

POLICY 2019 A NATIONAL NEW DEAL

The Common Good in the National Interest



The Social Democratic Party

A NATIONAL NEW DEAL

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The SDP's National New Deal is a programme for growth and renewal. We want a strong and economy and a fair society.

We want every part of Britain to grow and prosper which requires a strong and capable state and a vigorous economy. Our policies flow logically from the aims and values set out in the New Declaration published in 2018. We believe in prosperity, community and democracy and we are proud to call ourselves social democrats.

A clear disconnect exists between the political elites and the public. This has been seen most vividly in recent years over Brexit. Parliament trusted voters to make a decision and it is vitally important for the health of our democracy that the decision to leave the EU is upheld.

Britain now has a once in a lifetime opportunity to renew itself as an modern, tolerant and outward-looking country. Economic renewal means a fundamentally rebalanced economy towards new forms of highly-skilled manufacturing, towards all regions of the UK and towards all individuals through more progressive forms of taxation.

Contrary to the claims of modern-day liberals and libertarians people do not exist in isolation. We are all part of multi-layered communities - the nation, the locality and the family. We exercise rights but also responsibilities and our programme reflects this across a broad range of policies. Greater individual responsibility, trust and social solidarity will, we believe, make Britain a happier and more productive nation.

William Clouston Party Leader, January 2019



The Social Democratic Party

BREXIT

First and foremost, we are democrats. The SDP stands behind the 2016 referendum mandate. We consider the nation state to be the upper limit of democracy. The European Union is not and never will be a social democratic enterprise.

POLICY PLEDGES:

- In the absence of a better offer from the EU, we support a WTO Brexit.
- A public inquiry will be held into the conduct of Brexit preparations and negotiations by Her Majesty's Government, to encompass the behaviour and conduct of key political figures such as former prime ministers.

TAXATION

Businesses, the wealthy and all other members of society must behave responsibly and pay their taxes – although in a geographically mobile world, tax rates should not be set so high as to be self-defeating. We believe that intergenerational equity requires that the constraints of sound government finance are respected. There is nothing moral in leaving future generations with unmanageable debt. On the contrary, it is anti-social.

POLICY PLEDGES:

- Reduce income tax through the introduction of new 10p and 30p bands. The 10p band would be the initial rate of tax for earnings in excess of the personal allowance. The 30p band would be the initial rate of tax for earnings in excess of basic rate tax.
- The top rate of income tax shall be increased to 47%, although the SDP pledges that the combined income tax and national insurance burden shall never exceed 50% of an individual's income.

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- Finance income tax reductions through the imposition of a new luxury rate of VAT on a limited number of high value items.
- Introduce a zero rate of VAT on female sanitary products.
- Introduce a 'turnover tax' for multinationals who exceed a certain turnover in the UK but pay an inadequate level of tax.
- A new 'luxury' council tax band will be introduced on high value homes as well as an increased council levy on second homes.
- The planned reduction in corporation tax from 19% to 17% will be scrapped. Instead we will introduce significantly greater tax incentives to invest in R&D and plant and machinery.
- We will introduce a 2-year employer's National Insurance premium for businesses employing foreign nationals directly from abroad to assist in the financing of new vocational training initiatives for UK nationals.
- The interest rate on outstanding student debt shall be limited to the level of the CPI measure of inflation.
- We shall abolish the basic rate income tax for the U-21's as part as a wider package of reforms to offer a significantly better deal for those young people who choose not go to university.

HEALTH & SOCIAL CARE

Public services such as education and the NHS have been badly let down by the two-party system. Labour and Conservative governments have produced wild swings in expenditure with periods of unsustainable spending followed by periods of austerity.

POLICY PLEDGES:

- The NHS, free at the point of need, must remain the bedrock of healthcare in our country. We reject suggestions that it is not sustainable long-term.
- The share of national income spent on the NHS over future parliamentary terms shall be increased.
- Funding for mental health services shall be increased as a share of overall NHS spending over future parliamentary terms for so long as the growing incidence of mental illness justifies this.
- A National Care Service (NCS) shall be established to organise social care and fund it once a recipient has reached an agreed ceiling for their own financial contributions.
- A detailed NHS/NCS planning scheme with identifiable funding shall be published in the SDP manifesto for the general election in 2022.
- National Insurance ID Cards will be issued to all citizens to help ensure that health services are provided for those who are entitled to them.

