



More in
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Tuesday 6 October



10:45 to 11:45



Executive Room 7,
Secure Zone, ICC

The Big Tax Debate: where should the Conservatives go next?



**Alex
Newton (Chair)**
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**Sir David Davis
MP**
MP for Goole and
Pocklington



**Baroness
Neville-Rolfe**
Shadow Minister for
HM Treasury



**Luke
Tryl**
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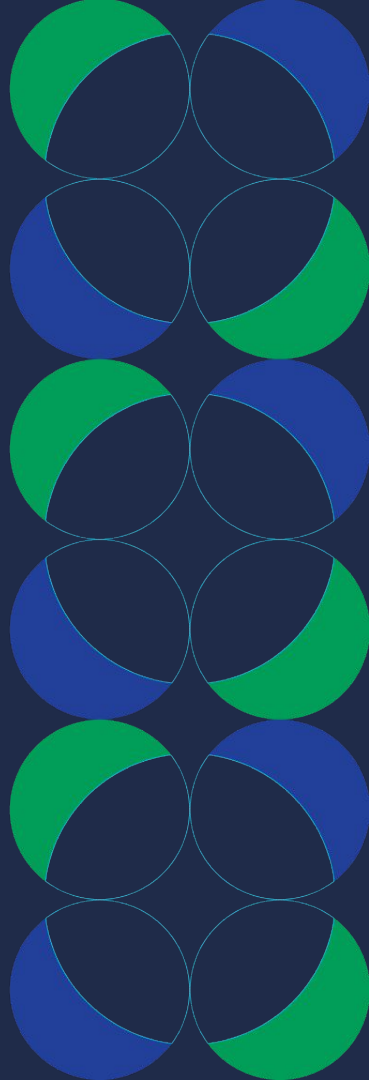
**Camron
Aref-Adib**
Joseph Rowntree
Foundation



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The Big Tax Debate: Where should the Conservatives go next?

Conservative Party Conference 2026



Introducing the seven segments

The British seven segments were developed to move beyond traditional left-right or party-based analysis by exploring the deeper psychological, cultural, and value-driven foundations that shape public opinion. This approach helps explain why political loyalties have fractured and offers a more nuanced understanding of what drives attitudes on issues like immigration, climate, and the economy—enabling more effective engagement with the public across a fragmented political and social landscape.



Progressive Activists



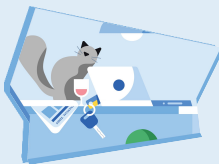
...an outspoken group that is politically engaged and globally minded, championing social justice but feeling alienated from mainstream politics

Incrementalist Left



...a group that leans left and trusts institutions, often stepping back from the news and avoiding politically fraught debates

Established Liberals



... a prosperous group that is confident in institutions, values expertise, and believes the system broadly works

Sceptical Scrollers



...a disengaged group that has lost trust in mainstream institutions and increasingly looks online for sources of truth

Rooted Patriots



...a patriotic group that feels overlooked by elites and wants leaders with common sense to protect local identity

Traditional Conservatives



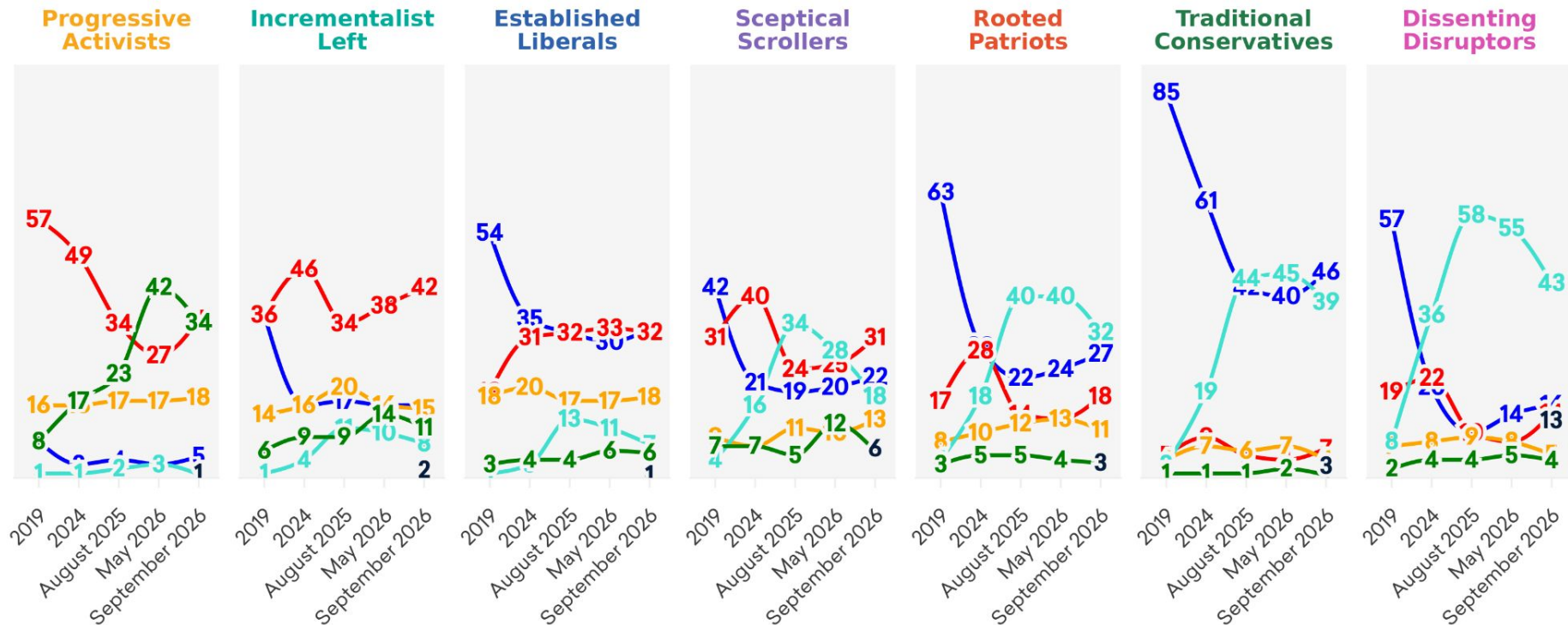
... a nostalgic group that respects tradition, authority and personal responsibility, while remaining sceptical of rapid change

