

- Restore to councils the power to borrow money on the open market at favourable rates of interest
- Restore the position of Local Authorities as the main providers of public social housing for rent.
- 5 • Allow Local Authorities to keep local business rates for their own use.
- Abolish rate capping and the contracting out of services to private companies; allow in-house departments to bid for contracts for the supply of goods and services to the council.
- 10 • Reform the system of local government finances by the introduction of a local Land Value Tax.

#### Education: Early Years Development

15 Tory government funding formulae for local government education services meant that local councils were forced to choose whether to make cuts in secondary, primary or nursery education; invariably this meant that the latter lost out and was cut disproportionately.

20 When New Labour came to power it started to invest in some initiatives that were targeted at children and families in the most disadvantaged areas of the country. Investment of £14 billion since 1998 has provided free nursery education for 3-5 year olds, new childcare places, local Sure Start programmes, and Children's Centres. In conjunction with Family Tax Credits, these measures have begun to ease the burden of childcare among the most disadvantaged. However, Sure Start is mainly available only to those living in  
25 the 20% most deprived wards, tax credits are only available if one or more parents are working. Childcare is often unaffordable, particularly in London where costs are well in excess of £100 per week. The National Audit reports that 90,000 childcare places have been lost since 1998. The only universal childcare component is 12.5 hours per week of nursery education for 3-5 year  
30 olds, compared with an average of 32 hours in other European countries.

A Labour Government would:

- Increase universal free nursery education to 20 hours per week for 3-5 year olds
- 35 • For children under 3 years old, free provision should be available which could be used for respite, learning or occupational purposes
- Invest considerably more resources into childcare in order to improve training and to combat low pay, lack of morale and recruitment and retention problems.

#### Primary and Secondary Education

40 New Labour has barely tinkered with previous Tory policies such as Local Management of Schools, which removed central control of the distribution of resources and led to inequality across the board, the National Curriculum,  
45 which stifles individual learning needs and emphasises literacy and numeracy skills at the expense of broader sciences and humanities and enshrines narrow faith based world views, the Ofsted inspection system, which poses central control against local individual learning needs, and Standard Attainment Tests, which stigmatises pupils who fail to meet prescribed  
50 standards and skews teaching towards learning for tests and, through league tables, forcing schools to compete as if they were commercial businesses.

Under New Labour, Local Education Authorities (LEAs) have become increasingly sidelined. City Academies, operated and part funded by private foundations, are not scrutinised by LEAs and have been allowed to select some pupils, further undermining the comprehensive ethos. Furthermore some City Academies have been teaching fundamentalist religious ideas such as creationism. New Labour has also bypassed LEAs by allowing private companies to run so-called “failing schools”.

- A Labour Government would:
- Abolish SATS and league tables
  - Remove the rigid elements of the National Curriculum to allow more flexibility to adapt to local needs.
  - Reverse LMS and return management of money and resources centrally to LEAs to be apportioned according to local school needs
  - Reform Ofsted into an Inspection and Advice service geared towards supporting local schools rather than forcing them to conform
  - Bring an end to all selection within state schools, in favour of a system of comprehensive public education run by LEAs, and discourage narrow faith based schools
  - Abolish tax breaks for private education by removing charitable status from private schools
  - Fund special needs education properly within mainstream schools
  - Restructure LEAS so that they are co-governed by a panel of local Councillors, parents, teachers, and pupil’s representatives
  - Phase out the allocation of school places on the basis of parental faith

Post 16 and Further Education

New Labour’s “reform” of the “A” level system failed to integrate academic and vocational qualifications into a common system. Further Education Colleges are under funded and overworked. A plethora of private sector agencies now deliver bite sized training packages under different funding regimes, and the voluntary sector is encouraged to deliver similar packages. Adult Education –or Lifelong Learning—has almost disappeared as a result of LEA cuts. The Careers Service has been privatised.

- A Labour Government would:
- Integration of the post 16 qualification system with equal value given to academic and vocational qualifications
  - Bring the Careers Service into the public sector
  - Post 16 Education to be exclusively delivered by sixth forms, sixth form colleges, and FE colleges, which should be properly funded
  - Restore funding to LEAs for the provision of adult education

Higher Education

Under the Tory Government, student maintenance grants had been gradually eroded, but in 1998 New Labour went further and abolished grants altogether, and replaced them with student loans and means tested tuition fees. In 2004, in spite of a manifesto promise not to do so, New Labour introduced universal variable rate tuition fees of up to £3,000 per annum. This will not solve the funding crisis of universities – as seen by recent decisions by Newcastle and Hull universities to close chemistry and maths departments, but it will impact heavily on students from working class families who will have to choose to study at universities near to home, or having to

take jobs at night, risking academic failure and breakdown in their health, in order to avoid massive debts.

