

THE NEW STATESMAN

# Spotlight

Thought leadership and policy

## Politics Live

Ed Davey on care

Lessons from Mamdani

The Autumn Budget





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# Beyond competence

Nearly 18 months after Labour's landslide victory, widespread relief has given way to harder questions about what the government can actually change. The Autumn Budget will further test its room for manoeuvre and ambition within tight fiscal limits – and how long supporters' patience will hold.

The mood is restless. Living costs remain high and public services strained, and global events are reshaping the agenda faster than Westminster can respond. Yet the work of governing grinds on: rebuilding relationships with Europe, managing the transition to clean energy, trying to restore faith in institutions and keeping growth alive in a constrained economy. The sheer range of those challenges defines the political moment – and the programme at the *New Statesman's* Politics Live conference, taking place the week of this issue.

Across a single day, our panels will debate everything from devolution to decarbonisation, digital transformation to defence. Sessions on Ukraine and international cooperation will examine how Britain can navigate a world in flux, while panels on skills, infrastructure and

longer working lives will consider how to rebuild prosperity at home. It is an agenda that reflects both the breadth of Britain's political conversation and the urgency of its choices. These are not separate questions, but parts of the same one: how to govern well in an age of limited resources and limitless expectations.

This edition of *Spotlight* also gathers insights from conversations that have taken place at recent *New Statesman* events. Emily Thornberry reflects on Labour's term thus far and the need for purpose beyond managerialism (page 4); Ed Davey argues that fixing social care is a moral and economic imperative (page 6); and a group of Labour MPs defend the government's record on the economy ahead of the Autumn Budget (page 12). Elsewhere, Leah Millthorne, chief economist at the Centre for Local Economic Strategies, asks what Zohran Mamdani's victory in New York can teach Britain's local leaders about rebuilding political trust and engagement from the ground up (page 10).

Amid all the talk of strong foundations and secure futures, Mamdani's rapid ascent is a useful reminder of how quickly the political landscape can shift. It should also serve as a warning to Labour that, unless the party can find a way to fuse energy and excitement with competence, a growing number of voters will begin to look elsewhere for answers. ●

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## Spotlight

40-42 Hatton Garden  
London  
EC1N 8EB

THE NEW STATESMAN

Subscription inquiries:  
[help@subscribe.newstatesman.co.uk](mailto:help@subscribe.newstatesman.co.uk)

Publisher  
*Peter Coombs*

Sales Manager  
*Dominic Rae*  
Account Managers  
*Jugal Lalsodagar*  
*Lucy Sloan*  
*Nia Ayoade*  
*Kalpesh Vadher*

Design  
*Erica Weathers*  
Cover Illustration  
*Klawe Rzczy*

Editor  
*Phin Foster*

Editorial  
*Harry Clarke-Ezzidio*  
*Samir Jeraj*  
*Rhi Storer*



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# “It isn’t enough to be better managers than the other lot”

Emily Thornberry on Labour’s need to affirm its purpose

Asked what first drew her to politics, Emily Thornberry doesn’t reach for abstractions. She goes straight to the point: eviction notices, bailiffs at the door, a Labour councillor who found her family a home, and a mother who was told to “pay back” by standing for the council herself.

That is why she is “Labour through and through”. Speaking with Anand Menon, director of the UK in a Changing Europe initiative, at a *New Statesman* fringe event, the chair of the Foreign Affairs Select Committee reflected on both her political roots and her party’s first year and change in power. Having served in multiple shadow cabinet roles in opposition, Thornberry now sits on the back benches. It may not be where she had envisaged herself in the wake of Labour’s landslide victory, but it’s a position she readily admitted gives her space to speak more freely.

“I think we’ve done some great things,” she said, reeling off housebuilding, workers’ rights, and restoring a degree of seriousness to Britain’s place in the world. “But we need to be a calling, a movement. What’s our guiding light? The Labour Party is about emotion as much as anything else – it has to grab you by the heart.”

The critique sounded less like disloyalty than impatience: a veteran loyalist urging her party to recover its sense of purpose. “It isn’t enough to be better managers than the other lot, which obviously we are. Why are we in politics? What do we want to achieve?”

