

Labour Party

Annual Conference 2017



Reviews of the

National Policy Forum

Annual Report 2017

From Left Futures

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*All the Reviews are lightly edited versions of articles previously published by **Left Futures**. A reviewer could not be found for the **Justice & Home Affairs** report in the time available.*

Links to the original articles, which themselves contain further links to supporting materials can be found at

<http://www.leffutures.org/2017/09/labour-policy-and-annual-conference/>

If you are reading the PDF version of this document then you have the original links in the articles. The online versions are followed by some useful discussion.

Introduction

This briefing contains reviews of seven of the eight Policy Commission reports contained in the **National Policy Forum Annual Report**. They were written to encourage delegates to Annual Conference to read the Report closely. The authors write from a number of different perspectives and their brief was to comment as objectively as possible on the contribution to policy made in each report. Each of them had free range to say whatever they wanted to say.

Nevertheless there are common threads and it would be fair to say that the authors share a desire to break with the neoliberal assumptions which took such deep roots during the New Labour years. They are also united in wanting Labour to go beyond a purely negative reaction to past trends and to move to a positive phase of policy formation based on fresh assumptions and more radical social ambitions.

And that is where the National Policy Forum comes into the picture.

According to the **Labour Party Rulebook (Chapter I, Clause IV, 2)**

Party conference shall decide from time to time what specific proposals of legislative, financial or administrative reform shall be included in the Party programme. This shall be based on the rolling programme of work of the National Policy Forum. No proposal shall be included in the final Party programme unless it has been adopted by the Party conference by a majority of not less than two-thirds of the votes recorded on a card vote.

Thus the work of the NPF is, according to the Party rules, the basis of party policy. It is also the source from which general election manifestos are drawn (Chapter I, Clause IV, 3 and 4).

In practice things are more complicated, as a reading of the **2017 Manifesto** soon shows. Although generally well-received and regarded as having boosted Labour's standing with the electorate it contained items which had not been previously agreed by the NPF and

sanctioned by Annual Conference. This can, of course, be explained by the need to produce a Manifesto for a snap general election. However, the picture that emerges is not always as neat as reading the Rulebook might suggest.

Comparing the original NPF draft statements to their final form it seems clear that in some cases positions were 'moved on' by the 2017 Manifesto. In other cases the final documents seem instead to be a step backwards. An attentive reading of the Manifesto and the Policy Commission reports (the individual reports are six to eight pages long) is therefore needed if delegates to Annual Conference are to give the reports proper consideration, as opposed to passing them all 'on the nod'.

The NPF Annual Report was quietly released on 3rd August by placing it on membersnet but without drawing attention to the fact.

Despite this publicity-shy approach (the report was not still not available on the Policy Forum website at the time of writing) we are told in the opening pages: "We want as many people as possible to get involved ...".

Conference 2016 agreed that the various sections of the NPF report should be considered separately. This gives delegates to Conference a much greater chance to play a part in policy formation than had been the case in recent years. If a given report is considered not to have advanced policy sufficiently, or at all, and if it is considered to be behind the policy clarifications and advances contained in the 2017 Manifesto then delegates would be within their right to call for a reference back of the given section. This would also be an opportunity to call for a far more open way of working of the Policy Commissions which should all publish their programmes for the year ahead giving dates of forthcoming meetings. They should also publish their agendas, minutes and (non confidential) papers they have considered thereby allowing much greater access to policy formation to the whole membership.

8th September 2017

Comments on the *Early Years, Education & Skills report*

David Pavett, Brentford & Isleworth CLP

The most striking thing about this document is its non-committal tone. The Commission started its work at a seminar at the 2016 Annual Conference. There, we are told, “the topic of university living costs, particularly with regard to accommodation, was raised” and that is all we are told. Nothing about tuition fees was apparently said. No potential solutions are mentioned.

The whole of the section reporting the meetings of the Commission continues in this vein. In November “key challenges were identified”, these being childcare costs, fragmentation of the school system and the narrowing curriculum, modern childcare, children’s social care, safeguarding, social mobility, further education, careers services and apprenticeships. As to what materials were presented and what potential solutions were considered we are told nothing.

And so it continues. The “newly reconstituted Commission” met for the first time in February 2017. Angela Rayner provided an outline of current legislative changes on further education going through Parliament. Mike Kane discussed “areas within schools policy which the shadow front bench were currently focusing on” such as the teaching workforce, school assessment, school structure and early years pedagogy. Then a “broad discussion surrounding the National Education Service” was held and it was “widely agreed that the activity of the Commission should be based around developing policy under this umbrella”.

It is impossible to detect a single definite idea in any of this and we have to ask what is the point of such a report? And if all these things were being discussed as described why have the materials considered, and the results obtained, however tentative, not been made available to the members?

Nearly two pages are filled with this



meaningless stuff. The second meeting of the Commission agreed that a new funding formula for schools is needed. There is nothing, however, about what it should look like.

In the 2017 Manifesto we are told that Commission members held telephone conferences and that they “considered all policy areas within their remit”. There were “varied contributions and priorities identified” and “many of these” went into the [2017 Manifesto](#).

After that thirteen specific topics are dealt with. Most are covered in one short paragraph. There are no references to documents used or produced.

- (1) **Schools.** Labour focuses on standards and not type of school. This is the current version of Labour’s old policy numbing mantra “standards not structures”. The Commission would like to see Labour commit to a review of school assessment and the English Baccalaureate.
- (2) **Universal Free School Meals.** The Commission welcomed “Labour’s manifesto commitment” to this. However, anyone who read the manifesto would know that it did no such thing.
- (3) **Teachers.** Workload a problem. Labour opposes the public sector pay cap. We need to put trust in teachers and include teachers them in curriculum development work.
- (4) **Early years and childcare.** We need better childcare and better support for families and to raise the quality of workforce in early years sector by making it graduate-led.
- (5) **Further Education and apprenticeships.** Put FE on an equal footing with HE. More support for people accessing apprenticeships. Apprenticeships should be part of an industry strategy. The Commission says that the [2017 manifesto](#) included “many of the issues” it had raised but we don’t know what these were or

whether the Commission provided solutions as well as identifying issues.