Dissenting Disruptors



... a frustrated group that craves radical change and backs strong leaders who promise to shake up a broken system

How would the Seven Segments vote today?



Conservatives' 2019 voter base

● Conservative ● Labour ● Liberal Democrat ● Reform UK / Brexit Party ● Green ● Restore

The cost of living crisis dominates the public debate

The cost of living crisis has remained Britons' top issue since the pandemic – around two thirds have consistently cited it over the last year as one of the most important issues facing the country, well above the next most salient concerns: immigration and the NHS.

Salience varies across the Conservatives' coalition, with Rooted Patriots one of the more concerned segments, and Traditional Conservatives the least.

However, concern has steadily risen across all segments over the last year, with a majority of Traditional Conservatives now citing the cost of living as one of the top issues facing the country.

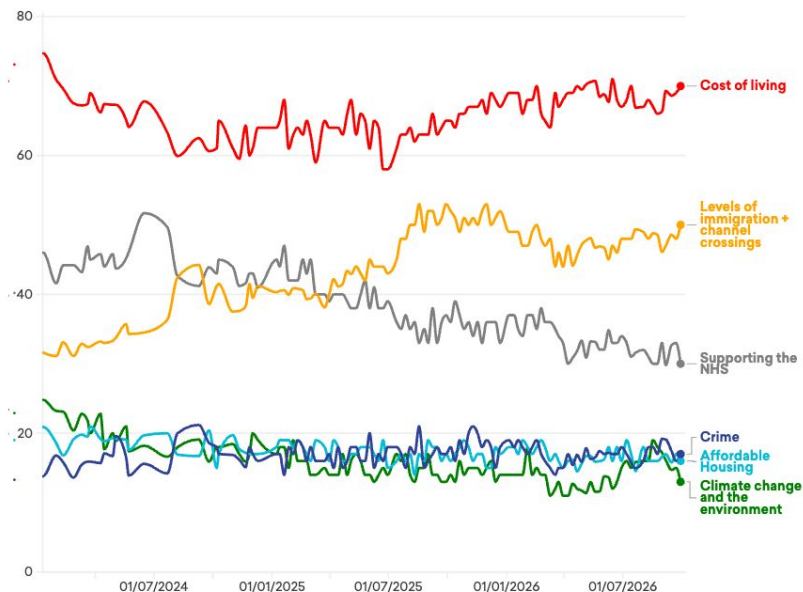


Do not raise the taxes because you're just going to kill us all off basically, because the cost of living is just absolutely atrocious.

Kate, Middlesbrough, works for the NHS

Britons' big issues over time

In your opinion, which are the most IMPORTANT issues facing the country today? Please select up to three



Concern about the state of the economy is high

Most Britons are concerned about the state of the economy – 68 per cent think the overall economy is in a bad state while around six in ten also think UK public services (57 per cent) and the government's finances (63 per cent) are in a bad state.

Concern is significantly higher among the Conservatives' key target groups on the right: Rooted Patriots, Traditional Conservatives and Dissenting Disruptors are by far the most likely to say each area is in a bad state.

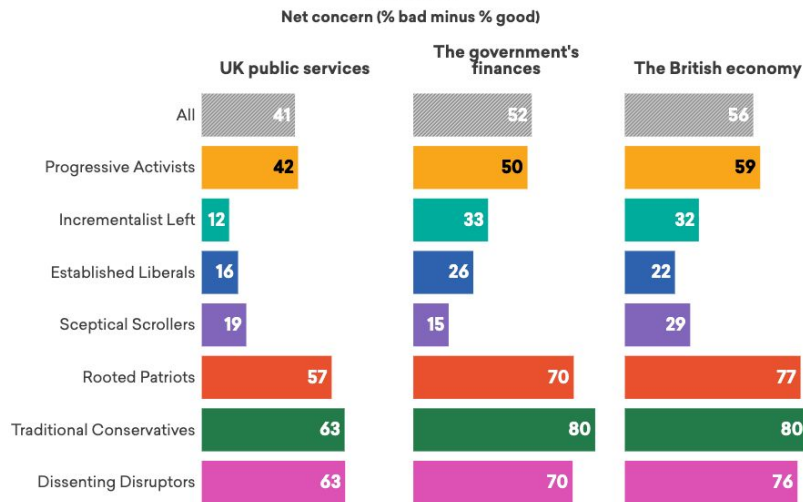
Those on the left flank of the party, Established Liberals, are one of the least concerned, but still tend to think public spending overall is in a bad state.

