

memorandum on the mainstream memos to labour's next leader

Edited by Richard Darlington

September 2010

Open
Left

DEMOS

Open Access. Some rights reserved.

As the publisher of this work, Demos wants to encourage the circulation of our work as widely as possible while retaining the copyright. We therefore have an open access policy which enables anyone to access our content online without charge. Anyone can download, save, perform or distribute this work in any format, including translation, without written permission. This is subject to the terms of the Demos licence found at the back of this publication. Its main conditions are:

- Demos and the author(s) are credited
- This summary and the address www.demos.co.uk are displayed
- The text is not altered and is used in full
- The work is not resold
- A copy of the work or link to its use online is sent to Demos.

You are welcome to ask for permission to use this work for purposes other than those covered by the licence. Demos gratefully acknowledges the work of Creative Commons in inspiring our approach to copyright. To find out more go to www.creativecommons.org



Published by Demos 2010
© Demos. Some rights reserved.

Third Floor
Magdalen House
136 Tooley Street
London SE1 2TU

T 0845 458 5949
F 020 7367 4201

hello@demos.co.uk
www.demos.co.uk

ACKNOWLEDGEMENTS

I would like to thank all those involved in helping draft and develop the ideas in this collection. As well as thanks to Gareth, Ivan, John, Angela, Maria and Paul, I pay particular tribute to their support staff.

Thanks too go to Kitty Ussher, Sonia Sodha and Jamie Bartlett for their advice and assistance. Special thanks to Beatrice Karol Burks, Claire Coulier, Ralph Scott, Calum Benson and Joe Coward for their invaluable support in launching and disseminating the collection.

Richard Darlington, Head of Open Left

September 2010

ABOUT THE AUTHORS

Angela Eagle

Angela Eagle is the Labour MP for Wallasey and was a government minister for eight years. She served at the Treasury, the Home Office, the Department for Work and Pensions and the Department of the Environment, Transport and the Regions.

Maria Eagle

Maria Eagle is the Labour MP for Garston and Halewood and was a government minister for nine years. She served at the Department for Work and Pensions, the Department for Education and Skills, the Ministry of Justice and the Northern Ireland Office.

Paul Goggins

Paul Goggins is the Labour MP for Wythenshawe and Sale East and was a government minister for seven years. He served at the Home Office, the Department of Social Security, the Department of Health, the Department for Education and Employment and the Northern Ireland Office.

John Healey

John Healey is the Labour MP for Wentworth and Dearne and was a government minister for nine years. He served at the Treasury, the Department for Education and Skills and the Department for Communities and Local Government.

Ivan Lewis

Ivan Lewis is the Labour MP for Bury South and was a government minister for nine years. He served at the Foreign and Commonwealth Office, the Treasury, the Department of Health, the Department for Education and Skills and the Department for International Development.

Gareth Thomas

Gareth Thomas is the Labour MP for Harrow West and was a government minister for seven years. He served at the Department

for Business, Enterprise and Regulatory Reform and the
Department for International Development.

FOREWORD

Open Left is a Demos project seeking to rediscover the Left's idealism, pluralism and appetite for radical ideas. Open Left is asking the challenging questions about Labour's record in Government to identify unfinished business and new areas of reform.

This collection of memos to Labour's next leader represents the reflections and ideas of six Labour politicians with almost 50 years of ministerial experience among them. They challenge Labour's next leader to accept new policy positions and to acknowledge where Labour must change in response to defeat at the 2010 General Election.

The memos urge Labour to move beyond the false debate about whether to focus on a 'core vote' or 'Middle England' and instead outline a substantive programme of policy ideas to support Britain's 'squeezed middle'. They challenge Labour's next leader to be honest about the Party's failures and accept that it built an over-centralised state that too often appeared to nationalise every societal problem. They propose that Labour's next leader should champion the elements of the 'Big Society' that seek greater community participation, ownership and control. They also urge Labour's next Leader to constructively engage with the government review on security and terrorism.

But they also suggest radical restructuring of the economy and a prioritisation of equality, community and social mobility to reconnect Labour with mainstream voters. They recommend progressive tax reform, an extension of family friendly employment rights, saving support and a focus on the middle third of voters who manage on household incomes of between £14,500 and £33,800.

Above all, they seek to reconnect Labour with the concerns of mainstream voters. Whoever is elected as Labour's next leader, this collection of memos offers a practical road map to begin Labour's journey back to electoral success.

Richard Darlington, Head of Open Left

September 2010

TO: Labour's next leader

FROM: Ivan Lewis

RE: The role of the state and the Big Society

The role of the state will take centre stage in the battle of ideas and will shape the terrain on which the next election will be won or lost. I urge you to develop a new narrative and programme for government that takes us beyond the outdated 'big' versus 'small' state debates of the past and seeks mainstream majority support for the 'progressive state' of the future.

Your challenge is twofold. Firstly, you must expose a Coalition Government that is engaged in an unprecedented ideologically motivated attack on all manifestations of the state. The Government has to tackle the deficit in a serious way but very different choices could have been made about the timescale and balance between taxation, spending and support for growth.

Secondly, you must develop a credible and imaginative alternative vision of the role of the state in 21st Century Britain and a globalised world. Neither the post-war settlement, nor the state we constructed in the New Labour years should be straitjackets as we develop our vision of a progressive state for the future.