On Europe, her view was similarly direct. The political class “headed for the hills” after the 2019 “get Brexit done” election and stopped engaging with the damage it wrought. She hasn’t changed her mind: “I’ve always been in favour of us being in the European Union. I think we should be there. It’s tragic we’re not.”

The sensible path now, she insisted, is to rebuild ties as far as the public will allow – and she believes voters have given permission for more ambition. The government, she said, started small, met the usual accusations of betrayal “from the right and the left”, then discovered “people just want a better relationship with the EU”.

Nor, she added, is the choice binary. We need not pick forever between piecemeal fixes and a wholesale leap back into the single market. Compromise, she argued, “cuts both



Emily Thornberry MP: Labour must say what it means and mean what it says

ways". "The European Union needs to be pragmatic and so do we... Let's work together and have a deal that's going to work for you and for us." Britain's traditional role – the bridge between Washington and Europe – remains useful. "It's not an easy place to be," she conceded, "but it's quite a valuable one."

Her comments on Ukraine also carried a mix of conviction and realism: "We've played a blinder and the Ukrainians know it." The warmth she said she has encountered in Kyiv is real, and must be matched by sustained support. With ongoing talk of a possible ceasefire, Thornberry cautioned against mistaking talks for resolution. The "coalition of the willing", she said, will still need an American backstop if negotiations stall or Russian aggression resumes – and the challenge remains to keep President Trump committed to Nato and to Ukraine's defence. That

requires constant engagement – and, she suggested, careful use of the political capital the government has built up in Washington.

"We get the right sort of response and [Trump] seems to be in the right place and then he seems to sway back again – that's the difficulty. But there is a good relationship between our Prime Minister and the president."

The domestic is even more of a challenge. The government, she noted,

## The Labour Party has to grab you by the heart

inherited "the highest tax burden we've ever had, the highest debt, public services on their knees", and a public that expects Labour to fix the lot in 12 months. Politics must, she argued, be honest about constraints – "less announcing things and then not delivering" – but also bolder about how to make progress.

Thornberry gave the example of the criminal courts backlog, where victims wait four or five years to give evidence. She did not endorse any specific reform, but sketched out the kind of candour she thinks is required: if ministers believe temporary measures – for instance, jury trial restrictions in certain cases – would help clear the backlog, then say so openly, legislate with a firm time limit, and commit to restoring normal process once the crisis has passed. "You need to be honest that it is going to be difficult. But we do have a plan," she said.

That same plea for plain-speaking ran through her reflections on Labour's internal politics. Thornberry put herself forward for deputy leader because the role is elected, unsackable – and therefore capable of "telling truth to power". She said she wasn't after "the greater glory of Thornberry", but a platform to ensure "the boys in the blue suits" hear what they need to hear. The party opted for a different profile; so be it. The task for the winner, she said, is to use the platform well – and for the leadership to recognise criticism offered in good faith.

Strategically, she warned against chasing Reform UK around the ring. Labour is a broad coalition; trying to "out-Reform Reform" ignores almost all of those constituent parts. Better, she argued, to be confident in what the party is and build a response from there. "I love my country, so does everybody else here. It's not a competition."

Thornberry's tone throughout was less that of a rebel than of a party veteran impatient for renewal. After two decades in parliament, her faith in Labour's ideals remains, but so does her insistence that competence alone will not carry the argument. "Say what you mean and mean what you say," was a repeated mantra. For a government that frames itself as having restored calm after chaos, her message was clear: the next test will be to turn steadiness into conviction – to remind the country, and itself, what it came into power to do. ●

# “Get care right and everything else follows”

Ed Davey believes reforming care should be a cornerstone of health and economic policy

By Phin Foster

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Ed Davey says that reforming care – both paid and unpaid – is not only a moral imperative but an economic necessity.

For the Liberal Democrat leader, the issue is deeply personal. Having cared for his mother, grandmother and now his disabled son, Davey has long believed that Britain’s failure to value carers is one of the country’s greatest political blind spots. His recent book, *Why I Care: And Why Care Matters*, sets out what he calls “a manifesto for compassion and efficiency”: a vision of society that properly supports family carers and integrates social care into the heart of public health policy.