This material is so vacuous that there is no point in summarising it any more. The entire report is shallow and evasive and gives no sign of any creative policy thinking. How is it possible that neither academies nor free schools get a mention? Labour is against grammar school expansion but will do nothing about existing grammar schools (exactly the same as the policy under Blair). Commission members had a “strong feeling” that Labour should commit to revitalising life-long learning. They also “want to see fairer admissions” for children with special educational needs. On the schools national funding formula we learn that “Labour supports the principle of a new formula”. Well that’s a relief then. On the problem of skills shortages and Brexit, the Commission has undertaken to “keep a close eye” on developments.

Now that we have had time to take in Labour’s advance in the 2017 elections we need to take stock of its achievement in policy terms. The manifesto was certainly a big improvement on previous ones and contained many important commitments. However, it was also very weak on detail and was not without worrying ambiguities. This is nowhere clearer than in its educational section. Even so the manifesto made commitments on such things as targets for apprenticeships at NVQ level 3, free life-long learning, the right of local authorities to create new schools, and much else besides, which are

not in the Annual Report. How can a body which is supposed to develop policy be so far behind declared party policies? Just what have Shadow Education Secretary Angela Rayner, who convenes the Commission meetings, the MPs, the elected NPF members and the TU representatives been doing on this Commission? In the absence of any materials on the work of the Commission, apart from this report, it is impossible to tell.

If this is educational politics then it is educational politics of a particularly low order.

There can be surely be little doubt that education is an area in which Labour could do much to consolidate the gains of 2017. The Tories are divided over grammar schools. The free school straight jacket for creating new schools is not popular. Most people want education to be run within a local authority framework. The curriculum is in a mess. The whole area is crying out for clear thinking, for innovative policies and for the fragmentation of the school system with academies and free schools to be reversed. In the face of this great opportunity the Early Years, Education and Skills Commission has been found entirely wanting.

Delegates to conference would be well within their rights to refer this section of the report back and ask for something with clear analysis and detailed policy proposals. That would require, of course, that they have read it and are aware of its very severe shortcomings.

Comments on the *Economy, Business & Trade* report

John Penney, North Shropshire CLP

In contrast to most of the other NPF Policy Commission reports the Economy Report proposals are more reflective of the new “Corbynite” Left Keynesian agenda than the poor quality material it produced prior to the General Election. This is obviously good in itself, but peculiar in policy development process terms. Thus, this latest report “touches base” on pretty much every key 2017 Manifesto commitment on the economy, and overall has a mildly Left Keynesian anti-austerity content and flavour throughout.

Whilst those of us who have contributed to the NPF processes all year on this report obviously hope this improvement is partly based on our contributions, the marked Left Keynesian shift of this document is mainly due to the need to play catch-up with the hugely successful 2017 Labour Election Manifesto.

The Manifesto confounded the dominant narrative within the PLP and Party bureaucracy according to which a reforming anti Austerity Left leaning approach could only spell electoral disaster. This is the political reality behind the upbeat statement in the Report’s introduction:

We can now see widespread excitement about transformative economic ideas ... Labour should be proud of our role in challenging Tory Austerity and shifting the economic debate towards our socialist alternative.

Now this is an entirely back to front reality to what Labour’s policy development process should be, i.e. extensive background research and the wide consultative discussions of the NPF processes should lead to the content of the Election Manifesto, not the Manifesto content (written by Andrew Fisher, possibly with a few helpers) driving the later follow-up NPF Report content.

The Structure & Content of the Annual Report

Whilst there is plenty for “Corbynist” Left Keynesians to firmly nod in agreement with in



the report, it is still, in overall structure and methodology, just as lacking in a solid researched evidence base as the NPF reports have always been.

This is not to deny that there are plenty of politically and economically correct objectives outlined, and briefly outlined key policies stated. For that we must be very grateful. It is after all a real turnaround to see a Labour Economic Policy document containing criticisms of the national sovereignty destroying, neo-liberal TTIP and CETA type

trade deals. (Remember that in the 2015 Manifesto, TTIP was enthusiastically endorsed by Labour!) It is similarly gratifying to see several favourable mentions of the need to “strengthen trade union and worker rights” and the importance of workplace collective bargaining.

It is also important that in the 2017 Manifesto, and NPF Report, Labour recognises the need to tackle the UK’s chronic low productivity crisis, and wants to create a new “industrial strategy” via a large scale consultation process, and wants to support and grow our SME business sectors, particularly high tech companies.

It is similarly very useful that Labour wants to create national and regional Investment banks to fill the UK business funding gaps along with a National Transformation Fund for UK research and development.

But we need to understand the reasons why our economy, dominated as it is by financial services and the service sector, is so highly dysfunctional i.e. why it is sectorally and regionally, unbalanced, increasingly financialised, short-termist, privatisation obsessed, low wage, low skill, low productivity.

Without that understanding the ambitions of a Labour alternative programme will not get beyond incoherent isolated policies relating to no clear comprehensive national economic objective.

Things to be fully welcomed – and shortcomings

There is therefore a lot to be welcomed in the Report, (and not forgetting useful subsidiary supporting reports, e.g. the [Richer Britain, Richer Lives – Labour’s Industrial Strategy](#) and the [recent report to John McDonnell on Alternative Models of Ownership](#)). However, even in these documents, we find an apparent outright rejection of any state directive planning role in implementation. Without that a Labour Government will be left with little real power to change the over-financialised, London/South East centric imbalance of our economy very much. Labour apparently currently disagrees. Thus in Richer Britain, Richer Lives, it is said regarding the restructuring of the UK economy;

This is not about old-fashioned “command and control” ...

But instead,

... the public sector makes strategic investments to catalyse the private sector to innovate across different sectors to meet the key public policy challenges of our age — from climate change to changing care needs in the context of an ageing population.

And, we must assume, the public sector will in the process consult and persuades the private sector to ‘do the right thing’.