New Labour's legacy

The bridge to the future has to begin with the past. The trashing of New Labour's legacy cannot go unchallenged. We should be bullish about our record in using the power of the state to mend the broken Britain we inherited in 1997. Historically low NHS waiting times, improved educational attainment, neighbourhood policing and reduced crime, significant reductions in child and pensioner poverty, greater fairness at work, the minimum wage, a radical early-years strategy and civil partnerships didn't happen by chance. When the financial crisis hit, state intervention nationally and globally opposed vehemently by the current Prime Minister and Chancellor prevented the economy from going from recession to depression and saved many jobs, businesses and homes.

However, we also have to be honest about our failures. We built an over-centralised state that too often appeared to nationalise every societal problem. We created quangos and agencies controlled by Whitehall and not accountable to the public or local communities. We established new local delivery structures that were no better and sometimes worse than local Government. The curse of Whitehall departmental turf wars continued to undermine our aspiration for easy access to integrated public services in every community. When responding to genuine national security concerns we paid insufficient attention to the importance of public consent as we introduced measures that changed the balance of power between state and citizen. Overall, we could and should have achieved more on welfare dependency, affordable housing and social mobility.

The progressive state

You should make it clear that a fair and successful Britain depends on achieving the right balance between state, citizens and families, civil society and business. Such an equilibrium requires a progressive state which promotes individual aspiration, balanced growth, community security, solidarity and greater equality, while guaranteeing social protection in return for social responsibility. It means a state that is subject to transparent standards of fiscal discipline and new forms of public engagement and accountability.

You should encourage debate and policy development focused on a number of key issues:

A new social contract that is explicit about the rights and duties of citizenship. It should enshrine and enforce the principle of ‘something for something’ and maintain a commitment to a cash transfer system which includes elements of both universal and targeted support. There should be a new right to information for every citizen covering social security and public services: empowering people but also ‘myth-busting’ about benefit levels and other state support in order to restore public trust in the fairness of the system.

Democratic engagement to enhance the legitimacy and credibility of the state. Truly radical electoral reform would introduce compulsory voting as an expectation of citizenship. Public engagement, using a diverse range of modern media resources, would ensure voters were aware of and could influence the options and choices available to politicians. Measures that fundamentally change the balance of power between state and citizen, such as ID cards, could in the future be the subject of referenda.

Devolution of power and resources to local government and local communities should be integral to a progressive state. Lead professionals with pooled budgets, working with the private sector and civil society at a neighbourhood level, should have the freedom to tackle issues such as worklessness, health inequality and poor educational attainment. Giving communities and individuals greater control over the resources allocated to their area through participative and personal budgets should be encouraged and developed. Radical devolution will require a fresh appraisal of the balance between local and national taxation and the role of elected members.

Public service reform in the wake of the Coalition Government's policies that put power in the hands of GPs, police commissioners and head teachers and governors of independent state schools. Our response should be to redistribute power to patients, communities and parents. As pioneered in the NHS Constitution, all providers of public services including private providers should be required to meet certain non-negotiable standards related to tackling inequality, community benefit and good employment practise. New governance models based on cooperative and mutual principles should be developed and promoted.

Civil society organisations have a crucial role to play in a progressive state as service providers, intermediaries and campaigners. We should champion the elements of the Big Society that seek greater community participation, ownership and control. But the Big Society will only flourish alongside a progressive state and is consigned to failure and public cynicism in the hands of the small state ideologues of the coalition.

Private sector growth requires state investment in infrastructure, skills, science and technology, research and innovation. In a global economy it also benefits from a state that is willing to pursue an active industrial policy. In the aftermath of the financial crisis and in the context of the climate change emergency there is no doubt that we need a more balanced and sustainable economy both in terms of regions and sectors. The same crisis demands a private sector reform agenda that creates a new ethical framework for domestic and global markets. Transparency about business models, governance arrangements, directors' remuneration and equal pay for equal work can no longer be labelled as burdens on business but are the reasonable expectations of 'corporate citizenship'.

You will have to demonstrate that the progressive state is affordable and sustainable while exposing the economic and social costs of the current Government's alternative. But I hope you will help move us beyond the debates of the past, crystallise the values we stand for and most importantly regain the support of the mainstream majority.

TO: Labour's next leader

FROM: John Healey

RE: Britain's squeezed middle

You may remember that over the last year in Cabinet discussions I have talked about Britain's 'squeezed middle': more than seven million families with an annual income between £14,500 and £33,800; 14 million people working hard for low and modest wages.

This is the 'just coping' class in Britain today. The recession hit them hard and is still taking its toll, with many still not getting the regular hours, pay or extras lost during the credit crunch. Many are living with the constant fear of redundancy. They do the ordinary jobs we all rely on: IT workers, HGV drivers, joiners, warehouse managers, lab technicians, nurses, teaching assistants, call centre supervisors, shop staff. They are the backbone of the British economy and heart of our public services. They can least afford the cuts the Conservative-led Government plan to tax credits, child benefit, childcare and savings support.

You should:

- Ban the terms 'core vote' and 'middle England' in shadow cabinet discussions
- Make income insecurity as great a Labour concern as income inequality
- Oppose Government plans which hit Britain's squeezed middle hardest
- Commission each of your new shadow secretaries of state to incorporate the squeezed middle into fresh policy formulation, with particular priority in housing, skills, the workplace, childcare and savings support.