“I’ve been talking about care for most of my political life,” he acknowledged, speaking at the *New Statesman’s* Future of Healthcare conference in late October. “And yet, since 1997, there have been 25 reviews and select committee inquiries into social care – all saying broadly the same thing – and we still haven’t acted. That tells you something about the system.”

Davey suspects the motivations are likely financial rather than policy-based: “We’ve had so many good reports with good recommendations. But when it comes to implementation, the Treasury blocks or delays. And that’s extraordinary when you look at the numbers.”

Those numbers are stark. Each year, family and friends provide an estimated £162bn worth of unpaid care in England and Wales – close to the entire budget of the NHS. “If those carers stopped tomorrow, the system would collapse,” he said, “and yet we treat them as an afterthought.”

Davey prefers the term “family carers” to the official “unpaid carers”. “It’s about recognising what people actually do,” he explained. “And if we get social care and family care right, it’s a win-win – for the NHS, for patients, and for carers themselves.” That economic argument is central to his case. “It’s both moral and financial,” he said. “If you support carers properly – and it doesn’t have to cost a lot – you reduce hospital admissions and delays. Take discharge: the government’s own figures show that 13 per cent of NHS beds are occupied by people who don’t need to be there. A care home bed costs less than a third of a hospital bed. There’s a free lunch sitting there, and we’re not taking it.”

He offered examples from his Kingston constituency, where a local volunteer group set up a WhatsApp network for dementia carers. “It sounds tiny, but it transformed things. They could swap advice, meet for coffee, stop feeling isolated. If that support means someone can care at home for three months longer on average, think about the savings in hospital and care home costs – and the human benefit. It’s the sort of small-scale innovation we ignore at our peril.”

Davey’s wider policy prescription includes a reformed Carer’s Allowance, describing the current system as “a disaster”. “It’s the least generous benefit we have,” he said, “and it’s absurdly administered – you lose the whole thing if you earn a penny over the weekly limit. No taper, no annual calculation, just a cliff edge. That’s how we end up with the overpayment scandal: carers being told years later to repay money they never realised they weren’t entitled to.”

The Lib Dems would introduce a taper system and annual assessments instead. “It’s simple, affordable, and it would actually increase the incentive to work,” Davey added. “If we made caring compatible with employment, we’d have more people in the workforce and a more sustainable system overall. Everyone wins.”

Frustration with Westminster’s inertia runs deep. As a cabinet minister in the coalition government, Davey backed the 2014 Care Act, which legislated for the reforms proposed by Andrew Dilnot. “We thought we’d sorted it,” he admitted. “But after the 2015 election the Treasury said no, and it’s been kicked down the road ever since.” He credited Dilnot’s model with offering not only fairness but stability.

“It gives people certainty about what they might have to spend on care,” he explained. “That’s good economics. It’s like what we did with contracts for difference in renewable energy – we created stability and investment followed. People plan better when they know the parameters. That’s as true for families as it is for business.”

On the government commissioning Dame Louise Casey to lead yet another review, Davey was sceptical: “Louise is brilliant. I’m a huge fan. But there have been 25 reviews already. This one has a three-year time frame and they’re



**Ed Davey MP: the health of the NHS depends on fixing care**

talking about implementing recommendations halfway through the next decade. That doesn’t fill me with confidence.”

The problem, he argued, is political timidity. “You can’t fix social care on the eve of an election,” he said. “We’ve seen that before with Theresa May’s ‘death tax’. If [Labour] really wants to transform the NHS, they have to back reform now.”

Davey’s book also highlights the 150,000 children providing more than 50 hours of care a week. “It’s a scandal,” he said. “These are kids who should be having a normal childhood. The system often doesn’t even know they exist – it takes two years on average to identify a young carer. That’s a failure of coordination between health, social care and education.”

He called for schools to be part of the solution: “If teachers can identify and support young carers, that’s probably the best education policy you could have. They’d do better at exams, have better life chances. Some [schools] already do this brilliantly. Others say, ‘We don’t have any young carers,’ which is nonsense.”

Beyond social care, Davey links his agenda to a broader vision for community health. “If you treat people in the community, they’re often happier and it’s more cost effective,” he said. The Lib Dem leader is especially critical of the government’s approach to GPs and pharmacies. “Despite the rhetoric, GP numbers aren’t increasing fast enough. Community pharmacies have been hit hard.” The NHS’s Pharmacy First scheme was a “step in the right direction,” he said, “but it’s too limited. There are things they could do much more cheaply and effectively than GPs or hospitals.”

