

NEXT GEN
TORIES 

A VISION FOR THE
FUTURE OF THE
CONSERVATIVE
PARTY



nextgentories.com



An aerial photograph of New York City, showing the Manhattan skyline with various skyscrapers, the Hudson River, and Central Park. The image is overlaid with three blue rectangular boxes containing white text. The top box contains the text '3 PILLARS FOR A CONSERVATIVE FUTURE'. The middle box contains the word 'WORK'. The bottom box contains the word 'HOME'. The word 'FAMILY' is positioned below the bottom box, overlapping the bottom edge of the image.

**3 PILLARS FOR A
CONSERVATIVE FUTURE**

WORK

HOME

FAMILY



FOREWORD

The Conservative party is the most successful political party in history. It has achieved this because of a willingness to continuously reinvent to meet the challenges of the day. Thatcher's party remodelled our society for a globalised age, the Cameron Government guided our economy through the aftermath of the financial crash, and the Conservatives protected the most vulnerable during the pandemic by delivering the vaccine programme.

The party now faces a new challenge - the generational divide - which is preventing younger voters from gaining a stake in the UK. Millennials and Gen Z are struggling to keep what we earn, own our own home, and start a family. To have faith in a capitalist society, and in turn the Conservative Party, younger generations need to be offered a vision for the future which they can believe in.

Age is the new dividing line in politics. It is now a stronger indication of voting intention than class, gender or race - and will be a defining feature of UK politics over the next decade¹. Unlike previous generations², as Millennial voters reach their thirties and forties they are no longer turning to the Conservatives. This presents an existential challenge for the party.

To win the support of these voters, the party must tackle the root causes of the generational divide which have pushed younger people to other parties - Work, Home and Family. Stagnant wages, unaffordable homes, and the soaring cost of raising a family is pushing voters away from the Conservative Party. Addressing these areas is the key to unlocking the support of the under-45s, reigniting a Conservative vision for the next generation where aspirational voters can afford to own their own home and start a family if they wish.

Tackling the generational divide will also rekindle the UK economy as these generational issues are symptomatic of the greatest barriers to growth. For every 100,000 homes built per year, £17.7bn in direct GDP growth would be added to the economy³. Giving families a better choice over childcare could provide an additional £28.4bn per annum⁴. Intergenerational fairness is not just about creating a fairer economy, it's beneficial for voters of every age.

¹ YouGov, *How Britain voted in the 2019 General Election*, December 2019, [link](#)

² FT, *Millennials are shattering the oldest rule in politics*, December 2022, [link](#)

³ Policy Exchange, *Homes for Growth*, March 2023, [link](#)

⁴ Centre for Progressive Policy, *Tackling gender inequalities in unpaid work and care*, March 2023, [link](#)



If the party hopes to win the next election and those of the 2030s, we must focus relentlessly on improving the lives of generations at the thin end of the wedge. The answers to these generational challenges are Conservative ones, but the parliamentary party must be bold enough to embrace them.

Next Gen Tories exists to drive a greater sense of urgency in the Conservative party. It is not too late to address the generational divide, but the earlier the party focuses on these priorities the better it's chances of winning both the next election and those to come. Join our campaign, and together we can ensure the most successful political party in history can meet the challenges of tomorrow.

OUR AIMS

1. To build a Conservative consensus for tackling the generational divide.
2. To promote policies which address stagnant wages, unaffordable homes, and the soaring cost of raising a family.
3. To increase Conservative Party membership in the under 45s - so that the party can win not just the next General Election, but those in the 2030's and beyond.



JAMES COWLING
CO-FOUNDER



MATTHEW MCPHERSON
CO-FOUNDER



JOSH SMITH
HEAD OF POLICY

THE GENERATIONAL DIVIDE

Throughout its history, the Conservative party's offering to voters has been that if you work hard and are responsible, you will reap the rewards. This is the underpinning of our social contract: voters must know that the system works for them if they are to believe in a capitalist society. When young people are poorer than previous generations⁵, this fosters¹ a feeling of intergenerational unfairness, destabilising our society as resentment builds between generations.

These economic impacts damage the fabric of society. Rural areas that were once thriving villages are seeing their local schools and businesses close as fewer families can afford to live in the area. Meanwhile, urban areas are becoming progressively more expensive, pushing young people into a no-mans-land of unaffordable rents or enormous mortgages. For young people, the rise in housing prices is exacerbated by stagnant wages and ever more expensive childcare, making it hard to start a family. Over time a smaller proportion of this cohort will live good lives, building resentment for their conditions.