A Labour Government should:

- 5 • Abolish tuition fees
- Restore universal maintenance grants
- Tax the rich, not the educated, to fund higher education properly

### Health

10 The Tory Government 's NHS "reforms" of the early 1990s introduced for the first time the principle of market forces into the health service, with the internal market signalling the break up of the NHS into hospital trusts which operated like business units competing with each other for money and patients. Expensive layers of bureaucracy soaked up scarce resources

15 needed for patient care. New Labour not only failed to grasp the opportunity to reverse these reforms, it pushed ahead with Private Finance Initiative (PFI) hospital – a Tory idea, whereby new hospitals were built by private companies such as Jarvis (even though it would have been much cheaper to build them using public money) – who then leased them back to the NHS at enormous cost, resulting in up to 30% cut in bed numbers, job losses, worsening of wage rates and terms and conditions of service for NHS workers who were transferred over to private companies, and substandard buildings. New Labour abolished fundholding for GPs, but replaced it with Primary Care Trusts. Not content with outdoing the Tories, New Labour went

20 further when it set up Foundation Hospitals, which will operate independently of the NHS and behave like private hospitals, and will poach staff and take away funding from NHS hospitals. The result will be further fragmentation of the NHS and even greater inequalities in the delivery of health care. New Labour has embarked on a strategy of piecemeal privatisation of the NHS by contracting out whole tranches of services to private foreign and British firms, to perform routine surgery in order to reduce waiting lists, as well as lucrative contracts to run diagnostic and treatment centres to carry out fast track operations – even though these operations are as much as 40% more expensive than in the NHS; in other words, New Labour is pouring

25 public money into the pockets of private shareholders rather than the cheaper option of increasing NHS capacity. Much of the £40bn promised for the NHS by 2007/08 will never reach the users of the NHS, because it will go into the pockets of private healthcare companies, the financing costs of PFI schemes, the use of expensive agency staff such as nurses, historical budget deficits, and soaked up by layers of bureaucracy created by the internal market.

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A Labour Government would:

- 45 • Return to the founding principles of the NHS, of a health service free at the point use, irrespective of ability to pay, delivered wholly in the public sector
- Abolish the internal market and return to needs based service planning and fair resource planning formulae
- Restore accountability of the NHS under local democratic control by establishing local management boards, which are representative of the local community
- 50 • Reverse the policy of Foundation Hospitals in line with the decision of 2003 Labour Party conference
- Put a moratorium on any further PFI schemes, and investigate ways of terminating all existing PFI contracts as soon as possible

- Abolish charges for dentistry, spectacles and prescriptions
- Injection of a substantial amount of extra funding into the NHS, in line with the Wanless Report recommendations of 2002, within the lifetime of a Labour Government

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### Housing

Under the Tory Governments, council housing came under attack, firstly by the Right to Buy legislation of the early 1980s which decimated the public housing stock, then by the financial ring-fencing of the Housing Revenue Account under the Local Government & Housing Act of the late 1980s, which meant that the building of new council houses and the repair of existing council stock could no longer be paid for out of the council general fund (in other words, council housing had to be self financing). This led to spiralling council rents, housing stock falling into serious disrepair, and a virtual halt to any new council house building. New Labour tinkered with the right to buy legislation by making it more difficult, but failed to reverse any of the other legislation. New Labour's draconian funding regime has gone much further than previous Tory Governments, with their intention to remove landlord function from local authorities (in order to remove accumulated housing debt from the public sector accounts) and instead of allowing councils to borrow cheaply on the open market in order to bring their properties up to decent standard, has pressurised them into PFI schemes, Arms Length Management Organisations, or Stock Transfers to Registered Social Landlords (RSLs). The result is that homelessness is now spiralling, (60,000 families in London alone) and millions of people are living in substandard housing. The shortage of affordable council and housing association housing has in turn pushed up rents in the private sector and artificially inflated house prices, making both of these options unaffordable to most ordinary people.