WELFARE & SOCIAL SECURITY

The liberal-left tends to blame culturally embedded problems solely on spending cuts instead of acknowledging that many of our problems stem from decades-long shifts in attitudes and values. Welfare and public services should be used responsibly. If not, the mutuality upon which they depend will be eroded.

POLICY PLEDGES:

- The transition of claimants to Universal Credit will be suspended until changes have been made to some of the principles, processes and administration of UC to mitigate negative impacts to claimants, taxpayers and businesses. Instead new claims will continue to be supported by legacy benefits.
- For existing UC claimants, we will reinstate direct payments of Housing Element to landlords, reduce the earnings taper, introduce partial upfront payment on claim, introduce less frequent assessment periods for the self-employed and make further changes to eliminate areas of the system causing delay and hardship.
- We will replace technocratic decisions on sanctions to shelter the vulnerable while targeting persistent offenders.
- We will strengthen the contributory element principle in unemployment benefits, rewarding those who have a history of work and paying in to the system.
- Launch a Citizens' Bank to safeguard vulnerable adults by assisting essential payments (utilities, housing) and by improving access to cheapest tariffs while helping businesses improve rates of collection.
- We will create Community Hubs at Local Authority level to improve access to multidisciplinary social services saving claimants time and cost while increasing the efficiency and knowledge of welfare services.
- National Insurance ID Cards will be issued to all citizens.

CRIME & JUSTICE

From government to the police, from universities to schools, the politicisation of Britain's institutions in the service of fashionable ideology is leading to a loss of faith in the pillars that uphold our society.

POLICY PLEDGES:

- Police and Crime Commissioners will be abolished. The oversight of policing will be the responsibility of Police Authorities comprising elected members from local government together with co-opted members from police unions, victims groups, the NHS and the Fire Service.
- Cannabis shall remain illegal for recreational use but licensed derivatives shall be permitted for medical treatment.
- Community policing shall be prioritised and frontline police numbers shall be increased by 20,000 throughout the parliamentary term.
- Legal aid shall be maintained to ensure all that need it can be represented fairly and equally.
- Increased investment in the prison system, to ensure justice for victims of crime, containment of criminal activity and rehabilitation.
- Better protection and support will be secured for blue light service workers on and off duty, including the reintroduction of police housing within our communities.
- Leadership roles will be developed within prison governance to include current or former Headteachers with responsibility for ensuring a high quality education is offered to all, and ensure support and development is offered by the local education authority where required.

FOREIGN AFFAIRS

We are unionist, patriotic and internationalist. The ecological and demographic challenges of the 21st century require international coordination, and Britain must play a leading and constructive role within the UN, NATO, the WTO and the Commonwealth.

POLICY PLEDGES:

- The SDP strongly believes in maintaining the UK as a permanent member of the United Nations Security Council.
- Undertakings made to NATO in respect of national defence spending shall be maintained.
- In general, the SDP opposes the idea of intervening in countries with a view to imposing western styles of governance by force.
- The SDP would scrap the commitment to spend 0.7% of GNI on overseas aid. The target is arbitrary, it has undermined public support for worthwhile aid and has led to wasteful spending.
- The Department for International Development will be abolished and its activities absorbed within the Department of Foreign Affairs and Trade.

TRANSPORT

We support an active Industrial Policy. Britain urgently needs a strategy to improve productivity and to provide a long-term planning framework for the skills, technologies, energy resources and transport infrastructure required to support businesses.

POLICY PLEDGES:

- Our railway system will be nationalised. Rail operator franchises will be taken back into public ownership as they fall due via a re-established British Railways.
- British Railways will be a comprehensive, fully integrated system encompassing track and infrastructure, rolling stock and stations.
- A Minister for Rail will be introduced, responsible and accountable for making the system work for the public and passengers.
- We will scrap HS2 and invest some of the freed-up funds to create a Great Northern Railway Network, better linking up the towns and cities of the North of England to unleash their joint potential.
- Funding for regional and rural bus travel will be increased in order to protect the viability of and patronage on essential routes.
- VAT on motor vehicles costing more than £35,000 will be increased to 25%.
- An 'Oyster card' type system shall be introduced in every UK Region.

ENVIRONMENT

The ecological and demographic challenges of the 21st century require international coordination... We believe the UK must lead by example in being at the forefront of global action to combat climate change and pollution from plastics and other sources. Government must incentivise business to develop new environmentally friendly technologies.