 *Bins are now getting emptied every three weeks... So why does our council tax go up every year... we're paying more, getting less.*

Ben, North Cotswolds, company director

Most Britons are concerned about the state of Britain's economy

For each of the following, would you say they are in a good or bad state at the moment?



The public are open to a tough conversation about public spending

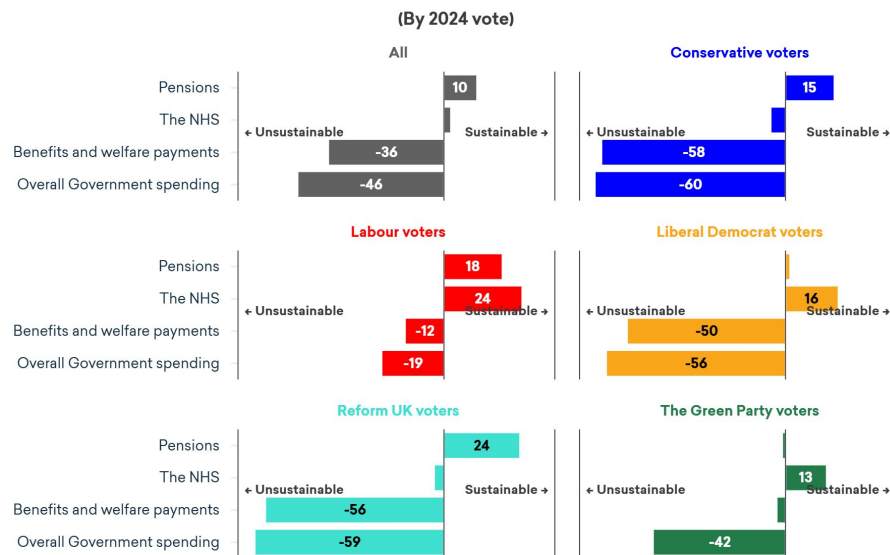
Nearly two thirds of Britons (64 per cent) think the current level of overall government spending is unsustainable; only 18 per cent think it's sustainable.

Welfare is where the public is most convinced that current levels need to change. Six in ten (60 per cent) say spending on benefits and welfare is unsustainable. That includes three quarters of 2024 Conservative and Reform UK voters, and even around half (51 per cent) of Labour's own 2024 voters.

The NHS and pensions split voters. The public is split on whether NHS spending is sustainable (41 per cent sustainable, 40 per cent unsustainable), and more say pensions spending is sustainable than not (44 per cent to 34 per cent).

Most Britons - and including 2024 Labour voters - think current welfare spending is unsustainable

Would you say that levels of Government spending on each of the following at the moment are sustainable or unsustainable?



The Autumn Budget and tax



The public would prefer spending cuts to tax rises to address a budget deficit

In a trade-off to address a budget deficit, Britons tend to favour public spending cuts to borrowing or tax rises.

Only 19 per cent prefer tax rises, half the rate of those who prefer spending cuts (38 per cent) but equal with those preferring increased borrowing (19 per cent).

Conservative voters are more decisive with a majority preferring spending cuts. Raising taxes is the least popular option for addressing a deficit (13 per cent).

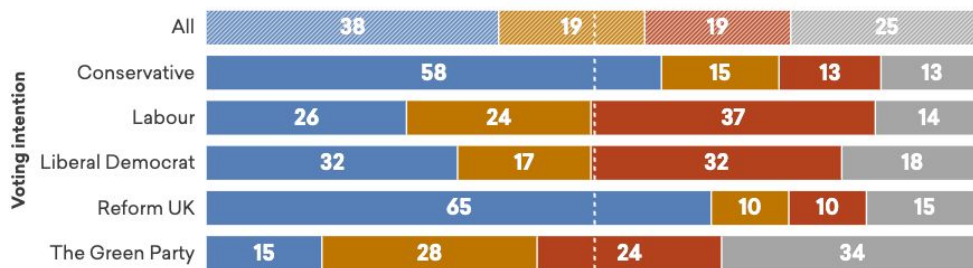
A stance on managing the budget which appeals to potential Conservative voters on the left and right could be difficult to manage – nearly two thirds of current Reform voters favour spending cuts while Liberal Democrat voters are split between cuts (32 per cent) and tax rises (32 per cent).

Britons split on how the government should address a budget deficit but lean towards preferring public spending cuts

If the Government does not raise enough money to pay for all of its public spending commitments, in your opinion what do you think should happen?

The Government should...

● Cut public spending ● Borrow the money ● Raise taxes ● Don't know



Britons don't think tax rises are a necessity for this budget

A majority of Britons think there are good options other than raising taxes in this month's budget – only one in five believe tax rises are an economic necessity.

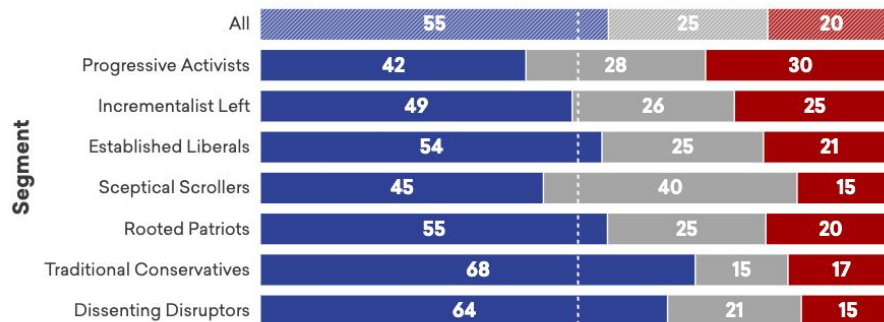
This sentiment carries across all ages and the 2024 voters of all major parties. Conservative (70 per cent) and Reform (76 per cent) voters stand out as the most likely to think there are economic options John Healey has other than tax rises.

