

Ambitions for Britain

Labour's manifesto 2001

new Labour
new Britain



Labour
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Ambitions for Britain

Five pledges for the next five years

Economic pledge

1 Mortgages as low as possible, low inflation and sound public finances

As we deliver economic stability **not** return the economy to Tory boom and bust

Schools pledge

2 10,000 extra teachers and higher standards in secondary schools

As we invest in our schools **not** make reckless tax cuts

Health pledge

3 20,000 extra nurses and 10,000 extra doctors in a reformed NHS

As we improve NHS care for all **not** push patients into paying for operations

Crime pledge

4 6,000 extra recruits to raise police numbers to their highest ever level

As we tackle drugs and crime **not** cut police funding

Families pledge

5 Pensioners' winter fuel payment retained, minimum wage rising to £4.20

As we help hard-working families **not** the privileged few

Built on five achievements since 1997

- Typical mortgage £1,200 less than under the Tories, inflation lowest for 30 years
- The best ever results in primary schools
- 17,000 extra nurses now in the NHS
- Crime down ten per cent
- One million more people in work and a new Children's Tax Credit

This manifesto contains the details of our plans for the future of Britain.

If you would like to find out more about our policies, join the Labour Party or make a donation to Labour's election fund, please call 08705 900 200 or visit our website at www.labour.org.uk

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This general election is in many ways even more important than the last. Since May 1997 we have laid the foundations of a Britain whose economy is stronger, where investment is now pouring into public services, where social division is being slowly healed and where influence abroad is being regained.

But these are only the foundations of larger change. Now is the chance to build the future properly, to make the second term the basis for a radical programme of British renewal: to keep a firm grip on inflation, with low interest rates and the public finances sound, and then build the dynamic and productive economy of the future; to keep investment coming into public services and then making the reforms so we use the money well; to refashion the welfare state on the basis of rights and responsibilities, with people helped to help themselves, not just given handouts; to ensure all families are safe in their communities by tackling crime and its causes; and to give Britain back its leadership role in the world. We need the second term to do all this. That is the choice: to make progress or to dismantle the foundations laid. And with the state of today's Conservatives, the choice is stark.

This choice will decide whether more people will be able to realise their aspirations for themselves and their children – to be able to rely on a stable economy where hard work is rewarded by rising living standards, to receive world-class education and healthcare, to enjoy a dignified old age, to feel safe and secure in a strong community, and to be proud to be British. Or whether we will be held back by the traditional British malaise of restricting life's great opportunities and blessings to a minority.

There is much still to be done, but we have come a long way in four years. Britain stands more prosperous, more equal, more respected. Our country is on a new course.

My passion is to continue the modernisation of Britain in favour of hard-working families, so that all our children, wherever they live, whatever their background, have an equal chance to benefit from the opportunities our country has to offer and to share in its wealth.

The challenge for Britain

I am honoured to be Prime Minister. And I have a confident belief in our country. We are not boastful. But we have real strengths. Great people. Strong values. A proud history.

The British people achieved magnificent things in the 20th century. But for too long, our strengths have been undermined

by weaknesses of elitism and snobbery, vested interests and social division, complacency bred by harking back to the past. We achieved spurts of economic growth, but inflation would then get out of control. Our welfare state was founded to offer security, but its progress was stalled. We reached out to Europe, then drew back to become semi-detached.

It is as if a glass ceiling has stopped us fulfilling our potential. In the 21st century, we have the opportunity to break through that glass ceiling, because our historic strengths match the demands of the modern world.

We can use our openness and entrepreneurial flair to become a global centre in the knowledge economy. We can use our sense of fair play and mutual responsibility to be a strong, dynamic, multiracial society held together by strong values. We can use our historic and geographical position to link Europe and America, and help the developing world.

The key to tapping our strengths, to breaking through this glass ceiling, is contained in a simple but hard-to-achieve idea, set out at the heart of our party's constitution: the determination to put power, wealth and opportunity in the hands of the many, not the few.

I know as well as anyone that we have just begun; millions of hard-working families want, need and deserve more. That means more change in a second term, not less – to extend opportunity for all. We reject the quiet life. We must secure a mandate for change.

Ten goals for 2010

- Long-term economic stability
- Rising living standards for all
- Expanded higher education as we raise standards in secondary schools
- A healthier nation with fast treatment, free at the point of use
- Full employment in every region
- Opportunity for all children, security for all pensioners
- A modern criminal justice system
- Strong and accountable local government
- British ideas leading a reformed and enlarged Europe
- Global poverty and climate change tackled

Fulfilling Britain's great potential

Shifting the odds for hard-working families

In 1997 we promised a start, not a revolution. We made five specific five-year pledges. Three have been completed early; all will be completed within five years, as we promised.

Each pledge is matched by further achievement: the lowest inflation and unemployment for a generation; one million new jobs; over 17,000 extra nurses, the best primary school test results ever and, as the British Crime Survey shows, crime is down by ten per cent.

We also offered a ten-point contract to the British people. The results are at the back of this manifesto. Not everything has gone right – it never does. But we are getting there, easing burdens and extending opportunities, by choice not chance.

Economic instability wrecks the lives of hard-working families.

So we chose to put the public finances right. It meant tough decisions that were opposed by the Conservatives. But today the economy is stable and growing, and interest rates are nearly half the level they averaged under the Conservatives.

Unemployment steals dignity. So we chose to introduce a windfall tax on the excess profits of the privatised utilities and to use the money to help unemployed people back to work. That was opposed by the Conservatives, who are now pledged to abolish the New Deal. But today, youth unemployment is at its lowest level since 1975 and long-term unemployment at its lowest level since 1978.

Poor education is a cruel injustice. So we chose to introduce a new system for teaching the basics in primary schools. We met opposition, and the Conservatives want to roll back our programmes. But today, primary schools are achieving their best results ever.

A run-down health service causes insecurity. So we chose to reform the NHS, and inject new money. Waiting lists and times are now down and falling, and the number of nurses and doctors is now rising.

Poverty denies basic rights. So we chose to reform the welfare state to channel extra money to the poorest pensioners and poorest children. Today, single pensioners can look forward to a minimum income of £100 a week and pensioner couples £154, and over one million children have been taken out of poverty.

The centralisation of power only helps the powerful. So we chose to break the suffocating centralisation of British government. The UK has been strengthened. Today, it is the Conservatives who threaten the stability of the UK with their proposals for two classes of MP. Our Scottish and Welsh manifestos, alongside this one, set out our vision for continued partnership.

Isolation from Europe does not help anyone. So we chose to engage constructively in Europe, not to shout abuse from the sidelines. Today, Europe is moving in a direction that is good for Britain and good for Europe. In policy for aid, development and international debt relief, we have led the way.

Of course, there are still big problems, but we are better

off, better educated, better governed, better respected abroad. There has been another change too – a change of priorities and values.

We learnt in the 1980s that looking after number one was not enough; that without opportunity, responsibility was weak; that an unfair society was a less prosperous one. The philosophy was wrong – it hurt millions of families and left our country with lasting problems.



Better primary school results than ever before... now we focus on secondary schools

We have shown we are a reformed party, competent to govern. Now we offer more. More change, and more rewards for Britain's hard-working families: more prosperity, more opportunities, more security.

Ambitions for Britain

Stretching the family budget, finding time for children as well as work, holding on to mutual respect, staying healthy when there can be danger even in the air we breathe. These are daily worries that people face.

They are my concerns too. But, while there is always a market for people who say we are doomed, that all new ideas are bad ideas even as things improve, that we might as well curl up with our prejudices and shut the door on the world, I am an optimist. New Labour is ambitious for Britain's future and is ready to lead.

First, we will sustain economic stability and build deeper prosperity that reaches every region of the country. Skills, infrastructure, the technological revolution – all are vital to raise British living standards faster. We will put as much energy into helping the seven million adults without basic skills as we did when tackling long-term unemployment through the New Deal.

Second, we seek to achieve a renaissance of status and

quality for public services and their staff. We will build on our success in primary schools to overhaul secondary schools; we will invest new resources and empower doctors and nurses to transform health services; and we will seek to extend the very best in culture and sport to all.

Third, we seek to modernise the welfare state. The benefits system will be restructured around work; support for children and families through the tax and benefits system will be transformed; cash and services for pensioners will be radically improved.

Fourth, we will strengthen our communities. We will reform the criminal justice system at every level so that criminals are caught, punished and rehabilitated. And because we know that without tackling the causes of crime we will never tackle crime, we will empower local communities by combining resources with responsibility.

Fifth, we will turn our inner confidence to strength abroad, in Europe and beyond, to tackle global problems – above all, environmental degradation and the shame of global poverty. We will engage fully in Europe, help enlarge the European Union and make it more effective, and insist that the British people have the final say on any proposal to join the Euro.

These ambitions are summarised in ten goals for 2010. They will never be achieved by government alone. We know it is people who ultimately change the country. Our partnership with the voluntary sector has steadily strengthened since 1997, as we learn from its diversity. We work with the private sector, drawing on its vitality. Countries only prosper on the basis of partnership – between government, employers and their employees, and the voluntary sector. What Britain needs is an active, enabling state, not a nanny state, doing things with people not to them.

So, while the Conservatives will spend most of this election telling you what their government cannot do, this manifesto sets out what our government can do. We know the power and value of markets, but we also know their limits. Now is the time to renew our civic and social institutions to deliver improvements in education, health, safety, transport and the environment.

Fighting for values, not just for election victory

The Conservatives always look back.

In economic policy they promise to repeat the mistakes of the 1980s – unaffordable tax cuts and spending cuts, followed by ballooning deficits, rising interest rates and the old cycle of boom and bust.

In social policy their renewed commitment to cuts and privatisation and to withdrawing the support helping to heal social division, is just a throwback to the 1980s.