30 A Labour Government should adopt a strategy of increasing the supply of public affordable housing, which together with the restoration of private sector rent control will bring about a dramatic fall in house prices. Specifically it would:

- 35 • Remove the requirement and incentives for Councils to dispose of housing stock under any of the current three options. Introduce funding for Councils to improve housing stock in terms described in the "Fourth Option" agreed by 2004 Labour Party Conference.
- 40 • Provide funding for a massive programme of council house building
- Councils to be the main providers of social housing, with a smaller role for housing co-operatives, the voluntary sector and housing associations
- Extend the statutory right to establish Tenant Management Organisation across the public housing sector
- Give councils the powers to compulsory purchase land and empty properties
- 45 • Restore the statutory right to housing for all homeless
- Remove housing finance from the Public Sector Net Cash Requirement (previously PSBR)
- Restore rent control and Fair Rent tribunals for the private rented sector
- 50 • Eliminate tax subsidies on second and subsequent homes as well as council tax discounts on empty properties
- Restore the statutory right to establish Tenant Management Organisation across the public housing sector

### Transport

New Labour has failed to reverse the deregulation and break up of the Railway Industry, even when it had the opportunity to do so when the Train Operating Companies franchises expired, which would have allowed renationalisation of much of the network at no cost, but chose instead to renew the franchises. They reluctantly decided to bring rail maintenance back in-house only after a series of disastrous rail crashes. They pushed ahead with the PPP of the London Underground despite evidence that Ken Livingstone's Public Bonds strategy was going to be a cheaper and safer option, and was supported by a majority of Londoners. Exerting far greater public control over our rail, underground and bus networks would offer far better value for money because all of these modes of transport already depend on public subsidy and the public sector can borrow money at a cheaper rate than the private sector, and does not have to pay dividends to shareholders. Much of public transport is so dirty, inefficient and expensive that millions of commuters are being driven to car use, with the result that both road congestion and environmental pollution levels are soaring.

### Railways

Despite record levels of investment and subsidy far exceeding the days of British Rail, performance is far worse than under BR, with an average of one in five trains running late. The cost of investment in the railways is now three times as much in real terms compared to BR, while the private companies have banked profits of over £10bn.

A Labour Government would:

- Take the railways back under public control, in line with the decision of the 2004 Labour Party conference, by bringing all rail renewals in-house and return the freight franchises and infrastructure to public sector control
- Bring rail franchises back under public control as the franchises expire, and establish a new publicly owned and accountable railway agency, accountable to parliament and governed by a board of stakeholder representatives in the following proportions: one third passengers, one third management and one third workforce
- Embark on a major expansion of the rail network, including the long awaited high-speed intercity rail links, in order to move towards a sustainable transport system and reduce private car use

### London Underground

The tube carries as many passengers as the national railway, yet New Labour has repeated the mistake of the previous Tory Government on the mainline railway by privatising and fragmenting the Tube's infrastructure. The PPP has so far proved to be all that its critics feared: less safe, more expensive and a deteriorating service. It is contradictory nonsense for Network Rail to have taken all maintenance on the mainline railway back in house on a not for dividend basis, while the New Labour Government still allows the same private companies, such as Jarvis and Balfour Beatty to continue to profit from declining safety standards of Underground maintenance. Despite the promise by the 1945 Labour Government to build seven new tube lines, there has been no major expansion of the network in the past sixty years.

A Labour Government would:

- Legislate to bring all maintenance and renewals back in house under the direct responsibility of the London Mayor. It should negotiate to end the

PPP and restore the Tube as a fully public service under the control of the London Mayor

- Embark on a major expansion of the underground network, including Crossrail, the Chelsea-Hackney line, and the East London Line extension

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### Buses

Deregulation and privatisation have also failed the bus industry. Bus use continues to stagnate, except in London, where the Mayor's regulatory powers over the bus industry have increased bus use dramatically.

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A Labour Government should give Local Authorities the power to regulate bus services as a first step towards regional public ownership of the industry

### Roads

The central London Congestion Charge, which was a brainchild of the London Mayor, has significantly reduced road congestion in inner London. A Labour Government should embark on further initiatives to reduce road congestion, such as a massive expansion of the cycle network, an expansion of tram schemes, and the introduction of toll schemes on major roads – which will also generate income which can be invested in renewing transport infrastructures. There must be a moratorium on all new road-building schemes.

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### Maritime Industry

Shortly after coming into power in 1997, New Labour, in association with the RMT and other social partners, attempted to combat the decline of the UK shipping industry. Ninety five per cent of all UK international trade is through the shipping industry, yet the number of UK ratings declined from 29,000 in 1979 to 10,680 in 1997. This decline represents a significant threat to our future prosperity, trade and security at a time when shipping owners benefited from millions of pounds of public subsidy through the tonnage tax.

