

Clifford Chance at the UK political party conferences

The UK's position in Europe is a crucial issue for our clients and for our clients' clients. Any decision to change that relationship would have wide ranging consequences. With our expertise in European regulatory and policy issues we work with clients to help them operate as effectively as possible across the European Union. We sponsored a series of panel debates at the UK political party conferences this autumn, jointly with Citigroup, one of our global strategic clients, to look at these issues entitled, 'Can Britain Lead in Europe? Will EU reform deliver jobs and growth?'

James Bardrick, Citi's UK Chief Country Officer spoke at the Conservative and Liberal Democrat events and Phillip Souta, Clifford Chance's Head of UK Public Policy, spoke at the Labour event. We also worked in partnership with the Centre for European Reform, Business for New Europe, and Business for Britain – three organisations that represent a range of opinion on Europe.

The UK party conference season takes place over three weeks in September and October when the House of Commons is in recess. Events are attended by press, politicians (MPs, MEPs, Peers, councillors, parliamentary candidates), party activists, lobbyists, think-tanks and campaigners, trade unions and businesses. And with a general election next year, this season the conferences were even more high profile than usual.

The first debate took place at the Labour conference in Manchester, shortly after the Scottish Independence referendum. The ability of events at these conferences to dominate the news agenda and potentially move the dial on British politics was shown when the Labour Party Leader Ed Miliband's speech-memorising gamble failed. He forgot to mention the deficit and migration – two of the most salient issues in British politics – and this was kept in the news for weeks afterwards by his opponents and may have contributed to a shift in the polls against Labour.

The Scottish referendum campaign also had an impact on Labour's policy. Until now, they had left themselves some space to promise a referendum on the EU. However, after the close call of the Scottish referendum, everything that shadow ministers were saying about

Europe underlined the fact that they were the party that would "not put Britain's membership of the European Union at risk." This was the line of Gareth Thomas MP, Labour's Shadow Europe Minister and Lucy Anderson MEP, at our panel debates. Ed Miliband and his team repeatedly said that he did not want the first two years of his premiership to be dominated by Europe, on an "arbitrary" timetable.

The audience at our debate included senior MEPs and NGO representatives such as Richard Corbett MEP and Mark Boleat of the City of London Corporation. Phillip Souta, our Head of UK Public Policy, highlighted the risk of uncertainty and reduced market access that many of our clients would face outside the European Union. Peter Kellner, the pollster president of YouGov, who successfully



called the result of the Scottish Referendum, highlighted the need for people to be told the facts about Europe and immigration, and that mainstream parties had to make an effort to make an effective emotional case if they were to beat the UK Independence Party (UKIP). Jürgen Maier, the chief executive of Siemens UK, highlighted the reliance of medium and smaller firms in the supply chain that also benefited from EU membership by working with larger companies that exported into Europe and beyond, even if they did not.

The second debate in Birmingham took place against the backdrop of the Conservatives closing ranks against UKIP. We now know that with Douglas Carswell's win in the Clacton by-election, UKIP are going to be a force in the May 2015 general election and that immigration and Europe will remain at the top of the agenda.

Debates on Europe at party conferences tend to be one sided, with panels often consisting of just pro Europeans or sceptics. Ours was perhaps one of the most balanced panels on this topic at the conference. The room audience consisted

of activists, journalists, business representatives and politicians.

We had the Europe Minister, David Lidington MP; Steve Baker MP, a member of the Treasury Select Committee; Vicky Ford MEP, the chair of the European Parliament's Internal Market Committee; David Buik, a conservative commentator and financial expert, and James Bardrick, the head of Citi in the UK. The debate was chaired by Matthew Elliott, Director of Business for Britain and founder of the Taxpayer's Alliance.

The debate quickly got into what would happen to financial services in the UK if we left the European Union. Vicky Ford made the point that the main policy divide is not between those arguing about the appropriate level of regulation but between left and right. The concern from Steve Baker and David Buik was that Europe is a low-growth fortress that holds Britain back. James Bardrick said, "I don't want to be a taker of regulation where there is no representation."

At the final debate in Glasgow, we saw a party – the Liberal Democrats – who are facing the political fight of their lives. Dr

Vince Cable, The Secretary of State for Business, Innovation and Skills, said that the idea we would get a good deal on departure from the EU was "an enormous leap of faith."

Tim Montgomerie, founder of leading conservative blog ConservativeHome and until recently the Comment Editor of The Times, said, "The threat to leave has to be made in order to achieve the progress of EU reform we need." This sparked off the debate, as it is very rare to have Conservative commentators at non-Conservative party political conferences.

Scottish businesswoman Amanda Harvie countered that, "The EU is the strongest possible platform for competition for global investment." On Brexit, James Bardrick said, "You don't need very large amounts of extra inefficiency to really alter the dynamics of businesses' competitive position."

These events followed on from the widely-reported work we did for *TheCityUK* on the UK's legal relationship with the EU.

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James Bardrick, the Chief Country Officer, Citigroup UK

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