Taking a strong stance on any tax rises in the budget could be a win-win strategy for the Conservatives. Traditional Conservatives are strongly opposed, while majorities among the Conservative Party's other key segments also think the Chancellor has other options than tax rises.

Britons, especially Traditional Conservatives, think the Chancellor has options other than tax rises

Thinking about the upcoming budget, which of the following comes closest to your view?

- There are good options the Chancellor could pursue that don't involve putting up taxes
- Don't know
- The Chancellor has no choice but to put up taxes, because of the economic situation in the country



People are less pessimistic about this budget than previous ones, but most still expect taxes to rise

Britons' pessimism around autumn/winter Budgets has fallen noticeably across the last three years, but most people remain pessimistic about what John Healey will present at the end of October.

The number feeling 'very' pessimistic ahead of this budget is down from 40 per cent ahead of the 2025 budget, to 27 per cent this year.

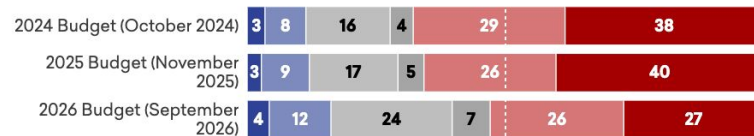
The reason for continued pessimism is an expectation that the Budget will make their daily life materially worse.

Roughly two thirds of Britons expect the Budget to raise their taxes and force them to cut back on spending. At the same time, only one in five expect the economy to grow.

Pessimism about the Budget is down but a majority of Britons remain doubtful

Would you say you are feeling pessimistic or optimistic about the upcoming Budget?

● Very optimistic ● Somewhat optimistic ● Neither optimistic nor pessimistic ● Don't know
● Somewhat pessimistic ● Very pessimistic

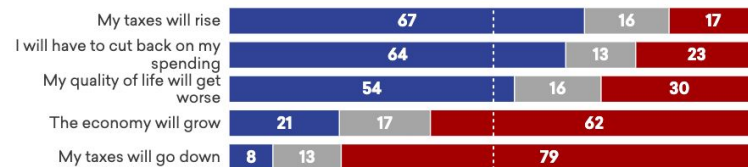


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Two in three Britons expect the Budget to raise their taxes

And thinking about the upcoming Budget, do you expect any of the following to happen?

● I expect this to happen ● Don't know ● I do not expect this to happen



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Burnham is popular, but optimism about his first budget is only marginally higher than for Starmer's last

A change of Prime Minister seems to have little impact on Britons' expectations around the Budget. Prior to last November's Budget, 71 per cent expected Rachel Reeves' announcements to raise their taxes, only four points more than say the same about John Healey now.

Britons are also only marginally less likely to expect to have to cut back on spending (67 per cent versus 64 per cent) or for their quality of life to worsen (57 per cent versus 54 per cent) as a result of the Budget compared to November 2025.

The only real difference across voters is that Labour and Green Party voters are now less likely to expect tax rises, but a majority still do.

Burnham's early pledge to honour Labour's manifesto and not raise taxes in this Budget has had limited cut through

And thinking about the upcoming Budget, do you expect any of the following to happen?

My taxes will rise

● I expect this to happen ● Don't know ● I do not expect this to happen



If taxes have to be raised, VAT and fuel duty are a red line

Britons are uncertain about several tax measures that could potentially feature in the Autumn Budget. However, they draw clear red lines on certain headline tax rises.

The public is clearest in opposing rises such as increasing VAT (67 per cent opposed), raising Fuel Duty by 3p per litre (65 per cent opposed) and increasing NI contributions (50 per cent opposed).

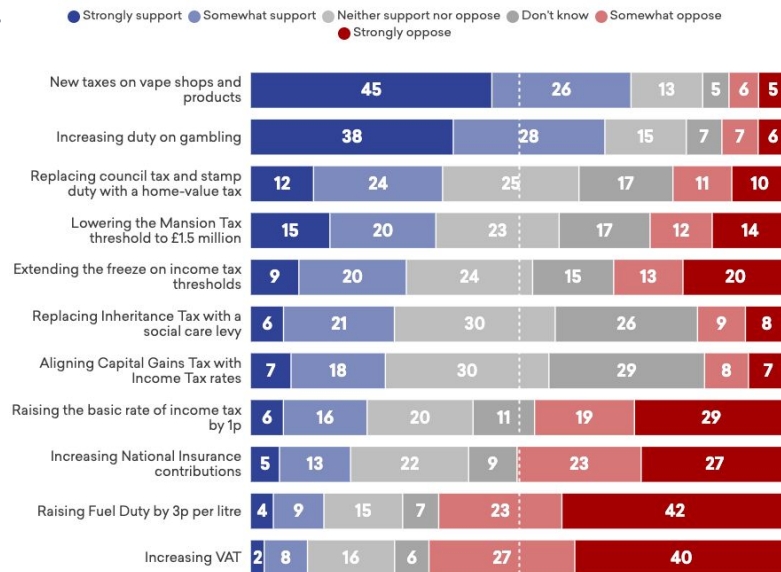
The only tax measures that Britons clearly support are rises targeting the vaping and gambling industries.