As more young people believe their economic interests lie with the socialist parties, this generation's wider attitudes shift towards a more left-wing perspective. Over time this shift to the left is becoming ingrained, and we now see evidence of those in their thirties and forties holding starkly different attitudes to their older peers on a wide range of cultural issues, not just economic policies. Focusing on the economic aspects of the generational divide is therefore critical because reforms to these areas will benefit the entire UK, and are a route to a Conservative offering that reaches the broadest possible cross section of society.

To win not just the next election but those in the coming decades, we must offer more to younger generations. The principles of good work, home and family are Conservative ones. By prioritising reform in these areas the party can give younger people their own chance to get on in life. Rebalancing our economy in this way is imperative if we are to win their support, and in turn see future Conservative governments.

The party has always been at its strongest when it governs for the entire country, rather than chasing a narrow coalition of voters. As support amongst Millennial and Gen Z voters drifts further away, now is the time to reassess our approach.

This isn't just important for the electoral future of the party, but for the growth and prosperity of the UK. Next Gen Tories has rightly identified that we must prioritise building more homes, supporting families and lowering taxes. The evidence is clear – and it calls us to action.



RT HON SIMON CLARKE MP

Former Secretary of State for Levelling Up, Housing and Communities, and MP for Middlesbrough South and East Cleveland

⁵ FT, *Millennials poorer than previous generations*, February 2018, [link](#)



WORK

Millennials and Gen Z face a cost of living crisis, not just from the impacts of inflation, but critically because of a long term shift on who and how the state taxes. This shift has happened over time, with rates rising by a greater magnitude for young people and low earners than for higher earners and people over the State Pension Age. Almost every generation has paid more in taxes, both direct and indirect, than those born in the previous decade did at the same age⁶.

Recent debate within the Conservative party has focussed on the burden of tax in absolute terms, missing the nuanced discussion of where tax falls. Older generations have benefitted from lower tax rates throughout their lives and now benefit from low asset taxes. Conversely, younger people pay a much heavier burden of tax and are predicted to do so throughout their lives. Young professional graduates now pay a marginal rate of 52 per cent.⁷ The high-taxation problem is compounded by lower disposable incomes compared to Gen X, driven by housing costs and low wage growth.

The average person born in 1956 will pay £940,000 in tax over the course of their life, but they are forecast to receive state benefits amounting to more than £1.2 million, a so-called welfare dividend of £291,000⁸. When the balance of taxation is fair, each generation is happy to pay for others to benefit from the education that they received themselves, or for the health and social care that they too will rely upon in older age. This principle is put under pressure if poorer millennials are asked to pay in more and take out less than older generations.

In the next decade the question of how the Government raises tax will become more pressing. As the baby boomer population ages, the subsequent pressures on the public sector will necessitate increased spending in the absence of public service reform. Indeed, spending on health care and social security is set to rise by £24 billion by 2030 and by £63 billion by 2040⁹.

⁶ ONS, *Generational divide, the effects of taxes and benefits*, August 2019, [link](#)

⁷ The Telegraph, *Young graduates to pay 52pc effective tax rate*, September 2021, [link](#)

⁸ The Economist, January 2023, [link](#)

⁹ Resolution Foundation, *A new generational contract*, May 2018, [link](#)

Conservatives understand that the state has no money of its own, only taxpayers money, placing a responsibility on the state to raise taxes fairly. Funding an expansion of the state through redistribution of wealth from poor to rich goes against the Conservative principle of equality of opportunity. Rebalancing the tax system will reap significant rewards, giving younger people more disposable income to put either directly into the economy or to save for a deposit on a property.

This approach will create a more balanced economy, where younger people are able to get on in life under their own steam. As the public finances return to health in the coming years, the proceeds of growth must be targeted at working people first. When considering where these tax cuts fall, the Treasury must ensure these voters, who pay the most but receive the least, are at the forefront of their minds.

It is clear that the Conservative Party need to deliver a drastically better deal for the younger generation. Taxation in the UK has become a worrying wealth transfer from young to old. None of this is in keeping with the traditions of the Conservative Party, which should champion individualism, small government, low taxes, but – most importantly – reward ambition.

Capitalism relies heavily on access to capital. Yet the younger generation are being stripped of their capital, leaving them with no stake in the system. Income is being swallowed by an ever-growing state; exorbitant house prices prevent many accessing the housing ladder; slow wage growth and marginal tax rates mean that hard work does not provide the reward it should. Young people are right to ask what they are getting back from the current system. We cannot expect capitalists without capital.