Understanding Britain's squeezed middle

Our Labour concern for social fairness, drive for economic strength and self-interest in electoral success all demand we recognise more clearly Britain's real middle: this one third of the population who manage with a household income either side of the UK's £22,000 median.

The task of juggling money week-to-week is a constant pressure. The Resolution Foundation reports that over a quarter say they usually run out of money each month and half have problems paying bills and credit commitments. Housing, utilities and food are big weekly costs. Unexpected bills for a vet, dentist or new washing machine drive people to use credit to tide them over, as the majority have no savings or less than £1500 in the bank to fall back on.

The squeezed middle seem stuck in no man's land. Too poor to get the best from the market, too well off to claim state benefits. Not wealthy enough to get a mortgage, not sufficiently vulnerable for social housing.

We too easily allow a mobile, metropolitan class to skew our understanding of society. Too many of those in the media, political and public policy world take people earning £40,000 or £50,000 (or more) a year as typical of 'the middle'. The real squeezed middle are overlooked by the press, and overlooked by the modern Right.

Britain's real middle found their voice with Labour in the 1990s, but a decade later no longer recognised themselves in what we said and did. Even on the Left, real middle earners are often overlooked in arguments for a principled but narrow focus on the plight of the most vulnerable. This is necessary but it is not sufficient for Labour.

Equally, debate simply about social mobility captures the ambition to move up and away but does not respect the aspiration for improvement through stability, security and community.

The writer Julian Baggini spent six months in Bramley, in my Rotherham constituency, because surveys and statistics suggested it represented average England – the 'Everytown' that became the title of his book about his experiences. What began as an exercise

questioning the limits of people's ambition and sense of community, ended with establishing that their apparently hard exterior hides genuine aspiration for their kids, determination to provide for their family and commitment to their local town.

We must support people's ambition for a better life within and for their community. If we only view aspiration through a lens of social mobility we risk seeing people's goal in life as a single desire to move to somewhere or something better. And we show we're simply not in touch with them.

This clear focus on working people in the real middle slices through the narrow Labour debate that caricatures a mutually excluding choice: core vote or middle England? At best these have been clichés for campaign strategy. At worst these have been the shorthand with which internal battles have been fought. Either way, this debate is a political cul-de-sac that fails to grasp what day-to-day life is like for millions of working people.

Britain's squeezed middle is electorally critical

My case for change is not just a concern for greater social justice or a call for fresh policy thinking, though it is both. Britain's real middle, hit hard during recession and still squeezed and insecure during this weak economic recovery, is critical to Labour politically.

As voters, the real middle overwhelmingly turned to us and turned out for us in 1997, with twice as many voting Labour as Tory. They largely stuck with us in 2001 but by 2010 almost one third more voted Tory than Labour, and one in six that voted in 1997 simply didn't vote at all (according to Ipsos-Mori).

We have only ever won power when Britain's middle third has been with us. So we have to win them back to politics and back to Labour by demonstrating we recognise and can respond to their concerns.

Reconnecting with Britain's squeezed middle

You should ban the terms 'core vote' and 'middle England' in shadow cabinet discussions, as part of an overhaul of our Labour language and political strategy.

You should make income insecurity as great a Labour concern as income inequality and charge your new shadow secretaries of state at DCLG, DWP, BIS and Treasury to produce a joint analysis of financial and workplace insecurity as the new basis for policy and political campaigning.

You should recognise the urgency for you and the shadow cabinet to determine the policy areas in which Labour must make the greatest efforts to oppose the new Government, and give high priority to those plans that hit real middle Britain hardest.

You should commission each of your new shadow secretaries of state to incorporate the squeezed middle into fresh policy formulation, with particular priority in housing, skills, the workplace, childcare and savings support. The new government plans savage cutbacks in opportunity and funding in all these and other areas which will make life very much harder for those who are now just coping.

The months ahead of us are therefore a period in which Labour can and must become again the voice and champion for Britain's working people in the middle.

TO: Labour's next leader

FROM: Angela Eagle

RE: The economy

The new Government has set out its ideological stall and laid down the political challenges you will face. Choosing to cut the deficit further and faster not only risks the fragile economic recovery, it largely misses the point. The global credit crunch was caused by imbalances in the world economy, market failure, deregulation and unbridled greed. You must address the causes not the symptoms.

Britain's unequal, low-wage economy made the situation worse. For the last thirty years average wages have been rising more slowly than productivity and the share of national wealth going to wages rather than profits has fallen into sharp decline.¹ It peaked at 65 per cent in 1973 but is at just 53 per cent today. In the last ten years, the financial services sector has grown from being responsible for 6.6 per cent of economic activity to 10 per cent, encouraging the expansion of high risk financial instruments and 'socially useless' activity.² This delivered colossal rewards to a few based on engineered phantom 'profits'.

You should aim to reverse both these trends. You should begin with some bold assertions that we shrank from making in the 1990s when we were last preparing for Government. You need to create a paradigm shift in our understanding of economics to include the 'externalities' of social justice and environmental sustainability.

You have to make it clear that we believe a more equal society is a better society and achieving it should be our paramount aim in Government. Now is no time for stealth redistribution. You must aim explicitly for a rebalancing of our economy, which means a redistribution of the gains from economic growth back to wages and away from profits. You will also need to engineer a shift away from the financial services sector back to the real economy.