In foreign policy they risk not just isolation but exit from the EU. Jobs, trade, investment depend on our membership of the European Union. The Conservative policy of opposing the enlargement of Europe in the Nice Treaty and their pledge to renegotiate the terms of Britain's EU membership



More jobs, more dignity, more wealth... Tony Blair with construction workers in North Tyneside

is dangerous and ill thought-out. Standing up for Britain means fighting for Britain's interests in Europe, not leaving Europe – which threatens our national interest.

So the choice Britain faces today is starker than in 1997. The Conservatives have swung further to the right. And, in government, Labour's agenda has become increasingly bold and ambitious.

For many years, the Conservatives claimed to offer economic strength while Labour dominated social issues. Many people found their head telling them to vote Tory, and their heart telling them to vote Labour.

Today, head and heart are coming together. New Labour is proving that it is only by using the talents of all that we get a healthy economy, and that it is only by giving a stake to all that we are a healthy society.

We have made our choice: stability not boom and bust; investment not cuts; engagement not isolationism; the many, not the few.

A lot done and a lot more to do with new Labour – or a lot for you to lose under the Conservatives.

I deeply believe that, for Britain, the best is still to come. So I ask you to continue on this journey with us. Together we can achieve so much more.

Tony Blair

Prime Minister and Leader of the Labour Party

Investment and reform

Public services: investment and reform

Renewal of our public services is at the centre of new Labour's manifesto.

A single aim drives our policy programme: to liberate people's potential, by spreading power, wealth and opportunity more widely, breaking down the barriers that hold people back.

But this is only possible on the continued foundation of economic stability: mortgages as low as possible, low inflation and sound public finances.

The manifesto is comprehensive. Here we set out some of the key measures for investment and reform that we believe give us a historic opportunity to modernise our schools, NHS, criminal justice system and welfare state.

Economic stability: the foundation

New Labour believes that a stable economy is the platform for rising living standards and opportunity for all

Our ten-year goals are for long-term economic stability and faster productivity growth than our main competitors.

We will now:

- deliver economic stability with mortgages as low as possible, low inflation and sound public finances
- reform further education, and help 750,000 adults achieve basic skills
- expand the Children's Tax Credit to offer up to £1,000 per year for parents of newborn children
- create a new Child Trust Fund for every child at birth
- increase the minimum wage to £4.20
- not raise the basic or top rate of income tax and extend the 10p band
- strengthen regional economies with venture capital funds and new powers for reformed Regional Development Agencies
- develop the Small Business Service and cut red tape
- give British people the final say in any referendum on the single currency

Renewing public services: education reform

New Labour believes that schools need a step change in reform to make quality education open to all

We plan a radical improvement in secondary schools, building on our success in primary schools. Our aim is to develop fully the talents of each child. Our ten-year goal is 50 per cent of young adults entering higher education.

We will now:

- ensure every secondary school develops a distinctive mission including the expansion of specialist schools
- diversify state schools with new City Academies and more church schools
- direct more money to headteachers, more freedom for successful schools
- reform provision for 11- to 14-year-olds to ensure higher standards in English, maths, science and information technology
- introduce new vocational options from 14 onwards, with expanded apprenticeship opportunities
- ensure primary schools offer more chance to learn languages, music and sport, as well as higher standards in the basics
- provide a good-quality nursery place for every three-year-old

Renewing public services: NHS reform

New Labour believes that the NHS needs radical reform to fulfil its founding principle of quality treatment based on need, not ability to pay

The NHS needs radical reform if it is to be designed around the needs of patients. Investment is vital but not enough. Labour's ten-year goal is a maximum waiting time of three months as we become a healthier nation with fast, high-quality treatment, free at the point of use.

We will now:

- decentralise power to give local Primary Care Trusts control of 75 per cent of NHS funding, and cut by two thirds the number of health authorities
- reform the appointments system so that by the end of 2005 every hospital appointment is booked for the convenience of the patient
- cut maximum waiting times by the end of 2005 for outpatient appointments from six months to three months and inpatients, from 18 to six months
- work with the private sector to use spare capacity, where it makes sense, for NHS patients
- create a new type of hospital – specially built surgical units, managed by the NHS or the private sector – to guarantee shorter waiting times
- allow successful NHS hospitals to take over failing ones.

Renewing public services: substantial investment

New Labour believes that Britain needs investment in schools and hospitals, not reckless tax cuts

Before 1997 we promised and kept to two tough years on spending to get the public finances in shape. Now, consistent with meeting our fiscal rules, we promise substantial rises for key public services. To help deliver our plans, our ten-year goal is the renewal of local government.

We will now:

- increase education spending by more than five per cent in real terms each year for the next three years as we increase the share of national income for education in the next Parliament
- increase health spending by an average of six per cent in real terms each year for the next three years
- increase spending on our police – an extra £1.6 billion a year by 2003/04
- increase spending on transport by 20 per cent for the next three years, on our way to a £180 billion investment of public and private money for transport over the next ten years
- use a £400 million reward fund for local government in return for signing up to clear targets to improve local services

Renewing public services: more frontline staff

New Labour believes in renewing a public service ethic by giving frontline staff new freedoms to respond to public needs

For public services to be renewed, we will need more staff, properly rewarded. It is these frontline staff, operating in new ways, who will drive up standards in our key public services. We will decentralise power to make that possible.

We will now deliver:

- 20,000 more nurses who will be given new enhanced roles and more power for matrons and ward sisters with control over budgets
- 10,000 more doctors, and access to a £500 million Performance Fund to spend on new patient services
- 10,000 more teachers. Invest in further rapid promotion and rewards for classroom excellence, more classroom assistants and help with housing costs in high-cost areas
- 6,000 extra police recruits, raising police numbers to their highest ever level, with strong local leadership and proper rewards for those on the frontline

Renewing public services: welfare reform

New Labour believes that rights and responsibilities should be at the centre of reform of the welfare state – to lift children and pensioners out of poverty, and help parents balance work and family

We will continue to reform the tax and benefit system to reward work, not irresponsibility. Our ten-year goals are to achieve full employment in every region, to halve child poverty and tackle pensioner poverty.

We will now:

- create an integrated Child Credit of cash support for children, built on the foundation of universal child benefit
- establish a new Pension Credit for lower- and middle-income pensioners
- establish a new 'Employment First' interview for people entering the welfare system, and integrate the Benefits Agency and Employment Service through major reform
- extend and increase paid maternity leave to £100 each week for six months
- introduce paid paternity leave
- expand childcare places to provide for 1.6 million children

Renewing public services: criminal justice reform

New Labour believes that crime can only be cut by dealing with the causes of crime as well as being tough on criminals

We plan the most comprehensive reform of the criminal justice system since the war – to catch, convict, punish and rehabilitate more of the 100,000 persistent offenders. Our ten-year goal is a modernised criminal justice system with the burglary rate halved.

We will now:

- overhaul sentencing so that persistent offending results in more severe punishment
- reform custodial sentences so that every offender gets punishment and rehabilitation designed to minimise reoffending
- reform rules of evidence to simplify trials and bring the guilty to justice
- introduce specialist, late-sitting and review courts to reflect crime patterns and properly monitor offenders
- establish a new Criminal Assets Recovery Agency to seize assets of crime barons and a register of dealers to tackle drugs
- introduce a victims bill of rights providing legal rights to compensation, support and information

1 Prosperity for all

Our ten-year goals

Fiscal rules consistently met, low inflation, and interest rates as low as possible, as we deliver long-term economic stability.

Faster productivity growth than our main competitors, as we achieve rising living standards for all.

Our next steps

- Basic skills for 750,000 people
- Venture capital funds in every region
- £180 billion investment in transport, with 25 local rail and tram schemes
- Raise the minimum wage to £4.20
- £1,000 tax cut – the Children's Tax Credit – for parents of newborn children

Labour's purpose is to help every family, not just a few, to raise their living standards and plan ahead with security. We have a ten-year vision: higher living standards, affordable mortgages and fairer taxes combined with much greater investment in vital public services.

Economic stability is the foundation. We know the price of boom and bust – it was paid in the 1980s and 1990s by millions of hard-working families.