Well, I disagree. The actual experience of the relatively ambitious 1964 to 1970 Wilson Labour government for instance was that ‘indicative planning’ alone, trying to gently ‘nudge’ UK business sectors in a desired direction, simply doesn’t work – compared to the more directive (dirigiste) state-led planning role of for instance the French state (or the Japanese or Singaporean).

Even the ambitions outlined in the Report, i.e.

... an ambitious plan to radically transform and upgrade and re-balance our economy ... high growth, high skilled, high wage ... economy.

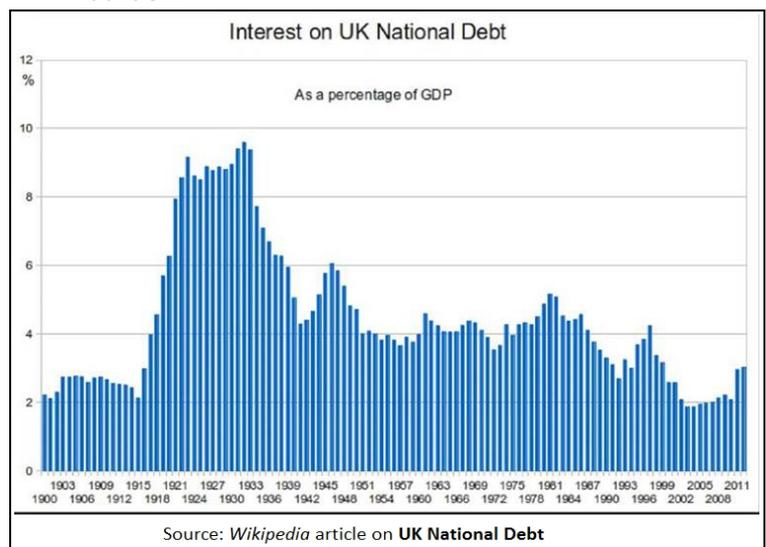
Are then seriously undermined by the statement that all interventions will be

... within the constraints of Labour’s Fiscal Credibility Rule...eliminate the current spending deficit ... five year rolling programme , while ensuring government retains the flexibility to invest ...

The wider political reasons for the adoption of

this “Fiscal credibility Rule” are clear. And it is true that Labour’s position on the rule does give some leeway for deficit revenue budgets and enhanced capital spending. But the Rule, and the whole idea of “balanced budgets being intrinsically good” is economic nonsense – particularly for a leftist government aiming to transform a structurally deeply dysfunctional economy, and therefore requiring to make considerable, targeted, “counter-cyclical” spending, both revenue and capital to rebuild our economic base, and to sustain our vital , economy supporting, Health, Education and Welfare services, even when this does increase the budget deficit and the National Debt. This is not to suggest that the government can borrow unlimited amounts, without incurring severe inflationary consequences, but the current interest on our national Debt to GDP figure is only 3%.

Yes, I say *only* 3% – even if that is the interest on the current total National Debt of £1.7 trillion. Contrary to the “UK debt is out of control” propaganda used to justify The Tory austerity offensive – this is well below any sustained period since 1916, with the exception of the period of the last Labour Government (where “off balance sheet” PFI borrowing cooked the apparent figure somewhat). See the graph below for evidence. There is plenty of “headroom” for a reforming Labour government to borrow a lot more to restore our economic health, with no unmanageable resulting debt burden.



Labour needs to be more confident in standing up to the “a country’s economy (with a sovereign currency) is the same as a household or small shop” nonsense of the national Tory press if it is to achieve real economic development.

Although there is more analysis in the supporting Richer Britain, Richer Lives report on Industrial Strategy, in neither that nor the NPF report is an actual preferred holistic economic model cited. As a potential example, the much more manufacturing-oriented sectoral mix and highly successful skills training-apprenticeship approach of the German economy could have been usefully looked at as a model to emulate. Instead discussion of this vital topic area just diverts into the more comfortable areas of environmental sustainability issues, research funding, and the skills agenda. These are important parts of, but *not* the core issues, of a comprehensive strategy for industrial and economic rebirth.

It is also a huge step forward to see a clear rejection of the bogus economics of Austerity in this early part of Labour's slow journey from its fully neo-liberal last 30 years, in favour of a productive growth strategy with an increased role for the state. It is also excellent that a Labour economic policy report rejects the zero hour contract, casualised (überised), economic model, that New Labour fully embraced – alongside it's, never openly voiced, but core, strategy of unlimited labour supply to restrain wage growth and trade union organisation, via the EU Single (labour) Market.

It is also a breath of political fresh air to see in a Labour economy document an acceptance that some, limited, nationalisation (particularly for the "natural monopolies"), and various co-operative forms, can be a real option in achieving the economic model which the UK needs to secure sustained (and sustainable) growth and prosperity for all.

The elephant in the room

On the hugely important issue of the UK financial sector, apart from the correct but superficially stated need for National and Regional Investment Banks, the report simply ignores this huge unbalanced, over-large

financial sectoral elephant in the UK economic room. What is missing is an explanation of the ways this dangerously unregulated, irresponsibly speculative, essentially globally parasitic, sector, distorts and unbalances the economy. Equally absent is a countering strategic and structural game plan to reduce its relative size and economic/political influence on the rest of the economy and national policy priorities. Without that all the rather vague upbeat statements about "rebalancing" and "21st century industrial strategy" are pretty meaningless (and remarkably akin to very similar oft repeated Tory rhetoric).

Without a real effort to regulate, constrain and direct their financial sector funds to economically desirable investment priorities, within an overarching national economic plan, using selective nationalisation where necessary, the UK financial sector will continue to suck the lifeblood (and skilled people) out of the rest of the economy for speculation purposes. And vulture hedge funds will continue to destroy productive company after company in their short-termist drive for ever higher and quicker shareholder returns as an alternative to investment for the future. Labour so far is simply afraid to grasp, or even acknowledge, this core problem in our UK economy. As the various global and UK debt bubbles once again approach unsustainable 2008 Crash levels, not having a strategy to restructure, constrain, and control the irresponsible financial sector is very short-sighted.