A paradigm shift in economics

I think we must incorporate within our economic analysis concepts which have been traditionally viewed as ‘externalities’ and therefore ignored, namely social justice, equality and environmental sustainability. It has long been recognised that there is no positive correlation between the measure of gross domestic product (GDP) and wellbeing. GDP is indifferent to distributional issues and completely ignores household activities (such as childrearing), which command no market value but can be absolutely essential to the economic development and the wellbeing of society. The threat of climate change has created an urgent need to transform the way we achieve economic development to protect the planet from unstoppable global warming.

Because what we measure affects what we do, you should ensure that we incorporate evaluations of economic welfare, human development and our ecological footprint into our economic statistics and policymaking. To this end you should take up the work done by the Sarkozy Commission in 2008 chaired by Nobel prize winning economists Joseph Stiglitz and Amartya Sen³ to develop a more rounded measure of ‘good growth’.

Achieving a more equal society

I believe that the evidence presented in *The Spirit Level* is overwhelming. Greater equality improves the wellbeing of the entire population and therefore everyone has an interest in bringing it about. You should ensure that this aim drives our economic policy.

In the UK there was a very dramatic rise in inequality that peaked in the early 1990s after the ‘big bang’ in the City and the Thatcher Government’s policies on personal tax levels, privatisation and deregulation. Income differences were 40 per cent greater at the end of the Thatcher/Major Government than they had been in the mid 1970s.⁴ Thereafter a huge anti-poverty drive by the Labour Government could only hold the income distribution steady. The gap between the 10th percentile and the median income has

remained constant but the very top earners have continued to accelerate away from the rest.

It was our unwillingness to challenge this legacy indeed our accommodation to it that doomed our efforts to create more equal outcomes and improve life chances for all. You should create tax incentives to encourage sensible limits on the ratio of the pay of the CEOs to the average worker in their enterprise. Top pay has got out of control and is increasingly unconnected to real worth. You also have to ensure the tax system does not privilege the super rich further in such areas as pension tax relief where currently 25 per cent of its value goes to the top 2 per cent of taxpayers whilst millions of private sector workers cannot afford to save into any kind of pension.

Rebalancing for fairness

You must respond to the real anger that those who were responsible for the excesses that led to the crisis have taken massive earnings and completely escaped the consequences of the recession. As the banks return to huge profit, the pain of deficit reduction will be felt by the poorest and most vulnerable as the savage public spending cuts loom.

Profits are distributed much more unevenly than wages and their increasing share of growth has fuelled the personal wealth boom of the super rich whilst leaving millions who work stuck on low wages and reliant on tax credits to make ends meet. You must end the wage squeeze. You need to create an economy where employers are expected to pay a living wage rather than letting the State top up low pay. A more progressive personal tax structure coupled with higher profits taxes will encourage this necessary shift. Abolishing the 40 per cent rule on trade union recognition will also help redress the current imbalance of power at work as would the elevation of the right to collective bargaining to the status of a human right in international law. New forms of genuine employee ownership and participation in the business should be developed and actively encouraged.

The over-large financial services sector must be shrunk and replaced by an industrial base upon which to build our future prosperity. This requires strategic government investment in particular regions and sectors as well as action on City rewards which suck the best and brightest talent away from the more socially useful areas. Access to start up capital for those traditionally disadvantaged by the banks such as women and ethnic minorities will also help the shift.

TO: Labour's next leader

FROM: Maria Eagle

RE: Equality

I urge you to put the fight for equality at the heart of everything you do as you seek to learn the lessons of our defeat and equip us with the ideas and policies we need to win again.

Fighting unjustified discrimination, reducing inequality and developing the potential of all our people to the full is *the* key Labour value. It forms a bridge to our past. It is why our party was formed so it provides one of our best and surest building blocks for the future.

You should:

- Seek the reduction of inequality, year-on-year
- Place increasing social mobility as a central aim of government
- Require complete transparency on the gender pay gap
- Call for a right to flexible working for all, rather than just a right to request
- Allow parents to swap their leave entitlements to enable men to take part more fully in caring for their families
- Prioritise funding for universal, affordable childcare
- Prevent schools using admissions freedoms to exclude disadvantaged pupils.

Why equality?

We cannot have a good society or a fair society without reducing inequality. We cannot reach our potential as individuals without being able to develop our talents to the full and without society removing unfair barriers to our progress. We cannot reach our potential as a nation economically or socially without utilising the talents of all our people. To achieve this, we must eradicate unjustifiable discrimination, and also seek to tackle more subtle forms of discrimination that arise as a result of the way society is structured.

Labour governments have a great record over their time in office of legislating to outlaw discrimination and taking practical action to increase and equalise life chances in our society. With minor exceptions, only Labour has done this. The last Labour government contributed to that record by strengthening and deepening the legislative bulwark against discrimination by extending civil rights and promoting inclusion for disabled people, cracking down on the oppression and different treatment of LGBT people and outlawing age discrimination amongst many other things. We should be proud of what we've done, but it isn't enough.

You should now focus on tackling the inequality that arises from the way in which our society is structured. Whilst men and women still do not share caring responsibilities, the gender pay gap and the crowding of women into lower paying part-time work can never be fully overcome and the structural aspects of gender inequality are likely to persist.