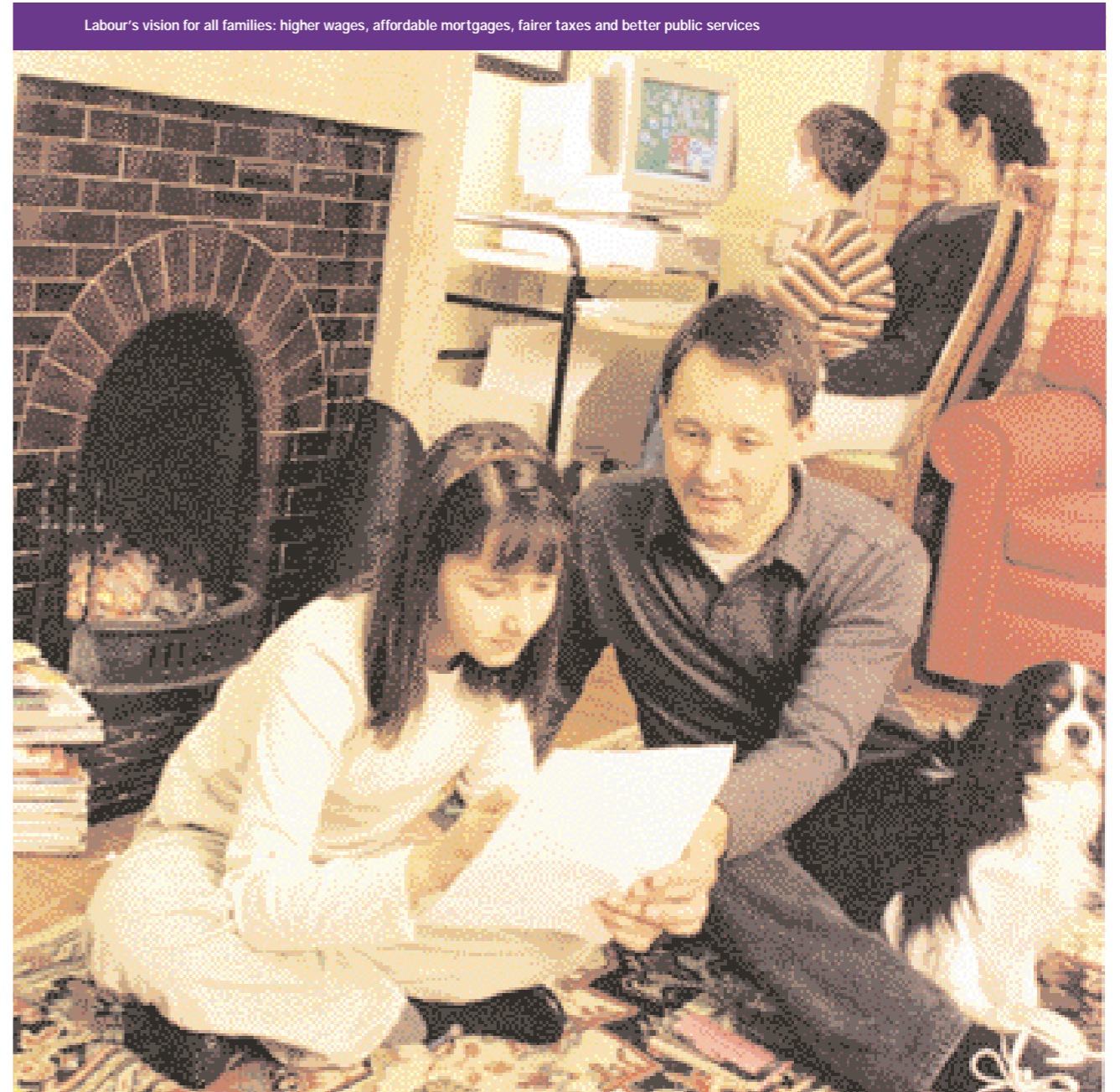
Our reforms since 1997 have helped cut interest rates to nearly half the average under the Conservatives, saving mortgage payers on average £1,200 a year. By 2010, we want Britain to break away from the decades of boom and bust, as we stick to clear rules for spending and borrowing. We will take no risks with economic policy, make no compromise on fiscal responsibility.

Stability comes first. But stability is not enough. We need to produce more, better and to a higher value to raise our earning power and to meet our ten-year goal of faster productivity growth than our main competitors.

We must make Britain the best place to do business in Europe – a dynamic economy, founded on skills and knowledge, developing the talent of all our people, and contributing to sustainable development. That means investment by private and public sectors in infrastructure and skills, and the right competitive framework to support enterprise, small and large, manufacturing and services.

Every extra trained, employed worker contributes to a fairer society, as well as a more prosperous one. With social failure, from school drop-outs to crime, comes economic failure. Fairness and enterprise go together. It is up to government to do everything it can to help ensure that no individual and no community is left behind.

Labour's vision for all families: higher wages, affordable mortgages, fairer taxes and better public services



The fundamentals Better off with Labour

The foundation of opportunity and prosperity is economic stability. We know the risks of promises that cannot be paid for: the Conservatives led Britain into two deep recessions, double-digit inflation, record unemployment, 15 per cent interest rates and a doubling of the national debt.

Choice, not chance, has turned things round. Independence for the Bank of England and long-term fiscal rules have given the UK the most stable and transparent economic framework in Europe. Britain now has the best combination of low interest rates, low inflation and low unemployment since the 1960s.

We are saving nearly £9 billion this year from debt and unemployment, so 84p of every extra pound of public spending goes on national priorities, compared to 58p under the Conservatives.

So we will pursue a balanced approach on the economy with stability the foundation, more investment not less and, as affordable,



More security and support for families with Labour: lower household bills, smaller mortgages and tax and benefit reform to help children

targeted tax cuts on our priorities.

Our aim is to put more wealth in the hands of more people. That is why we will keep mortgage rates as low as possible, ensure competition keeps down household bills, support savings and share ownership, and create a new Child Trust Fund for every child at birth to invest for when they reach adulthood.

There are no guarantees in an integrated world economy. But we showed during the Asian economic crisis how to steer a course of stability in turbulent times. We will continue to work at international level to minimise global economic turbulence, and to protect Britain if it occurs.

Tax and spending

Fiscal responsibility and monetary stability are the foundation of our future plans. New Labour's inflation target is 2.5 per cent. We will continue to meet our fiscal rules: over the economic cycle we will borrow only to invest, and keep net debt at a stable and prudent level.

We are pledged to raise health and education spending for the next three years at twice the rate of the Conservative years. Labour will double net public investment. And we are on track to save £1 billion in the costs of government purchasing by 2003.

Tax policy will be governed by the health of the public finances, the requirement for public investment, and the needs of families, business and the environment.

We have rewarded work through the new 10p starting rate of tax and the Working Families Tax Credit. The basic rate of tax has been cut to 22p. We will support families through the new Children's Tax Credit, set at up to £1,000 a year for new parents – the first recognition of the costs of children in the tax system for 20 years. On average, UK households have benefited by

Labour rewards work

Labour believes that if you work hard you should be able to support a family. We will guarantee a minimum family income of £225 for a 35-hour week; in the next Parliament, an Employment Tax Credit will reward the work of people on low incomes, whether or not they have children (see 'A modern welfare state').

The first-ever National Minimum Wage for Britain, bitterly opposed at every stage by the Conservatives, has been a success in our first term. It fulfils, after 100 years, a founding ambition of the Labour Party. Up to 1.5 million people, the majority of them women, have been helped; jobs have not been lost. The Low Pay Commission, which we will make permanent, has made clear recommendations for the future. New Labour will raise the minimum wage to £4.10 this October, and is committed, subject to economic conditions, to raising it to £4.20 in October 2002.

Labour rewards saving

Nine million people invested in ISAs in their first year. To encourage more saving, we will maintain the £7,000 contribution limit for the next Parliament. We will help pensioners: the Pension Credit will match private saving with government funds, and pensioners will no longer be penalised because of their thrift (See 'A modern welfare state'). To boost the savings habit, we will create a new Savings Gateway for people on lower incomes where their savings will be matched by the government.

The productivity challenge Staying better off

To raise living standards, our ambition is to raise our productivity faster than our competitors and to ensure our goods and services are competitive in world markets. Labour has four priorities:

1. Investment in skills and innovation Skills

We are passionate about giving every child the chance of a decent education. But we are equally determined to offer learning opportunities to adults. Our ambition is for everyone to have the opportunity to train, in a partnership of employers, employees and government, each giving time and/or money to raise standards of skills in the UK. Our first priority is to help the estimated seven million adults who lack basic literacy and numeracy skills, with 750,000 people achieving basic skill levels by 2004. We will:

- ensure that job seekers get the benefit of a basic skills test, as well as incentives and obligations to take courses to tackle literacy and/or numeracy problems

- set up a network of 6,000 IT learning centres around the country
- extend Individual Learning Accounts, which have already been opened by over a million people
- dramatically improve the quality and quantity of prison education
- tackle the financial barriers that prevent adults studying in further education.

Basic skills are the start: updating skills is relevant for all of us. We have created the Learning and Skills Council for all post-school learning outside higher education. Further education colleges have a critical role to play in the future. We will encourage dedicated colleges for under-19s and specialist adult provision to meet local skills needs, with half of all colleges to be recognised as centres of vocational excellence by 2003-04. The world's first University for Industry now offers over 400 skills courses. For skill shortages in information technology, we will open two Technology Institutes in every region to meet the rising demand for high-level technical skills.

We need a step-change in workplace learning – particularly in small and medium-sized firms. We are determined to develop a three-way partnership to bring this about. Current arrangements have secured increased participation, but not enough. Unions and employers have a key role – but we also need to motivate individual employees. Where both sides of industry in a sector agree, we will help set up a statutory framework for training. We will boost the efforts of trade unions to raise skill levels by giving statutory backing to union learning representatives and supporting the Union Learning Fund. Government has a wide-ranging role to play and is seeking to develop a training tax credit. We will look to business and unions to come forward with proposals on how they can contribute to meeting the nation's training goals. Everyone has a responsibility to help deliver a high-skill, high-productivity economy.

Innovation

Science and technology are the basis of new products and industries, both vital to productivity growth. Since 1997 extra investment of £1.5 billion over three years has given science a fresh start, and a new stream of university funding has helped create new links between scientific breakthroughs and new products.

But we need to invest more to be at the cutting edge of science – in biotechnology and genome research. We propose an R&D tax credit to promote business investment in research. We will work for a European patent system by the end of this year to simplify the process of bringing ideas to market. The £235 billion a year, and growing, global market for green technology gives real opportunity to British industry to benefit from a shift to low carbon technologies. We will

continue to encourage the best scientists to work in the UK, as well as making the most of our science base in universities (see 'World-class public services').

2. Supporting British business

Government cannot make a business successful. But government must create the right framework to help business achieve healthy long-term growth.

Since 1997, corporation tax rates have been cut to their lowest levels ever. Companies no longer face a perverse incentive to pay out dividends rather than invest for the future. Reform of capital gains tax has given the entrepreneur or investor new incentives for investment. We support vital investment through the tax system – with allowances for



Investing in business... first-class engineering

high tech as well as small business investment. The Myrers report has identified weaknesses in our venture capital market, undermining long-term investment and economic dynamism. We will act on its recommendations, including the abolition of the minimum funding requirement and reforms to pension fund management, and review progress in two years.