Conclusion

Although the Economy, Business and Trade Annual Report is still seriously inadequate in terms of its lack of serious background data and analysis, and any clear sense of a long term route plan and future desired economic model, this document is undoubtedly a small but significant step forward supporting the leftward shift of our Party.

Comments on the *Environment, Energy & Culture* report + *Transport* issues

Chris MacMackin, Oxford East CLP

For reasons best known to themselves, the National Policy Forum has decided to group culture with energy and environmental policy. Meanwhile transport, which is a significant energy consumer and pollution source, is placed with housing and local government. To provide some coherence, I will review transport alongside environment and energy, leaving culture to someone who knows more about it.



Both the [Environment, Energy, and Culture](#) (EEC) commission and the [Housing, Local Government and Transport](#) (HLGT) commission have met a number of times over the past year, discussing a wide range of topics. These include a post-Brexit agricultural system, air pollution, fuel poverty, low carbon energy sources, climate commitments, post-Brexit environmental regulations, public ownership of transport, high fares, and new infrastructure. The commissions reviewed evidence submitted by party members, the Fabians, NGOs and outside experts. Other than noting broad topics, the content of these contributions goes undiscussed.

At one meeting *“Alan Whitehead MP covered issues such as decarbonising the heat system and increasing renewable energy in transport as part of a wider policy platform to meet the fourth and fifth carbon budgets.”* These are vital areas of policy, as transport and heating are major uses of energy which previously have gone largely unmentioned. It’s therefore unfortunate we are not told what Whitehead had to say about them. At another meeting the need for carbon capture in energy-intensive industries was raised. This is an often-neglected part of decarbonisation, but once again the commission hasn’t provided any details.

In its discussion of [the manifesto](#), the EEC report notes its commitment to have 60% clean

energy by 2030 and *“to take energy back into public ownership”*. However, the manifesto contained no roadmap for achieving the first goal and I suspect what the authors envision is 60% clean *electricity*. Unfortunately, electricity only makes up about 20% of Britain’s energy use and less than 30% of greenhouse gas emissions. The manifesto [did not pledge to bring energy into public ownership](#), only proposing to nationalise the electricity grid at some unspecified later date and to create regional

public supply companies competing *alongside* the Big Six. No public ownership was proposed for generation or the gas grid.

On farm subsidies, the EEC commission claims the manifesto *“committed to reconfiguring payments to support smaller traders, local economies, community benefits and sustainable practices”*. If so, it was not in the main sections of the manifesto on agriculture or Brexit. This is to leave aside whether supporting small local traders is economically or environmentally sensible. The commission correctly notes that the manifesto pledged environmental quality standards will be improved, but not that little information was given describing how. The HLGT report gives an accurate summary of manifesto transport policies such as increased public ownership and new infrastructure investments.

Brexit features strongly in the current issues discussed by the EEC report. We are informed that *“leaving the European Union will mean that many of our current regulations and standards, across a wide range of areas, will face uncertainty as the eventual relationship between the UK and the EU and the content of new UK law becomes clear and the content and safeguards contained within the ‘Repeal Bill’ are publicised.”* However, much of this felt fatalistic, with no positive agenda put forward. Surely the questions we should be asking are

whether current EU protections are sufficient, how to prevent them being removed by the Tories after Brexit, and what Labour actually wants the post-Brexit regulatory regime to look like. The HLGT report also mentions Brexit but provides no details on, e.g., how [EU competition directives](#) affect plans for renationalisation of transport.

Poor air quality is discussed, but all we are told is that there will be a new Clean Air Act, with no details of what concrete measures are needed. Similarly, while the urgency of addressing climate change is noted, no concrete proposals are put forward to address it. As always when Labour discusses climate change, there is self-congratulation on the [2008 Climate Change Act](#). What isn't mentioned is that emission reductions under the last Labour government were [no better than under the Coalition](#), the reductions it pledged were insufficient, or that it had nearly unanimous support in Parliament.

The final issue mentioned by the EEC commission is the [energy market](#). While the commission considers the market to have failed in delivering affordable energy and feels that government policy of promoting competition is inadequate, they don't question its existence. Indeed, they seem to think the energy market was beneficial in the past, stating their desire to "*make the energy market work for consumers again*". Markets in energy are a direct result of privatisation, suggesting that the commission believes Thatcher's privatisations were at one time a good thing. Proposed reforms focus purely on "*democratic*" local initiatives and "*small-scale start-ups*".

The only current transport issue discussed by the HLGT report is local bus service. Deregulation of buses is rightly criticised, but the only proposal is "*a national strategy for local bus services*". What such a strategy would be isn't described. Strangely, no reference is made to earlier commitments for bus re-regulation. It remains unclear whether re-regulation would still require councils to use a tendering process like TfL, which is expensive and places a downward pressure on wages.

There is no discussion of [national bus services](#), [ferries](#), [electric vehicles](#), [air travel](#), [freight](#), [shipping](#), [integration across modes](#), [fare-free transport](#), or [ownership of rolling stock](#).

One striking element of the EEC report is how submissions to the Policy Forum website are ignored if they do not fit the narrative already chosen by the commission. For example, the focus is almost exclusively on renewable energy with no mention made of submissions ([including my own](#)) [expressing doubt](#) in the ability of renewables to meet Britain's energy needs. Similarly, much is made of local, decentralised energy but this is no mention of [my submission](#) giving a detailed argument that a *centralised* system abolishing the energy market is needed. While the HLGT report is somewhat better, they still exaggerate the feedback they receive in areas corresponding to their chosen focus (e.g. bus fares).

Also notable is how the reports correctly identify problems (although many are overlooked), but do nothing to discuss solutions. What is particularly concerning is that it appears the EEC commission has heard testimony on what needs to be done, but does not consider it necessary to make this available to party members.