Social background and parental occupation still determine life chances more effectively than intelligence, educational attainment and merit. This means the child of poor, unemployed parents in an area of multiple deprivation can never expect to achieve what the child of a rich old Etonian finds easier.

The new Government's policy choices so far: abandoning school building programmes in deprived areas, loading two thirds of the cost of the budget cuts on women and disproportionately hitting poorer people, confirm we are right to fear their impact on our

society. Rapidly increasing inequality will be one major consequence of our having lost in 2010.

Inequality is still stubbornly present. It has more complex and subtle causes than we thought (See the analysis of the National Equality Panel, 'An Anatomy of Economic Inequality in the UK' from January 2010). The lesson of our time in office is that we must develop more effective means of delivering results that remove the structural causes of gender and socio-economic inequality as well as outlawing unjustifiable discrimination.

We must focus on changing lives not just changing laws. You should:

- Call for an annual audit which assesses whether women and people from lower socio-economic groups are becoming more or less equal, akin to the NEP analysis
- Place increasing social mobility as a central aim of Government and place it at the heart of policy across all departments and areas
- Require complete transparency, starting with publishing the gender pay gap in public and private sectors, backed up by powers in the Equality Act 2010.
- Seek to make flexible working the norm for everyone, with a right to flexible working for all, rather than just a right to request flexibility
- Allow parents to swap their leave entitlements to enable men to take part more fully in caring for their families without a resulting financial penalty which makes it impractical.

Without universal, affordable childcare, there will never be equality for mothers or real choice for fathers and for families. You should be aiming to ensure that men see this as an issue for them. You should look at funding this as a priority commitment through a combination of extending child tax credits and expanding the sector through increased public, private and third sector provision jointly

funded by income tax and employer provision, by men as well as women.

The Equality Act 2010 contains a duty on public sector policy-makers to consider the impact of social background on individual life chances. It was a first tentative step in to the minefield of reducing the impact of social background on people's lives. We must be bolder. As Hill's analysis makes clear where a person is born and what their parents do for a living is a main determinant of their life chances. The impact starts early in life, is cumulative over the life cycle and intergenerational. It explains in part the dramatic silting up of social mobility highlighted by Alan Milburn's report on fair access to the professions. We must use the infrastructure we created to focus relentlessly on these structural barriers to socio-economic and gender equality.

Sure Start is an essential building block but we must go and get the most disadvantaged involved. Effective outreach is essential. The Family Intervention Projects can help truly dysfunctional families change. We must have excellent schools in deprived areas. Schools must not be able to use admissions freedoms to exclude disadvantaged pupils. We must open up our universities and professions to recruit and facilitate access for diverse talent instead of using old familiar proxies for talent like postcode, parents' occupation and material wellbeing. This can be done by creating more flexible pathways into the professions and upwards once in them. More diversity must be a mandated outcome.

If we are to repair the damage it will do and move forward, tackling socio-economic inequality must be at the heart of all we do.

TO: Labour's next leader

FROM: Paul Goggins

RE: Security

September 11th was a defining moment for global politics as well as for Labour. As ministers sought answers to new forms of international terrorism they reset the balance between individual freedom and collective security. The result, much debated, was a range of additional powers including extended pre-charge detention.

The courts have also played a key role in reshaping the new landscape. Control orders, for example, were introduced as a replacement for detention without trial following a ruling by the Law Lords.

The Coalition Government has initiated a full review of counter terrorism legislation which will run until the autumn. Given the comments and decisions already made by the Home Secretary it is likely that the availability of pre-charge detention will be reduced whilst Section 44 powers will be tightly restricted or removed altogether.

You will need to take a clear and early view. Whilst you will not want your views on civil liberties to be defined and understood only in terms of counterterrorism policy this area will be seen as a key test of where you stand.

Engage with the Government and Labour backbenchers

You should not disown the past: Labour ministers had to respond with urgency to new threats and quite rightly placed public safety at the heart of their thinking. Equally, if you simply uphold our record in government you could very quickly become marginal to developments in this vital area of public policy.

You should indicate immediately to the Prime Minister and the Home Secretary that you will seek consensus wherever possible and intend to make a positive contribution to the review. You will need to take advice from the police and other external experts.

You should try to heal the divisions that have grown within the Parliamentary Labour Party on this issue – especially with so many new Labour MPs who have not voted on these controversial issues before. You should establish a discussion within the PLP that engages all sides of the argument. You should also encourage greater public discussion and understanding of the nature of the threats we face and the need to counter them effectively.

Counter-terrorism policy

In terms of policy you should make common cause with the Government in dealing with organisations that promote hatred or violence as well as on the issue of deportations with assurances. More could be done to encourage other countries to treat returnees in accordance with European Court of Human Rights (ECHR) principles, perhaps with an enhanced role for international NGOs. You should also make it clear that laws intended to deal with terrorism should only be used for that purpose and not for general surveillance of the community or the monitoring of minor misdemeanours.

On pre-charge detention you should accept the need for a new approach; one that is focussed on risk rather than numbers of days. Provided the advice from the police does not suggest otherwise, you should advocate a policy of what might be called 14 plus. This would include a willingness to support a move to a standard maximum of 14 days whilst at the same time asserting the need for additional arrangements, with strict judicial oversight, in exceptional cases.