For Davey, the health of the NHS depends on fixing care. “Every government reaches for structural reform,” he said. “But most of those reorganisations have failed miserably. They cost money, they distract managers, and they don’t deal with the real issues. If you want real change, start with care – family care, social care, primary care. Get that right, and everything else follows.”

It’s a simple enough message, but one that, as Davey argues, successive governments have failed to hear. ●

# Housing to curate communities

Intergenerational design and public-private partnerships will be key

In association with



Tom Goodall is chief executive director at Related Argent, one of the largest privately owned property and urban regeneration businesses in the UK. Here he outlines the company's priorities in the housing sector.

## **What are Related Argent's priorities in the context of the housing crisis?**

The government has ambitious plans to deliver 1.5 million homes by 2029, but at the current pace it will grossly under-deliver on this promise. The challenges are so significant that even achieving a rate of 300,000 homes per year by the end of this parliament would be a remarkable accomplishment.

To meet our housing needs, private and public sectors must collaborate effectively. However, urgency should not compromise high quality, good placemaking, and community building principles. We must continue creating places that people find meaningful and that cater to society's evolving needs.

A successful new town or development is more than just a collection of homes – it's a place where people feel a deep sense of belonging, pride, and ownership.

At Brent Cross Town in north London we are developing a 180-acre site with Barnet Council including the creation of 6,700 new homes. There's an exciting mix of tenures available – properties for sale, affordable and student housing, rental homes and even homes for retirees – in order to bring together the facets which make a real intergenerational community. We prioritised the delivery of affordable homes first and have supported the relocation of existing Barnet residents into these apartments, as we recognise the need for good quality affordable homes in London despite challenges with financial viability.

## **What is intergenerational living?**

There's an important distinction to be made between multigenerational living – a term well used across the industry – and intergenerational living.

Where multigenerational living refers to different generations living side by side, intergenerational living means curating a community in which different generations meaningfully interact. It's not enough to put retirement housing next to a university and expect the two to engage. At Brent Cross Town for example, we are consulting the

community and working with industry partners to consider how we facilitate and encourage interaction and create a meaningful and dynamic neighbourhood, led by our pledge to put sport and play at the heart of our new town, supported by the 50 acres of public open space included in the master plan.

Furthermore, the age demographic of our population continues to evolve. For the first time in nearly half a century, approximately 18 per cent of the population are aged 65 and over. On the flip side, younger people have to overcome significant economic hurdles if they wish to own their own home. The situation is complex, but the prioritisation of intergenerational communities is a powerful means of ensuring developments remain resilient to evolving demographics.

#### **What benefits does it bring residents and communities?**

Intergenerational communities address a multitude of today's most pressing challenges, including social isolation, community cohesion and access to support services. There is clear evidence that breaking down age barriers and fostering a sense of community across generations can positively affect health and well-being. According to a study by University College London, intergenerational interactions can help

combat loneliness and social isolation among adults by 60 per cent.

The Flourishing Index we have pioneered at Brent Cross Town, an industry first in measuring community wellbeing, is a means of keeping us accountable on our commitments to create a town that supports happiness. We partnered with Buro Happold and Manchester University to launch this tool that uses a mix of data collection methods, including surveys, observations and sensor technology. The index creates feedback loops from this data that will help shape the development journey at Brent Cross Town.

#### **How important is it that intergenerational housing is affordable?**

The delivery of affordable homes is a key priority for the whole industry, yet we continue to fall short of government housing targets.

In the 2023-24 financial year, affordable housing starts in London saw a significant drop, falling by 88 per cent compared to the previous year, with only 3,156 builds commencing. Delivering the affordable homes the UK needs is a shared responsibility between the private and public sectors. If the private sector is going to succeed in its role to deliver a significant proportion of affordable housing, it is vital that we work to collectively to grow the proverbial pie

to ensure financial viability, more construction starts and a bigger portion for affordable homes; requiring bold decisions to remove or smooth any obstacles in the way of that mission.