Conclusion

The output from this commission is completely inadequate to form policy. I recommend that conference reject these documents in their entirety. It should demand the commissions produce new detailed reports on how to address climate change and build an integrated low-carbon transport system. In particular, the benefits and problems of different low-carbon energy sources should be discussed, along with potential ownership models for energy and transport. We should also demand a detailed account of how agricultural subsidies are structured within the EU and alternative approaches which could be pursued post-Brexit. If the NPF treats members as adults and provides us with the necessary information then we can finally have an informed debate on what is the best direction for our country.

Comments on the *Health & Care* report

Brian Gibbons, Aberavon CLP

There is nothing like a snap General Election to shake health and care priorities out a thicket of possible options and fuzzy thinking. And like the rest of the document, the health and care proposals in the [Labour Manifesto](#) struck a chord with the wider public and with health and social care staff.

The headline messages from the Manifesto were an increase in NHS and Care spending of £38 billion over the lifetime of the next parliament. This makes sense as it is clear that NHS performance has deteriorated as public investment has declined. To get the best value from these increases Labour promised to invest in staff, end the commercialisation of care and to promote greater cohesion within the health service itself and with social care. Mental health funding would have a new priority with a ring-fenced budget and a greater emphasis on the needs of younger people.

The importance of public health from its narrowest personal prevention programmes to the wider social determinants of health and well-being was recognised throughout the Manifesto from commitments to renew and humanise the social welfare system to tackling low pay, social isolation, the housing crisis and the environmental agenda.

The [Health and Care Policy Commission report](#) on National Policy Forum work is mainly an account of what has been going on rather than a considered statement of policy for a future Labour Government. It is a report on “work in progress” which was interrupted by the General Election.

A key outcome of the General Election has been to redefine what is the “politics of the possible”. The *Health and Care Commission* (HCC) will have to catch up with this as it provides the impetus to consider a wider range of public service options and solutions to the key challenges we face.

Much of what has passed as health and care



policy over the last decade has been set in the context of a declining role for public provision and a growing role for the “personalisation and commercialisation” of care. But the popular support that the Labour Manifesto attracted shows that this approach is no longer the only game in town.

An initial challenge for the Health and Care Commission and the Labour Party generally is lay bare the bankrupt nature of Tory policy. Austerity has meant less investment in public services. And Tory (and

Coalition) policy has followed from this. Everything has been geared to extract more and more efficiency out of relatively smaller budget. But in the face of a decline in health and social care performance it is clear that none of the preferred solutions were actually working.

The traditional commercialised internal market policy has created fragmentation and incoherence. Eventually even the Tories recognised this and under the auspices of Jeremy Hunt and NHS England Chief Executive Simon Stevens a shift toward Suitability and Transformation Partnerships/Plans (STPs) began to take place. The messages sounded good – “less wasteful competition and fragmentation” and more working together. But STPs were doomed for the start because their purpose was to deliver more from less. The public and health care workers were rightly suspicious as they believed that STP decisions were more about creating a service to work with an inadequate budget than one responding to identified need.

As the STPs have stuttered and struggled new care models under the banner of accountable care organisations (ACOs) have been promoted. The Kings Fund health think tank says “The language of accountable care comes from the United States, where ACOs have taken shape in the wake of Obamacare as an attempt to improve care and reduce growing

health care costs." ACOs are discrete service organisations which can package a range of shapes and types covering community to specialist care. There is no commitment to a public service delivery model so each ACO is a potential commodity in the health care market place. The ACO model therefore NHS and social care are open to even greater penetration by corporate and commercial bodies. Professor Stephen Hawking was correct to speak of his worries that these developments can become a black hole for the NHS.

The Health and Care Commission must not allow itself to get dragged into a debate about the fine tuning of these dubious models of care delivery. The Labour Manifesto said it would halt and review the NHS Sustainability and Transformation Plans and this must be the point of departure.

At the heart of the problems of NHS delivery in England is the continuation of an internal market of varying sorts. The HCC needs to take this on board and start developing a pathway based on a public service model. This will not necessarily involve re-inventing the wheel as the NHS in Wales and Scotland have both gone down this road many years ago. Things may be more complex in England as neither Wales or Scotland allowed themselves to be as entangled with the commercial sector as NHS England but both these countries continue to show that markets and tendering are not intrinsic to the delivery of modern public service health care.

Social care became one of the hot issues in the General Election when the Conservative proposals for what became known as "the dementia tax" showed how adrift they were from their own core support and reality. The Labour Manifesto recognised the importance of the issue by pledging an additional £3 billion to ensure a maximum limit on lifetime care costs as well as raising the threshold at which people become eligible for paying for social care. In the devolved administrations there are important variations in policy with Scotland providing free personal social care and in Wales there is a cap on the maximum a person will pay for domiciliary care per week.

The interface between health and social care is a difficult one as health care is comprehensive

and free at the point of use whereas social care requires a needs assessment and a means test. While waiting times are the main way of "rationing" NHS care, changing eligibility thresholds can exclude people from publicly funded social care. The HCC reports that there are 1.2 million people living with unmet social care needs which reflect the anomalies in the present system.

Brexit could also have devastating effects on social care. Very many care workers are amongst the lowest paid in the UK. This means that the sector faces continuing, major recruitment problems and is very dependent on workers from the EU. A hard Brexit could result in major staff shortages as the sector is unable to afford the pay levels which are required to compete competitively in the labour market without further major investment.

The Labour Manifesto indicated that a Labour Government would look at the way social care is funded. It is a matter of concern that the Commission has not to date taken this as one of its major tasks.

For most of the last three decades health and social care has been a very enjoyable playground for neo-liberal and social market policy makers. There was an endless production line of ingenious new schemes and wheezes on how the services should be delivered. The one idea that they always seemed to miss was an adequately funded service, based on need, free at the time of use and publicly provided. June's General Election showed that this is an idea whose time has returned. The *Health and Care Commission* must be fully awake to this and set about providing the Labour Party with the strategies and policies to respond to this demand.

It would not be unfair to say that the Labour General Election Manifesto rather than this report has advanced Labour's health and care policy the most. This raises questions about the way the *Health and Care Commission* works. It must be able to step beyond the "group think" that has dominated health and care policy for recent decades and embrace the real concerns of service users and health care staff. The issuing of this bland narrative report is no substitute for such democratic involvement.