POLICY PLEDGES:

- The SDP is internationalist and will honour and comply with our global environmental obligations.
- Direct incentives shall be introduced to encourage a switch to environmentally friendly products.
- We shall develop and strengthen existing government plans to make the UK a global leader in carbon capture and storage.
- We shall mandate energy efficiency into the planning and building regulations system.
- Best practice in the food packaging and food retail industries will be mandated by law to reduce plastics pollution.
- A 25p charge will be levied on disposable cups, refundable on return to a recycling bin and mandate that all cups returned to such bins must be recycled.
- Financial incentives will be provided to farmers, local authorities and other landowners to encourage UK tree planting and afforestation.

AGRICULTURE & RURAL AFFAIRS

A vibrant and productive rural economy is essential for society and for the UK's economy. Agricultural innovation and productivity, environmental sustainability and animal welfare are all key elements in the future of Britain's countryside.

POLICY PLEDGES:

- After recovery of the UK's territorial offshore fishing rights the government will assist in securing investment in a revitalised UK fishing industry.
- Post-Brexit support for agriculture will prioritise investment in new technology as a means of moving UK farming gradually away from reliance on subsidies. Land-based education (agriculture, forestry, horticulture, engineering) will receive new investment.
- Minimum standards for mobile telephone and internet connectivity shall be secured in rural areas through a combination of investment and operator regulation.
- Funding for regional and rural bus travel will be increased in order to protect the viability of and patronage on essential routes.
- Financial incentives will be provided to farmers, local authorities and other landowners to initiate carbon capture schemes including tree planting in suitable locations.
- Public bodies such as local authorities, schools and hospitals will help establish Local Food Ecosystems by sourcing food directly from local producers.

LOCAL GOVERNMENT

We believe the state has lost confidence in its own capacity for direct provision and intervention in the service of the nation. We believe that out-sourcing – as a tool to avoid democratic responsibility – has strayed well beyond its useful limits.

POLICY PLEDGES:

- No public sector employee should be paid more than the Prime Minister. Going forward, all new local government and quango employment contracts shall be subject to this limit.
- All local government elections will be held under proportional representation.
- A system of unitary local government will be established in each county and metropolitan district.
- Parish and Town Councils will have an enhanced role in their local areas.
- Councils will have more direct responsibilities in the fields of transport and public housing.
- Police and Crime Commissioners will be abolished. The oversight of policing will be the responsibility of Police Authorities comprising elected members from local government together with co-opted members from police unions, victims groups, the NHS and the Fire Service.
- A National Corruption Office will be established with full investigatory and prosecuting powers to deal with public allegations of fraud and corruption in local government.

ECONOMIC POLICY

We believe that pro-public sector and pro-market policy can beneficially co-exist within a balanced programme – provided each inhabits its correct domain, and neither is allowed to distort our country’s economy in the service of ideology. This is the SDP’s distinct Social Market position.

POLICY PLEDGES:

- We shall maintain a commitment to strong public finances by setting a target for average public sector deficits across the cycle of 2.5% to 3% of GDP. This will ensure that public sector debt falls back gradually as a percentage of the overall economy, given trend growth in nominal GDP.
- We shall ensure that there is a sustained increase in both public and private sector investment, so that economic imbalances causing low economic growth are corrected.
- We shall adopt a modern industrial strategy that increases public sector investment as a percentage of GDP with a particular focus on improvements in housing, public transport and vocational training.
- We shall target further increases in the National Living Wage so that it exceeds the OECD definition of low pay (two thirds of median income) within a single parliamentary cycle.
- We shall maintain public expenditure at the affordable level of approximately 41% of GDP, investing strategically across the cycle in frontline public services. We shall avoid unsustainable increases above this level, which would result in yet another cycle of unaffordable spending followed by austerity.
- Since the government is the largest single domestic purchaser in the UK, we shall use the increased flexibility of leaving the European Union to have a government ‘Buy British’ policy where there are credible British suppliers.

- A UK Sovereign Wealth fund will be established making investments of £1-2bn annually on behalf of the British people. Investments will be made in the quoted equity of suitable businesses with at least half the fund being invested in businesses with UK operations, which generate a significant proportion of their sales overseas. Growth in the value of the fund will provide a store of value for future generations.

THE FAMILY

Government must defend and support family life whenever possible, particularly in welfare and economic policy, education and housing. We will shelter British families from the economic and social pressures fracturing our society, and rebuild a prosperous and happier nation with policies that place the working family at the heart of national life.