#### **What progress have you made on this goal?**

We're pleased to have made significant progress at Brent Cross Town, having completed almost 800 homes – including 120 affordable apartments for existing Barnet residents, ensuring that they too benefit from the area's transformation (since construction started in 2020).

However, we must not become complacent. The housing sector faces a storm of economic challenges, including high inflation, increased construction costs and higher borrowing costs – all of which undermine project viability and reduce the number of affordable homes that can be delivered. Furthermore, regulatory changes and the increased planning burden have impacted the speed in which the industry as a whole can move forward.

That said, our team works everyday to find ways through. Last year, we announced a partnership with Sovereign Network Group to deliver 50 new social rented homes at Brent Cross Town. Of course, 50 homes in the context of what we need to deliver is just a fragment. But in the context of affordable homes delivered in London, it's substantial. In the first half of the 2024-25 fiscal year, only 582 new social homes were initiated in the capital.

#### **Government has called for public-private collaboration in housing. How can the partnership become successful?**

Public-private sector partnerships are fundamental to how we work. Whether it's with local authorities, community organisations or businesses – working together provides the reach we need to create meaningful places.

It works best when it starts early and is based on shared ambitions and clear objectives. To make that happen, we must work together to overcome barriers to investment and housing delivery. We must have a clear, stable, long-term vision and hold ourselves accountable to our promises. Our partnership with Barnet Council is a perfect example.

By working together, we can create outcomes that reflect local needs and aspirations. ●



JOHN STURROCK

**Brent Cross Town is being developed by Related Argent alongside Barnet Council**

# The Mamdani moment

## What New York's next mayor could teach Britain's local leadership

By Leah Millthorne



**I**ncredibly, New York suddenly now promises to be a real-world test case for a new local economic model. Newly elected Mayor Zohran Mamdani's programme for office could become a practical trial in building community wealth. England's mayors should watch and learn.

While politics here in the UK as well as in the US is dominated, distracted and delayed by... well, politics, what people really want and need is not politics but policies. Practical and bold, simple and direct – manifestos that set out what change they want to achieve, and how they plan to achieve it.

New Yorkers are forced to play a real life game of Monopoly, with nearly 20 per cent of the city's residents living at or below the poverty line. The Mamdani solution is to lower costs to make life easier. How? Through a refreshingly direct suite of proposals that tackle



Zohran Mamdani's victory could inspire a new approach to local and regional economics

policy problems at their source and challenge the extractive economic model that has dominated for decades. Proposals include rent freezes, cracking down on poor-quality housing and negligent landlords and fast-tracking affordable home building – with the city stepping in to take control of persistently neglected properties where needed. On transport and childcare, the plan is simple: make buses and childcare free, not just cheaper, but universal and reliable. The common thread across the Mamdani campaign was a commitment to rebuilding the public sector, curbing excessive profiteering in essential goods and services, and using public money to meet public needs, rather than lining corporate pockets.

Mamdani plans to fund his platform through measures like raising corporation tax and taxing the wealthiest one per cent of New Yorkers.

These are never easy battles to win.

Corporations, real estate giants and billionaires did everything in their power to prevent Mamdani's election success. But the challenge doesn't stop there. They will no doubt continue to resist changing the Monopoly board status quo at every turn. At the same time, Mamdani's ability to fund these changes through increased wealth taxes is constrained by the limits of New York City's devolved fiscal powers. Without support from the state level (where resistance is already mounting), his tax reforms may face significant hurdles.

But millions of people are starting to believe again that "a better world is possible" and they have voted for it. The pressure is on for Mamdani to deliver.

The new mayor will need to get creative and leverage the city's existing assets and financial power (known as the tools of community wealth building).

Mamdani should focus public procurement reforms to prevent doing business with bad guys and instead target public spending toward non-extractive, community-rooted businesses. When it comes to land and asset ownership, he should prioritise cooperative, community and municipal ownership models. And he should explore developing a New York City public bank, redirecting the city's \$100bn in deposits away from extractive financial actors to one that invests in affordability and local economic resilience.

Using these tools, Mamdani can begin delivering his cost-of-living solutions, even without the ability to raise corporate and wealth taxes. This kind of community wealth building is known as "pre-distributive" economics. While redistribution through taxes is effective, in the absence of devolved fiscal powers, regional policymakers can look at what can be done to pre-distribute wealth as it is created (not waiting until after corporations have made their billions to then rely on taxing it). In the face of challenges, Mamdani does have room to manoeuvre. So too, do England's mayors.

