Brown, the astute big-tent strategist, wanted to appeal to aspirational voters and perhaps reach out to the Liberal Democrats in the event of a hung parliament. And Brown, the former chancellor, wanted to emphasise that he above all had the know-how to rescue the faltering British economy in the wake of the financial crisis. It was difficult to be certain what Labour now stood for. In the event, Labour lost, though its defeat was far from catastrophic, and Brown resigned as leader. As the party prepared to choose a successor, its surviving MPs could lick their wounds and wonder whether they would have done better had they ditched Brown sooner.

Endnotes

1 Clement Attlee, Labour's great post-war prime minister, had led the party to victory in 1945 and again in 1950. Harold Wilson had led the party to victory in 1964 and 1966 and again, after the Conservatives triumphed in 1970, in February and October 1974. But none of Wilson's victories matched those of Blair in 1997 or 2001.

2 Macmillan quit because of ill health in 1963 and was succeeded by Sir Alec Douglas Home. Thatcher was forced out by colleagues in 1990 and replaced by John Major.

3 Gordon Brown became the sixth man since 1945 to become prime minister by accession: Sir Anthony Eden succeeded Sir Winston Churchill in 1955; Harold Macmillan succeeded Eden in 1957; Sir Alec Douglas Home succeeded Macmillan in 1963; James Callaghan succeeded Harold Wilson in 1976; and John Major succeeded Margaret Thatcher in 1990.

4 An enjoyable history of Labour in government after 2001 is Andrew Rawnsley, *The End of the Party: The Rise and Fall of New Labour* (London: Penguin, 2010). A number of

other books analyse Blair's final years in office, including: Anthony Seldon, ed*., Blair's Britain, 1997–2007* (Cambridge: Cambridge University Press, 2007); Matt Beech and Simon Lee, eds, *Ten Years of New Labour* (Basingstoke, Hants.: Palgrave Macmillan, 2008); and Terence Casey, ed., *The Blair Legacy: Politics, Policy, Governance, and Foreign Affairs* (Basingstoke, Hants.: Palgrave, 2009). Finally, two of New Labour's leading figures published memoirs within months of the party's defeat: *Tony Blair, A Journey* (London: Hutchinson, 2010); and Peter Mandelson, *The Third Man: Life at the Heart of New Labour* (London: HarperPress, 2010). This chapter draws on these books and also on contemporary newspaper reports.

5 The nature of that promise is discussed in James Naughtie, *The Rivals: The Intimate Story of a Political Marriage* (London: Fourth Estate, 2001), pp. 69–75.

6 For a concise oversight of Labour's second term, see Thomas Quinn, 'Tony Blair's Second Term', in John Bartle and Anthony King, eds, *Britain at the Polls 2005* (Washington, DC: CQ Press, 2006), pp. 1–30.

7 Brown's interpretation is corroborated to some extent by John Prescott, Blair's long-serving and loyal deputy, who insists that Blair told Brown in November 2003 that he would go by the next (2005) election. As Prescott writes, 'Tony maintained later that he hadn't said it. As far as I'm concerned, he did. Tony reneged on his promise.' See John Prescott, Prezza: *My Story: Pulling No Punches* (London: Headline Review, 2008), p. 315. Blair confirms his offer to Brown at this meeting but insists that it was conditional on the chancellor's 'full and unconditional support' for the prime minister's reform agenda. When that support was not forthcoming, Blair felt himself absolved from the deal. See Blair, *A Journey*, p. 497.

8 Polly Toynbee, 'After years of skirmishing, the civil war Labour dreaded has broken out', *Guardian*, 7 September 2006.

9 'Transcript: 'I wouldn't go on and on and on'', *Guardian*, 1 October 2004.

10 The most recent edition of this classic study is Richard E. Neustadt, *Presidential Power and the Modern Presidents: The Politics of Leadership from Roosevelt to Reagan* (New York: Free Press, 1990).

11 Reflecting on the weeks after the 2005 election, Blair recognised that 'talking about the transition to a new leader was … both a little humiliating and weakening' (Blair, *A Journey*, p. 553). In September 2006, a senior minister serving in Blair's government, home secretary John Reid, said publicly about the prime minister: 'I think he was stupid to himself and to our prospects by saying he was going to go – but he said it.' See Tania Branigan, 'Blair was stupid to announce departure, says home secretary', *Guardian*, 26 September 2006.

12 These figures are those reported in House of Commons Standard Note SN/PC/05650, *Twentieth Century Prime Ministers and their Governments*, available at: www.parliament.uk/documents/commons/lib/research/briefings/snpc-05650.pdf (last accessed 26 August 2010).