Traditional Conservatives tend to have the strongest views, being the most likely segment to support new taxes on vape shops and products (82 per cent) and the most opposed to increasing VAT (80 per cent). They are also the only group with a clear view on extending the freeze on income tax thresholds, with a majority opposed.

While Dissenting Disruptors closely follow Traditional Conservatives in being among the most opposed to raising VAT and the base rate of income tax, Established Liberals tend to be one of the least opposed.

Britons oppose headline tax rises but back taxing vapes and gambling

Below is a list of tax measures. Please indicate the extent to which you support or oppose each one.





**Should income
tax rates change?**

Britons are open to increasing tax on higher earners

Close to half the public (49 per cent) favour reintroducing the 50 per cent rate of income tax on those earning £150k plus a year, believing that it would make the tax burden fairer and raise money for public services.

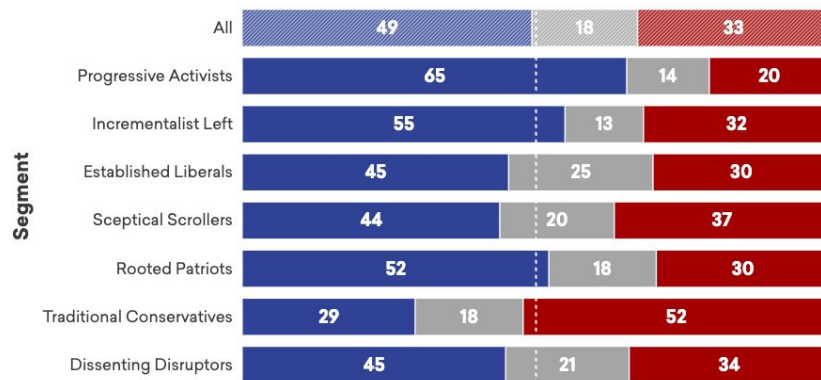
This remains their view even if it drives higher earners out of the UK. Only a third think a 50 per cent rate would fail to raise money and cause the wealthy to leave the UK. **Conservative voters are relatively split** with 42 per cent thinking a higher tax band would work versus 48 per cent who say it would lead to capital flight. Reform voters are similarly split, while all left leaning segments favour a higher tax band being reintroduced.

Yet the Conservative Party's target segments are divided: 52 per cent of Rooted Patriots think raising tax on high earners would make the tax burden fairer, while the same number of Traditional Conservatives think it would lead to capital flight.

Britons tend to favour reintroducing a 50 per cent tax rate for income above £150,000

Some people have proposed reintroducing the 50% rate for income tax for income above £150,000 per year. Some people would argue that this would raise revenue from the most well off, while others argue it would not raise substantial revenue because wealthier people would leave the UK. What do you think of this proposal?

- A 50% rate would make the tax burden fairer and raise money to pay for public services
- Don't know
- A 50% rate would not raise enough revenue and cause wealthier taxpayers to leave the UK



However, there is less appetite to raise basic rates of income tax

Britons tend to oppose the government raising the **basic rate of income tax by 1p in the upcoming Budget** – 47 per cent against to just 22 per cent in support.

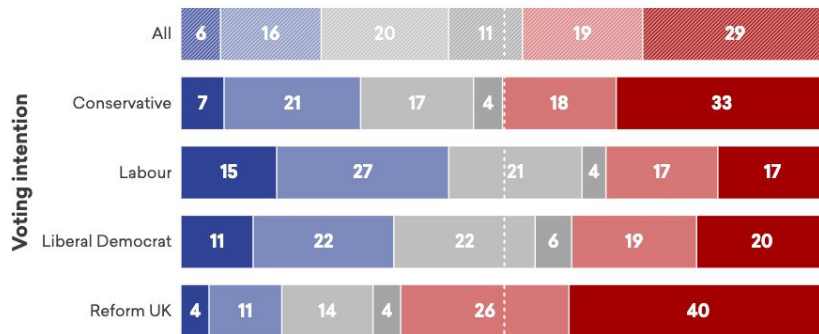
Current Labour voters are the only group who tend to support such a measure, by a margin of 7 points. The Liberal Democrats are, however, relatively split with 40 per cent opposing and 33 per cent in support.

By income, the highest earners are the least opposed to raising the basic rate, but are still divided – among those earning £100,000 or more, 37 per cent support raising the base rate of income tax by 1p, while 37 per cent oppose it.

Only Labour voters lean towards favouring a 1p rise in the basic rate of income tax

Please indicate the extent to which you would support or oppose the UK Government including each of these tax measures in the upcoming budget.
Raising the base rate of income tax by 1p e.g. raising the basic rate of income tax from 20% to 21% for earnings between £12,571 to £50,270

● Strongly support ● Somewhat support ● Neither support nor oppose
● Don't know ● Somewhat oppose ● Strongly oppose



