

PRACTICE GROUPSPublic
Law

Investigations

Tax

Employment
& PensionsConsumer Goods
& RetailEnergy, Mining
& InfrastructureFinancial
InstitutionsHealthcare &
Life SciencesTechnology,
Media &
Telecommunications**SPOTLIGHT ON****Baker McKenzie's UK General Election Manifesto and Policy Tracker**

We hope you find our UK General Election Manifesto and Policy Tracker useful.

Manifestos are the platform on which a political party stands. Despite occasional commentary to the contrary, if a party is elected to power, its representatives in government are generally reluctant to break manifesto commitments. Manifestos have democratic legitimacy, and the civil service look to them as a guide as to how the new government will proceed. Manifestos are also deployed by journalists to hold a government to account. As a result, we can look to the manifestos, as far as they go, to provide us with an initial guide as to how the parties intend to govern after the election, should they win.

Our UK General Election Tracker is designed to provide you with a summary of the policies outlined in the Conservative and Labour manifestos and an indication of what the potential impact on our clients may be.

Following the General Election, we intend to continue to update this Tracker as the winning party's manifesto commitments are fleshed out in more detail and translated into policy and legislation.

We would welcome your questions and would be pleased to discuss any aspect in more detail.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Public Law

Reforms to Judicial Review

CONSERVATIVES

Source:
The Conservative Manifesto 2024, June 11, page 9.
([linked here](#))

Policy

In order to speed up infrastructure delivery and reduce the average time to sign off on major infrastructure from four years to one, the Conservative Party has proposed to amend the law of judicial review. The Conservative Party proposes to reduce the amount of legal challenges to infrastructure delivery by ensuring those that do not have merit do not reach the court. It is unclear how this policy will be delivered from the Conservative Manifesto.

Business Impact

Whilst there is little detail on what reforms will be made to judicial review to facilitate this policy, if it is successful:

- The number of legal challenges that businesses face in relation to major infrastructure projects may be reduced, **minimising delay** and thus **saving expense**, and **reputational damage**.
- Firms may be able to respond faster to trends in infrastructure and new technology, and invest in projects which would not have otherwise been viable.
- However, lack of judicial scrutiny could mean poorer public law decision making around infrastructure projects and little ability for those affected to challenge decisions.

Migration Policy

CONSERVATIVES

Source:
The Conservative Manifesto 2024, June 11, page 36.
([linked here](#))

Policy

Migration is central to the Conservative Manifesto and in this analysis has been divided into "**Net Migration**" and "**Illegal Migration**".

Regarding migration, the Conservatives will continue to try and implement the UK and Rwanda Migration and Economic Development Partnership commonly known as the Rwanda Scheme. As set out in the Conservative Manifesto:

"We will run a relentless, continual process of permanently removing illegal migrants to Rwanda with a regular rhythm of flights every month, starting this July, until the boats are stopped. If we are forced to choose between our security and the jurisdiction of a foreign court, including the ECtHR, we will always choose our security."

In addition to Rwanda, the Conservatives will look to collaborate with other countries globally to enact their plans. Notably they propose to hold an international summit to rewrite asylum treaties, restricting visa access to countries which do not cooperate with the UK's migration priorities. Alongside this, further return deals, such as that signed with Albania, will be entered into in order to curb Illegal Migration.

The Conservatives will look to bring into force the Illegal Migration Act. This will prevent illegal migrants from raising legal challenges to block their removal. The Conservatives claim this will clear the backlog, with all claims processed in six months.

To lower the Net Migration, the Conservatives propose to introduce a legal cap on migration to guarantee numbers fall every year. This cap will relate to work and family visas with the aim of preventing UK public services being overburdened, but still providing vital skills to businesses and the NHS.

Business Impact

The Conservative's proposed actions on Illegal Migration could lead to the UK's exit from the ECHR. This may have negative impacts on the protection of fundamental rights and freedoms, but on the other hand could result in greater autonomy for the UK.

Any changes to Net Migration, in particular those changes related to visas, could have an impact on recruitment by business. In the future, if firms look to recruit talent from overseas, they may be affected by the stricter controls on the number of visas available in the short term. The focus on UK hiring in the Conservative Manifesto may also affect the recruitment and retention of overseas talent but could lead to cost savings where visas do not have to be sponsored.

LABOUR

Source:
The Labour Manifesto 2024 June 11, pages 10, 17 and 41.
([linked here](#))

Policy

In order to tackle Illegal Migration, the Labour Party will launch a new 'Border Security Command'. This will involve specialist investigators and use counter-terror powers to tackle criminal gangs using small boats. The Border Security Command will work internationally to hinder and arrest the criminal groups and thus prevent small boat crossings.

In addition, a new returns and enforcement unit will be created with an additional thousand staff members. The focus would be on fast-tracking removals of people with no right to stay in the UK and sending them to safe countries.

Regarding Net Migration, the Labour Party would reform the points-based immigration system so that it is "*fair and properly managed*" with "*appropriate restrictions on visas*" and by "*linking immigration and skills policy*". This link would involve drawing up training plans in high migration sectors to address skills shortages, aiming to end the reliance on overseas workers parts of the economy like health and social care and construction.

Labour have also stated it will bar employers who breach employment law rules from hiring abroad.

Business Impact

Labour's plan to link the immigration system to new mandatory training and workforce plans for British workers may not directly affect firms immediately, but over time may lead to changes in recruitment patterns as more upskilled workers become available in the UK. This could lead to cost savings for businesses long term, who may not have to sponsor as many visas for overseas candidates. Those in the health and social care and construction industries stand to benefit directly from this, as these are focus areas for the Labour Party.

Firms who hire large volumes of workers from abroad should also be aware of Labour's intention to focus on compliance with employment law, and ensure all practices are in compliance.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Public Law

Procurement - Small and Medium-Sized Enterprises

CONSERVATIVES

Source:
The Conservative Manifesto 2024, June 11, pages 7, 32 and 62
([linked here](#))

SI 2024/692 [here](#)

Gov.uk [here](#)

Gov.uk [here](#)

Policy

The Conservative Party proposes to work with public sector organisations, including local authorities, NHS trusts and companies benefitting from government contracts to "ensure that procurement opportunities are focused on SMEs [small and medium-sized enterprises] in their local economies where possible and practical".

Procurement features as part of the Conservative Party's intended defence policies. The Conservative Party sets out that they will deliver a new 'Integrated Procurement Model' which will "make defence procurement faster, smarter and more joined up".

