



Labour's Manifesto gamble

Jeremy Corbyn today unveiled Labour's election manifesto which he described as "a radical and ambitious plan" with an offer of bringing real change to Britain. In a populist address Mr Corbyn railed against a "rigged system" in favour of the rich and powerful and spoke of the frustration of those who had not had a real pay rise, ten years after the financial crisis.

Using emotive language, Mr Corbyn said Labour would stop the "great rip off" of the privatised utilities by bringing rail, mail, water and energy into public ownership, together with providing the fastest full fibre broadband for free. He said those "at the top" would be made to pay their fair share to fund public services.

Many commentators will agree that Labour has successfully identified a set of problems facing the country and of real concern to much of the electorate. But there will be controversy over the solutions Labour proposed today. For this manifesto clearly signals what would be a dramatic break with the post-1979 economic consensus and goes well beyond the party's 2017 manifesto, signalling real radical intent.

Mr Corbyn emphasised that this economic transformation will be a green transformation, creating one million new jobs by shifting to renewable energy, with the costs of the green transition falling on the wealthy and those most responsible for the problem, notably through a windfall tax on oil companies. The choice to hold the launch in Birmingham, the heart of the first industrial revolution, was clearly symbolic as Labour pledged to oversee a Green industrial revolution.

At the launch event, Jeremy Corbyn promised an investment blitz "on a scale you have never known before". Making a pitch "for the many not the few" he pledged that there would be no increases in VAT, income tax or National Insurance for anyone earning under £80,000 per annum.

Offering something for everyone, Labour would fund free personal care for older people, while scrapping universal credit, promising the largest council house building programme for decades and guaranteeing 30 hours free child-care to all 2-4 year olds.

In order to head off accusations that this spending splurge is unaffordable or that it is unrealistic to fund its promises solely by taxing the top 5%, Labour issued what it described as a "grey book" providing a costed document alongside its manifesto. This lunchtime the Conservative treasury team will have been going through this document in forensic detail and we should expect to see the Conservatives use the next couple of days before their own manifesto launch to attempt to make these costings unravel.

Today Labour described this as a manifesto for hope, full of popular policies and its strategists believe it will be a popular retail offer, hoping that it chimes with the electorate as in 2017, triggering a red surge in the polls. The Conservatives will argue that it is extreme, costly and statist and their strategists believe that by repeating this message, voters will come to see it as unaffordable, ultimately sinking in the same way as Michael Foot's manifesto in 1983.

The next few days and the reaction to this manifesto will go some way to determine the outcome of this campaign.

Main policies at a glance

Brexit and Trade

- Secure a revised Withdrawal Agreement with a permanent and comprehensive UK-wide customs union, close alignment with the Single Market, dynamic alignment on worker's rights, consumer rights and environmental protection, continued participation in EU agencies and funding programmes.
- Hold a legally binding referendum on the new deal within the first six months of a Labour Government with the result implemented immediately.

Taxation

- Higher income tax for those earning over £80,000 pa and new Super-Rich rate for those earning over £125,000
- Gradual reverse of corporation tax cuts to 21% (small profits rate) and 26% (main rate)
- Windfall tax on oil companies to help tackle climate change
- Taxation of multinationals, including tech giants, to pay for operating costs of the planned public full-fibre network
- No increases in VAT
- Efficiency review of corporate tax reliefs and reform of R&D funding
- Financial transactions tax by extending existing stamp duty reserve tax
- Reverse cuts to inheritance tax and Bank Levy, impose VAT on private school fees, scrap Married Persons Allowance, second homes tax
- Crackdown on tax avoidance and evasion

Economy and Business

- National Investment Bank, backed up by a network of Regional Development Banks to provide £250bn of lending for enterprise, infrastructure and innovation over 10 years.
- Foundation Industries Sector Council to secure the future of heavy industries such as steel
- Create one million well-paid, unionised, jobs from the green revolution
- Large companies required to set up Inclusive Ownership Funds (IOFs); up to 10% of a company to be owned collectively by employees with dividend payments distributed equally among all, capped at £500 pa and the rest used to top up the Climate Apprenticeship Fund.
- New rights for workers: a higher Real Living Wage of at least £10 per hour; extension of maternity and paternity leave and family-friendly rights; ban on zero hours contracts and stronger trade union rights, all under the aegis of a new Ministry of Employment Rights.
- Public sector pay ratios of 20:1 to be enforced
- Within a decade reduce average full-time weekly working hours to 32 with no loss of pay
- New Department for Women and Equalities; focus on delivering gender pay equality and race equality

Immigration

- Refugees to have the right to work and access public services
- End to indefinite detention, close Yarl's Wood and Brook House detention centres
- Freedom of movement subject to negotiations if the UK leaves the EU
- EU nationals granted automatic right to continue living and working in the UK.

Environment and Climate Change

- A Green Industrial Revolution to achieve the substantial majority of emissions reductions by 2030
- Create a Sustainable Investment Board to oversee investment in a Green New Deal
- National Transformation Fund of £400 bn to meet climate and environmental targets
- Any company that fails to contribute to tackling climate change will be delisted from the London Stock Exchange
- Climate and Environment Emergency Bill setting new standards for decarbonisation, nature recovery, environmental quality and habitats and species protection
- Build 7,000 new offshore wind turbines, 2,000 new onshore wind turbines, more solar panels and new nuclear power
- Upgrades to 27 million homes to achieve the highest energy-efficiency standards
- Expand power storage and new energy grid enhancements and interconnectors
- Net zero carbon food production by 2040

Infrastructure

- Energy and water systems brought back into public ownership, alongside rail and mail; Royal Mail to be reunited with the Post Office to create a publicly owned Post Bank
- Free full-fibre broadband to all by 2030 by establishing British Broadband, bringing the broadband relevant parts of BT into public ownership
- Full programme of rail electrification; delivery of Crossrail for the North; complete HS2 route to Scotland
- Councils to regulate and take control of bus networks, free bus travel for under-25s, reinstate 3,000 routes
- New Department for Housing and a new English Sovereign Land Trust with powers to buy land more cheaply for low cost housing
- Social housebuilding programme of more than a million homes over a decade with council housing at its heart; annual rate of at least 150,000 council and social homes
- Levy on overseas companies buying housing, giving local people first refusal on homes built in their area; new powers for councils to tax properties left empty for over a year
- Private rents to be capped by inflation

Public Services

- End to privatisation of NHS in the next Parliament and end to requirement on health authorities to put services out to competitive tender
- Free annual NHS dental check-ups
- A comprehensive National Care Service for England; more investment and wholesale review of the care system
- End to presumption in favour of outsourcing public services and introduce presumption in favour of insourcing
- National Education Service to provide lifetime free education for everyone
- Within five years, all 2-4 year olds to be entitled to 30 hours of free pre-school education per week
- Abolition of university fees and re-introduction of maintenance grants
- End to Universal Credit
- Maintain triple lock on pensions and end plan to raise the State Pension Age, leaving it at 66

Crime and Justice

- Investment in policing, recruiting 2,000 more frontline officers than the Conservatives
- Review of security strategies, including Prevent and Protect programmes
- Review the role and remit of the National Cyber Security Centre; review structures and roles of the National Crime Agency to strengthen the response to economic crime
- Review of border controls to make them more effective
- Reunify probation and guarantee a publicly run, locally accountable probation service

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For further advice and support or if you have any questions, please contact Razi Rahman, Partner and Head of Political at Maitland/AMO, on rrahman@maitland.co.uk