**Would Britons
trade tax rises for
the Triple Lock or
defence
spending?**

The public are willing to accept trade-offs on the Triple Lock

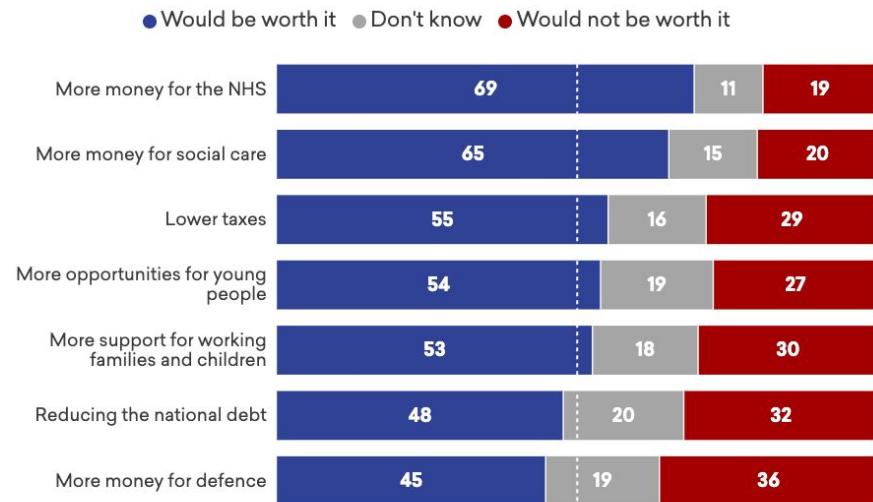
Across all proposed trade-offs, Britons tend to say it's worth changing the triple lock and accepting slower state pension growth.

The two most popular trade-offs are more money for the NHS (69 per cent say changing the triple lock would be worth it if this happened) and social care (65 per cent). Lower taxes follow in third on 55 per cent. The least popular trade off is defence, but Britons still tend to be in favour, 45 per cent to 36 per cent.

While the defence trade-off lacks strong support nationally, it could work for the Conservatives' base: the only two segments with a majority saying it would be worth slowing pension growth for increased defence spending are Established Liberals (58 per cent) and Traditional Conservatives (53 per cent). This is also the only trade-off that Progressive Activists think is not worth making (51 per cent).

Britons support trading slower pension growth for money for the NHS, social care and lower taxes

Imagine the government introduced changes to the triple lock that meant the state pension rose more slowly. Do you think it would be worth it if it allowed the following?



The Conservatives' base has become increasingly open to Triple Lock Reform

A majority of Conservative voters now think it is worth trading slower pension growth for more money for defence (61 per cent), social care (61 per cent), the NHS (63 per cent), lowering taxes (62 per cent) and reducing national debt (54 per cent).

Support for Triple Lock reform among the Conservatives' base is on the up, especially when traded for lower taxes – 49 per cent of 2019 Conservatives were in favour of this, rising 7 points among the Party's 2024 support and a further 6 points among their current voters.

In 2019, Conservative voters were one of the groups least open to trading the triple lock for lower taxes – they are now one of the most supportive.

The Conservatives' base is now more in favour of changing the triple lock if it means lower taxes

Imagine the government introduced changes to the triple lock that meant the state pension rose more slowly. Do you think it would be worth it if it allowed lower taxes?

● Would be worth it ● Don't know ● Would not be worth it



Britons tend to oppose trading tax hikes for defence spending

Nearly half (47 per cent) of Labour's 2024 voters would accept the government raising taxes to fund defence with only a third (35 per cent) saying it would be unacceptable given their 2024 manifesto commitment to not raise certain taxes.

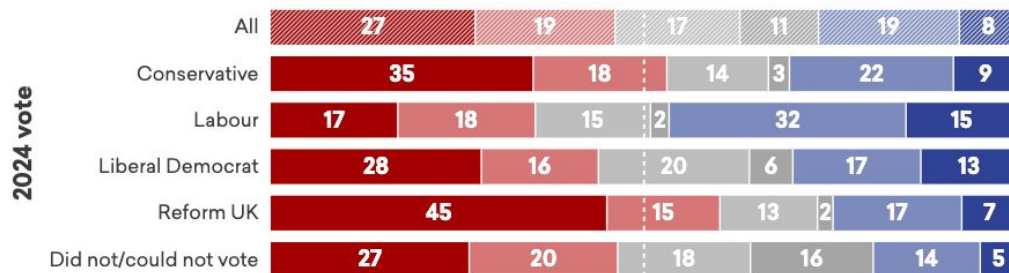
However, close to half the public (46 per cent) say this would be unacceptable with only one in four (27 per cent) thinking it acceptable. All other major voter groups are more likely to think it would be unacceptable.

All segments bar Sceptical Scrollers tend to think raising taxes to fund defence would be unacceptable, especially those furthest to the left and right: 52 per cent of Progressive Activists, 52 per cent of Traditional Conservatives and 53 per cent of Dissenting Disruptors.

Many Britons think it would be unacceptable for the government to increase defence spending by raising taxes - 2024 Labour voters disagree

In its 2024 manifesto, Labour committed not to raise income tax, National Insurance, or VAT. If the government broke this commitment in order to increase defence spending, would you find this acceptable or unacceptable?

● Completely unacceptable
 ● Somewhat unacceptable
 ● Neither acceptable nor unacceptable
 ● Don't know
 ● Somewhat acceptable
 ● Completely acceptable



Britons tend to oppose most trade-offs for defence spending but are split on raising income tax

Britons have clear red lines when it comes to making trade-offs to increase defence spending: cutting the state pension (78 per cent opposed), increasing VAT (66 per cent) and cutting disability benefits for both physical (64 per cent opposed) and mental health (51 per cent opposed) conditions.

While the public tends to oppose all specific tax and spending trade-offs to increase defence spending, they are least opposed to raising the base rate of income tax by 1p (37 per cent) and extending the freeze on income tax thresholds (31 per cent).