Furthermore, the Conservative Party sets out in the Conservative Manifesto that public sector procurement will be improved to "deliver on our goal that at least 50% of food expenditure is spent on food produced locally or to higher environmental production standards".

The above references in the Conservative Manifesto follow the recent guidance published by the Cabinet Office on the Procurement Act 2023. The guidance documents are separated under four headings: Plan, Define, Procure and Manage. However, detailed guidance has only been provided for the Plan and Define phases thus far. Additionally, the government created the Procurement Regulations 24 (SI 2024/692). These provide additional detail to, and understanding, of the processes for public procurement under the Procurement Act 2023.

Business Impact

The Procurement Act 2023 (which was passed before the announcement of the election) will bring in significant reform to the UK's public procurement regime. It is therefore unlikely that these proposals will involve further legislative change.

As such, the focus on offering greater opportunities to SMEs (which has been a long-standing aim of UK governments) is likely to come via a future Conservative Government's National Policy Statement, which contracting authorities are required to have regard to under the new Act.

Therefore, if the Conservatives are elected, the ability of SMEs to get contracts may be enhanced, and in parallel companies with government contracts may be directed to work with certain SMEs. Businesses should be aware of these new steers towards SMEs, and that it may affect which contracts they are awarded.

Firms in the specific sectors referenced by the Conservatives, such as food and defence, should be aware of incoming reforms.

LABOUR

Source:
The Labour Manifesto 2024 June 11, pages 19, 34-35, 97 and 119.
([linked here](#))

Policy

Similarly, procurement appears at many points in the Labour Manifesto. For Small and Medium-sized enterprises the Labour Manifesto sets out the aim to "simplify the procurement process to support innovation and entrepreneurs" and "make it easier for small and medium sized enterprises to access capital ... reform procurement rules to give them [SMEs] greater access to government contracts".

For procurement related to the NHS, the Labour Manifesto sets out that it will "develop an NHS innovation and adoption strategy in England. This will include a plan for procurement, giving a clearer route to get products into the NHS".

The Labour Manifesto also covers defence, proposing to "prioritise UK businesses for defence investment and ... reform procurement to reduce waste".

The Labour Manifesto also pledged to end the link between access to ministers and an inside track for public contracts.

Business Impact

The Labour Manifesto sets out that there will be change in relation to procurement, notably simplification, but it is unclear what policy changes will be brought about to ensure this. Moreover, it is unclear from Labour's manifesto exactly what mechanisms they will use to pass such reforms, and whether this will involve further legislative change, or be effected via a Labour Government's procurement policy. Businesses will need to be cognisant of how any such changes tie in with the incoming reforms engendered by the new Act (due to take effect in October 2024).

Procurement - Consultants

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024 page 13
([linked here](#))

Policy

The Conservative Party has pledged to halve the amount of taxpayer money spent on external consultants by government. The Conservative Party will also introduce controls on all 'Equality Diversity and Inclusion' initiatives and spending.

Business Impact

Consultancy firms should be aware that if either party is elected, bidding for government contracts may become more competitive as the volume of contracts available reduces.

LABOUR

Source:
The Labour Party Manifesto 2024, page 19
([linked here](#))
Speech of Shadow Chancellor Rachel Reeves at Labour Party Annual Conference 2023
([linked here](#))

Policy

The Labour Party has also pledged to cut "excessive" use of consultants in its Manifesto. This had already been announced in October 2023 by Rachel Reeves, who noted Labour would aim to cut consultancy spending in half if elected. Labour have stated that the £745 million it estimates it will save in a year will be reallocated to public sector capability and frontline public service delivery.

Business Impact

Consultancy firms should be aware that if either party is elected, bidding for government contracts may become more competitive as the volume of contracts available reduces.

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PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Investigations

Data Protection

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024
([linked here](#))

The Data Protection and Digital Information (No. 2) Bill 2022-2023
([linked here](#))

Policy

The Data Protection & Digital Information Bill (No 2) (the “**Bill**”) was not included in the Government’s wash-up process. The Conservative Party also does not mention any new data privacy laws in its Manifesto. This bill was intended to reduce the burden of the EU General Data Protection Regulation, and its reforms included increasing the circumstances where a controller may refuse a Data Subject Access Request (“**DSAR**”). As these reforms did not appear in the wash-up process or the Conservative Manifesto, it seems the Conservative Party are not proposing any new data reforms for now.

Business Impact

If the Bill had been included in the Conservative Manifesto, it is likely that firms conducting, subject to or anticipating investigations would have benefitted from its provisions, which included charging a fee for DSARs and a broadening of the circumstances where personal data can be processed under the legitimate interest provisions.

It is likely that the reduction in formalities and paperwork would have resulted in efficiencies and a reduction of compliance costs when handling data prior to, during and after an investigation. The Bill was estimated by Ministers to save firms £1 billion over ten years, although this was disputed by some commentators.

As the Bill does not appear in the wash up or the Conservative Manifesto, firms can expect the cost of handling data in investigations, and responding to DSARs prior to, during or after an investigation to remain broadly consistent should the Conservatives be elected.

LABOUR

Source:
The Labour Party Manifesto 2024
([linked here](#))

The Labour Party Conference 2023
([linked here](#))

Policy

There are no new data reforms suggested in the Labour Manifesto. At the Labour Party Conference 2023 in October, the Conference called on the Labour Party to develop a comprehensive package of legislative, regulatory and workplace protections to ensure the fair use of technology in the workplace. This included greater protection of workers’ data and amendments to the UK General Data Protection Regulation (the “**UK GDPR**”).

Business Impact

As Labour does not suggest any new data protection reforms in the Labour Manifesto, firms can expect the cost and requirements for the handling of data in investigations to remain broadly consistent should Labour be elected.

There has been speculation that Labour may raise the protection afforded to data under the UK GDPR because of its motions at the Labour Party Conference. This could lead to increased data processing costs for firms, who will need to take advice on any new regulations to ensure compliance.

Whistleblowing

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024
([linked here](#))

The Whistleblowing Bill
([linked here](#))

Policy

The Whistleblowing Bill (the “**Bill**”) was not included in the Government’s wash-up process. The Conservative Party also does not propose any new whistleblower provisions in its General Election Manifesto (the “**Conservative Manifesto**”). This bill was intended to establish stronger legal protections for whistleblowers and would have resulted in a range of new criminal and civil offences where whistleblowers are subject to detriment, a new Office of the Whistleblower with powers of sanction and broadening the definition of “**protected disclosures**”.

As these reforms did not appear in the wash-up process or the Conservative Manifesto, it seems the Conservative Party are not proposing any new reforms to whistleblowing provisions for now.