When people have worked hard, they want their money to go as far as possible. Competition policy has already helped cut cash-machine charges and new car prices. We will extend our fair and robust competition regime by giving more independence to the competition authorities. We will toughen the laws on rogue traders, unfair terms in contracts, and loan sharks.

In the labour market, minimum standards for people at work offer dignity and self-esteem. Regulation should be introduced, where it is necessary, in a light-touch way. We will cut back the red tape associated with regulation, examine opportunities to put time limits on regulations, deregulate by secondary legislation, and offer help to small firms.

Over 150,000 small businesses have been set up since 1997. We will develop the Small Business Service as an advocate for small business in government and a servant of small

businesses around the country. We are committed to reforming the tax treatment of small business, including VAT, and to seeking reduction in payroll burdens. Small business will also benefit from extending the 10p tax band. We will reform the bankruptcy laws to ensure second chances for people who go bankrupt through no fault of their own, and provide funds for new start-ups. We will also promote the development of entrepreneurship in the school curriculum.

We will modernise company law to promote transparency, reduce burdens on small business and promote long-term economic success. We welcome the recommendations of the Co-operative Commission, which also covered the significant mutual sector, and will examine them with a view to strengthening these important parts of our economy.

3. Modernising our infrastructure for the information age Digital nation

The infrastructure of the future includes fast, efficient and affordable communication – telecommunications, the internet and broadcasting. That requires the best competitive environment, effective regulation and continued public and private investment in the technologies of the future.

A 'digital divide' would hurt business as well as individuals: universal access is vital to effective markets. We will put all government services on-line by 2005, to improve access to services and spur business on-line. We will work to ensure that broadband, which allows fast internet access, is accessible in all parts of the country.

English is the language of the internet. We have the best TV in the world. The next challenge is to open up the learning opportunities and enjoyment offered by digital TV and the internet to every household. We are committed to making the switchover from analogue to digital signals as soon as conditions for access and cost have been met.

The governance of this fast-changing industry is out of date. We will merge the five separate regulators into one, to create the world's most competitive and advanced regulatory system. We believe in the value and necessity of public service broadcasting and have committed to major funding increases for the BBC and to supporting a publicly owned Channel 4 and S4C. Ofcom will ensure a level playing field, benefiting consumers in terms of choice, price and quality, in particular through promoting competition.

Transport

A strong economy needs good transport. Yet our inheritance was massive under-investment, with British Rail broken into over a hundred privatised pieces, and bus services in decline.

Labour's priority is to improve and expand

railway and road travel. Our ten-year Transport Plan, supported by all the key players, matches large resources with major reform. £180 billion of investment, split between railways, roads and local transport and delivered in partnership with the private sector, offers real hope to motorists and passengers alike.

- Rail: Passenger numbers have risen by 17 per cent since 1997, and freight increased by 22 per cent. But recent crises have proved the need for urgent investment and strong regulation. With Labour, £60 billion will be spent on upgrading the rail network, with the majority of rolling stock replaced. Five hundred new carriages are already in use, another 3,000 ordered. We plan to expand capacity to boost passenger levels by 50 per cent, and freight by more. Safer train protection systems are now being installed and will be extended following Lord Cullen's report into rail safety.

The Strategic Rail Authority (SRA) has been set up to provide strong, strategic direction. Train companies will get longer franchises in return for higher investment and improved services. The SRA will lead the expansion of the network, using public-private partnerships (PPPs). Railtrack is being reformed to focus on the operation of existing track and signalling. The Rail Regulator, with strengthened powers, will ensure the delivery of higher standards, increased safety and increased investment by the company.

London will benefit from new trains and reduced overcrowding on its commuter services. We support plans to build a new East-West Cross-rail tunnel and to extend the East London Line. We have pledged increased, long-term investment in the Tube to underpin a public-private partnership to upgrade Tube infrastructure, with operations remaining in the public sector. Our agreement with the London Mayor and Transport Commissioner offers the best chance in a generation to upgrade the Tube.

Supertrams will transform transport in our big cities, with 25 new light rail or tram schemes. Services have been introduced or expanded in Manchester, Birmingham, Croydon, Sheffield, Nottingham, Tyne and Wear with plans under way for supertrams in Leeds, Portsmouth and Bristol.

- Roads: The Transport Plan allocates £60 billion to road improvement. Motorways will be upgraded; a hundred new bypasses will reduce accidents and pollution. But environmentally damaging road schemes have been scrapped; all new roads must now be strictly appraised for maximum benefits and minimum environmental damage. Our trunk roads are the safest in Europe and we aim to reduce serious road casualties by a further 40 per cent over ten years. £8.4 billion is now being invested in local authority schemes in England. We have given local authorities the freedom to choose to use charges to reduce traffic – but we insist they put



Supertram schemes have eased congestion in Manchester (above), Birmingham, Croydon, Sheffield and Nottingham, with plans under way in three more cities

the money into better transport services. New road safety schemes will mean more school bus services and traffic-free Home Zones where people can walk safely, and children play without danger, to help cut the number of child road deaths and serious injuries by 50 per cent by 2010.

Road tax is being cut on smaller, cleaner cars and duty reduced on greener fuels. Tax incentives are creating a cleaner lorry fleet while the road haulage industry will benefit from steep reductions in Vehicle Excise Duty to among the lowest in Europe. We will also ensure that hauliers from overseas pay their fair share towards the cost of our roads. Smarter driving will be encouraged by new highway communications technology. We are also working with the motor industry on safer, more fuel-efficient vehicles.

- Buses: are vital to local journeys. With Labour, 25,000 new buses are already in operation. By 2006, almost the whole national bus fleet will be renewed. Lower concessionary fares have been introduced for over five million older and disabled travellers. Park and ride schemes are increasing, and over 100 towns now have bus services linked to train stations, with cut-price fares. Bus partnerships between local authorities and private bus companies will improve passenger numbers and service quality. Nationally we will work to improve inter-city coach services.

Integrated transport

Good transport systems offer choice across transport modes. Transport Direct – a phone and internet system designed to plan journeys and sell tickets – will put transport services at people's fingertips. Walking and cycling will be encouraged in thousands of local transport schemes. Inland waterways are being revitalised and we will take forward the recommendations of the enquiry into the *Marchioness* disaster.

International links are also vital. Plans for aviation and airports over the next 30 years will be produced next year. Merchant ships are returning to the British flag. We will complete the high-speed Channel Tunnel Rail Link.

Major national infrastructure projects, such as Heathrow Terminal 5, raise vital issues. We will continue to modernise the planning system and introduce new fast-track procedures for major projects of national significance.

The Post Office and postal services

We are committed to high-quality, universal postal services, and a dynamic Post Office which can thrive in a world of technological change and increased competitive pressure. Labour is working with the banks to offer a new universal banking service. This will allow all benefit and pension recipients to receive their payments, at no charge, in full at the post office after the switch to Automated Credit Transfer in

2003. We also intend the local post office to become an invaluable resource for access to government information. There will be increased incentives for people to take over and modernise post offices. Business customers, representing by far the majority of the Post Office's turnover, want a full range of express, parcels and logistics services. We have given the Post Office greater commercial freedom in the public sector. It needs to be able to gain an advantage in the new postal market and become a leading force in domestic and international postal services through alliances and joint ventures. We want to help the Post Office keep up with the best in a fast-changing market.

Energy

Labour is committed to a secure, diverse and sustainable supply of energy at competitive prices. We have brought full competition to the gas and electricity markets. Coal and nuclear energy currently play important roles in ensuring diversity in our sources of electricity generation.

We are putting an obligation on electricity companies to deliver ten per cent of the UK's electricity from renewable sources by 2010, with a doubling of combined heat and power. We will consider setting further targets for renewables, with particular focus on offshore wind, solar and biomass technologies, supported by a £100 million fund. It will back up the Climate Change Levy, which includes agreements to improve efficiency in energy-intensive sectors, and the new Carbon Trust, which will recycle £100 million to accelerate the take-up of cost-effective, low-carbon technologies. We will support research into clean coal technology and investigate its commercial possibilities. We will double the expenditure on energy efficiency. Fuel poverty blights lives: our aim is that by 2010 no vulnerable household in the UK need risk ill-health due to a cold home.

BNFL is an important employer and major exporter. The government insists it maintains the highest health, safety and environmental standards. We are examining the scope for turning the company into a public-private partnership.

4. Europe and the wider world

Labour will be engaged and influential, fighting for the British national interest, as we set out in 'Britain strong in the world'. We will support British Trade International, which gives business direct access to UK posts abroad, and maintain the UK's position as the location of choice within Europe for multinational business.

Labour's position on the single currency was set out by the Chancellor in October 1997 and reiterated by the Prime Minister in February 1999. We have made it clear that, provided the economic conditions are met, membership of a successful Euro would bring benefits to Britain

in terms of jobs, investment and trade. So, in principle, we are in favour of joining a successful single currency. But, in practice, the five economic tests we have set out must be met before the government would recommend entry to the single currency. An assessment of the tests will be carried out early in the next Parliament. If the government and Parliament recommend entry, the British people will have the final say in a referendum.

So the choice is between a Conservative Party which will deny the people of Britain the chance to join, even if it is in our national interest to do so – and the Labour Party which says that, if it is in our national economic interest, the decision should be made by the British people in a referendum.

No one left behind Helping everyone become better off

Britain is better off than in 1997 – but our ambition is to widen the winners' circle so more people share in the benefits of economic growth. In 'A modern welfare state' we set out the route to full employment.

Fair and flexible work

We are proud of our commitment to combine a dynamic economy with fair standards in the



Unemployment down: young people benefiting from Labour's New Deal

workplace. Labour has put right historic wrongs. Every employee now has the right to four weeks' paid holiday; trade unions have the right to recognition where a majority of the workforce want it; part-time workers have proper rights. Our objective has been to promote fairness consistent with the competitive position of British business. That will continue to be our position.