Comments on housing in the *Housing, Local Government & Transport* report

Duncan Bowie, Dulwich and West Norwood CLP

Housing, which was covered by the Communities policy commission, is now incorporated within the [Housing, Local Government and Transport Policy Commission](#). It has met three times between February and April. Given the breadth of this remit, there appear to only have been a limited focus on housing issues. According to the annual report, concern about the Right to Buy scheme was mentioned at the first meeting apparently because this was the focus of motions passed at the 2016 conference.

The second meeting discussed the impact of leaving the EU on housing. The third meeting was attended by Eileen Short from Defend Council Housing and Alistair Smith from the National Housing Federation. This discussed the powers of councils to tackle rogue landlords, the need for public land to be used to build social and council housing and how to help first time buyers onto the housing ladder. The policy commission does not appear to have met since the general election. As the election was unexpected, there was no time for the Commission to meet to discuss the manifesto, though regional and local government members were phoned for comments.

The manifesto was very brief on housing, promising more affordable homes and better standards for private tenants – in fact the Conservative manifesto had much more detail on policy reforms especially in relation to increasing new housing supply. John Healey, the shadow housing and planning Minister wrote a more detailed mini-manifesto, using much of the material in the Lyons review of housing published last year, but the publication was delayed by the Manchester terrorist attack and only released two days before the election so got little attention – the only proposal to get coverage was the idea of a stamp duty holiday for first-time buyers – Labour again focusing attention on the squeezed middle rather than those households who have no hope of getting



on the housing ladder, who could be referred to as ‘the squashed bottom’.

The policy forum report gives little impression that the Labour Party is thinking seriously enough about measures to deal with the current crisis – the continuing reduction in the supply of social rented homes, the spiralling unaffordability of the market sector in much of the country, high rents and poor conditions in much of the private rented sector, and poor management and conditions in much of the

residualised public sector brought to our attention so acutely in the Grenfell Tower fire. With all this focus on ensuring security from terrorist attacks protecting the country from terrorism, we cannot give people security in their homes and protect them from being burnt alive. The policy forum report mentions the need to build 100,000 council and housing association homes over 5 years – not a very ambitious target – but gives no indication of how this will be funded. It mentions a ‘consumer rights revolution to improve standards, security and affordability for people who rent’ and that is it.

So what should we do? This is my programme as set out in my recent book [Radical Solutions to the Housing Supply Crisis](#), Bluntly, if we are to increase affordable housing supply, and replace the worst of private sector provision, we need massive investment, and to fund this investment we need tax revenue. To reduce housing benefit payments before we have increased affordable supply would be catastrophic. This is a 20-30 year programme.

We have not learnt the lessons of the 2008 credit crunch and in fact we have had a housing deficit whether the country has been in boom or bust. It is time to throw off long held ideological assumptions as to ideal forms of tenure and the relationship of state to market. There is a systemic problem which cannot be corrected by short term measures and more radical solutions are necessary if the housing market is to be

stabilised and the delivery of new homes increased. We need to recognise that if we are to tackle inequity in wealth and opportunities, we need to tackle inequity in housing which is now the central component in inequity between households both within and between geographical areas. It is also central to the growth in inter-generational inequality.

The first priority for any incoming Government should be to repeal the 2016 Housing and Planning Act, with the exception of the rogue landlord clauses. The last Housing and Planning Minister, Gavin Barwell, realised that this legislation would do nothing to increase housing supply, whereas if actually implemented, it would both reduce social housing supply and the security of new social housing tenants. The Grenfell fire has understandably shifted the Government's priorities, but we need to ensure that making existing council housing safe should not be at the expense of building new affordable rented homes.

The second priority is to redirect current Government housing investment and increase the overall level. This means stopping all forms of subsidy, whether direct or indirect, to owner occupied properties and households and new development for individual or corporate private ownership.

The Government should reinstate a programme of capital grant to social rented provision through councils and housing associations on the basis of secure tenancies and controlled rents.

The third priority should be a systematic reform of policy on planning and land. The Government should draw up a national spatial plan which identifies general locations for residential and employment growth supported by planned transport, social and utilities infrastructure.

Local Planning Authorities should be required to allocate housing sites to meet the full housing requirements in their area, or, where this is not possible, reach agreement with neighbouring authorities in their sub-regional or city regional planning area as to identification of residential

development capacity.

Local planning authorities should also have the power to compulsorily acquire any housing site allocated in an approved plan at Existing Use Value (EUV). This is essential if the cost of development in higher value areas is to be reduced significantly. Where a Local Planning Authority grants planning consent for a private development, they should have the power to take an equity stake in the development, so part of any subsequent value uplift is repayable to the authority.

The fourth priority should be to ensure reform of the regime of land and property tax so it supports housing policy objectives rather than obstructs them. Stamp duty on purchase of residential property should be replaced by a tax on the capital gain on land and property on disposal. Inheritance tax should be revised to increase the tax on the transfer of land and residential property through inheritance. Higher rates of taxes should be introduced for higher value property. Rates of tax on individual property should take into account the level of occupation of properties – properties which are under-occupied to be subject to a multiplier relating to the level of under occupation, with penal rates for vacant property. There should be no limits on the ability of local authorities to set rates of council tax. This would enhance local democracy and reduce the dependence of local authorities on grant from central government.

The core components of reform to the housing market and housing supply are land, ownership, money and power. These are fundamental issues, and any proposition, whether from Government, political parties, academics or practitioners, which fails to operate within these parameters will be inadequate. We must return to a housing policy based on effective use of residential accommodation rather than a policy based on individual asset appreciation.

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Comments on the *International* report

David Pavett, Brentford & Isleworth CLP

[This report by Labour's International Policy Commission](#) follows the same non-committal, evidence-free, approach that has been noted in the reports of the other Commissions. The first section kicks off with hand-waving references to discussions held in which major issues get single word or phrase references. Thus

The International Policy Commission held its first meeting in early February. Emily Thornberry MP, Nia Griffith MP and Kate Osamor MP gave the Commission an overview of developments in their respective briefs and provided updates on their teams' work since the NPF meeting. Commission members then raised a number of questions and comments relating to Brexit, the Middle East, defence spending, the aid budget and the arms trade.