Business Impact

If the Bill had been included in the Conservative Manifesto, businesses may have seen an uptick in the amount of whistleblowing complaints received as protection would have been strengthened. This could have led to more investigations, and more emphasis on the findings and compliance of those investigations with the Bill.

Companies would also have had to seek advice on the compliance of their whistleblowing policies with the new Bill and considered regarding drafting their policies. As the Bill has not been included in the wash up or the Conservative Manifesto, these costs will no longer be incurred.

Should the Conservative Party be elected, and introduce these reforms in the future, firms should seek advice on compliance with the increased protections.

LABOUR

Source:
The Labour Party Manifesto 2024, page 68
([linked here](#))

Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People (May 2024)
([linked here](#))

Speech to the 2024 Progressive Britain Conference by David Lammy, UK Shadow Foreign Secretary
([linked here](#))

Policy

The Labour Party’s Manifesto 2024 notes that if Labour are elected, it will strengthen the rights and protections available to whistleblowers in the workplace, including on sexual harassment.

This is echoed in Labour’s “*Plan to Make Work Pay: Delivering A New Deal for Working People*”, which again emphasises that Labour will strengthen protections for whistleblowers.

David Lammy, the UK Shadow Foreign Secretary, unveiled a new financial incentive scheme in May 2024 which would reward whistleblowers who expose stolen assets and sanctions breaches.

Business Impact

If the Labour Party are elected, firms can expect the protections afforded to whistleblowers to increase. This may lead to an increase in investigations prompted by whistleblowing, and more scrutiny on how firms handle those investigations.

This will be particularly so in the workplace, which Labour have highlighted in its Manifesto and other policy documents. Employers should ensure that, once new regulations are promulgated, policies affecting whistleblowers are reviewed and brought into compliance. This could lead to increased costs for business.

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PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Tax

Corporation Tax

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, page 6
([linked here](#))

Policy

The Conservative Party has promised not to raise corporation tax.

Business Impact

The current 25% rate was introduced in April 2023. Firms should expect the UK corporation tax rate to remain steady if the Conservative Party is elected.

The manifesto does not provide much information on business tax policies and much of what is included had already been announced in the Spring Budget.

Whilst not explicit in their manifesto, the Conservative Party has introduced legislation to enact the OECD Pillar Two global minimum tax regime, and therefore we would expect support for this measure to continue if the Conservative Party forms government.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, pages 29, 31
([linked here](#))

Business Impact
Business Partnership for Growth
2024 February 1, page 14
([linked here](#))

Policy

The Labour Party has promised to cap corporation tax at 25% for the entire parliament, and will act if "tax changes in other countries pose a risk to UK competitiveness".

Business Impact

Firms should expect UK corporation tax policy to remain steady if the Labour Party are elected. The Labour Party has repeatedly stated its desire to provide certainty to enable businesses to plan for the long term (for example, Labour has already indicated, in their "Business Partnership for Growth" published in February 2024, that they want to trial greater use of advance rulings and clearances for major investment projects, to increase certainty for firms looking to invest).

Alongside promises of stability, the Labour Party emphasises that the current rate of corporation tax is the lowest in the G7, and that it will act if other countries pose a risk to UK competitiveness. Consequently, firms should expect a Labour Party government to consider the competitiveness of corporation tax, compared to peer jurisdictions, when setting its policies.

The Labour Party has also confirmed their support for the OECD Two-Pillar Solution, including the implementation of the global minimum rate of corporate taxation.

Investment Tax Incentives

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, pages 6, 7, 9, 56, 73
([linked here](#))

Business Impact
Spring Budget
2024 March 6, pages 55, 58, 59
([linked here](#))

Policy

The Conservative Party plans to maintain and expand certain investment incentives, such as:

- Extending the "full expensing" policy to include leasing once fiscal conditions allow;
- Maintaining current research and development tax reliefs;
- Ensuring that the creative sector incentives remain competitive;
- Creating more Freeports and Business Rates Retention zones and continuing the support of investment zones.

Business Impact

The manifesto repeats many of the statements made in the Spring Budget in relation to existing regimes, reliefs and incentives.

Extending "full expensing" to include leasing will expand the range of procurement options available under the regime. However, this extension depends on favourable fiscal conditions. If this policy is implemented, businesses should consider whether to prioritise purchasing or leasing qualifying assets when planning capital expenditure.

A new merged scheme R&D expenditure credit and enhanced R&D intensive support replaced the old RDEC and SME schemes for accounting periods beginning on or after 1 April 2024. The manifesto commits to maintaining these tax reliefs.

The commitment to ensure that the creative sector incentives remain competitive is consistent with the announcements made in the Spring Budget to provide additional support of independent film via the audio-visual expenditure credit as well as to the permanent changes made to the rates of theatre tax relief, orchestra tax relief and museums and galleries exhibitions tax relief.

Incentives encouraging regional development and "Levelling Up" are expected to grow, with new freeports promised and existing investment zones being retained. Firms may wish to consider channelling their investments into freeports or investment zones, and consider whether any new freeports may have the infrastructure and work force suited to their business needs.

LABOUR

Source:
Labour Party Manifesto
2024 June 13, page 31
([linked here](#))

Business Impact
Business Partnership for Growth
2024 February 1, page 12
([linked here](#))

Policy

The Labour Party promises that it will retain a permanent "full expensing" policy and annual investment allowance for small businesses and give greater clarity on what qualifies for these allowances.

Business Impact

Firms should expect little change to investment tax incentives if the Labour Party is elected. Further guidance on what qualifies for capital allowances should provide further clarity.

There was no mention in the manifesto on R&D tax reliefs, but in "Labour's Business Partnership for Growth" published in February 2024, the Labour Party said that it would maintain the current structure of R&D tax credits over the next parliament, while cracking down on fraudulent claims and those made in error. Labour will also evaluate the impact of the scheme on a sector-by-sector basis, starting with the Life Sciences industry.

PRACTICE GROUPS

Public
Law

Investigations

Tax

Employment
& Pensions

Consumer Goods
& Retail

Energy, Mining
& Infrastructure

Financial
Institutions

Healthcare &
Life Sciences

Technology,
Media &
Telecommunications

SPOTLIGHT ON

Tax

Capital Gains Tax and Carried Interest

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, page 7
([linked here](#))

Policy
The Conservative Party has said that they will not increase the capital gains tax rate.

Business Impact
As with the pledge not to raise corporation tax, the Conservative Party has committed not to increase the rates of capital gains tax and promises continuity with existing tax policies on disposals of assets.