We have reformed the labour market to build a durable and fair basis for constructive employee relations. As we learn from the reforms, we will keep their effectiveness under review. We want

to strengthen partnership at work, which can foster employee commitment and help at a time of industrial change. We have established the Partnership Fund and want to expand it.

Information and consultation need to be appropriate to national traditions, with timely discussion of problems. When large-scale redundancies are being considered, there is an especially strong case for consultation. The government is reviewing the effectiveness of the UK's current arrangements for information and consultation – works councils in larger firms operating across Europe as well as consultation on large-scale redundancies. We will implement the findings of our review in this area. We support conciliation in the workplace to avoid resort to litigation. We will examine reforms that promote efficiency and fairness.

Women still suffer an 18 per cent pay gap compared to men. We are committed to tackling the causes of this inequality. We will work with employers and employees to develop effective proposals, building on good practice and the sound business case, in both the private and public sectors.

We will develop career services for all. We aim for a ten per cent cut in death and major injuries at work by 2010 and will clarify responsibility, improve enforcement and toughen penalties for offences. We are also committed to working with managers and employees to reduce the problems of bullying and violence in the workplace. As a major employer, our ambition is to improve the quality of work for our employees – helping recruitment and retention.

Prosperity for every region Regions

Balanced and sustainable growth depends on every region developing its capacity to the full. Sitting back and leaving regional problems to the market is not acceptable. The causes of disparities within and between regions must be addressed. The new regional economic policy must be based on boosting regional capacity for innovation, enterprise and skill development, modernising regional infrastructure and improving university/industry links. This is why Regional Development Agencies (RDAs) have been set up and why they now have extra money and new freedoms.

We will work in partnership with local people to ensure that all regions and communities build on their own strengths. Our task is to anticipate change, handle restructuring and enable businesses to move into high-skill, high value-added product markets. Labour's Job Transition Service will provide an intensive and personalised response to large-scale redundancies, helping people secure work or acquire new skills. The JTS will focus its work on new Employment Action Plans drawn up by local economic partners.

Our commitment is to use the £1.2 billion rising to £1.7 billion a year now pledged to RDAs to promote business start-ups, strengthen links between business and universities, for example through university innovation centres and the establishment of a Centre for Manufacturing Excellence in every region to help firms develop. They will develop venture capital funds to boost wealth-creating capacity.

The Conservatives are so obsessed with the market and so out of touch with what goes on beyond Westminster that they even want to scrap RDAs – and with them the vital jobs, inward investment and prosperity that they bring.

Urban renewal

Eighty per cent of people live in urban and inner-city Britain. We are ambitious for Britain's urban areas: we want to make them better places to live and better places to set up a business. The New Deal for Communities, worth £1.9 billion over three years, and the £900 million Neighbourhood Renewal Fund (see 'A modern welfare state'), as well as our reforms to local governance (see 'Strong and safe communities') will drive forward progress.

Labour offers £1 billion of tax cuts over the next five years to increase capital investment in urban areas, for new businesses and for new housing. Labour will reform the planning system to speed up decision-making, promote the most efficient use of land, and strike the right balance of environmental protection, safer communities and economic growth. We have



Urban renewal is at the heart of the planning system

put urban renewal at the heart of the planning system and set a target of 60 per cent of new house building to be on brownfield land or provided through the conversion of existing buildings. Two Millennium Villages have set high standards in design. We will designate more in other parts of the country and continue to raise standards of urban design, with a quality mark to tackle cowboy builders.

Housing

Lower interest rates enable more people to own their own homes. Labour will make it easier for

people buying and selling homes through a new sellers' pack, through grants for low-income homeowners, and help for key workers in high-cost areas. We will honour our commitment to tackle homelessness. We will continue to promote housing choice, with reforms to leasehold and commonhold law, a licensing scheme for houses in multiple occupation, and new powers for council tenants. We will develop a modern basis for land registration to make conveyancing faster and cheaper. We will also examine the ways in which tenants can be helped to gain an equity stake in the value of their home.

Labour is committed to reducing by one third the backlog of sub-standard housing by 2004, with all social housing brought up to a decent standard by 2010. We will seek to reduce the use of costly bed-and-breakfast accommodation. We propose additional investment of £1.8 billion over the next three years. Some local authorities will continue to provide high-quality council housing. We are supporting the transfer of 200,000 dwellings per year, where tenants agree, to social landlords like housing associations, and new arms-length council housing companies. We will also help 10,000 key workers buy their own homes in high-cost areas to tackle recruitment problems.

Rural Britain

The recent outbreak of foot and mouth disease has caused strain and distress in rural areas. Labour's priorities have been clear: to eradicate the disease as quickly and effectively as possible, to compensate those directly affected, and to protect the wider economy. As the number of new cases falls significantly, and the clean-up of infected areas gathers pace, we are committed to help the most affected regions with a recovery plan including advice on sustainable restocking, organic conversion, and early retirement and outgoer schemes. We will conduct a scientific review of how to prevent animal disease outbreaks from occurring in the future, and will introduce tough rules to back this up. But we must also learn some of the wider lessons.

Agriculture and fishing

Since the Second World War the economy of rural areas has undergone massive change. About two per cent of the national workforce are now employed in agriculture. But the industry is particularly important because of the links with food production, our landscape and our environment. Labour's aim is to promote economic renewal with a sustainable future for farming, strengthened communities and sustainable land use.

Short-term pressures need to be met. Since the early 1990s, sectors of farming have been hard hit by BSE, the weakness of the Euro and falling world commodity prices. Labour has provided £1.35 billion in short-term relief for farmers, including aid for diversification, farm

business advice, better marketing, small slaughterhouses and restructuring of the industry. We have minimised many regulatory burdens and improved the way food safety, environmental and animal health regulations are implemented.

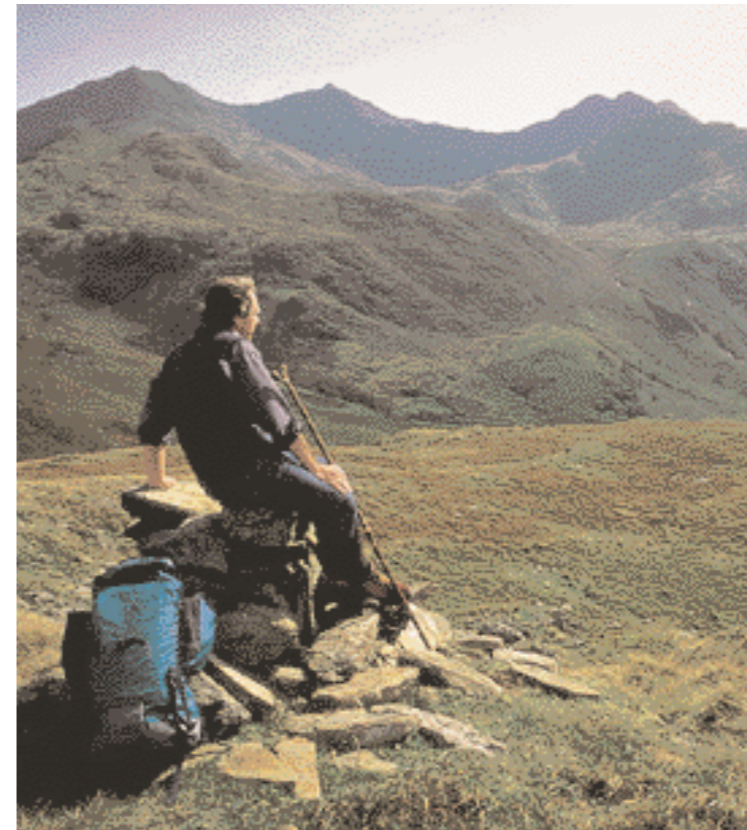
But British agriculture will only thrive in the longer term through a further, radical reorientation of the Common Agricultural Policy (CAP), away from distorting Europe-wide production subsidies towards more national responsibility for domestic farming, environmental and rural development priorities. CAP reform is now more possible; Labour's engagement with the EU gives us the best chance of making it happen.

We have begun the process of change with our farming strategy and our seven-year, £3 billion Rural Development Plans for England, Scotland, Wales and Northern Ireland. Labour will expand this programme so farming can become more diverse and responsive to consumers, and produce in a way that sustains and improves the environment. We have already increased payments for organic conversion from £0.5 million to £18 million, and will increase them further.

We have set up an independent, open and consumer-focused Food Standards Agency to ensure that all food meets the highest standards. We will argue for the extension of food labelling, to give consumers more choice. Genetically modified (GM) foods and crops have caused concern despite stringent safety checks. There should be high standards of safety – regulation must be strict, to protect the environment and

How Labour makes you better off:

- by saving money on your mortgage, through economic stability and low interest rates
- by targeted tax cuts for families and pensioners
- by improving living standards through action to tackle Britain's productivity gap
- by extending jobs and opportunity to every part of Britain, through regional support and a revitalised infrastructure
- by offering a minimum wage of £4.20 and an Employment Tax Credit



Labour is committed to protecting Britain's landscapes and wildlife

promote public health and consumer choice – but we must use science to establish the facts, the opportunities and the risks before taking final decisions in an open way.

It is also important to reform the Common Fisheries Policy to preserve fish stocks for the future. In the short term, Labour is providing more than £60 million in structural funds over the next three years to help the industry, including a new decommissioning scheme while also tackling the problem of 'quota-hoppers'.

Economic renewal

The economic hub of a rural area is often a thriving market town. That is why Labour is committing an extra £100 million of public and private funding over the next three years for the renewal of market towns. RDAs will be charged with renewal of rural as well as urban areas. We will support village life with rate relief for pubs, garages and shops, as well as farmers who diversify part of their activity into other enterprises.

