

A NEW CHAPTER FOR BRITAIN: SIR KEIR STARMER SPEECH BUSINESS POLICY BRIEFING

18 February 2021

Sir Keir Starmer today set out Labour's plan to take Britain forward to a stronger, more prosperous future delivered through a new partnership between Government and business.

The pandemic has exposed a Conservative ideology that has failed.

By rolling back the state, stripping back public services and allowing the free market to run down Britain's high streets, our foundations were weakened. That is why we have had the worst economic crisis of any major economy and one of the highest death tolls in the world.

Keir today made the argument for a new partnership between an active state and enterprising business.

A Government that is focused on tackling the deep injustices and inequalities so businesses can thrive, create the jobs of the future and help Britain prosper. This articulates the ideology that sits behind the arguments Keir will be making in the months ahead.

Toplines

- Coronavirus has shown us the best of Britain, but it has shown our fragilities too. It has pulled back the curtain on the deep inequalities and injustices in Britain. As we emerge out of this pandemic, we must seize this moment to address the deep inequalities and injustices in our country.
- We are at a fork in the road. The Conservatives want to build back to an economic model that weakened Britain's foundations and left us exposed to the pandemic. Labour want to take Britain forward to a stronger, more prosperous future. That can only be delivered through a new partnership between an active Government and enterprising business.
- March's Budget is a moment to begin a new chapter in this country's history – and to equip Britain for the opportunities of the future.
- This is no time for a second wave of austerity or tax rises on businesses and families either. That would waste the sacrifices of the last year, it would choke off our recovery and ensure that the next decade was wasted like the last.
- Labour would protect families and businesses by not cutting the £20 uplift in Universal Credit, providing councils with the funding they need to prevent huge rises in council tax, and extending the business rate holiday and the VAT cut for hospitality and leisure.

STAKEHOLDER BRIEFING

- Labour would introduce a new COVID Recovery Bond to allow people who have accumulated savings during the pandemic to have a proper stake in Britain's future. Households could purchase bonds that would raise billions for the National Infrastructure Bank that could be used to support British businesses and create the infrastructure for the future.
- Labour would back a new generation of British entrepreneurs by providing start-up loans for 100,000 new businesses.

New Policy

- **British Recovery Bonds** - *Labour would launch a new savings product, where households who have been able to accumulate savings would be able to deposit their money for a good return and contribute to our economic recovery.*
 - This would be a new savings product, where households who have been able to accumulate savings would be able to deposit their money for a good return and contribute to our economic recovery.
 - This bond would also give millions of people a proper stake in Britain's future and security for their investment.
 - It would forge a new contract with the British people: The British people invest in rebuilding an economy that's more secure, prosperous and geared to the long-term; and the government gives financial security to millions of people, many of whom will have saved for the first time – security in the knowledge their savings will be safe and deliver a return.
 - A British Recovery Bond would allow individuals to save via National Savings & Investments. The revenue raised by the bond used to fund the new National Infrastructure Bank, alongside other sources of funding, supporting projects that rebuild our country and support the transition to net zero.
- **100,000 Start Ups** - *Labour would increase support available for start-ups and to help create 100,000 start-ups over the next five years with a particular focus outside London and the South East. To achieve this, Labour would:*
 - Boost the Start Up Loans. The Government's flagship Start Up Loans currently has only supported the creation of around 9,500 companies per year, and Ministers have only provided funding for the Start Up Loans company to support entrepreneurs until next year. Labour will boost Start Up Loans with a five year funding guarantee, funding 20,000 new businesses a year over the next five years
 - Better target the scheme to promote growth outside of London and the South East by earmarking a minimum amount of funding to be lent in each region.
 - Support individuals with low-incomes or no savings via the New Enterprise Allowance. Labour's proposal would remove barriers to potential entrepreneurs by extending the New Entrepreneurs Allowance, so individuals have the support, income, and time to start a new business whatever their present circumstances.

Existing Policy

The two new policy announcements are supported by existing policies that the Labour Party has put forward in recent months to promote a recovery from the economic crisis and a path towards a more equal and less insecure economy.

- Stop the last-minute scramble around wage support with an immediate 'smart' extension to the furlough scheme so it remains open while public health restrictions are in place and demand is severely affected, with new training to help furloughed workers improve their skills and tough conditions on employers to stop abuse.
- Bring forward at least £30 billion in planned capital investment over the next 18 months to 'Build it in Britain' again and support the creation of 400,000 new jobs in every part of our country in areas like energy efficiency – double the Conservatives' limited ambitions.
- Reform the shambolic Green Home Grants scheme by speeding up payments to installers, involving local authorities more, and handing control over to them if the situation does not improve.
- Use £330m in Apprenticeships Levy underspend to support 85,000 apprenticeships over this year.
- Tackle workers' rights abuses in the gig economy and outlaw "fire and rehire."
- Overhaul the failing Kickstarter scheme so more young people can get back into work by stopping the enormous delays in businesses participating, publishing a weekly sectoral and regional breakdown and drawing up targets for placements in different sectors with employer associations.
- Ease the debt burden on business, secure the economy and help British business to rebuild by:
 - Converting the Bounce Back Loans (BBLs) scheme into a 'student-loan style' arrangement, so that businesses only have to start repayments when they are making money.
 - Creating a new British Business Recovery Agency that would manage the Coronavirus Business Interruption Loans Scheme (CBILs) and Coronavirus Large Business Interruption Loan Scheme (CBILs) in order to create terms that secure the future of businesses, including employee ownership, preference shares and subordinated debt".
- Remove the cliff edge in support for business by immediately extending business rates relief by at least six months and extending the reduced rate of VAT for six months or three months after restrictions are lifted, whichever is later.
- Level the playing field between our high street businesses and the tech giants who have profited from this crisis.
- Protect family finances by scrapping Rishi Sunak's economically illiterate triple hammer blow of council tax rises, cuts to Universal Credit and pay freezes.