The Conservative Party manifesto did not refer to carried interest.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, page 21
([linked here](#))

The Guardian, Rachel Reeves under Labour pressure to raise capital gains tax to revive public services
2024 June 6
([linked here](#))

The Financial Times, Labour will consult on plan to raise tax on private equity bosses
2024 June 13
([linked here](#))

Policy
The Labour Party manifesto did not mention the rate of capital gains tax.

On carried interest, the Labour Party manifesto stated that it will "*close this [carried interest] loophole*".

Business Impact

The manifesto did not mention the rate of capital gains tax. However, it has recently been reported that the Shadow Chancellor is looking at increasing CGT rates and that she is under pressure from members of the Shadow Cabinet on this issue, so an increase in the rates of capital gains tax should not be ruled out in the event of an incoming Labour government. Therefore, although Labour Party leader Keir Starmer has previously commented that he has "no plans" to increase the rates of capital gains tax, businesses should nevertheless carefully monitor changes to capital gains tax if the Labour Party is elected.

In relation to carried interest, there is no detail in the manifesto on how this change would be implemented. However, there has been suggestion that this would involve increasing the rate at which carried interest is taxed (by taxing it as income). If the Labour Party's response is to enact rules to treat carried interest returns as income, rather than to simply align the current carried interest capital gains tax rate with the income tax rate, this may have wide reaching effects on more than just private equity executives. This change would increase the tax burden on the private equity sector, which may be further exacerbated by the Labour Party's proposals regarding non-doms (who make up a notable proportion of the sector in the UK), and leave the UK an international outlier in private equity taxation. Nevertheless Rachel Reeves has recently signalled that carried interest should continue to be taxed as capital gains (and therefore at a lower rate than if it was taxed as income) to the extent that the relevant individual is putting their own capital at risk alongside their investors. Private equity firms will need to consider their UK tax exposure once more information regarding changes to carried interest is available and expect a higher tax burden if the Labour Party is elected.

Business Rates and Other Business Taxation

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, pages 7, 11, 73
([linked here](#))

Spring Budget
2024 March 6, pages 4, 39
([linked here](#))

Policy
The Conservative Party has stated that it plans to increase the business rates multiplier on distribution warehouses that support online shopping over time. The Conservative Party also intends to retain the Energy Profits Levy on oil and gas companies until the end of March 2029, unless prices fall back to normal earlier.

Business Impact

The Conservative Party plans to improve the competitiveness of high-street shops by increasing business rates on distribution warehouses, which will affect businesses operating in sectors (such as the logistics, e-commerce, and food and drink) that rely on distribution warehouses to deliver goods to customers, with subsequent knock-on effects down the logistics chain. Operators of distribution warehouses and their stakeholders should monitor changes to business rates on distribution warehouses if the Conservative Party are elected.

The proposal to extend the Energy Profits Levy's sunset date had already been announced in the Spring Budget. However, if prices fall below the levels set by the Energy Security Investment Mechanism, it could end sooner.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, pages 21, 29, 31, 52, 53, 127, 128
([linked here](#))

Business Partnership for Growth
2024 February 1, page 9
([linked here](#))

Policy
The Labour Party has stated that it intends to replace the business rates system with a system that raises the same revenue in a way that will "*level the playing field between the high street and online giants, better incentivise investment, tackle empty properties and support entrepreneurship*".

The Labour Party plans to extend the sunset date on the Energy Profits Levy until the end of next parliament and increase it by 3%. The Labour Party also promises to "close loopholes" and remove investment allowances included in the Energy Profits Levy. They intend to retain the Energy Security Investment Mechanism.

The Labour Party has also said that they will publish a roadmap for business taxation within the next parliament within six months of forming a government.

Business Impact

Details regarding the planned changes to business rates were not provided in the manifesto. However, in "Business Partnership for Growth", the Labour Party said that it plans to replace business rates with a new system of business property taxation.

The tax burden on oil and gas companies is expected to increase, and incentives that offset tax through investments will be removed. Further changes to the Energy Profits Levy to "close loopholes" should also be expected. Oil and gas companies should plan for a higher, longer lasting, and mutable windfall tax policy.

Firms should anticipate changes to business taxation and monitor developments (including the publication of Labour Party's roadmap for business taxation) to assess what actions are required.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Tax

Income Tax and National Insurance

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, pages 6, 14
([linked here](#))

Policy

The Conservative Party has proposed changes to national insurance contributions through the following commitments:

- Abolishing "class 4" national insurance paid by the self-employed by the end of the next Parliament;
- Cutting employee national insurance from 12% to 6% by April 2027; and
- Aiming to further cut national insurance once fiscal conditions allow until it is abolished.

The manifesto also states that there will be no increase in income tax rates, and that the Conservative Party will maintain income tax incentives that encourage small business growth, specifically:

- The Enterprise Investment Scheme,
- The Seed Enterprise Investment Scheme, and
- The Venture Capital Trusts regime.

Business Impact

The Conservative Party's proposed policy on national insurance would reduce the tax burden on employees and the self-employed, with the main rate of national insurance for the self-employed being eliminated. Meanwhile, income tax rate changes are not proposed in the manifesto.

Firms may wish to consider how to structure their compensation and workforce plans if the proposed cuts occur.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, pages 21
([linked here](#))

Policy

The Labour Party has promised not to increase rates of income tax (at the basic, higher, or additional rates) and national insurance contributions.

Business Impact

The Labour Party manifesto states that it plans to keep taxes on people in work as low as possible, and as such increases to income tax or national insurance contributions are not referenced.

Given the emphasis by the Shadow Cabinet on fiscal responsibility and the cost of other Labour Party policies, reductions of these rates should not be expected.

Value Added Tax (VAT)

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, page 7
([linked here](#))

Spring Budget
2024 March 6, page 79
([linked here](#))

Policy

The Conservative Party proposes to keep the VAT registration threshold under review and explore options to smooth the £90,000 threshold at which VAT is levied.

Business Impact

The VAT registration threshold was increased from £85,000 to £90,000 from 1 April 2024. The Conservative Party have said that they plan to keep the registration threshold under review. No details have been provided on potential options to smooth the cliff edge £90,000 registration threshold, but it is possible that this could take the form of a gradual phasing in of the VAT rate to mitigate the impact on small businesses.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, pages 21, 82
([linked here](#))

Policy

The Labour Party has committed not to increase the rates of VAT. The Labour Party intends to introduce VAT on private school fees.