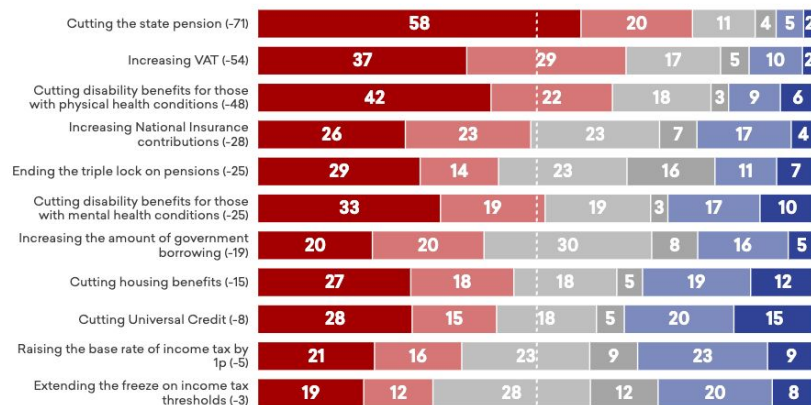
Labour's supporters align on being open to raising the base rate of income tax to fund defence- a majority of their current voters and half their 2024 voters support this.

Conservative (46 per cent) and Reform (49 per cent) voters are the most opposed, many still support – 37 and 30 per cent respectively. Many Liberal Democrat voters (48 per cent) would also support this trade-off.

Britons tend to oppose specific tax and spending trade-offs for increased defence spending

To what extent would you support or oppose the government doing the following to fund increased defence spending?

● Strongly oppose ● Somewhat oppose ● Neither support nor oppose
● Don't know ● Somewhat support ● Strongly support



**Is there an
appetite for
inheritance tax
reform?**



Britons tend to think fewer people should pay inheritance tax

Britons tend to think that fewer people should pay inheritance tax – 41 per cent say fewer should pay, 28 per cent think the numbers paying are about right and just 11 per cent want more people to pay inheritance tax.

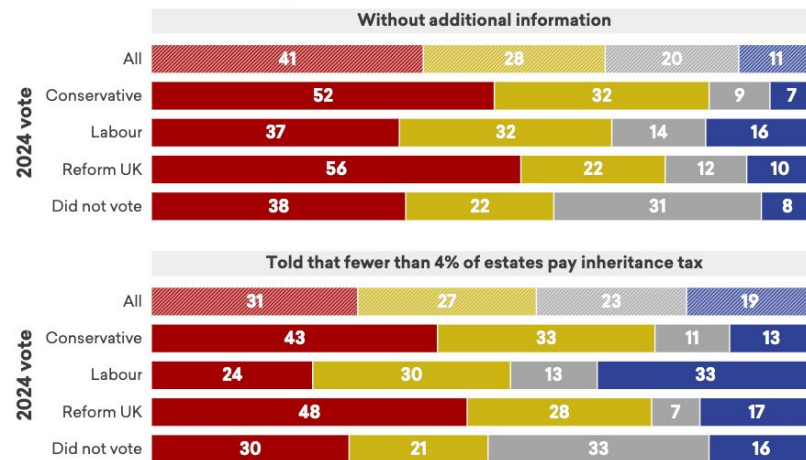
Younger Britons (18–24 year olds) are the most likely to think more people should pay (22 per cent) but still marginally favour fewer people paying (30 per cent).

Britons become less certain when told that fewer than 4 per cent of estates actually pay inheritance tax, but still tend to favour fewer people paying (31 per cent). However, nearly as many (27 per cent) think the same number should pay while the number wanting more to pay rises 8 points to 19 per cent.

Britons tend to think that fewer people should pay inheritance tax - although this drops when told that only 4% of estates pay

Would you say that more people, fewer people, or the same number of people should have to pay inheritance tax?

● Fewer people should pay
 ● The same number should pay
 ● Don't know
 ● More people should pay



The public is split on whether to abolish inheritance tax, or reform it so fewer people pay

Half of Britons don't favour the current extent of inheritance tax but are split between abolition (26 per cent) or raising the tax-free threshold (24 per cent). Few think it should be kept the same (20 per cent) or changed so more people pay (13 per cent).

The Conservative Party's base is consistently more likely to oppose the current extent of inheritance tax, but finding a clear position on abolition versus reform is difficult.

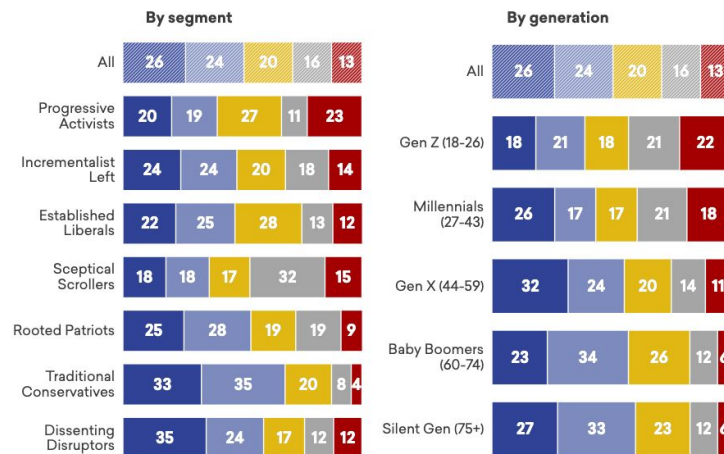
Across both their 2019 and 2024 voters, around one in three favour each of abolishing inheritance tax and raising the tax-free threshold.