Tourism is a vital, growing industry for Britain, with 1.8 million employees, and links to the museums, arts and heritage that people want to enjoy. Quality is our platform – which is why we now have a unified grading scheme for hotels

and guest houses in England, and new training and New Deal opportunities. We will support well-targeted promotion, regional programmes linked to RDAs, and high-quality information via the internet. Traditional tourist resorts face special problems, so we have extended the assisted area map to include many seaside resorts and have negotiated an extension to the European Union regeneration funding so that seaside towns throughout the country can start rebuilding their economy.

Rural life

Labour is pledged to a rural services standard to set out specifically what rural people can expect from 21 public service providers – with annual auditing and commitments to service improvement. The rural school closure programme has been ended; 3,000 new, affordable homes a year are on the way; a £30 million police programme will help cut rural crime; £239 million over three years has been set aside for rural transport services; and the Post Office is now obliged to prevent closure of rural post offices except in unavoidable circumstances, with £270 million to help achieve this and recruit sub-postmasters.

Labour is determined to protect Britain's

landscapes and wildlife. Planning, transport and energy policy all make a difference. We have also designated the first new national parks since 1948 and brought consensus to a large increase in access to open countryside. We will press ahead with an £8 billion programme for water companies to clean up rivers and minimise damage from waste. The dangers of coastal and inland flooding are now widely appreciated, and we are committed to investment in preventative solutions, including more sensitive use of agricultural land. We have increased the number of protected nature sites. We have also initiated important steps to improve animal welfare in Britain, and argued successfully for higher welfare standards for battery hens and pigs across the EU.

Leadership for the future

Labour is committed to support our countryside and the people who live and work in it. We are committed to create a new department to lead renewal in rural areas – a Department for Rural Affairs.

Independent and wide-ranging views are essential to the development of strategic and long-term policy. We will set up an independent commission to advise on how we create a sustainable, competitive and diverse farming and food sector within a thriving rural economy which advances environmental, health and animal welfare goals.

Coalfield communities

Labour is committed to a ring-fenced £400 million package of help for Britain's ex-mining communities. This will support local regeneration, including support for new businesses. We will ensure that compensation due is paid quickly. We will also honour our commitment to ex-miners suffering industrial diseases. We have set aside £4 billion to compensate those men who suffered from lung disease and vibration white finger after working in Britain's mining industry and the widows who nursed them.

Britain led the first industrial revolution. Other countries got ahead in the second industrial revolution. Now our ambition is for Britain to succeed in the third industrial revolution – enhancing knowledge, speeding up communication and developing the talents of all the British people.

2

World-class public services

Primary excellence... the big improvements already made in primary schools are to be extended to secondary education



Our ten-year goals

50 per cent of young people entering higher education, as we raise standards in secondary schools.

Maximum waiting time of three months for any stage of treatment, as we become a healthier nation with fast, high-quality treatment free at the point of use.

Our next steps

- **Every secondary school with a distinct ethos, mission and centre of excellence**
- **Recruit an extra 10,000 teachers**
- **More power to frontline staff with budgets for ward sisters and consultants and 75 per cent of NHS spending controlled by Primary Care Trusts**
- **More health service workers – 20,000 more nurses, and at least 10,000 more GPs and consultants**
- **Free access to national museums and galleries**

The whole country depends on high-quality public services. We have a ten-year vision for Britain's public services: record improvement to match record investment, so they deliver high standards to all the people, all the time, wherever they live.

Since 1997 there has been investment with reform. Thanks to committed public servants, we have shown that rapid progress is possible and have begun to break the fatalism that says public services are always second class. Now is the time to move forward. Economic stability makes more investment possible. Labour will put education and healthcare first. We promise reform to match. We will decentralise power within a clear framework of national standards to increase the quality and diversity of public services and meet the challenge of rising expectations.

In education, we offer step-change in secondary schools to match the vast improvements in primary schools already achieved. Every school will have a clear mission, with more teachers, new types of school, new opportunities for children and education tailored to fulfil their potential. By 2010, we want a majority of Britain's young people entering higher education.

In health, we will recruit 20,000 extra nurses and at least 10,000 extra doctors. Our ten-year goal is a healthier nation, with fast, high-quality treatment meeting rising expectations and demographic and technological challenges. Doctors and nurses will be in the driving seat of reform.

The job of government is also about ensuring that the enjoyment, excitement and inspiration of arts and sport come alive for everyone. In all our public services, the key is to devolve and decentralise power to give freedom to frontline staff who perform well, and to change things where there are problems. Services need to be highly responsive to the demands of users. Where the quality is not improving quickly enough, alternative providers should be brought in. Where private-sector providers can support public endeavour, we should use them. A 'spirit of enterprise' should apply as much to public service as to business.

Labour's ambition for public services is simple: we want excellent services for all. Our challenge is to reverse decades of denigration and under-investment. The citizen – the patient, the pupil, their needs and aspirations – must be central. We will work with frontline staff to deliver a revival of our public services that is every bit as profound as the changes to the private sector in the 1980s.

In our first term, national action was vital – to tackle crises of funding and quality. Government must take national responsibility for investment and for setting a clear national framework. Now we need to move on, empowering frontline staff. Each service needs the right structure and incentives at local level – decentralisation of power with strong incentives for high performance. Frontline staff are advocates for citizens, and ambassadors for their services. Motivated by an ethos of service, they must be supported to carry through change.¹

Education Labour's number one priority

Education remains Labour's top priority. Excellence for the many, not just the few is our driving passion. Our goal is to develop education to harness the individual talents of every pupil.

Since 1997 rising standards have been achieved through major new investment and significant reforms: 17,000 schools have had vital repairs or refurbishment; 20,000 schools are now connected to the internet; there are nearly half a million fewer primary pupils in classes of more than 30; over 150,000 teachers are set to receive a £2,000 pay rise above the usual annual increase; every school is getting additional grants of up to £110,000 paid direct; and there are 11,000 more teachers and over 44,000 more support staff and classroom assistants.

Our partnership with teachers has achieved what OfSTED calls a 'transformation' in primary school standards, thanks to smaller infant class sizes and major reform in the teaching of literacy and numeracy skills. Our task now is to achieve a similar transformation in secondary education, liberating the particular talent of every child. Our pledge to parents is clear: children should be on track to achieve their best, or receiving extra expert help to catch up.

Investment

Money alone cannot guarantee a good education, but extra investment is indispensable to achieving our ambitions. We pledge a further step-change in investment in return for a further step-change in standards.

In 1997 Labour promised to increase the share of national income devoted to education. Over this Parliament, we have increased it from 4.7 per cent to 5 per cent – £540 extra per pupil

in real terms – and we are pledged to raise it to 5.3 per cent by 2003-04. Investment in buildings and equipment has trebled. During the next Parliament, we will again increase the share of national income for education.

Under-fives

The early years of a child's life are vital. That is why we are doubling investment in early years education. There is now a free nursery place available for every four-year-old. Our new Foundation Stage provides a distinct phase of learning appropriate for the early years.

By 2004 every three-year-old will be entitled to a free nursery place in the private, voluntary or statutory sector. OfSTED will help drive up standards. Children with special educational needs will have those needs identified earlier. We will continue to provide services which integrate early years education with childcare.

By 2004 we will have 100 Early Excellence Centres as beacons of good practice providing



Nursery places available for all three-year-olds by 2004

care and education for children from 0-5; we will set up 500 Sure Start Centres in disadvantaged areas to support children's early development; and we will provide an extra 100,000 places offering wraparound care linked to early education.

Primary schools

Primary school teachers have achieved excellent results. In 1997 barely half of 11-year-olds were up to standard in English and maths tests. The figures are now 75 per cent and 72 per cent respectively, well on the way to meeting our targets of 80 per cent in English and 75 per cent in maths by 2002. The lowest-scoring Local Education Authorities (LEAs) are now achieving better results than the national average in 1996.

But Labour will not be satisfied until every child leaves primary school with the basic skills they need. We are setting targets for an 85 per cent success rate for 11-year-olds in English and maths, and will provide further intensive support for teachers to meet them.

Primary education without the basics is a

betrayal; but every parent rightly wants far more. We will provide primary pupils with wider opportunities to learn sports, musical instruments and a foreign language.

Secondary schools

Transforming secondary education is the critical challenge of the next decade. We reject a return to the 11-plus. The principles of inclusion and equality of opportunity remain central to our commitment to liberate the potential of every child. But, on their own, they are not enough to guarantee high standards.

Standards have risen in the past four years, particularly among pupils in less advantaged areas. Strong school leadership and better teaching have turned around 700 failing schools. But the challenge ahead is immense. Too many pupils fall back and become disillusioned in the first two years of secondary school. Just half of 16-year-olds currently gain good school-leaving qualifications, and levels of drop-out remain too high.

The dramatic advances at primary level mean pupils will increasingly arrive at secondary school demanding the best. We will radically modernise comprehensive schools.

In future every school must have:

The right leadership

Headteachers must have the freedom and resources necessary to run their schools effectively. We have improved pay and training for headteachers and delegated more funding to schools. Where they demonstrate success, we will further extend their freedom to manage their schools effectively. We will reduce the regulatory burden on all schools.

High standards in the core curriculum

We will modernise the secondary curriculum to promote higher standards and better progression from school and college to university or work-based training. All pupils should reach the age of 14 fully competent in a broad range of subjects. Effective teaching is the key. We will develop the literacy and numeracy strategies in secondary schools with the right balance of targets and flexibility, particularly for pupils not up to standard in the basics. We will set demanding targets for high achievement by the large majority of 14-year-old pupils in English, maths, science and IT tests – the passport to future success. We will promote more effective pathways beyond 14, including high-quality vocational routes that build on the new vocational GCSEs and A-levels. We will ensure there is an apprenticeship place for every young person who reaches the required standard.