13 David Cracknell, 'Labour MPs tell Blair to quit Downing Street', *Sunday Times*, 8 May 2005.

14 Department for Education and Skills, *Higher Standards, Better Schools for All: More Choice for Parents and Pupils*, Cm 6677 (London: TSO, 2005).

15 Patrick Wintour, 'Reid vents fury at Home Office over prisoners fiasco', *Guardian*, 24 May 2006.

16 For his part, Blair 'never had any doubt' that Brown had organised the letter: Blair, *A Journey*, p. 620.

17 See Prescott, *Prezza*, pp. 324–5.

18 Ipsos MORI, 'Political Monitor: Satisfaction Ratings 1997–Present', available at: www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemID=88&view=wide (last accessed 26 August 2010).

19 Some 22 per cent said Blair should go 'Between next May and next year's party conference', 23 per cent said 'Before next May's elections in Scotland, Wales and English local councils', and 37 per cent said 'This autumn'. See YouGov survey for Channel 4 News, September 2006, available at: www.yougov.co.uk/extranets/ygarchives/content/pdf/Labfinal060907.pdf (last accessed 26 August 2010).

20 'Tony Blair's "Media" Speech: The Prime Minister's Reuters Speech on Public Life', *The Political Quarterly*, 78 (2007): 476–87.

21 Soon after leaving Downing Street, Blair, a religious man and ostensibly an Anglican, made public his conversion to Catholicism.

22 *House of Commons Debates*, Vol. 462, Part 113, 27 June 2007, column 334.

23 Polly Toynbee, 'Hold your nose, vote Blair and Brown will be the victor', *Guardian*, 6 April 2005.

24 Ipsos MORI conducted the survey. One of the questions asked respondents how successful or unsuccessful they thought each chancellor was using a 0–10 scale, with 0 being highly unsuccessful and 10 being highly successful. Brown's average score of 7.9 was nearly two points greater than the 6.1 scored by his two nearest rivals, the former Conservative chancellor Kenneth Clarke and the former Labour chancellor Sir Stafford Cripps. See Ipsos MORI, 'Brown Most Successful Chancellor, Say British Political Scientists', available at: www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemId=367 (last accessed 26 August 2010).

25 Rawnsley, *The End of the Party*, p. 223.

26 Rachel Sylvester, Alice Thomson and Toby Helm, 'Clarke attack on Brown 'the deluded control freak'', *Daily Telegraph*, 9 September 2006.

27 See, for example, Peter Watt, *Inside Out: My Story of Betrayal and Cowardice at the Heart of New Labour* (London: Biteback, 2010), p. 174.

28 For a full – and critical – critique of Brown's personality and politics, see Tom Bower, *Gordon Brown: Prime Minister* (London: Harper Perennial, 2007).

29 Mrs Rochester was the mad woman in the attic in Charlotte Bronte's novel *Jane Eyre*. See Simon Walters, 'Brown at No10? It's like letting Mrs Rochester out of the attic', *Mail on Sunday*, 25 February 2007. Tony Blair was sympathetic to Field's appraisal. In his memoirs (p. 616), he describes Brown as lacking political feelings and emotional intelligence. For this reason, and others, Blair writes: 'I had a feeling that that my going and being succeeded by Gordon was also terminal for the government'. See Blair, *A Journey*, p. 617.

30 Philippe Naughton, 'Brown hit by "Stalinist" attack on Budget eve', *The Times*, 20 March 2007.

31 See Watt, *Inside Out*, p. 158. Brown appointed Harman to the position of Labour Party Chairwoman and charged her with the strengthening relations between the party leadership

and its activist base. This intermediary role was further augmented by her appointment to the post of Leader of the House, which would mean her taking a more prominent role in liaising with Labour MPs.

32 An edited volume of articles first published in the *Guardian* and *Observer* newspapers tracks the unfolding drama. See Colin Hughes, ed., *What Went Wrong Gordon Brown? How the Dream Job Turned Sour* (London: Guardian Books, 2010).

33 To demonstrate his inclusive approach to politics, Brown even invited former prime minister Margaret Thatcher to tea at Downing Street in September 2007. The invitation was criticised by both the Conservative right, for whom Thatcher was a hero, and the Labour left, for whom Thatcher was a villain. But the visit served its purpose of making Brown seem inclusive, it ensured good publicity, and it also probably made an elderly lady happy.

34 Peter Hennessy, 'Rulers and Servants of the State: The Blair Style of Government 1997–2004', *Parliamentary Affairs*, 58 (2005): 6–16.