Is it supposed to be common knowledge what these respective "briefs" are? Where has this been explained? Where were the "overviews" presented made available?

Once past this uninformative introduction we are told that it was agreed that the

... four priority areas for this year's consultation: the post-Brexit relationship with the European Union; the transatlantic relationship; Labour's vision for international development; and Britain's role in promoting peace and tackling conflict. There was agreement that the Commission should hear evidence from a range of experts during the course of the consultation.

We are also told that "a range of seminars and discussions related to Brexit and other key issues" were organised and that "Submissions were received on a range of topics, from members, NGOs, think tanks and trade unions, and were discussed by the Commission during two conference calls in late April". None of this material is reference and nor has it been made available. That is not the way the NPF, in its current form, works.



Brexit

The Commission felt that Labour's "manifesto position on Brexit made clear that protecting the economy and jobs must be the priority in the Article 50 negotiations". At first this sounds clear but on analysis it turns out to be near meaningless. The issue is whether the prospects for jobs and the economy are better in or out of the EU framework (even as a non-member). The Commission offers no argument on that. The assumption seems to be that anything that disturbs

current arrangements will be a threat to jobs and the economy and that therefore it is better to stick with those arrangements. The absence of any analysis is all too evident.

Apparently "A number of submissions offered suggestions as to how Britain could secure a trading relationship with the EU that is tariff-free, impediment-free and beneficial to all sectors of the economy" but the Commission has not seen fit to make this information generally available.

"Evidence-led" defence policy

The Commission clearly approved that "The manifesto outlined Labour's commitment to a robust, evidence-led defence policy, underpinned by a sustainable British defence sector". The claim to have "evidence-led" policies is that of people whose concept of "evidence" is so shallow that they have not understood that the same evidence can be used to reach entirely different conclusions according to the initial starting point and general philosophy. Policies clearly need to be supported by evidence but the idea that they unambiguously come out of the evidence by themselves is, sorry to say, nonsense. Not only that but some parts of this report show a remarkable lack of interest in the available evidence.

Thus we are told "the manifesto made clear the party's commitment to NATO, the renewal of Trident ...". No arguments and no evidence are considered necessary.

And then there is the issue of the critical assessment of Britain's current defence strategy

and the various botched armaments programmes it has involved. We have no analysis or data from the Commission on that, not even a reference to it. And yet ordinary members have gone to considerable lengths to detail the problems [as did John Penney](#) in *Left Futures*. All that the Commission report says is

As several submissions highlighted, the Conservatives' short-sighted cuts and mismanagement of defence projects have led to delays in delivering crucial equipment and gaps in operational capabilities, and have ended up costing the taxpayer more in the long run. Their failure to publish a National Shipbuilding Strategy in the promised time frame has let down the UK shipbuilding industry.

Very good, but where is the detail and what does Labour propose? Why is there no sign of the detailed research sent in by members?

Diplomacy

The Report tells us that Labour is keen to put human rights and conflict resolution at the heart of foreign policy. Without apparently batting an eyelid this lead on to saying

Along with deep ties to Europe, Britain's partnership with the US has long served as a key pillar of British foreign policy. With close cooperation on Intelligence, diplomacy and counter-terrorism, and as the two biggest spenders on defence in NATO, Britain and the US together play a pivotal role in international security.

The absence of any sort of analysis of the interests served by this relationship, is breathtaking. It is of course easy to say that we are concerned about various hot-spots such as Kashmir, Yemen and Palestine and the report duly does that. But that is not the same thing as an analysis of international power blocks and the interests that they serve.

Our relationship with the US, it is further explained, "has always been based on shared values, including respect for the rights of women and minorities and a strong commitment to democracy, freedom of the press and the rule of law." Maybe someone should tell the women of Saudi Arabia about that. Those who remember the Vietnam war and the toppling of the socialist government in Chile might also be surprised by this claim. One could also wonder about the Commission's view of UK/US support for the murderous Khmer Rouge in Cambodia even when it had been deposed by the Vietnamese.

It is good that the Commission supports Labour's commitment to a strong international aid programme but an indication of views on the strength and weaknesses of current aid programmes would have been apposite.

Britain first

We learn from the report that "For Labour, the protection of the British people will always come first". This is another of those seemingly clear statements that dissolve into nothing on investigation. What can it mean? Protection of the British people comes before securing alliances with countries with similar interests? Does it come before working for a world no longer destabilised by gross international inequality? The claim is pure rhetoric of the sort demanded by the tabloid media.

Behind the 2017 Manifesto

The international section of the Manifesto had its problems. Like this report, it also states that UK cooperation with the US since the second world war has been based on shared common values implying that those values have at all times since WWII been right and proper ones. It promotes Trident renewal with no argument. Nevertheless, the Manifesto advances a number of ideas which go beyond anything in this report. Thus it called for recognition of the state of Palestine, for a restructuring of the UN to overcome abuses of the Security Council veto, for stronger controls to ensure that UK weapons are not sold to countries likely to use them contrary to international law. It demanded robust regulation of the aid programme to end the self-regulation of private contractors involved in aid programmes.

Another dud report

Like the other reports this one contains no references to the materials and information produced for its various meetings. It contains no references to back-up studies and it makes no attempt to lay out alternative positions on issues known to be controversial within the Labour Party.

There are those who are opposed to the NPF and want to return to party policy being decided at annual conference in the few days that it meets. I am not one of them. We need a standing body that considers policy throughout the year. The issues are far too complex to be decided by a few motions at annual conference. What we need is a reformed NPF with protocols to ensure that it organises discussion in a way that keeps members fully informed of the materials it handles and also about the contending views on controversial issues.