A mission to achieve

We want every secondary school to develop a distinct ethos, mission and centre of excellence. Specialist schools offer the full national curriculum to the whole ability range



Improved provision for gifted children as Labour nurtures special talents

while developing a centre of excellence – and their rates of improvement outstrip the national average. Having trebled their number since 1997, we have pledged to expand their numbers to at least 1,500 by 2006, on the way to making specialist status available to all schools ready for it. We will encourage more church and other faith-sponsored schools, where parents wish it. We will establish more City Academies, and promote greater innovation in the supply of new schools with local consultation. We will allow greater involvement in schools by outside organisations with a serious contribution to make to raising standards. We will extend provision for gifted children as we nurture children's special talents. As part of our reform of the vital further education sector, we will encourage the development of free-standing sixth-form colleges. Schools with sixth forms will be guaranteed their funding for pupils in real terms, provided numbers are maintained. We are committed to expand Educational Maintenance Allowances so they cover 30 per cent of the country, and build upon them on the basis of the experience. Pupils will be given greater opportunities through the promotion of partnerships between schools. We will build on the partnerships established between the state and private sectors.

Better infrastructure

We will invest nearly £8 billion in school buildings and equipment over the next three years, including the construction of 650 new or completely refurbished schools. It has enormous potential to raise standards, and it is vital that every child leaves school able to make use of the new technologies. Today, nearly all schools

are connected to the internet. Labour is committed to spend £1.8 billion over six years on equipping our schools for the information age. We will pioneer Curriculum Online to ensure materials are available to pupils in school and at home. We are committed to continue to extend access to IT for pupils and teachers, including the possibility of a national leasing scheme to make top-quality hardware available at very low prices.

The right support

Good schools also depend on parents and the local community. We will continue to ensure that headteachers have the powers they need to tackle disruption and unacceptable behaviour in schools. Local education authorities will focus on supporting school improvement, especially weak and failing schools, and delivering services that cannot be provided by individual schools. We will ensure better training and support for school governors.

Schools should be used more effectively as assets for the whole community, including for childcare and community learning. We will pilot 'extended hours schools' to develop this resource. We will build on the success of more than 40 study centres based in leading football clubs by extending community involvement to other sports. Over time we want to develop safe places for children to play outside school hours and every pupil to have access to a summer school programme. An Academy for Talented Youth will be established in partnership with a leading university to pioneer summer and other dedicated provision for those with special talents. We have significantly improved support and provision for children with special needs or disabilities. They should have access to the

best possible education, with appropriate support, whether mainstream or special schooling most suits their needs.

Schools in the toughest areas, and the teachers who work in them, need special support. We will expand the Excellence in Cities programme for urban secondary schools, with extra help for the weakest schools, learning mentors and in-school units to help manage pupil behaviour. Where LEAs cannot effectively support school improvement, alternative provision will be made. For schools facing exceptional pressures, for example very high pupil turnover, we will provide additional support, including significant reductions in the size of teaching groups where appropriate.

Teachers

Nothing in education is more important than having good teachers. We have made teaching a far more attractive career, through better pay, better incentives to train including training



Getting a head start... every child needs good IT skills

salaries and loan write-offs, more recognition and improved support. The General Teaching Council and National College for School Leadership are both now up and running.

We want teaching to be a career of choice for the best graduates and attractive to people making career changes. We will continue to invest more in the profession and improve conditions for teachers. High status, better salaries and proper professional support are all essential. We are conducting a strategic review of teacher workload and the right balance between teaching and administration, central direction and local discretion. We will build on its findings significantly to improve support for teachers in the classroom and in administrative tasks, so they can concentrate on their job. We will:

- recruit 10,000 extra teachers and improve the adult:pupil ratio
- support teachers in the classroom by employing more adults to help them
- invest in rapid promotion and rewards for classroom excellence
- boost recruitment and retention packages for

¹ The proposals and statistics in this chapter refer to England; reform programmes for Scotland and Wales are detailed in the Scottish and Welsh manifestos.

teachers, particularly in high-cost areas and schools facing exceptional challenges

- create new routes into teaching, including 'train-to-teach' courses accredited as part of undergraduate degrees and a stronger training mission for outstanding schools
- further improve in-service training opportunities for teachers
- develop school achievement awards that reward staff in 7,000 fast-improving schools a year
- subsidise new PCs for teachers so that they have direct access to the latest technology.

Higher education – a world leader

Higher education brings on average 20 per cent higher earnings and a 50 per cent lower chance of unemployment. It is time for an historic commitment to open higher education to half of all young people before they are 30, combined with increased investment to maintain academic standards.

In 1997 we inherited a system where the number of qualified people able to go to university was capped. Today, the numbers are rising and universities have the funds to expand, with new two-year foundation degrees to offer students the option of a vocationally relevant, high-quality qualification as a way into skilled work or further study. Over the next three years, we will continue to expand student numbers, taking us towards our 50 per cent target.

We will maintain university entry standards while intensifying efforts to extend the huge advantages that a university education confers to able young people from all backgrounds. University summer schools, master classes and mentoring support will be offered to potential students from disadvantaged areas through a new Excellence Challenge programme, backed up by £190 million of funding.

We will not introduce 'top-up' fees and have legislated to prevent them. Since 1997 we have increased university funding by more than a billion pounds a year over the Parliament – and invested considerably more in research. Our new system of university finance ensures that 50 per cent of students pay no tuition fees at all, that no parents pay more than under the old system, and that students pay back loans progressively when they are earning. We will ensure that the funding system continues to promote access and excellence.

We will strengthen research and teaching excellence. It is vital that our world-leading universities are able to compete with the best internationally. We will also support world-class research and the development of public-private partnerships. We are determined to ensure that our universities have the freedom and incentives to meet our ambitions for them. Reforms to the inspection system for teaching will slash red tape for higher performing departments.

Health Quality services from a growing NHS

For over 50 years the NHS has been part and parcel of what it means to be British. If you fall ill, the NHS is there. Its foundations – tax-based funding and care according to need – remain as valid today as ever.

The NHS employs one million dedicated people. But it needs far-reaching reform to redesign its services around the needs of patients. Labour's ten-year NHS Plan is our strategy for ensuring fast, convenient, high-quality care in all parts of the country. We will implement it through the next Parliament and, if elected, beyond. Reform will be driven through primary care trusts (PCTs) as power and resources are decentralised to frontline staff.

In 1997, waiting lists were at record levels and rising, hospital building had ground to a halt, and the number of nurses working in the NHS had fallen. Today, waiting lists are down by over 100,000 and waiting times are falling. There are 17,000 more nurses, over 6,500 more doctors, and over 9,000 more therapists, scientists and technicians working for patients. The biggest-ever hospital building programme is under way. NHS Direct, the 24-hour nurse helpline, is available across the country. Eye tests for people who are 60 and over are now free.

But there is a lot more to do. We are committed to investment and reform.

With Labour, in just four years the NHS will have grown by a third. Spending on the health service is now rising by an average of over six per cent a year in real terms – the biggest sustained increase in its history and double that under the Conservatives. Provided that as a country we maintain economic stability, we will, if elected, be able to sustain significant funding increases throughout the next Parliament. So over time we will bring UK health spending up to the EU average.

The fundamentals of care

That money will help us get the basics right. By 2005 there will be 10,000 more doctors and 20,000 more nurses, with ward sisters in charge of ward budgets. Matrons will make sure that hospital food is good and wards are clean, with power to stop payments to contractors who fail to keep hospitals up to scratch. 'Nightingale' wards for older people and mixed sex wards will be abolished, and mental health wards will be modernised. There will be 7,000 extra beds in hospitals and in intermediate care. And we will build 100 new hospital developments by 2010 and 500 one-stop primary care centres, with over 3,000 GP premises modernised by 2004. We are investing an extra £7 billion of capital investment into the health service. We have said that Private Finance Initiative (PFI) should not be delivered at the expense of the pay and



conditions of the staff employed in these schemes. We will seek ways in which, within the framework of PFI management, support staff could remain part of the NHS team.



Above: More flexible working hours for NHS staff
Left: A bright future for frontline staff and patients

Improving health

Our job is not just to improve the nation's health service. It is to improve the nation's health. Deaths from cancer and heart disease are too high. There has been a growing health gap between rich and poor. Beyond other commitments to combat child poverty and poor housing, we will tackle the long-standing causes of ill-health and health inequality by:

- making the fight against cancer, heart disease and stroke the top priority for investment and reform, with earmarked extra funding of £1 billion by 2004. The number of cardiologists will increase by around half and cancer specialists by nearly a third by 2005 compared to 1999-2000. Waiting times for cancer treatment will be cut. Our ambition is to prevent 300,000 avoidable deaths over the next decade
- tough targets to close the health gap to cut deaths in poorer communities and among poorer children improving mental health services, and a new emphasis on prevention, with more screening services including for conditions like sickle cell disease, cystic fibrosis and newborn hearing problems
- offering the world's best smoking cessation services to help the seven in ten smokers who say they want to give up
- giving children aged four to six in nursery and primary schools a free piece of fruit every school day – the biggest boost to child nutrition since free school milk was introduced in 1946.

We remain committed to our bill – blocked by the Tories – to ban tobacco advertising and sponsorship.

Reforming the NHS

The NHS has to earn the confidence of each new generation. It has to change the way it works if it is to meet today's challenges and provide fast and modern services. With Labour, by 2004

patients will be able to see a GP within 48 hours. By the end of 2005 we will cut maximum waiting times for outpatient appointments from six months to three months, and for inpatients from 18 months to six months by expanding staff numbers and reforming how care is delivered. Major conditions like cancer and heart disease will have priority, with all patients treated according to clinical urgency.