We must incentivise the younger generation to work hard: not punish them for doing so. It is not just unfair, but a drag anchor on productivity which results in a self-imposed barrier to growth. We must urgently offer hope to the younger generation. Doing so would not only benefit the young but would supercharge growth delivering greater prosperity to the entire country in the process.



ROBERT COURTS MP
MP for Witney



HOME

In 1997 the average cost of buying a home was 3.7 times annual earnings. Just 25 years later, this has risen to 9.1 times annual earnings. The gulf between wages and house prices has made it all but impossible for single people to buy a home, and has stretched young couples to the limit of their capacity to borrow¹⁰.

As a direct result, the number of middle income 25 to 34 year olds owning their own home has plummeted from almost two thirds in 1997 to barely a fifth today¹¹. Inheritance is now the most effective way to get on the housing ladder, a fundamental challenge to the idea that work is the route to prosperity in a capitalist economy.

According to research from the Centre for Policy Studies¹², "It is clear that home ownership is one of the biggest factors - and possibly even the single biggest - in terms of determining how someone votes". Their research shows that at the 2019 General Election 57% of owner-occupiers voted Conservative and only 22% voted Labour.

In contrast, only 31% of private renters (who are far more likely to be under-45) supported the Conservatives with 46% supporting Labour. If this long term trend continues, the Conservatives will be locked out of government by the millennial generation who are unable to get on the property ladder.

If younger voters save enough for a property they are 'buying high', entering the market once it has already soared. This means even the highest earning of younger voters are spending huge proportions of their income to get on the ladder. Some of these more typically Conservative-leaning voters are therefore drifting away from the party.

Conventional political wisdom is that NIMBYism is an electoral asset to political parties, but this well-worn notion is simply out of date. For the party brave enough to grasp it, there is an opportunity to enfranchise a fresh generation of homeowners without losing the support of those already on the ladder, but this requires a party focussed on that mission.

It has always been necessary for the Conservatives to attract new voters to the party. To do that, the party has to create the conditions for young people to put down roots, generate capital, and build a life they wish to conserve. If the Conservatives fail to address the UK's massive housing deficit¹³, there is a serious risk to the long-term survival of the party.

¹⁰ ONS, *Housing Affordability in England and Wales*, March 2022, [link](#)

¹¹ Sky News, *Home-ownership has 'collapsed' among middle earners*, February 2018, [link](#)

¹² Centre for Policy Studies, *Right to own*, June 2022, [link](#)



BUILDING MORE HOMES

Increasing the rate of house building will enable young people to build their stake in the UK. At present the UK is at the bottom of European league tables for both house building starts¹⁴ and homeownership.¹⁵ A proclivity for NIMBYism is risking the future of the party. Many residents' planning concerns are valid, and getting the wrong developments in the wrong places has hardened public opinion in some areas, but their combined weight across the country has stifled housebuilding and built resentment in younger voters subsequently locked out of home ownership.

It is now politicians' role to build a fresh consensus, approaching the challenge with renewed vigour. Reforming planning laws, ensuring buildings are built to high standards and rebuilding trust in the planning system through sensible reforms is essential.¹⁶

The concerns of voters in suburban and rural areas do not need to constrain our entire planning system. Delineating planning in inner cities and rural constituencies through zonal planning would make it easier to streamline our overly complex planning process. City centres have the most acute demand for housing so, logically, policymakers should focus on increasing density in these areas.

Greater density in cities would alleviate the worst aspects of the rent crisis whilst also growing the economy. The UK is a fairly densely populated country, but that density is relatively evenly spread, meaning we have very few areas with high levels of urban density, unlike many other European countries¹⁷. If we were to reform planning laws to encourage greater density in new building projects, whilst protecting important positive attributes like access to outdoor space, we could significantly increase housing stock in the UK's major cities.

Lower housing costs and higher levels of home ownership will reduce the Government's spend on housing benefits. The savings can be used to build more social housing, thereby reinvigorating the rental market's only meaningful competition.

Reform will be politically challenging, but by neglecting these hard decisions the Conservatives are failing to sow the seeds for a future generation of its own voters. This threatens the Party's very existence. We need to build more houses and we need to build them now.