Economists don't often get the privilege of randomised control trials in their research, but sometimes they are able to draw on real-world experiments – and New York City is about to become one such case study. If it can move away from a failed economic model, then perhaps cities and regions globally facing cost-of-living crises will follow suit with similarly bold solutions.

Mayors in England focussing on lowering the cost of living for their regions should look for bold solutions that challenge decades of austerity, privatisation and monopoly-board economics. From rewriting procurement rules, to favouring mission-driven providers over profit-maximising contractors, to launching municipal housing schemes that put affordability ahead of developer margins, to reclaiming failed private services like waste management and bus networks into public hands – transformative place-based economics is already within reach.

The Mamdani moment could be more than political – it's chance for all of us to reimagine local and regional economics from the ground up. ●

*Leah Millthorne is chief economist at the Centre for Local Economic Strategies*

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# The cost of caution

## Can Labour's commitment to fiscal discipline deliver visible change – or has prudence become a political trap?

When Rachel Reeves finally delivers the long-trailed Autumn Budget later this month, she will do so under extraordinary pressure. The Chancellor remains trapped between the promises that helped Labour win power and the fiscal reality it inherited: a stagnant economy, weak growth and public services creaking under strain.

To the frustration of much of the party's traditional base, her tenure has been defined by what they see as an almost puritanical dedication to "fiscal discipline". As forecasts worsen and the Office for Budget Responsibility revises down its growth outlook, that strategy has narrowed into a dilemma many long saw coming: raise taxes, breaking the manifesto pledge not to increase the burden on "working people", or risk being accused of timidity in the face of a crisis the government vowed to fix.

Behind the scenes, Treasury officials are prepping the ground for difficult decisions in what some in Westminster are calling "an impossible Budget". If reports of a rise in the basic rate of income tax are correct, Reeves would be the first Chancellor to make such a move in half a century – a political gamble that could see historically low approval ratings plunge even further. Yet without new revenue, the government faces an equally damaging charge: that 18 months into its term, the state of Britain still looks much the same as it did at the start.

The speculation surrounding the Budget has become a proxy for something larger: a test of Labour's political and economic identity. Strategists speak of the need to "hold the centre" while reassuring voters who feel no tangible change in their daily lives. Opposition senses opportunity, and even Labour allies worry that the government's message – prudence today for progress tomorrow – risks sounding abstract in a country still waiting for proof of renewal.

The government's defenders argue that this is precisely the moment for perspective. Labour, they insist, has not failed to act – it has begun the long process of repairing a country that could no longer afford easy answers. Much, they claim, has already been achieved.

Torsten Bell, Minister for Pensions, and reportedly a key adviser to Reeves in preparing the upcoming Budget,

describes the challenge in generational terms. “Too many people have not just thought things didn’t get better – they’ve started to believe things can’t get better,” he said at a *New Statesman* event in Liverpool, reflecting on Labour’s first-year performance. “That loss of hope is so damaging. The job of this government is to bring it back.”

For Bell, credibility is not an end in itself but a precondition for progress. “Social democracy has always been about looking after the public finances so that you can deliver for people,” he said. “By deliver for people, I mean decent work, good homes, functioning public services. That is the social democratic offer – and you won’t deliver it with anything even within spitting distance of Liz Truss.”

He listed achievements that, Bell believes, mark genuine change: public investment “at its highest sustained levels since the 1970s”, a reformed pensions system to unlock domestic capital for British industry, and targeted support for low-income households. “We’ve doubled the number of households getting the Warm Homes Discount – that’s another 2.7 million families with money off their energy bills each winter – and expanded free school meals to 100,000 more children,” he said. “The poorest households spend 50 per cent more of their money on essentials than the richest. The short-term job is easing that pressure; the long-term job is bringing down the cost of the basics through investment.”

That long-term view has defined Reeves’ economic strategy since entering the Treasury. For Meg Hillier, chair of the Treasury Select Committee, the criticism that Labour has been too cautious misunderstands the task. “Rachel Reeves and the team did a big job going round the City saying there would be a stable

“People have given up hope that things can get better”



Is Rachel Reeves trapped between manifesto pledges and fiscal reality?

approach,” she said. “It’s for the birds that she’d rip that up a year and a half after coming into government. Businesses want certainty. They want to know what’s coming.”