We will give patients more choice. We have restored the right of family doctors to refer patients to the hospital that is right for them. Now we will redesign the system around the needs of patients. Same day tests and diagnosis will become the norm. By extending the use of NHS Direct and increasing the numbers of dentists, patients will get easier access to NHS dentistry wherever they live. Specially built surgical units – managed by the NHS or the private sector – will guarantee shorter waiting times. We will use spare capacity in private-sector hospitals, treating NHS patients free of charge, where high standards and value for money are guaranteed. It would be wrong to push people into paying for their operations. That is why we reject the approach of the Conservatives, which would lead to this outcome.

By the end of 2005 every hospital appointment will be booked for the convenience of the patient, making it easier for patients and their GP to choose the hospital and consultant that best suits their needs. From next year, if an operation is cancelled on the day of surgery for non-clinical reasons, the hospital will have to offer another binding date within 28 days, or fund the patient's treatment at the time and hospital of the patient's choice.

By modernising all maternity units, increasing the number of midwives and giving women greater choice over childbirth, we will ensure that women receive the highest quality maternity care. There will be tough new standards for care of children, the elderly and people with conditions like diabetes, kidney failure, multiple sclerosis, Parkinson's disease and epilepsy.

We will further tackle the 'lottery of care' we direct local health authorities and trusts to fund drugs and treatments recommended by the National Institute for Clinical Excellence (NICE). Genetic services will be extended in the NHS so that more patients enjoy the benefit of the latest advances in testing and treatment; but we will ban by law human cloning, and implement a moratorium on the use of genetic tests for insurance, following a recommendation of the Human Genetics Commission. We will continue to examine demographic and technological challenges as they affect the NHS.

Patients will have more say, as in the NHS Plan. We will give every citizen a personal smartcard containing key medical data giving access to their medical records. Older people, people with disabilities and their carers will be able to decide which services they want, with the choice of having cash given to them directly by local councils.

Patients will be represented on trust boards and have more information on local services' quality.

Power devolved

To achieve this vision there will be clear national standards but greater decentralisation to front-line services and to the staff who run them. Locally agreed personal medical services schemes will be extended. By 2004 all local healthcare will be organised by primary care trusts (PCTs) run by frontline doctors and nurses. Together with the new care trusts, combining health and social services, PCTs will control 75 per cent of NHS funding. With more power for PCTs we will cut the number of health authorities by two-thirds and devolve to the remainder the functions of NHS Regional Offices. We will use the savings of £100 million a year for investment in frontline services. Hospitals and other local services will have greater control over their own affairs and access to a £500 million performance fund, while consistently failing NHS hospitals will be taken over by successful NHS hospitals. Appointments to trust boards will no longer be made by ministers but by an independent panel.

NHS staff

None of these ambitions will be possible without major investment in the skill, working conditions and working practices of all NHS staff. There will be extra pay too in high-cost areas, with pressure relieved through expanded staff numbers, reformed working practices and investment in training.

Every NHS employer will offer more flexible working hours for staff and especially nurses. Childcare provision will be improved and we will offer targeted subsidies for childcare for NHS staff. The pay system will be reformed to make it fairer. As set out in the NHS Plan, there will be new contracts for GPs and hospital consultants, coupled to extra money. We will examine the case for a public-private partnership with a commercial mortgage lender to make home ownership more affordable for nurses and other staff.

We will set up a University of the NHS so



Sporting chance... Labour is committed to a sports entitlement for all children

guarantee to staff at all levels opportunities for training and career development. Healthcare assistants, porters, cooks and cleaners will be offered an individual learning account worth £300 a year to develop their careers. We will examine the potential for sabbaticals to help GPs, consultant nurses and consultants keep their skills up to date.

There will be new systems to learn from when things go wrong, a core education curriculum for all health professionals and reforms to modernise the way health professions are regulated. We will take action to protect NHS staff from violence and abuse, and reform the clinical negligence system.

This is a vision worth fighting for. It will take time to achieve, but this is the most comprehensive plan ever put before the British people to improve the state of the nation's health and our health service. It will deliver an NHS to be proud of.

Culture and sport

The arts and sports are key to our quality of life. They matter for their own sake. Millions make their living out of their creativity. Government can and must make sure the opportunities are there. But, for the last 20 years, under-investment, misplaced priorities, and lack of organisation held back access and excellence.

Since 1997 this has begun to change. We have started to invest and to reform the system. Investment in theatre develops the film and television stars of tomorrow; investment in sport will produce the Olympic and Paralympic medal winners of 2012.

Culture and sport should not be seen as peripheral issues – they are vital to our identity and enjoyment as a country. We are pledged to the investment necessary to expand access and excellence together in culture and sport, building on excellence in film and broadcasting.

Sport

The performance of British athletes at the Sydney

Olympics and Paralympics thrilled everyone. Labour is committed to a radical extension of sporting opportunities and facilities. Sport is a good health policy, a good crime reduction policy, a good way of building communities.

We pledge a sports entitlement for all children, giving them access to at least two hours a week of sport in or after school. Thanks to our ban on the enforced sale of playing fields and a commitment of nearly £1 billion to new sports facilities and 1,000 school sports co-ordinators, all children will be offered coaching and competitive games. Children with talent need more investment: we have pledged to fund 200 specialist sports colleges. We will maintain the elite funding we put in place for individual athletics, with a first-class athletics stadium for the World Athletics Championships in 2005 and a new stadium in Manchester for next year's Commonwealth Games.

We are committed to sell the Tote to a racing trust to allow it to compete commercially, with all long-term profits invested in the sport. We are committed to finding ways to support the amateur sports clubs to which 5.6 million people now belong.

The House of Commons elected in 1997 made clear its wish to ban fox-hunting. The House of Lords took a different view (and reform has been blocked). Such issues are rightly a matter for a free vote and we will give the new House of Commons an early opportunity to express its

How Labour helps young people:

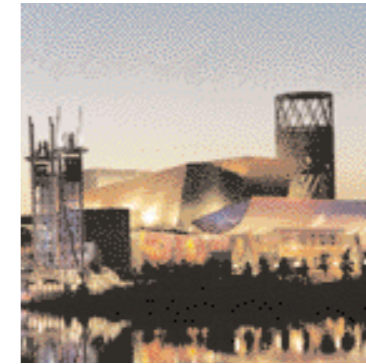
- by raising standards and investing more in education, from nursery schools to adult learning
- by giving the majority of young adults the opportunity to study in higher education
- by tackling youth unemployment, with the New Deal made permanent
- by opportunities to train as you work, through modern apprenticeships and the right to time off to study
- by expanding sports facilities in schools and in the community
- by cleaning up the environment, with support for green technologies and global action to tackle climate change

view. We will then enable Parliament to reach a conclusion on this issue. If the issue continues to be blocked we will look at how the disagreement can be resolved. We have no intention whatsoever of placing restrictions on the sports of angling and shooting.

Arts

Thirty million people enjoy arts activities each year. The arts are crucial to national life, with a huge importance for the creative and tourist industries. Yet the Conservatives introduced charges for our national museums and galleries, cut the arts budget, and reduced support for arts education.

Since 1997 that has changed. National museums are already free for children and



Cultural heritage... an extra £10 million a year has been allotted to regional galleries, such as the Lowry in Salford

pensioners. Labour is committed to reform the VAT system to ensure they will be made free for everyone from December. By 2004, arts funding will be 60 per cent above its 1997 level in real terms. An extra £25 million a year will go to regional theatre, increasing the number and quality of productions for audiences in England. We have invested in our orchestras, and put an extra £10 million a year into developing our regional museums and galleries. We have maintained our commitment to the nation's heritage and to its historic buildings, and we will continue our drive to put architectural quality at the heart of the design of new public buildings.

Education is the bedrock of an artistic society. We are once again giving children the opportunity to learn music, and we will ensure the opportunity is available to all. New creative partnerships – linking schools with artists and arts organisations particularly in disadvantaged areas – will offer children the chance to develop artistic and creative talents. We will build on the pilot projects. We have made the largest-ever investment in computerising libraries; all will be on-line by 2002, with guaranteed standards to meet users' needs.

From 2002, Culture On-line will offer children and adults alike tailored access to our national collections and cultural activity over the internet. We

will create new specialist arts schools and city academies to offer specialist education to the most talented young people.

Public money devoted to the arts should be spent on excellent art, not bureaucracy. The Arts Council is undergoing substantial reform – creating a simpler structure which gives more power to the regions, cuts bureaucratic costs further, and which can deliver a better service to individual artists and arts organisations. We will ensure that our arts funding system backs excellence, giving artists and arts organisations the long-term stability they need to become world leaders.

Creative industries

The creative industries are a vital engine of our economy, providing jobs for over one million people. The National Endowment for Science, Technology and the Arts (NESTA) has been set up to back our most talented young people.

Creative entrepreneurs need seed funding, cheap accommodation near other similar companies, and advice on how to develop their talent into a business. To meet those needs, we now plan to provide start-up advice, services and funding for new businesses. Venture capital will be available through RDAs, and a creative industries champion will be appointed in every Business Link.

Lottery

Under the Conservatives, many communities missed out on their fair share of lottery money. The number of grants to community groups has trebled with Labour. Yet there are still communities which have received a disproportionately small share of lottery funding. We will ensure a fairer deal for them.

Labour has reshaped the lottery to match people's priorities. Money goes for revenue as well as capital. The New Opportunities Fund (NOF) directs help to education, health and the environment – after-school clubs, vital cancer-beating equipment, local green spaces. We backed going ahead with the Dome as an opportunity to showcase British talent and give people a good day out in millennium year.

Despite being enjoyed by more than six million visitors, the Dome did not fulfil expectations and we have learned the lessons, good and bad, from it. But the development of the Dome has been the catalyst for unlocking the value of the North Greenwich peninsula and regenerating local communities.

We need a revolution in the status, standards and focus of our public services. Labour is prepared to make the investment in staff and services – and we are ready to match investment with reform.