Business Impact

The Labour Party has committed to keep taxes on working people as low as possible. With VAT being a cost on goods and services, increases to it are not expected. The Labour Party is committed to introducing VAT on private school fees to "invest in our state schools" although the manifesto does not mention any timeframe for that change to take place.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

Tax

Wealth Management

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, page 7
([linked here](#))

Policy

The Conservative Party has stated that it will maintain tax incentives that encourage small business growth, specifically:

- Business Asset Disposal Relief,
- Agricultural Property Relief, and
- Business Relief.

Business Impact

The manifesto promises that incentives aimed at business creation and disposal will remain if the Conservative Party is elected.

Interesting in its absence is the omission of any proposals regarding the taxation of non-doms and the future of inheritance tax in the UK. It could be inferred that the plans of the Conservative Party were made clear in their Spring Budget announcement and so it was not necessary that they were repeated at this stage. Non-doms; those individuals looking to relocate to the UK who would be affected by the proposed new 4-year foreign income and gains regime; as well as those that may be affected by the proposed inheritance tax reform, should continue to work with their advisers to discuss their options ahead of 6 April 2025.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, pages 21, 82, 127
([linked here](#))

Policy

The Labour Party proposes several measures that would affect how high net-worth and ultra-high net-worth individuals, particularly those from abroad that are, or have not been, non-UK-domiciled, are taxed. These include:

- "Abolish[ing] non-dom status" and replacing it with a new scheme for short-term residents; and
- Ending the use of offshore trusts to avoid inheritance tax.

The manifesto also set out plans to increase stamp duty on property purchases by non-resident individuals by 1%.

Business Impact

The Labour Party have repeated their now well-known policy objective of abolishing non-dom status. What remains unknown is how and when they will affect such change. The Labour Party's counter response to the Conservative Party Spring Budget earlier this year suggested that they were broadly in agreement as to the replacement four-year foreign income and gains regime. The non-committal use of "short-period" in the manifesto leaves it open that the Labour Party may consider extending the four-year period proposed by the Conservative Party, which would be welcomed news by many.

Although not entirely clear, the reference to the "non-dom discount loophole in 2025-26" in the notes on page 127 of the manifesto may be taken to be a repeated confirmation of the Labour Party's desire not to adopt the concession proposed by the Conservative Party that certain legacy non-doms would avail of a reduction (of 50%) in their foreign income subject to tax in the first tax year that the non-dom regime is abolished (i.e. 2025-26).

"We will end the use of offshore trusts to avoid inheritance tax" makes it clear that the Labour Party intends to overhaul the existing treatment of so called "excluded property trusts". What remains absent is the detail as to how such a change will be implemented, with there being several ways that it could seek to implement such a policy each with varying degrees of severity for those affected. Such detail will be particularly important to enable settlors of settlor-interested trusts, and the trustee(s) of such trusts, to consider the effects for them of such changes and any possible mitigation options.

As ever, the devil will be in the detail and our London Wealth Management team will continue to monitor both areas very closely.

Enforcement

CONSERVATIVES

Source:
The Conservative Manifesto
2024 June 11, page 16
([linked here](#))

Policy

The Conservative Party plans to raise £6bn by tackling tax avoidance and evasion by the end of next Parliament.

Business Impact

Firms should anticipate active tax enforcement by HMRC, and further legislative developments intended to reduce tax avoidance and evasion.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, page 21
([linked here](#))

Labour's Plan to Close the Tax Gap
2024, page 3
([linked here](#))

Policy

The Labour Party has stated that it wants to modernise HMRC and change the law to tackle tax avoidance.

In particular, it plans to increase registration and reporting requirements, strengthen HMRC's powers, invest in new technology and build capacity within HMRC. In addition, HMRC will focus on perceived tax avoidance by large businesses and wealthy individuals.

Business Impact

We should expect a more activity from HMRC and increased reporting requirements, alongside measures targeted at large businesses and high net-worth and ultra-high net-worth individuals that are intended to reduce perceived tax avoidance.

"Labour's Plan to Close the Tax Gap" report states that the Labour Party would boost compliance activities in HMRC, invest in technology transformation in the tax system to improve the customer experience and reduce the tax gap, and make legal changes to support this effort. It expects these changes to raise £5bn a year by the end of the next parliament. If the Labour Party is elected, firms should continue monitor developments with respect to HMRC enforcement and assess what actions are required to continue to abide by tax requirements.

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PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Employment & Pensions

Employment

CONSERVATIVES

Source:
Department for Business and Trade press release regarding the Workers (Predictable Terms and Conditions) Act 2023, 19 September ([linked here](#))

ACAS draft Code of Practice on handling requests for predictable working patterns 2023, 25 October ([linked here](#))

Department for Business and Trade press release regarding the Neonatal Care (Leave and Pay) Act 2023, 25 May ([linked here](#))

Policy

Following the wash-up period before Parliament was formally dissolved, many of the anticipated employment law changes due to take effect from 2024 onwards were not progressed, meaning their status remains unclear. This includes:

- Right to request more predictable working patterns under the Workers (Predictable Terms and Conditions) Act 2023. This would permit workers and agency workers to request predictable working patterns provided they meet the eligibility criteria.
- Paid neonatal leave under the Neonatal Care (Leave and Pay) Act 2023. This would introduce rights for up to 12 weeks' paid leave for employees who are responsible for children who are admitted to neonatal care at birth or within 28 days of birth.

Business Impact

If the Conservative Party is re-elected, it is expected that they will bring into force commitments that remain outstanding since their previous manifesto. It is less clear if these proposals would come into force if there is a change in government.

Predictable Working Patterns – The Conservative Party previously indicated that this would come into force from September 2024.

Neonatal leave – The Conservative Party previously indicated that this would come into force in 2025.

Source:

Department for Business and Trade open consultation on smarter regulation 2024, 16 May ([linked here](#))

Department for Business and Trade consultation on non-compete clauses 2023, 12 May ([linked here](#))

The Ministry of Justice consultation on the reintroduction of tribunal fees 2024, 25 March ([linked here](#))

Policy

Before the manifesto was released, the Conservatives indicated the following changes would be made, which have not been specifically called out in their manifesto:

- TUPE and European Works Councils (EWCs) reforms** – proposed changes were announced prior to the election announcement which would prevent limb (b) workers from being covered by TUPE, meaning that only employees will transfer and assert rights under TUPE. The party also previously announced that they would abolish the legal framework for EWCs, which would likely remove any statutory obligation to have an EWC in the UK.
- Post-termination non-compete clauses** – introducing a cap on the duration of such clauses to three months in employment and worker contracts, which had been announced as being introduced when parliamentary time allowed, which it hasn't.
- Reintroduction of **employment tribunal fees**.