POLICY PLEDGES:

- The tax and benefits system shall offer greater protection and support for family life. Couples raising children together (comprising a basic rate tax payer and a non tax payer) will benefit from full sharing of tax allowances.
- The fundamental aim of national housing policy shall be to ensure that young people seeking to start a family and have children will be able to find a suitable, affordable home in which to do so.
- Government policy in all domains will be subject to the basic test as to whether it is supportive of the family as the fundamental foundation of society.

HOUSING

The dismantling by both Labour and the Conservatives of public sector capacity in public housing is a historic mistake we must rectify. An optimal Social Market frontier must be restored and respected.

POLICY PLEDGES:

- A new council house building programme will be introduced involving the construction of 300,000 new council homes over 10 years which will house over one million people.
- All UK District, Unitary, County and London Boroughs will participate in the programme and Community Councils will not be excluded.
- Existing council and social housing tenants will continue to enjoy 'right to buy' opportunities in their existing homes. However, 'right to buy' shall not apply to newly constructed Council Housing.
- Council house stock as a percentage of total UK housing shall be increased over future parliaments.
- New council housing will include a sufficient number of homes which are either specifically designed for, or fully modified, for the use of disabled citizens.
- Local Authorities shall offer building trade apprenticeships to young people participating in the council house programme.
- Large-scale new housing developed by private house-builders shall include new council housing as a component of planning gain.
- A new 'luxury' council tax band will be introduced on high value homes as well as an increased council tax levy on second homes.

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- Tackle homelessness via increased provision of supervised hostel places with support services relating to drug, alcohol and mental health issues.
- Immigration policy shall be framed to take full account of its consequences on the rate of UK household formation and of housing policy in general.

IMMIGRATION

We will vigorously resist the naive ambitions of both 'open border' zealots and neoliberal ideologues in the interest of Britain's community relations and the survival of our hard-won welfare state. Britain's immigration policy must be skills-based, needs-based, legal and subject to democratic control.

POLICY PLEDGES:

- Immigration policy shall be based on applicant aptitudes rather than their country of origin. There must be a level playing field for applicants from every country in the world.
- Our overall aim is to contain net immigration to fewer than 100,000 per year but in addition, to introduce an annual cap on gross immigration.
- A points system will be introduced for migrants. All will be required to agree to a pledge to uphold and adhere to contemporary British values as a condition of migration.
- Information and data systems at UK border control shall be upgraded such that the UK authorities know who is in the country and who is not.
- A Royal Commission on community integration and social cohesion shall be instituted.

EDUCATION

We hold that public services such as education have been badly let down by the two-party system. Labour and Conservative governments have produced wild swings in expenditure with periods of unsustainable spending followed by periods of austerity.

POLICY PLEDGES:

- We will invest to expand the local capacity of alternative provision, to ensure all children are given every chance to achieve and pursue meaningful education or employment.
- A teachers' National Leadership Scheme will be introduced designed to ensure the best leadership talent reaches our most deprived areas, and remains supported when they get there.
- Arbitrary limits on pupil exclusions shall be lifted, enabling Headteachers to maintain high standards of behaviour in schools.
- Ofsted inspection will be reformed to abolish the current public grading criteria, which can make retention and recruitment even harder, ensuring no school is harmed by an Ofsted inspection but is instead supported to improve.
- School league table criteria shall take greater account of provision and outcomes in music, technology, and the arts to give parents more information when choosing schools.
- All state schools, where possible, shall take part in a 'Daily Mile' exercise programme for all staff and pupils.
- The sale of all sweets and sugary drinks will be banned from state schools.
- Fee-paying schools will be incentivised to offer more free places.

- We will invest in opening a new generation of on-site welfare and support hubs that will work with schools to ensure vital support services get quickly to those children and families who need them most.

CULTURE, MEDIA & SPORT

A widespread values and virtues-led cultural renewal is needed, aimed at dramatically improving citizens' happiness, health and well being.

POLICY PLEDGES:

- Abolish the BBC licence fee. Replace it with a mixture of free to view and subscription services ensuring that BBC1, BBC2 and BBC radio would continue to be free to air.
- Retain public ownership of the BBC.
- Hold a review of the best way of safeguarding BBC editorial independence whilst ensuring full impartiality.
- Mandate all schools and encourage all businesses to operate a 'daily mile' scheme, whereby pupils and colleagues are encouraged to run, jog or walk one mile a day.
- Give sports clubs the right to lease their sports grounds from Local Authority Landlords on a long-term lease at a peppercorn rent – giving clubs security of tenure and thus encouraging them to create more teams to promote health and fitness among young people.