35 George Jones, 'Brown moves to restore power to Cabinet with dig at Blair', *Daily Telegraph*, 2 July 2007.

36 For an insider's account of just how prepared the party organisation was for an early election, see Watt, *Inside Out*, pp. 164–77.

37 *House of Commons Debates*, Vol. 468, Part 14, 28 November 2007, column 275.

38 For a brief overview of Labour's macro-economic performance during the period, see Peter Sinclair, 'The Treasury and Economic Policy', in Seldon, ed., *Blair's Britain*, pp. 186–90.

39 Tania Branigan, 'Labour – and Brown – slide further says ICM poll', *Guardian*, 20 March 2007.

40 Decca Aitkenhead, 'Storm Warning', *Guardian*, 29 August 2008.

41 Patrick Wintour, Jill Treanor and Ashley Seager, '£50bn bid to save UK banks', *Guardian*, 8 October 2008.

42 Chris Giles and George Parker, 'Tax hit to fund £20bn fiscal stimulus', *Financial Times*, 24 November 2008.

43 HM Treasury, *Budget 2010: Securing the Recovery*, HC 451 (London: TSO, 2010), p. 221.

44 HM Treasury, *Budget 2010*, p. 4.

45 The most famous exposition of this idea can be found in Martin Paldam, 'The distribution of election results and the two explanations of the cost of ruling', *European Journal of Political Economy*, 2 (1986): 5–24.

46 Rowena Crawford, Carl Emmerson and Gemma Tetlow, *A Survey of Public Spending in the UK* (London: Institute for Fiscal Studies, 2009), p. 17.

47 ICM poll for the *Guardian*, March 2007, available at: www.icmresearch.co.uk/pdfs/2007_march_guardian_poll.pdf (last accessed 26 August 2010).

48 Gordon Brown, 'Speech on Smarter Government', 7 December 2009.

49 *Labour Party, Britain Forward Not Back* (Sutton, Surrey: The Labour Party, 2005), p. 6.

50 John Curtice and Oliver Heath, 'Do people want choice and diversity of provision in public services?', in Alison Park, John Curtice, Katarina Thomson, Miranda Phillips, Elizabeth Clary and Sarah Butt, eds, *British Social Attitudes: The 26th Report* (London: Sage, 2010), pp. 55–78.

51 Gordon Brown, 'Speech to Public Service Reform Conference: 21st Century Public Services – Learning from front line', 27 March 2009.

52 Matthew Taylor, 'Blair is dead, long live Blair', *New Statesman*, 31 January 2008; Andrew Rawnsley, 'The latest version of the PM – Brown with added Blair', *Observer*, 10 February 2008.

53 Alison Walker, John Flatley, Chris Kershaw and Debbie Moon, eds, *Crime in England and Wales 2008/09 Volume 1: Findings from the British Crime Survey and police recorded crime* (London: Home Office, 2009), p. 97.

54 Walker et al. *Crime in England and Wales 2008/09 Volume 1*, pp. 20–23.

55 Ross Bailey, Elizabeth Fuller and Rachel Ormston, 'Smoking, Drinking and Drugs: Reactions to Reform', in Park et al., eds, *British Social Attitudes*, pp. 243–68, at p. 260.

56 Andrew Porter, 'British public wants 42-day terror detention', *Daily Telegraph*, 10 June 2008.

57 For example, just after the 2005 election, YouGov presented respondents with the proposed referendum question: 'Should the United Kingdom approve the treaty establishing a constitution for the European Union?' In response, 21 per cent said they would vote yes, compared with 46 per cent who said they would vote no. See YouGov survey for the *Daily Telegraph*, May 2005, available at: www.yougov.co.uk/extranets/ygarchives/content/pdf/TEL050101004_2.pdf (last accessed 26 August 2010).

58 For a scholarly assessment of the documents, see Steve Peers, 'Analysis of the amended text of the draft Reform Treaty', *Statewatch Analysis 5: EU Reform Treaty*, available at: www.statewatch.org/news/2007/oct/analysis-5-reform-treaty-oct-2007.pdf (last accessed 26 August 20100.

59 European Scrutiny Select Committee, *Thirty-fifth Report: European Union Intergovernmental Conference*, HC 1014 (London: TSO, 2007), p. 16.

60 Richard Ford, 'More than half of new jobs go to migrants', *The Times*, 31 October 2007.

61 ICM poll for the *Sunday Telegraph*, available at: www.icmresearch.co.uk/pdfs/2009_oct_sunday_telegraph_political_poll.pdf (last accessed 26 August 2010).