You should be robust in committing yourself to the retention of control orders. Whilst they are not a perfect solution, ECHR rulings will make it impossible to deport every individual who is suspected of being involved in terrorism and prison is not an option without

charge or conviction. Where there is intelligence that someone is a real and serious threat they cannot simply be allowed to walk the streets unchecked. You might offer to explore potential improvements to the judicial oversight of these cases, perhaps establishing a new court that would carry the responsibility for keeping cases under review.

Crucially, you should press for an urgent overhaul of the rules on disclosure. The ruling in the AF case on control orders is making almost impossible the effective use of intelligence in decisions about such orders and the release of sentenced prisoners in an increasing number of cases. It is unacceptable that ministers and senior members of our police and security services may have intelligence that an individual is plotting terror, have lawful powers to control or detain him, but be unable to exercise those powers because case law demands that he must be given the same access to that intelligence.

Accept that Section 44 in its current form has to go but argue in favour of new or revised stop and search powers in narrowly defined circumstances. These powers should never have been used indiscriminately - and we had tightened the system up - but when the police and security services have specific intelligence about imminent terrorist activity and do not know the exact identity of those concerned, they need to be able to disrupt that activity in order to protect the public. The 'reasonable suspicion' threshold can be too high a hurdle in circumstances where such a threat is current. The use of such powers could be kept under review by the special court referred to earlier.

Be mindful too of the continuing threat from dissident Republicans in Northern Ireland. Whilst devolution has put policing powers under local control, terrorism legislation remains a matter for Westminster and it is vital that the Police Service of Northern Ireland and security services have the powers they need.

There will be other areas to discuss: for all the difficulties you will want to keep an open mind on the use of intercept as evidence and on post-charge questioning. The police will have strong views about the importance of DNA records.

You should keep resources under constant scrutiny. Labour was given enormous credit by those who do this difficult work for putting in place record levels of investment and you should be ready to expose any attempt, locally or nationally, to redirect this money to deal with cuts elsewhere in policing.

You should also assert the importance of coherence and connection between policies that deal with the threat of terror and those that tackle the causes of violent extremism. You should offer a candid appraisal of our efforts in government to combat radicalisation in prisons and universities as well as at community level. We began this work from a standing start after 7/7 and it is important that we share the lessons learned.

The ultimate test for the Government's review will be the extent to which the policies that emerge are successful in countering plots and preventing further atrocities. Whilst I encourage you to be constructive and seek consensus wherever possible, do not lose sight of the scale and seriousness of the ongoing threats. Whatever the public discourse on our hard won freedoms, the public will judge harshly those who they regard as soft on terror.

TO: Labour's next leader

FROM: Gareth Thomas

RE: Party renewal

The one thing you can start to change now is the Labour Party. We need a new generation of change-makers and modernisers to help you take the party forward.

You should:

- Launch an open and fundamental policy review
- Create an economic advisory council
- Encourage a commission on the future of trade unions
- Embrace a new mutualism agenda
- Adopt primaries for candidate selection in 50 key seats.

An open and fundamental policy review

Whilst criticism of the length and format of the leadership election has been overdone, we need to do much more to demonstrate that Labour is changing and moving beyond our record in government. As you will recognise, particularly in London and the South of England, more fundamental change than just your election as our new leader will be needed.

We should therefore launch a review of our policy to build not only on the best of our record but also to address the weaknesses in the Labour brand. The review must include an open conversation with voters that encourages their participation and avoids a closed process focused only on party members and affiliates.

The review needs to look beyond the immediate reactions that frontbenchers will have to offer in response to coalition proposals.

It also needs to avoid being trapped by the rigid lines of particular portfolios.

This fundamental policy review could cover the impact of an ageing and growing population, the next environmental challenges, inequality, the rise of Asia, the changing nature of working lives, our housing crisis, and the future of our cities. There are clearly other themes that could be chosen, such themes should be cross cutting with implications for clusters of Whitehall departments and beyond to help encourage longer-term thinking in our party policy debates.

Review groups should be chaired by people from outside the Party, albeit with strong frontbench and Parliamentary Party involvement. We shouldn't be frightened of listening to and involving those helping on the fringes of the Coalition Government. Not everything the Coalition does will be wrong-headed. The commission on banking's work and emerging thinking on social mobility will be worth considering in particular. You will of course need to reserve judgment before conclusions appear and ensure the Party has the proper opportunity to debate the conclusions.

An economic advisory council

You should establish an economic advisory council to support the Party in preparing our future economic thinking. The chair should be someone not on the frontbench and the council should bring together academics, economists and policy thinkers on business, future growth, the deficit and many other key areas. The advisory council would play a powerful role in helping us to attack the all too evident weaknesses in the Government's economic strategy and developing our own analysis and proposals.

A commission on the future of trade unions

The Labour Party has always itself been at the centre of a broad 'coalition' of the centre left. Other parts of that coalition such as trade unions are either under pressure themselves or, as in the case of co-operatives, deserve greater attention. Helping their growth

and expansion is not a diversion of your time. Instead, it will help to widen our appeal and grow our electoral base.

Trade unions have, with some notable exceptions, been in decline across the industrialised world and are seen by many, including many of those we need to win back, as less relevant in jobs beyond the public sector or in industries where union activity has a history. We need to support those in the union movement who see the potential for trade unions to be agents of community organisation offering not only a greater range of services such as legal support and financial insurance but also using trade union organising skills differently.