The Conservative Party had also previously said they would retain the **two-year qualifying period** for unfair dismissal and **three-month time limit** for the majority of claims.

Business Impact

These reforms do not appear in the manifesto, and so whilst it is reasonable to assume that they may be under consideration still, employers should be mindful to any developments as a result of a change in government.

Mandatory National Service

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024 June 11, page 27 ([linked here](#))

Policy

The much-publicised introduction of mandatory National Service for 18 year olds, either through unpaid civic service of 25 days a year or a paid year-long full time placement in military service. The manifesto promises to establish a Royal Commission to design the details of the National Service before implementing through legislation.

Business Impact

None immediately, but employers may wish to consider implementing policies to provide for what would happen if employees are required to undertake civic service or military service.

Trade Unions, Collective Rights and Industrial Action

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024 June 11, page 11 ([linked here](#))

Policy

Limits on Industrial Action. In order to reduce industrial action, the Conservative Party has promised to continue to implement minimum service level agreements under the Strikes (Minimum Service Levels) Act 2023.

Previously, the Conservative Party launched a consultation to repeal regulation 7 of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 which stops employment businesses from supplying agency workers to cover striking workers.

Business Impact

The Conservative Party are facing a judicial review on the basis that the Strikes Act contravenes the right to strike under Article 11 of the European Convention on Human Rights which was brought by the Public Commercial Services Union. As such, whether these restrictions would come into force in the event of a Conservative victory is unclear.

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, pages 14 – 16 ([linked here](#))

Policy

Strengthen and Expand Collective Rights. This encompasses several proposals:

- Repealing the Strikes (Minimum Service Levels) Act 2023;
- Allowing electronic balloting;
- Ensuring workers in precarious and gig economy sectors have a meaningful right to organise through trade unions;
- Simplifying trade union recognition process (e.g. by reducing thresholds and bringing in simple majority voting);
- Allowing union officials to meet, represent, recruit and organise members, provided they give appropriate notice and comply with reasonable requests of the employer; and
- A duty to notify new employees of their right to join a trade union and to regularly remind existing staff of this right. The information will also need to be contained in the written statements of particulars which employers must give new employees.

Business Impact

The proposed reforms to trade union laws would help strengthen unions as a more powerful negotiation body, as union recognition and participation would be easier. As such, it is possible that collective action would increase.

However, there is also an opportunity for employers to get ahead of the curve by engaging with unions to assess how they can prevent strike action and manage existing employee relations.

PRACTICE GROUPS

Public
Law

Investigations

Tax

Employment
& Pensions

SPOTLIGHT ON

Consumer Goods
& Retail

Energy, Mining
& Infrastructure

Financial
Institutions

Healthcare &
Life Sciences

Technology,
Media &
Telecommunications

Employment & Pensions

Flexible Working

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 9 ([linked here](#))

Policy

Making flexible working a default right from day one, unless employers have a valid reason for refusal.

Business Impact

The Labour Party has promised to "adapt and build" upon the flexible working framework that the Conservative Party brought into effect under the Flexible Working (Amendment) Regulations 2023. The manifesto proposes to introduce opportunities for "flexi-time contracts and hours that better accommodate school terms", but does not contain the same commitment as the New Deal on making flexible working a day one right.

What constitutes a valid reason for refusal has not been expanded upon other than the fact that it must be "reasonably feasible". The existing bases for refusing a flexible working request, which require a genuine business reason, may therefore still suffice.

Minimum Wage

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024 June 11, page 14 ([linked here](#))

Policy

Maintaining the National Living Wage in each year of the next Parliament at two-thirds of median earnings, which is estimated to be around GBP13 per hour.

Business Impact

Employers should continue to monitor changes to the minimum wage to ensure that they are compliant with the regulations and not underpaying their workers. The Labour proposal to create adjusted minimum wages reflecting the cost of living will also need to be carefully assessed to ensure compliance.

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 11 ([linked here](#))

Policy

National Minimum Wage and Age Bands Removed. To achieve this, Labour would change the Low Pay Commission's remit so that, alongside median wages and economic conditions, it would take into account the cost of living. Labour also proposes to remove the age bands for the national minimum wage so that all adults are entitled to the same minimum wage.

Business Impact

Employers should continue to monitor changes to the minimum wage to ensure that they are compliant with the regulations and not underpaying their workers. The Labour proposal to create adjusted minimum wages reflecting the cost of living will also need to be carefully assessed to ensure compliance.

Equal Pay

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 17 ([linked here](#))

Policy

Labour have said that they would put in place measures to ensure that outsourcing of services cannot be used by employers to avoid paying equal pay, including for work of equal value, to women.

Business Impact

The New Deal does not specify how this would be achieved, but it has the potential to increase complexity for companies with widely outsourced services, who would need to build in mechanisms to allow them to track pay levels/groups.

Benefits and Sick Leave Policies

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024 June 11, page 23 ([linked here](#))

Policy

Stricter Benefit Sanctions and Fit Note Reforms – as part of the [Back to Work plan](#), the Conservative Party had already announced that they intend to impose tougher sanctions on those not actively seeking work and fit note reforms. As part of their manifesto, the Conservative Party have confirmed these plans with the following proposals:

- Removing benefit entitlements for those who refuse to take up suitable jobs or mandatory work placements after 12 months on benefits and bringing forward the new claimant review point for the long term unemployed to 12 months (from 18 months currently). This is intended to "make sure that being on benefits remains a safety net, not a lifestyle choice".
- Reforming the fit note process to require specialist health professionals rather than GPs to issue sick notes so that. The integration of this new process will be tested with the "WorkWell" service which was launched in November 2023.

Business Impact

Businesses might see the impact of the new fit notes process, with reduced levels of employees on short-term leave if specialist health professionals take a more stringent approach to "fitness to work" in line with the Conservative Party's aim to stop "sicknote culture".

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 12 ([linked here](#))

Policy

Statutory Sick Pay, a Day-One Right. Labour would also remove the lower earnings limit.

Business Impact

Potentially it would increase sickness absence, and it also increases the importance of having carefully drafted probationary periods in contracts which provide for the ability to extend at the employer's discretion, if proper assessment has not been possible in the original period.

PRACTICE GROUPS

Public
Law

Investigations

Tax

Employment
& Pensions

Consumer Goods
& Retail

Energy, Mining
& Infrastructure

Financial
Institutions

Healthcare &
Life Sciences

Technology,
Media &
Telecommunications

SPOTLIGHT ON

Employment & Pensions

Equality Law and Reporting Obligations

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024 June 11, page 59 ([linked here](#))

Policy

Updating the Definition of 'Sex' in the Equality Act 2010 – this change will be brought into force through primary legislation to mean "biological sex" so that "an individual can only have one sex in the eyes of the law". This is described as guaranteeing that single sex spaces and services can continue to be provided.