¹³ Centre for Cities, *The UK's 4 million missing homes*, February 2023, [link](#)

¹⁴ Statista, *Number of construction starts of new residential properties per thousand citizens in Europe as of 2021*, August 2022, [link](#)

¹⁵ Statista, *Homeownership rate in Europe*, October 2022, [link](#)

¹⁶ Policy Exchange, *Homes for Growth*, March 2023, [link](#)



MAKING IT EASIER TO OWN A HOME

It is critical that reforms to planning policy do not take place in isolation. The challenge of homeownership for the under-45s is not isolated to supply of housing, but also to the market for mortgages and the conditions of ownership. Reforming these would have a significant impact on under-45's ability to get on the housing market.

Three obstacles remain for first-time buyers: the difficulty of being able to get a deposit; the loan to income (LTI) limits on borrowing; and access to high loan to value (LTV) mortgages.¹⁸ To overcome these hurdles and increase homeownership rates, we need to better support the mortgage market in offering more loans at higher LTV mortgages (up to 100%) and support the creation of a mortgage insurance market that would allow banks to take greater risks and provide more innovative products.

These small changes are unlikely to create any new systemic risks for the market yet have the potential to support as many as 3,000,000 access mortgages.¹⁹ It is, however, critical that these reforms are not pursued in isolation or else they risk inflating demand and driving up house prices to even more unaffordable levels.

Approximately 20% of English housing stock is leasehold - a condition of ownership which 58% of people regret entering into²⁰. The Government's first stage of leasehold reform is to be welcomed; it will improve many tenants' experience of leaseholding. However, the Government must introduce its promised second stage of leasehold reform, making it easier for leaseholders to buy-out their tenancies²¹. These reforms can significantly improve the condition of many young people's property ownership.

If the experience of buying and then owning a home is unpleasant, fewer people will seek to own a home. Similarly, negative experiences of home ownership are not going to give people the stake in the UK they wish to conserve.

SUPPORTING RENTERS

Changes to housing supply, the mortgage market, and leasehold reform will all take time to have the effect young voters need. The rental market must also be reformed to better work for the majority of young people who are unable to get on the housing ladder or are working hard to save deposits. The Government's White Paper, *A Fairer Private Rented Sector*, is an important first step and the sooner the Government passes legislation, the better.

¹⁷ Centre for Cities, *Is increasing density the answer to the land squeeze*, April 2018, [link](#)

¹⁸ Policy Exchange, *Helping more people become first time buyers*, August 2022, [link](#)

¹⁹ *ibid*

²⁰ House of Commons Library, *Leasehold and Commonhold Reform*, December 2022, [link](#)



While the White Paper proposes measures that will make living in rented accommodation more pleasant, it will do little to tackle spiralling unaffordability of renting in the UK's major cities. Since 2015, UK rental prices have increased 13.9%²². In London, where the crisis is most acute, rental asking prices increased 15.9% in the 12 months to the end of 2022²³.

Two simple reforms need to be implemented to improve the negotiating position of tenants and allow the rental market to work in the favour of those trying to find somewhere to call home. First, the Government should abolish fixed-term tenancies, with suitable exceptions for students and protections for landlords. Secondly, the Government should implement mandatory membership of the property ombudsman for all landlords, as is required of letting agents²⁴.

Young people understand that the home ownership that was open to their parent's generation is now closed to them. From the budgeting impact of high rental costs to the stalling of personal development, the housing crisis is an issue that younger generations feel acutely in their day-to-day lives.

It's vital that Conservatives build a fresh consensus that champions homeownership and delivers on the promise of the 2019 manifesto. Giving young people an opportunity to own their own home is key to empowering this section of society, who need to be offered their own stake in society. A strategy to build significantly more houses must be combined with serious reform of mortgage financing, which ensures that younger people can not just find a home, but afford one.



BIM AFOLAMI MP
MP for Hitchin and Harpenden

²¹ House of Commons, Written Question - Leasehold, June 2022, [link](#)

²² ONS, *Index of private rental prices*, July 2022, [link](#)

²³ Rightmove, *Rental Price Tracker*, December 2022, [link](#)

²⁴ Levelling Up, Housing and Communities Committee, *Reforming the private rented sector*, February 2023, [link](#)

FAMILY

The Conservative party prides itself on being the party of family, ensuring that every child has the best start in life regardless of their background. Supporting families isn't just the right thing to do, but it enriches our society by creating thriving communities. Families in Britain today face big challenges - expensive childcare, distance from family members, and the rising cost of living.