We need to use those organising skills in ways to help strengthen communities, for example by building new social capital and reaching out to those who would benefit from the services unions can offer but who for many reasons currently don't see unions as part of the answer to their or their community's needs. Whilst there are already individual examples of such approaches, a commission on the future of trade unions, which you could initiate, could help to tie together a range of new ideas for the future of trade unions.

A 'new' mutualism agenda

The co-op movement has seen a recent revival in its fortunes; back in the premier division of retail businesses; the Co-op Bank going from strength to strength; and the last Government championing a new legislative agenda that has helped spawn a host of new co-operatives and mutuals, from energy co-ops and foundation hospitals to football supporters trusts. The potential for mutuals, co-ops and social enterprises still feels only partly tapped. Whilst a lack of substance and its use as an ideological shield have already stripped David Cameron's Big Society of its credibility we should recognise that there is more local and national government could do to help the third sector expand and flourish.

The drive and energy for such organisations must come from individuals but Labour should be building on the interest in community organisation to develop ideas for a new mutualism:

support to expand, enhance and extend the reach of the co-operative movement. Credit unions do not yet cover the whole of the UK, building societies need to be cherished and other co-ops and mutuals like football supporters trusts with Labour support could significantly expand their reach.

By the time of the next election, the size and role of the state, given the ideological attack underway from the new Government, will be very different. We will have to have our own debates about the nature and role of the state, but we will need trade unions and the co-op movement to help. Not only to articulate our vision for the state but also to step up: to play bigger roles themselves in those areas the state for whatever reason cannot or should not fill.

Primaries for candidate selection in 50 key seats

Lastly, we will soon need another generation of parliamentary candidates. We should embrace primaries to help us select some of those candidates. They offer the chance to reach out to electorates in seats where our active membership is small and where the recent history of party campaigning is limited. Whilst primaries have the potential to be as controversial as all-women shortlists, tough spending limits and preparation of a shortlist will ensure local parties still have a key role to play. We need to be seen to go the extra mile to reach out beyond the 29 per cent who voted for us at the last general election and you should consider initially primaries in 50 key seats we need to win back.

We need to root our plans in the values, principles and traditions that have motivated and mobilised our Party down the decades but we have to show we have heard, and understood, the message the electorate delivered to us on May 6th.

These five ideas: a policy review, an economic advisory council, a commission on the future of trade unions, developing a new mutualism for the party to champion and adopting primaries for

candidate selection will face many challenges and questions from across the party.

Carefully developed, they offer Labour Party members and supporters the chance to begin to chart a new direction for the left and to put together a new offer to those we need to convince.

Demos – Licence to Publish

The work (as defined below) is provided under the terms of this licence ('licence'). The work is protected by copyright and/or other applicable law. Any use of the work other than as authorized under this licence is prohibited. By exercising any rights to the work provided here, you accept and agree to be bound by the terms of this licence. Demos grants you the rights contained here in consideration of your acceptance of such terms and conditions.

1 Definitions

a 'Collective Work' means a work, such as a periodical issue, anthology or encyclopedia, in which the Work in its entirety in unmodified form, along with a number of other contributions, constituting separate and independent works in themselves, are assembled into a collective whole. A work that constitutes a Collective Work will not be considered a Derivative Work (as defined below) for the purposes of this Licence.

b 'Derivative Work' means a work based upon the Work or upon the Work and other pre-existing works, such as a musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which the Work may be recast, transformed, or adapted, except that a work that constitutes a Collective Work or a translation from English into another language will not be considered a Derivative Work for the purpose of this Licence.

c 'Licensor' means the individual or entity that offers the Work under the terms of this Licence.

d 'Original Author' means the individual or entity who created the Work.

e 'Work' means the copyrightable work of authorship offered under the terms of this Licence.

f 'You' means an individual or entity exercising rights under this Licence who has not previously violated the terms of this Licence with respect to the Work, or who has received express permission from Demos to exercise rights under this Licence despite a previous violation.

2 Fair Use Rights

Nothing in this licence is intended to reduce, limit, or restrict any rights arising from fair use, first sale or other limitations on the exclusive rights of the copyright owner under copyright law or other applicable laws.

3 Licence Grant

Subject to the terms and conditions of this Licence, Licensor hereby grants You a worldwide, royalty-free, non-exclusive, perpetual (for the duration of the applicable copyright) licence to exercise the rights in the Work as stated below:

a to reproduce the Work, to incorporate the Work into one or more Collective Works, and to reproduce the Work as incorporated in the Collective Works;

b to distribute copies or phonorecords of, display publicly, perform publicly, and perform publicly by means of a digital audio transmission the Work including as incorporated in Collective Works; The above rights may be exercised in all media and formats whether now known or hereafter devised. The above rights include the right to make such modifications as are technically necessary to exercise the rights in other media and formats. All rights not expressly granted by Licensor are hereby reserved.