The Conservative Party previously stated that the change would not remove existing protections against discrimination on the basis of gender reassignment.

Business Impact

Although this appears to be focused at service provision issues (such as single sex toilets), it could also have effects in the workplace. Indeed, it should be noted that currently, the Equality Act does allow for service providers to legally provide single sex facilities which can exclude transgender individuals who do not have a Gender Recognition Certificate.

LABOUR

Source:
The Labour Party Manifesto 2024 June 13, page 89 ([linked here](#))

Policy

Gender Recognition

Modernising the "outdated gender recognition process" by introducing a new process whilst retaining the need for a gender dysphoria diagnosis and continuing to support the single sex exceptions in the Equality Act 2010.

Business Impact

This proposal did not appear in the New Deal. It is unclear what changes the Labour Party would implement in order to 'modernise' the current process and the impact this could have in the workplace.

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 18 ([linked here](#))

Policy

Gender Pay-Gap and Menopause Action Plans.

Gender Pay-Gap:
Large firms (which is not defined) would be required to develop, publish and implement action plans to close their gender pay gaps. Outsourced workers would need to be included in their gender pay gap and pay ratio reporting too.

Menopause:

In addition, employers with over 250 employees would be required to produce a menopause action plan, detailing how they will support employees. The Labour Party has stated that they will publish guidance on measures to consider such as policies around uniform, temperature, flexible working and menopause-related leave and absence.

Note that the manifesto also refers generally to protections from 'menopause discrimination' which appears to be a new suggestion and is not explained in detail, but would likely require amendments to the Equality Act to create a new category of protected characteristic.

Business Impact

Whilst many employers already have ambitious targets to close gender pay gaps and break the glass ceiling, this will put increased pressure on employers to meet these targets. Developing action plans and enhanced reporting obligations will be an additional cost to businesses, especially with the need to obtain data from outsourced providers.

The concept of "menopause discrimination" (referred to on page 88 of the Labour Party Manifesto) would potentially create a need to consider new policies and processes to ensure there are adequate protections in place to avoid discrimination.

Source:

The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 18 ([linked here](#))

Policy

Ethnicity and Disability Pay-Gap Reporting.

This would be required for employers with more than 250 members of staff.

Business Impact

This could lead to an increase in internal assessments of pay across groups – employers will need to understand what level of preparation can be done through a full review from assessment of current pay levels, all the way through to an assessment of how and where the required data is collected.

Skills and Recruitment

CONSERVATIVES

Source:
The Conservative Manifesto 2024 June 11, pages 27 and 70 ([linked here](#))

Policy

A Focus on Training and Skills by Proposing to Deliver:

- An additional 100,000 high quality apprenticeships in England every year by the end of the next Parliament. The party proposes to fund this by changing the law to closing university courses in England that have had poor student outcomes to prevent students from being "missold" and the burden on taxpayers having to foot the bill where graduates can't.
- The Conservatives hope to boost the number of apprentices in the creative industries by launching a flexible co-ordination service to enable those wanting to work in the film, TV, gaming and music sectors to work on live productions whilst benefiting from at least 12 months of secure training.
- Introducing a Lifelong Learning Entitlement to enable adults to apply for loans covering new qualifications and continuing to expand the existing Skills Bootcamps to address skills shortages.

Business Impact

This could make the employment market more competitive. Employers operating in the creative industries might see an increased appetite for roles. This could also tackle recruitment issues around skills shortages.

PRACTICE GROUPS

Public
Law

Investigations

Tax

Employment
& Pensions

Consumer Goods
& Retail

Energy, Mining
& Infrastructure

Financial
Institutions

Healthcare &
Life Sciences

Technology,
Media &
Telecommunications

SPOTLIGHT ON

Employment & Pensions

Unfair Dismissal

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 7 ([linked here](#))

Policy

Remove Dismissal and Qualifying Periods. The right to not be unfairly dismissed is currently generally subject to a qualifying period of two-years' continuous service. This is disallowed in some cases, for example if the reason for dismissal was that the employee blew the whistle. Labour proposes to remove this service criterion in all cases, making this a day-one right. The only exception they mention is for probationary periods: they will still be permitted but be subject to fair and transparent processes.

Business Impact

Employers might take precautionary measures by taking a more thorough approach to recruitment to try and limit the likelihood of hiring unsuitable candidates. This could also be achieved by extending probationary periods however it is still unclear how Labour would ensure probationary periods remain "fair and transparent". Employers should take care to ensure that performance management processes are handled fairly, promptly and are well documented to avoid any potential claims.

Redundancy

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 8 ([linked here](#))

Policy

Amend Threshold Tests for Collective Redundancy Consultation. The threshold for the duty to collectively consult will be assessed by looking at the business as a whole rather than one workplace. By way of reminder, the duty is triggered when an employer is "proposing to dismiss as redundant 20 or more employees at one establishment within a period of 90 days or less". There has been significant case law on the meaning of "establishment", with the result being that it currently denotes the local unit or entity to which the workers are assigned. Labour would broaden this to the whole business.

Business Impact

Amending the threshold tests for collective redundancy consultation would likely mean that the duty to collectively consult would be triggered in many more cases than currently, as the test would take into account dismissals across the entire business, rather than per entity.

Fire and Rehire

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 6 ([linked here](#))

Policy

Restrict Fire and Rehire. This is sometimes billed as banning fire and rehire, but Labour would continue to allow it in some, limited circumstances; namely, where the business needs to restructure to remain viable, preserve its workforce and the company when there is genuinely no alternative.

Business Impact

Labour is "committed to Securonomics" and wants to provide greater job security. However as noted, the party has not proposed an outright ban on fire and rehire.

In order to fire and rehire employees in the limited circumstances which Labour intends to preserve, a proper process will need to be followed based on dialogue and common understanding between employers and workers.

Enforcement

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 11 and 22 ([linked here](#))

Policy

Create a Single Enforcement Body (SEB). The SEB would be tasked with enforcing workers' rights. It would have powers to inspect workplaces and bring civil proceedings to uphold employment rights. The SEB would have trade union and Trade Union Congress representation.

Business Impact

This was previously proposed by the Conservative Party but has not been progressed. If a new body is created, it would have a fresh mandate and potentially an impetus behind it so it may choose to review other contentious areas, such as holiday pay and National Minimum Wage compliance.