The cost of raising a child now totals over £150,000 for a couple and over £200,000 for a lone parent²⁵. Having children is an increasingly daunting prospect, making many reconsider whether to start a family or have another child. We need to support and encourage families to start and grow. A decline in fertility rates leads to an ageing population, as there are fewer young people to replace the ageing workforce. This can put pressure on the economy, healthcare, and social security systems, as fewer workers are available to support the growing number of retirees.

Childcare has become an increasingly large component of this cost, placing an outsized burden on parents who want to have the opportunity to work but aren't fortunate enough to have unpaid family care available. Childcare in the UK is among the most expensive in the world, with many families either spending a significant proportion of their income on care for their children, or losing out on potential income as a result of being unable to work the hours they would like to.²⁶

Sending a child to nursery now costs over £13,000 a year on average, roughly the same as the cost of private school fees - something which only 7% of the population choose for their child. The shortage of places means increased demand, driving up prices as families are forced to compete for places.

The organisation *Pregnant then Screwed* found that 57% of parents report having to reduce their hours and their earnings because of childcare bills. This isn't through wanting to work less, as just half of all parents (56.3%) of parents of a child under five feel they have all of the childcare that they need²⁸. For parents who can pay, availability remains a major issue. A quarter of parents (22.9%) have said that there were no childcare places available to them within a 10-mile radius of where they live. For 50% of parents who do not have all the childcare they would like, availability is the blame²⁹.



²⁵ Child Poverty Action Group, *The Cost of a Child in 2022*, November 2022, [link](#)

²⁶ World Economic Forum, *These countries have the most expensive childcare*, April 2019, [link](#)

²⁷ Early Years Alliance, *Families set to foot the bill*, [link](#)

²⁸ Pregnant Then Screwed, *A third of new parents cannot afford to have more children*, November 2022, [link](#)

²⁹ *Ibid*



Most parents currently receive 15 hours free childcare for those over the age of two, but the scheme is underfunded, meaning providers typically make up the shortfall by charging more for younger children²⁷. This is a productivity and growth issue, as well as leading to a lack of early childhood education and development opportunities. Reforms to make childcare more widely accessible and available make both electoral and economic sense, allowing families the breathing space they need. Bold action can be delivered upon quickly, and must be a priority for the government.

A plan to fix our childcare system must include significant supply-side financial investment alongside structural reforms. Enabling a greater range of choice for families would create more affordable options. For example, shifting the rules around the number of children an adult can look after to be in line with Scotland would lower costs. Allowing informal providers - such as childminders - to work from places other than their own home would help, in part, to address some of the supply issues parents currently face when trying to find childcare.

We must also acknowledge how families have changed in recent decades. The time when families could rely on grandparents for a significant amount of childcare is passing. The average age someone becomes a grandparent is now 50 for women and 53 for men³⁰. With the state pension age rising to 67 over the coming decade, many grandchildren will be teenagers before their grandparents are retired. Families increasingly live in different parts of the country as people move for work, or meet their other half from a different part of Britain. This is compounded by high house prices in areas where families want to live, creating ageing towns and younger cities.

Grandparents undoubtedly play an important role in informal childcare - and the benefits to developmental behaviour are clear. However, the government needs to ensure more formal structures of childcare thrive in order to truly solve the childcare crisis in Britain today. It isn't good enough for parents, or grandparents, to put their careers on hold or abandon them altogether because of the extortionate cost of childcare.

Reforming childcare and strengthening families is an area where the Conservative government has the potential to make a meaningful and tangible difference before the next election. By taking steps to both increase funding and reform the system, the Conservative Party can show we are delivering for our next generation of voters, demonstrating we are on their side. Reform will boost the productivity and growth the UK so desperately needs.

³⁰ Legacy Project, *Grandparenting facts*, [link](#)

THE FUTURE

Next Gen Tories seeks to be a convening power, bringing together policy makers, think tanks and activists to push the issue of intergenerational fairness up the agenda. Over the next eighteen months we will be focused on ensuring these policy priorities are on the Government's radar, and included in the next manifesto. A pipeline of reports and events is on the horizon, exploring each of our three key policy pillars in further detail – work, home and family – and how the party can refresh its policy agenda in these areas.

With a growing number of Parliamentary Champions from across all wings of the party, we are seeking to move on from the factionalism of recent years. This is a unifying agenda, focussed on addressing the concrete issues of the day.

Looking to the future, Next Gen Tories will play a key role in advocating for a Conservative party that governs for the whole of the country, with a policy agenda that can appeal to voters both young and old. Building a new electoral coalition is the only way in which the party will continue to be an election winning force in UK politics.

**Together we can build a
Conservative vision for the future.**





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