DEFENCE

Britain must play a leading and constructive role within the UN, NATO, the WTO and the Commonwealth. However, Western powers must learn to respect sovereign frontiers. We oppose the disastrous attempts to impose liberal democracy on complex societies in the Middle East via military intervention.

POLICY PLEDGES:

- Maintain Britain's membership of NATO and observe the NATO target of spending a minimum of 2% of GDP on defence.
- Maintain the independence of the British Military and resist any attempt to absorb it into a European Army.
- In keeping with our membership of the UN Security Council, Britain shall play a full part in fully authorised UN peacekeeping missions.
- Maintain and update Britain's nuclear defence capabilities – essential in a world where unstable regimes have, or are, developing a nuclear capability.
- The size of the British Army will be increased and recruitment shall be put back under Army control.
- Complete the Carrier programme and related air/naval investment to make and keep HMS Queen Elizabeth and HMS Prince of Wales fully operational. Aircraft carriers will form an integral part of our ability to protect our Overseas Territories. A larger surface fleet is also necessary to protect the Carriers.
- Learn from the mistakes of recent decades in relation to UK involvement in foreign wars. Future decisions on defence spending will focus primarily on the defence of British territory.

- Increase spending on Intelligence to combat terrorism and cyber-warfare as a proportion of the overall defence budget and commit to the UK's continued participation in the 'five eyes' security system.
- Build the UK's own Satellite Navigation system with trusted partners such as Canada and Australia.
- Offer a significantly enhanced deal for our veterans. Increase housing priority, dedicated medical services, and reduce employers' National Insurance for employment in the first two years after leaving the armed service, giving businesses a clear incentive to employ veterans.

ENERGY & UTILITIES

The correct frontier between the public and private sector is determinable. Natural monopolies – the utilities requiring universal delivery to citizens – should be returned to public ownership and operation or be subjected to significantly more effective regulation. An optimal Social Market frontier must be restored and respected.

POLICY PLEDGES:

- Utilities such as Energy and Water sit uncomfortably in the private sector. As strategic national assets they will be subject to tougher and tighter regulation in order to benefit the consumer.
- Energy policy will be based on a diverse energy mix. Nuclear and Gas power stations will carry the prime energy load but renewables will assume an increasing contribution in future years.
- Tax and other incentives will be maintained as a means of achieving investment in new energy technologies.

CONSTITUTION

Our outdated voting system willfully stifles political competition and denies new entrants a chance to contribute. As a result, people rightly feel powerless, with their voices ignored at Westminster. Reform of Britain's broken political system is long overdue, and we will be at the forefront of reinvigorating democratic politics.

POLICY PLEDGES:

- An English Parliament will be established outside London. Bids from cities in the Midlands and the North wishing to host it will be invited.
- The Parliaments of England, Wales and Scotland will have powers equivalent to, or greater than, those of the current Scottish Parliament.
- All public elections in the UK will be conducted under proportional representation to ensure that legislatures better reflect public opinion.
- The House of Lords will be abolished.
- The UK Westminster Parliament will become unicameral. The House of Commons will have responsibility for matters affecting the whole of the UK such as foreign policy, defence, national security, and immigration.
- The House of Commons will be reformed so as to increase the power of individual MP's in relation to the government. Select Committees will be given more power and there will be more free votes to reduce the stranglehold of the whips.
- A British Bill of Rights will be introduced which reflects national culture, custom and traditions.
- No public sector employee should be paid more than the Prime Minister. Going forward, all new local government and quango employment contracts shall be subject to this limit.

ANIMAL WELFARE

We believe that animals are sentient beings and we are committed to the highest standards of animal welfare.

POLICY PLEDGES:

- Free trade agreements will require trade in animal-derived products to adhere to equivalent standards as UK animal welfare laws.
- Financial support for UK agriculture will incentivise and reward farmers whose production systems adhere to higher welfare standards.
- Species-specific limits will be introduced on maximum journey times and travel conditions for all farm animals.
- A ban will be applied on the use of non-stun slaughter as requested by the British Veterinary Association and RSPCA.
- Increase funding directed towards developing and validating humane alternatives to animal experimentation.
- The use of wild animals in circuses will be banned.

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