4 Restrictions

The licence granted in Section 3 above is expressly made subject to and limited by the following restrictions:

a You may distribute, publicly display, publicly perform, or publicly digitally perform the Work only under the terms of this Licence, and You must include a copy of, or the Uniform Resource Identifier for, this Licence with every copy or phonorecord of the Work You distribute, publicly display, publicly perform, or publicly digitally perform. You may not offer or impose any terms on the Work that alter or restrict the terms of this Licence or the recipients' exercise of the rights granted hereunder. You may not sublicense the Work. You must keep intact all notices that refer to this Licence and to the disclaimer of warranties. You may not distribute, publicly display, publicly perform, or publicly digitally perform the Work with any technological measures that control access or use of the Work in a manner inconsistent with the terms of this Licence Agreement. The above applies to the Work as incorporated in a Collective Work, but this does not require the Collective Work apart from the Work itself to be made subject to the terms of this Licence. If You create a Collective Work, upon notice from any Licensor You must, to the extent practicable, remove from the Collective Work any reference to such Licensor or the Original Author, as requested.

b You may not exercise any of the rights granted to You in Section 3 above in any manner that is primarily intended for or directed toward commercial advantage or private monetary compensation. The exchange of the Work for other copyrighted works by means of digital filesharing or otherwise shall not be considered to be intended for or directed toward commercial advantage or private monetary compensation, provided there is no payment of any monetary compensation in connection with the exchange of copyrighted works.

C If you distribute, publicly display, publicly perform, or publicly digitally perform the Work or any Collective Works, You must keep intact all copyright notices for the Work and give the Original Author credit reasonable to the medium or means You are utilizing by conveying the name (or pseudonym if applicable) of the Original Author if supplied; the title of the Work if supplied. Such credit may be implemented in any reasonable manner; provided, however, that in the case of a Collective Work, at a minimum such credit will appear where any other comparable authorship credit appears and in a manner at least as prominent as such other comparable authorship credit.

5 Representations, Warranties and Disclaimer

A By offering the Work for public release under this Licence, Licensor represents and warrants that, to the best of Licensor's knowledge after reasonable inquiry:

- i Licensor has secured all rights in the Work necessary to grant the licence rights hereunder and to permit the lawful exercise of the rights granted hereunder without You having any obligation to pay any royalties, compulsory licence fees, residuals or any other payments;
- ii The Work does not infringe the copyright, trademark, publicity rights, common law rights or any other right of any third party or constitute defamation, invasion of privacy or other tortious injury to any third party.

B except as expressly stated in this licence or otherwise agreed in writing or required by applicable law, the work is licenced on an 'as is' basis, without warranties of any kind, either express or implied including, without limitation, any warranties regarding the contents or accuracy of the work.

6 Limitation on Liability

Except to the extent required by applicable law, and except for damages arising from liability to a third party resulting from breach of the warranties in section 5, in no event will licensor be liable to you on any legal theory for any special, incidental, consequential, punitive or exemplary damages arising out of this licence or the use of the work, even if licensor has been advised of the possibility of such damages.

7 Termination

A This Licence and the rights granted hereunder will terminate automatically upon any breach by You of the terms of this Licence. Individuals or entities who have received Collective Works from You under this Licence, however, will not have their licences terminated provided such individuals or entities remain in full compliance with those licences. Sections 1, 2, 5, 6, 7, and 8 will survive any termination of this Licence.

B Subject to the above terms and conditions, the licence granted here is perpetual (for the duration of the applicable copyright in the Work). Notwithstanding the above, Licensor reserves the right to release the Work under different licence terms or to stop distributing the Work at any time; provided, however that any such election will not serve to withdraw this Licence (or any other licence that has been, or is required to be, granted under the terms of this Licence), and this Licence will continue in full force and effect unless terminated as stated above.

8 Miscellaneous

A Each time You distribute or publicly digitally perform the Work or a Collective Work, Demos offers to the recipient a licence to the Work on the same terms and conditions as the licence granted to You under this Licence.

B If any provision of this Licence is invalid or unenforceable under applicable law, it shall not affect the validity or enforceability of the remainder of the terms of this Licence, and without further action by the parties to this agreement, such provision shall be reformed to the minimum extent necessary to make such provision valid and enforceable.

C No term or provision of this Licence shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party to be charged with such waiver or consent.

D This Licence constitutes the entire agreement between the parties with respect to the Work licensed here. There are no understandings, agreements or representations with respect to the Work not specified here. Licensor shall not be bound by any additional provisions that may appear in any communication from You. This Licence may not be modified without the mutual written agreement of Demos and You.

NOTES

¹ 'Unfair to Middling: How middle income Britain's wages fuelled the crash and threaten recovery', Touchstone, TUC, 2009

² Lord Turner, Chair of the FSA, has commented that much of the City's role has been 'socially useless', Prospect, Sept 2009

³ 'The Measurement of Economic Performance and Social Progress' Stiglitz, Sen and Fitoussi, available from: www.stiglitz-sen-fitoussi.fr

⁴ 'The Spirit Level', Wilkinson and Pickett, Allen Lane 2009, p. 235, fig 16.1

This collection of memos to Labour's next leader represents the reflections and ideas of six Labour politicians with almost 50 years of ministerial experience between them. They challenge Labour's next leader to accept new policy positions and to acknowledge where Labour must change in response to defeat at the 2010 General Election. The memos advise a substantive programme of reform and renewal to reconnect Labour with mainstream voters.

Open Left is a Demos project which aims to rediscover the Left's idealism, pluralism and appetite for radical ideas. The project asks challenging questions about Labour's record in Government to identify unfinished business and new areas of reform.