Hillier sees fiscal restraint not as a retreat from ambition but as the only way to make ambition credible. “We’ve got to be positive and realistic. Things have to happen fast, but with stability. The government’s been buffeted a lot, but its eyes are on the long-term prize of growth.”

Her argument echoed Reeves’ own calculation: that credibility – with the markets, with business, with voters – is the foundation on which everything else depends. But the risk is clear. As household finances remain tight and public services under pressure, patience is running out. Polling consistently shows that voters feel no better off than they did before Labour’s election victory.

For Jeevun Sandher MP, another member of the Treasury Committee, the stakes are higher than one fiscal statement. “Living standards are no longer just an election issue – they’re a democracy issue,” he said in Liverpool. “People can’t afford the basics, and they see no way for their children to live a better life. That breeds anger, division and populism.”

Sandher argued that Labour’s cautious first phase has been essential to rebuilding confidence but that the next must be about tangible improvement. “The first lever is costs,” he said. “Those at the

bottom spend around 25 per cent of their income on essentials, compared to 10 per cent in the middle. Since 2021 those essentials have gone up by about 45 per cent. So we have to reduce those costs – through investment, through childcare, through housing. The second lever is social security, and the third is wages and jobs. Forty per cent of full-time workers still earn under £35,000 – the amount needed for a two-parent family to raise two children. They’re working hard and doing the right thing, but can’t raise a family. That’s the source of hopelessness. Our job is to fix that.”

Treasury officials talk about the “sequencing” of change: stabilise, invest, deliver. But outside Westminster, that order can sound like delay. For many voters, the promise was not stability for its own sake but a government capable of making life better.

Hillier acknowledged that optimism had been slow to return: “We’ve been downtrodden for 15 years, where people have given up the hope that things can get better. The task now, she added, was to restore “hope and ambition”.

That is the measure by which a growing number of disillusioned voters are likely to judge Reeves’ Budget – not by whether it satisfies the bond markets or holds to a manifesto line, but by whether it convinces them that the government has a purpose; that the hard choices of its first 18 months will one day yield change they can see. ●

# Getting Britain's over-50s back to work

One in three working-age adults is 50 to 64 – but many face obstacles to finding and keeping fulfilling employment

By Catherine Foot

In association with

**Standard Life Centre**  
for the Future of Retirement

In January 2023, the then-chancellor Jeremy Hunt gave a wide-ranging interview to a newspaper about his vision for the British economy and his plan for growth. He discussed everything from tax policy to defence spending, inflation to education.

But it was one particular remark that grabbed editors' attention. The headline read: "Hunt: Over-50s need to get off the golf course".

He was right to be concerned about the three million people who are over 50 but under the state pension age and not currently in work. In a country battling to turn around long-term low economic growth, the Treasury needs all the productive workers and taxpayers it can get. The government, Hunt argued, must make clear to this demographic that "your country needs you". He went on: "This is a time when you can... have an enormously rich life by continuing to make a contribution to the economy. It doesn't just have to be about going to the golf course."

But while it's true that within those three million potentially lost workers, there are undoubtedly some people who have retired early with generous pensions and paid-off mortgages – and some of them might like golf – it's also true that for every happy early retiree, there are other people of the same age who do still want to work but are facing barriers to getting hired.

This is a serious problem for the UK's economic growth. As a result of our ageing population, people aged between 50 and 64 now account for one in three of the working-age population. According to recent estimates, raising employment among 50 to 64-year-olds by just one percentage point could inject £5.7bn into the UK's GDP each year, while adding £800m to the public purse through increased tax revenues.

It also matters for individuals' own financial security, by enabling them to continue to earn and save, reducing their need to draw down on their pension savings too early or turn to the benefits system for support. The group of working-age adults with the greatest increase in rates of poverty in recent years is people aged 60-65; those in that group who have fallen out of work but still have years left before they can access their state pensions are most likely to fall below the poverty line.