Comments on the *Work, Pensions & Equality* report

Rory O'Kelly, Lewisham West and Penge CLP

Serious discussions of Social Security policy start from a few fundamental questions. One is the balance between contributions and means-testing as a basis for entitlement, another the balance between vertical redistribution, from richer to poorer, and horizontal redistribution, between different stages in the life cycle. A third is the relationship between the social security welfare state, operated through cash payments, and the parallel welfare state based on tax allowances.



Readers will search this *National Policy Forum* (NPF) report in vain for references to any of these. Contributions are not mentioned. Universal credit seems to be accepted in principle, suggesting general endorsement of means-testing, but this is an inference. The idea that tax allowances have a similar function to benefits seems unknown to the authors. An earlier consultation document pointed out that the dichotomy between ‘strivers’ and ‘skivers’ was false, implying a recognition that ‘workers’ and ‘claimants’ are not fixed groups. Most people are members of both groups at different points in their lives, and many at the same time. The final report could have built on this insight, but in fact drops it completely.

If the report is weak on fundamental principles it is weaker still on practical proposals. Virtually all the concrete suggestions for legislation are lifted from the Labour Party manifesto; a strange inversion of the normal relationship between a policy document and a manifesto. The manifesto deals directly with some major abuses like the sanctions system, the bedroom tax and the abolition of the WRA component of ESA but it might have done a lot more if it had had some serious preliminary policy work to draw on.

Where the report touches on the worst aspects of the present system its usual reaction is to promise to “closely scrutinise” or “pay close

attention to” them. One favourite was the freeze on levels of working-age benefits, where “Commission members will continue to address the impact the four-year freeze is having on families”. The word ‘adverse’ suggests itself, though NPF members might find this too radical.

The failings of theory and practice are of course linked. The effect is a persistent focus on symptoms rather than causes. The treatment (or non-treatment) of children is a good example.

Astonishingly, there is no mention of Child Benefit at all. This has been frozen almost continuously since 2010 while personal tax allowances have risen hugely in both cash and real terms. The effect has been a substantial transfer from households with children to childless ones or, more simply, from children to adults. If the NPF had noticed this they might have asked if it was a good thing and, if not, what could be done about it. The obvious answer would be to freeze tax allowances for a few years while increasing child benefit in real terms.

The report (and the manifesto) emphasise the point that social security cuts have affected women disproportionately. This is true enough, but it masks the more fundamental fact that the real target has been children. For the Government women are only collateral damage.

The benefit cap, for example, is essentially a mechanism for forcing children into poverty. The number of childless households affected by it is minuscule. There is little point in expressing concern about increasing child poverty (which the report does) without proposing the abolition of the benefit cap (which it declines to do).

A still more striking example is the law refusing credits to third or subsequent children, a bizarre revival of 1930s eugenicist plans to stop poor

people, or people who might become poor, from breeding. The report cannot quite bring itself to condemn this or propose its repeal (though the manifesto very nearly does). It does however condemn the 'rape clause' which allows rape victims to escape the effects of the law. This completely misses the point. What is truly abhorrent is not the rape clause itself but the existence of a system within which a rape clause makes perfect sense.

The failure to challenge Government thinking in any fundamental way is pervasive, and also affects the manifesto. Problems with the *Employment and Support Allowance* (ESA) and the *Personal Independence Payment* (PIP) assessments are correctly identified and it is proposed to replace them with something more 'personalised and holistic'. Is this really the right approach? For the first half century of the post-war welfare state it was accepted that the Social Security Department's responsibility was to assess benefit entitlement accurately and pay promptly. If people wanted further help they could ask for it elsewhere. It is unclear why or how it became accepted that the people who pay benefits should also be responsible for micromanaging poor people's lives. It is legitimate to point out that the Department for Work and Pensions does this job extremely badly, but this should not distract us from asking why it does it at all.

Why not be even more radical? It is now clear (for reasons touched on in the report) that the ESA system is vastly inferior, both conceptually and administratively, to the Incapacity Benefit system which it replaced, and the same is true of PIP and Disability Living Allowance. Universal Credit, of course, is, in the face of formidable competition, probably the worst idea about Social Security that anyone has ever had. Why not just scrap the lot? The Social Security system before 2007 was far from perfect but it was sort of good enough, and it was certainly a better basis for planning improvements than what we have now.

One rather large gap in the report is the whole topic of unemployment. The earlier consultation document touches on it but perhaps reductions in unemployment are seen as a Conservative success story and best left alone. This is a superficial view. Forcing people into

inappropriate work or more or less bogus self-employment is integral to a system which, as the manifesto puts it, "demonises people not in work" and inflicts punishments including homelessness and hardship for their children. It should be said very clearly, following principles accepted since Beveridge, that it is better both for individuals and for the economy to give unemployed people the time and facilities to find the right job rather than shoehorn them into the first employment or quasi-employment that can be found. If this increases durations of unemployment, so be it. Unemployment levels are of course important but it is worth remembering the wise saying that 'Every measure is useful until it becomes a target'.

Getting people into work with the central aim of getting them off benefits, as the phrase 'work is the best form of welfare' might suggest, does not sit well with complaints about low productivity. It is surely self-evident that any society which regards work as a form of welfare is bound to have low productivity.

The manifesto does touch on the idea that being in work is not necessarily the ideal situation for everyone and hints at some very interesting ideas about varying retirement ages to provide, in effect, early retirement for some people. The report mentions this but the authors do not really seem to have understood the implications.

What can we say about this report in conclusion? There are many policy areas, including Social Security, where the Labour Party since 2010 had seemed to be stuck in a sort of Stockholm Syndrome. Its spokespeople had not only accepted many of the Conservatives' policies but also, it appeared, internalised their world view. Against this background the 2017 manifesto inspired not so much enthusiasm as a huge sense of relief, as the first serious attempt to break free.

The manifesto proposals on Social Security were of course sketchy, provisional and incomplete. Some longer-term body like the National Policy Forum was needed to carry them forward. Unfortunately, this is not what seems to be happening. This report rarely goes beyond manifesto proposals and frequently seems to be trying to row back from them. Perhaps we need to go back and start again.