62 The precise human cost of the Iraq war will almost certainly never be known. The Iraq Body Count, which records reported violent deaths, report a number in the region of 100,000. The figure of £8 billion was offered up by Gordon Brown in evidence to the Chilcot Inquiry. See Patrick Wintour, 'Right war, right reasons: day Gordon Brown came clean on Iraq', *Guardian*, 6 March 2010.

63 David Brown, Michael Evans and Deborah Haynes, 'Ex-defence chief attacks Brown's evidence to Iraq inquiry', *The Times*, 6 March 2010.

64 YouGov survey for the *Sunday Times*, July 2009, available at: www.yougov.co.uk/archives/pdf/ST-toplines_JULY09.pdf (last accessed 26 August 2010).

65 The numbers include all deaths occurring as a result of accidental and violent causes while deployed, as well as deaths due to disease related causes during the deployment. See Ministry of Defence, 'Operations In Afghanistan: British Casualties', available at: www.mod.uk/DefenceInternet/FactSheets/OperationsFactsheets/OperationsInAfghanistanBritishCasualties.htm (last accessed on 26 August 2010).

66 Richard Norton-Taylor, Julian Glover and Nicholas Watt , 'Public support for war in Afghanistan is firm, despite deaths', *Guardian*, 13 July 2009.

67 Slightly Soiled was a character in J. M. Barrie's *Peter Pan*. Anthony King, 'Tony Blair's First Term', in Anthony King, ed., *Britain at the Polls, 2001* (Chatham, NJ: Chatham House, 2002), pp. 1–44, at p. 29.

68 Lance Price, *Where Power Lies: Prime Ministers v the Media* (London: Simon & Schuster, 2010), pp. 424–8.

69 Anthony King, 'Poll shows Labour in freefall', *Daily Telegraph*, 30 November 2007.

70 Andrew Porter, 'MPs expenses row hurts major parties, Telegraph poll suggests', *Daily Telegraph*, 18 May 2009.

71 A Conservative peer, Lord Hanningfield, was also charged for similar offences in respect of House of Lords allowances. After the election, another Labour MP, Eric Illsley, was charged with false accounting.

72 The other MPs to be barred were Margaret Moran, Elliot Morley, David Chaytor and Jim Devine. It was Dr Gibson's local constituency chairman who described the process as a 'kangaroo court'. See Allegra Stratton, 'Labour accused of operating 'kangaroo court' in expenses row', *Guardian*, 3 June 2009.

73 ICM poll for the *Sunday Telegraph*, available at: www.icmresearch.co.uk/pdfs/2009_may_suntele_euro_poll.pdf (last accessed 26 August 2010).

74 See House of Commons Research Paper 08/48, Local elections 2008, available at: www.parliament.uk/commons/lib/research/rp2008/RP08-048.pdf (last accessed 26 August 2010).

75 See House of Commons Research Paper 09/54, Local elections 2009, available at: www.parliament.uk/commons/lib/research/rp2009/rp09-054.pdf (last accessed 26 August 2010).

76 The fullest historical account of Labour's relations with the trade unions is provided in Lewis Minkin, *The Contentious Alliance: Trade Unions and the Labour Party* (Edinburgh: Edinburgh University Press, 1991).

77 See Thomas Quinn, 'New Labour and the Trade Unions in Britain', *Journal of Elections, Public Opinion and Parties*, 20 (2010): 357–80.

78 Philip Cowley and Mark Stuart, 'A Rebellious Decade: Backbench Rebellions under Tony Blair, 1997–2007', in Beech and Lee, eds, *Ten Years of New Labour*, pp. 103–19, at p. 109.

79 See Mandelson, *The Third Man*, pp. 1–39.

80 Under the rules, seventy MPs had to nominate a challenger to an incumbent leader and a special vote of the party conference, Labour's sovereign body, was required. See Thomas Quinn, 'Leasehold or Freehold? Leader-Eviction Rules in the British Conservative and Labour Parties', *Political Studies*, 53 (2005): 793–815.

81 To protect his crown, Wilson always sought to increase the number of crown princes. For a brief overview of this strategy and how it helped to save his job, see Ben Pimlott, *Harold Wilson* (London: HarperCollins, 1992), pp. 489, 534–6.

82 YouGov, survey for the *Daily Telegraph*, April 2008, available at: www.yougov.co.uk/extranets/ygarchives/content/pdf/DT%2008%2004%2023%20topline.pdf (last accessed 26 August 2010).