So what can be done? The evidence



**Increasing the number of flexible and good-quality part-time roles can benefit individuals and the wider economy**

points to at least four big opportunities to address this: better support for people with health conditions and disabilities to remain in work; increasing the numbers of flexible and good quality part-time roles; widening access to adult careers guidance and employment support to help people find the right work for them, and tackling the insidious presence of ageism in recruitment and in our workplaces.

The first of these points was the focus of a recent government report, *Keep Britain Working*, published following an independent review of employment sector challenges. The report welcomes examples of “vanguard” actions by leading employers keen to reduce their sickness absence, and builds a body of practical evidence for how to improve workplace health support that other employers can learn from.

The second area for action – good quality part-time and flexible work – is not unrelated, and is something the review also highlights as important. Whether it’s to help manage changes in health, make time to care for a loved one, or just out of a desire to reduce the intensity of work without stopping it altogether, people in their fifties and sixties regularly cite a lack of access to

good part-time and flexible roles as a major barrier to staying in work. It seems unlikely that we will see a step change in over-50s employment until more employers embrace reality: not all the talented workers they need can work our now century-old definition of full-time hours. Managers must have the job design skills to adapt more roles to different working patterns.

The third opportunity is to widen access to careers guidance. The quality of careers guidance on offer in schools and colleges has come a long way from that which people currently in their fifties and sixties might remember from their own school days. But while there is strong evidence for the effectiveness of adult careers guidance, this has received much less policy attention. In an era of rapid technological and economic change, we need to make it easier for adults of all ages to access the guidance that could help them actively manage their careers. A 50-year-old today could still have 15 to 20 years left in the workforce; we must ensure that work remains fulfilling and sustainable for them throughout that time.

The government recognises the benefits of improving careers guidance in its ambitions to reform the welfare

and employment system. It is doing this by creating a new National Jobs and Careers Service, bringing together the currently separate functions of the National Careers Service and Jobcentre Plus. While this policy remains in its early stages, it ultimately has great potential to improve adult career guidance delivery by rebranding and extending the reach of the government-funded offer.

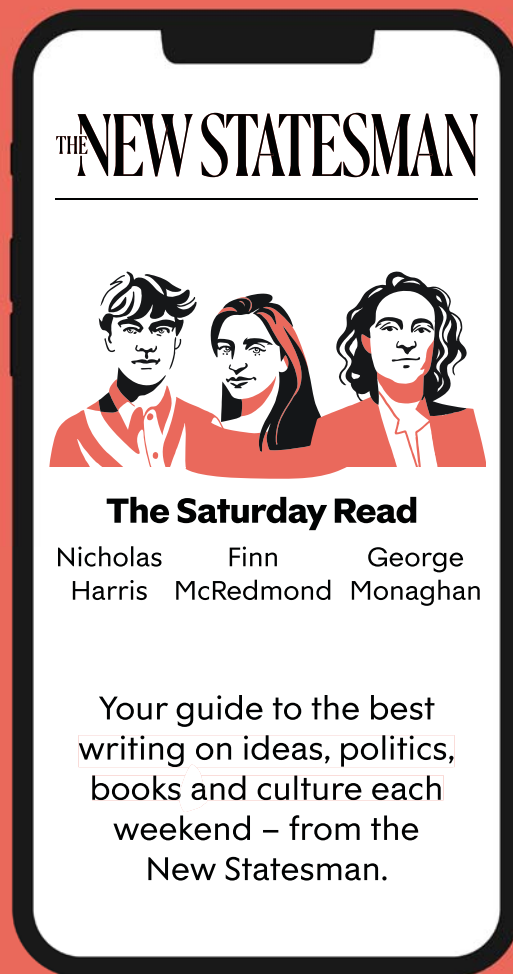
Finally, there is the issue of ageism. More than one in three over-50s feel they have experienced it in applying for roles. And with recruitment processes increasingly being automated and delegated to AI, workers in their fifties and sixties are increasingly reporting suspicions that they are being sifted out on the grounds of age. This would be illegal under the Equality Act and warrants further investigation.

As the state pension age begins to increase from 66 to 67 from next April, we urgently need to take evidence-based, strategic and coordinated action to make it realistic for more people to stay in work up until that age. The country needs the workers, and the people need the work. ●

*Catherine Foot is director of the Standard Life Centre for the Future of Retirement*

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