The Conservatives' core segments are neatly split, with Dissenting Disruptors the only segment that tends to favour abolition. Traditional Conservatives are the most likely to want tax-free thresholds raised (35 per cent) but nearly as many want the tax abolished (33 per cent). Meanwhile, older generations lean towards reforming so fewer people pay, but not decisively.

Britons tend to be against the current state of Inheritance Tax but split between abolition or reform

Would you say that more people, fewer people, or the same number of people should have to pay inheritance tax?

- Inheritance tax should be abolished entirely
- The tax-free threshold should be raised, so that fewer people pay inheritance tax
- The threshold at which inheritance tax is paid should be kept the same
- Don't know
- The tax-free threshold should be lowered so that more people pay inheritance tax



Britons are unsure if inheritance tax should be traded for a social care levy

There is a strong appetite, in theory, for the state to fund social care via general taxation – seven in ten Britons think this, with only two in ten thinking individuals should pay.

However, on Andy Burnham's initial proposal to replace inheritance tax with a social care levy on estates, most Britons are unsure: 26 per cent "don't know" while 30 per cent say they would neither support nor oppose it.

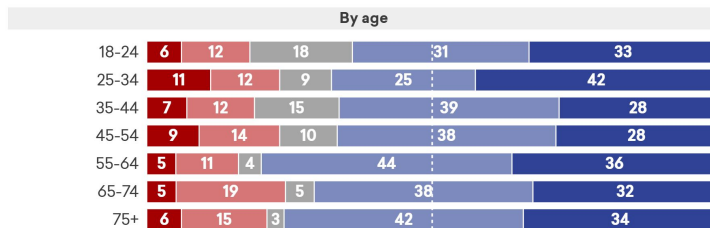
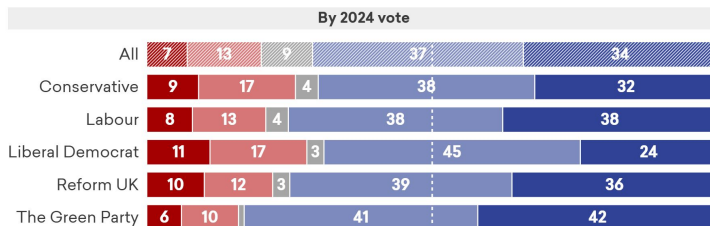
Those with a view do tend to support (27 per cent) rather than oppose (17 per cent) the proposal.

Current Conservative voters are the most split but marginally lean towards supporting replacing inheritance tax with a social care levy, 31 per cent to 26 per cent. Many Liberal Democrat and Labour voters support the idea while Reform voters lean towards opposing it.

Seven in ten Britons say social care should be funded by general taxation, not by the individual receiving the care

Please use a scale of 1 to 4 where 1 means you agree with the first statement and 4 means you agree with the second.

- 1 - Social care costs should be paid for by the individuals receiving the care ● 2
● Don't know ● 3
● 4 - Social care costs should be paid for by the government, funded by general taxation



Cutting stamp duty is highly popular

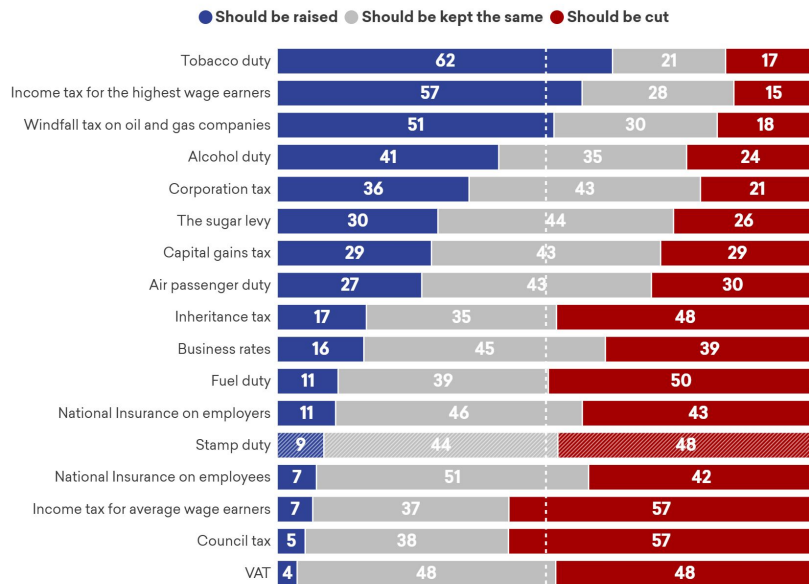
Asked ahead of this year's party conference, **53 per cent of the public support abolishing stamp duty**, while just 10 per cent oppose doing so. And given a list of taxes and asked whether they should be cut or increased, stamp duty is **among the most popular cuts** – higher than national insurance, and almost as high as fuel duty.

Every segment is more likely to support than oppose the policy of abolishing stamp duty, and it plays particularly well with Rooted Patriots, Traditional Conservatives and Dissenting Disruptors, core elements of the Conservative Party's 2019 coalition, where a majority of each group is in favour.

Levels of support are weaker, though still higher than any opposition, among Established Liberals – the more socially liberal, 'one nation' strand of Conservative support – at 44 per cent. More than four in ten of this group are neutral or unsure about the policy.

Stamp duty is one of the taxes Britons are most likely to want to cut

For each of the following taxes, please indicate whether you think they should be cut, raised, or kept the same?





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The Big Tax Debate: where should the Conservatives go next?



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