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A Labour Government should state publicly that the experience and expertise of British seafarers is respected world-wide and it will prevent any further erosion of this skills base or any further decline in this traditional industry. In particular it should:

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- Link payments under the tonnage tax to the creation of employment for UK ratings
- Extend all UK employment and equality legislation to cover all seafarers working in the UK
- Negotiate through international bodies to ensure employment and equality legislation of at least equal quality operates in other countries

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### Employment and Trade Union Rights

During the 1980s and 1990s anti-trade union laws introduced by Thatcherite neo-conservative governments shackled workers, undermining their collectivity and allowing employers to slash jobs and cut terms and conditions. In accordance with neo-liberal laissez-faire economic doctrine, Thatcher rolled back the state and market regulation and axed wages councils that protected the low paid. Thatcher undermined the strength of organised labour by using the force of the law and the power of the state apparatus to interfere in internal union affairs, declare solidarity action between workers illegal and weaken union collectivity by encouraging individualism and disunity. In this sense neo-liberalism and anti-trade union

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laws go hand in hand in undermining workers terms and conditions of employment, collectivity and solidarity.

5 The justification that a reduction in trade union power and workers rights  
would enhance economic efficiency has proved to be erroneous<sup>1</sup>. It only  
succeeded in widening the gap between the rich and poor in society. Higher  
levels of unemployment resulted in a dramatic increase in economic inactivity  
and poverty, with the social welfare bill constantly threatening to spiral out of  
10 control<sup>2</sup>. In this context the denial of positive rights and decent employment  
conditions for workers is a misguided approach towards the promotion of  
economic prosperity as it stunts the development of people's skills, co-  
operation and innovation. A recent TUC report identifies stronger  
employment regulation and workers rights with growing employment in the  
15 UK<sup>3</sup>. It is a fact that neo-liberal economics, through labour market flexibility,  
drives down the collective and individual rights of workers while privatisation  
does not reduce prices, or improve performance or productivity, but does  
benefit the wealthy at the expense of the rest of society<sup>4</sup>. It turns out that the  
"trickle down theory" is a misnomer<sup>5</sup>. And that unfortunately inequality under  
20 Labour is growing<sup>6</sup>.

It is true, however, that the Labour government elected in 1997 has  
introduced some changes to employment and trade union rights that have  
benefited workers. However, in a third term Labour will need to do much  
25 more to redress the unhealthy imbalance of power that UK employers  
currently enjoy over their employees in the workplace. Exploitation at work  
must end in order to reduce inequality while enhancing social cohesion,  
inclusivity, collectivity and cooperation. For a socialist society to thrive, we will  
require equality of opportunity in an open democratic setting that provides  
30 excellent education for all and encourages active participation of citizens at  
all levels of government. The maintenance of a master and slave relationship  
at work has no place in a post-modern economy.

Given the austerity measures that workers were subjected to under 18 years of Tory  
government, it is a welcome change that since 1997 the Labour government has  
35 legislated for:

- The reinstatement of trade union rights in GCHQ
- EU Social Chapter employment provisions
- Trade union recognition rights in the workplace
- Information and consultation at work rights from March 2005
- 40 • A minimum wage

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<sup>1</sup> "An international World Bank study concluded: 'Countries with highly co-ordinated collective bargaining tend to be associated with lower and less persistent unemployment, less earnings equality and fewer and shorter strikes...'. Source: TUC, Employers' 'American dream' would be a nightmare for UK workers and economy, October 3<sup>rd</sup> 2004. <http://www.tuc.org.uk/economy/tuc-8927-f0.cfm>

<sup>2</sup>Ewing, K. and Hendy, J (eds.) (2002) *A Charter of Workers' Rights* (London, Institute of Employment Rights) p. 12.

<sup>3</sup>TUC (October 2002) Labour market flexibility building a modern labour market an interim TUC report, p. 15. <http://www.tuc.org.uk/economy/tuc-8926-f0.pdf>

<sup>4</sup> Florio, M. (2004) *The Great Divestiture – Evaluating the Welfare Impact of the British Privatisations* (Cambridge, The MIT Press)

<sup>5</sup> Ewing, K. and Hendy, J (eds.) (2002) *A Charter of Workers' Rights* (London, Institute of Employment Rights) p. 12.

<sup>6</sup> Guardian, 24<sup>th</sup> June 2004, 3<sup>rd</sup> August 2004 and 29<sup>th</sup> October 2004.