Changes to Zero-Hour Contracts

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 2 and 5 ([linked here](#))

Policy

Banning Zero Hours Contracts. This appears to mean that workers on zero hours contracts will be able to force a minimum number of hours.

Business Impact

This would not be an outright ban. The Plan to Make Work Pay refers to giving a right to have a contract reflecting actual hours over a 12-week reference period.

Parental Rights

LABOUR

Source:
The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 9 ([linked here](#))

Policy

Protections from Dismissal for Returning Mothers. It would be unlawful to dismiss a returning mother in the six months following return from maternity leave, subject to yet-to-be-specified exceptions.

Business Impact

Employers may need to update their internal employment policies and practices to reflect this entitlement should it come into force.

Source:

The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 9 ([linked here](#))

Policy

Reviewing Parental Leave and Make it a Day-One Right. The intention behind this proposal is to better support working families.

Business Impact

Employers may wish to get ahead of this proposal by reviewing their current parental leave policies and how they might implement this change should it come into effect. The Labour Party have expressly said that the proposed review of parental leave would be in the first year of government.

PRACTICE GROUPS

Public
Law

Investigations

Tax

Employment
& Pensions

Consumer Goods
& Retail

Energy, Mining
& Infrastructure

Financial
Institutions

Healthcare &
Life Sciences

Technology,
Media &
Telecommunications

SPOTLIGHT ON

Employment & Pensions

Wellbeing

LABOUR

Source:

The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 10 ([linked here](#))

Policy

Right to Disconnect. This would follow existing models in Belgium and Ireland to give employees the right to "switch off" when they are not working.

Business Impact

Many employers already have wellbeing policies in place to account of the fact that the lines between work and home life can easily become blurred. This new right would give employers the opportunity to consult with employees to create bespoke workplace policies or contractual terms to create a better culture of work-life balance post-pandemic.

Bereavement Leave

LABOUR

Source:

The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 10 ([linked here](#))

Policy

Introducing a right to bereavement leave for all workers.

Business Impact

Employers would need to update their employment policies to take account of this new entitlement. The manifesto is not clear on many of the details of this policy proposal so attention should be paid to the legislation drafted to enact these changes if Labour are elected.

Employment Status

LABOUR

Source:

The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, pages 7 – 8 ([linked here](#))

Policy

Single Status of Worker. There are currently three categories of employment status for employment rights purposes: employee, worker, self-employed. There have long been proposals on moving to a binary classification of just employee and self-employed (as exists for tax law purposes). Labour proposes to consult again on moving to such a model.

Business Impact

It is not clear how this proposal would be implemented in practice and detailed consultation is required. However, this has the potential to simplify the law on this matter through codification and consequently reduce the amount of litigation employers are facing relating to employment status.

This binary classification would increase the number of individuals entitled to the minimum level of employment rights, in particular, gig-economy workers. This in turn would lead to increased costs on employers whilst they implemented changes to reflect this new classification and ensure all workers receive the same basic protections such as holiday and parental leave entitlements. The move to a single, binary, classification of worker status could in turn be relevant for who may be considered a "worker" for pensions automatic enrolment purposes.

Employment Tribunals

LABOUR

Source:

The Labour Party Plan to Make Work Pay: Delivering a New Deal for Working People 2024 May 24, page 21 ([linked here](#))

Policy

Six-Month Time Limit for all Employment Tribunal Claims.

Business Impact

Increasing the time limit for all claims from three to six months (which is the current limit for statutory redundancy and equal pay claims) could lead to increased litigation for employers. The Plan to Make Work Pay reflects that claims relating to pregnancy discrimination could increase in particular.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Employment & Pensions

Pensions

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024, June 11, page 15 ([linked here](#))

Policy

Cutting Tax for Pensioners – Triple Lock Policy.

The Conservative Party pledge to introduce the new "Triple Lock Plus". This has two elements:

1. *Continuing to uprate the State Pension in line with the highest of prices, earnings or 2.5%.*

2. *Ensuring that from next year the tax-free personal allowance for pensioners also rises by the highest of prices, earnings or 2.5%, guaranteeing that the new State Pension is always below the tax-free threshold.*

Business Impact

The plans announced by the Conservative Party mean that those who are currently entitled to a full new State Pension, who also have a workplace or private pension income of less than £1,275 per year, will not pay income tax.

LABOUR

Source:
The Labour Party Manifesto 2024 June 13, page 29 ([linked here](#))

Policy

Cutting Tax for Pensioners – Pensions Tax Guarantee

The Labour Party promise to:

- Increase investment from pension funds in UK markets;
- Adopt reforms to ensure that workplace pension schemes take advantage of consolidation and scale to deliver better returns for UK savers; and
- Not extend National Insurance to employer pension contributions.

Business Impact

The Conservative Party had previously frozen the amount of the tax free cash so that it would not increase further. The pledge to maintain the tax free cash at the current level is important for ensuring stability and certainty with regards to the tax treatment of pensions.

This focus area had been largely trailed in advance and is a shared priority between both the Conservative Party and the Labour Party, indicating that many of the Mansion House proposals are likely to progress further after the election.

Source:
Change in previous undertaking to re-introduce the Lifetime Allowance

Policy

Lifetime Allowance

Lifetime Allowance will not be re-introduced, in a change to the Labour Party's previously stated policy position.

Business Impact

The Labour Party Manifesto made no mention of any plans to reinstate the lifetime allowance, seemingly confirming recent press reports that the party had dropped plans to reintroduce the tax if elected.

This policy-shift is largely a result of industry concerns which noted that a reverse on the lifetime allowance would cause great uncertainty for savers and be extremely complex to re-introduce.

Source:
The Labour Party Manifesto 2024 June 13, page 57 ([linked here](#))

Policy

Accelerating to Net-Zero

The Labour Party "will make the UK the green finance capital of the world, mandating UK-regulated financial institutions – including banks, asset managers, pension funds, and insurers – and FTSE 100 companies to develop and implement credible transition plans that align with the 1.5°C goal of the Paris Agreement."

Business Impact

The Labour Party said it would "ensure the institutional framework for policy making reflects our commitments to reach net zero and meet our carbon budgets".

This proposal largely mirrors that of the Liberal Democrats, who pledged to require pension funds to demonstrate compliance with the Paris Agreement.

Source:
The Labour Party Manifesto 2024 June 13, page 79 ([linked here](#))

Policy

Family Security

The Labour Party manifesto notes that: "Our system of state, private, and workplace pensions provide the basis for security in retirement. Labour will retain the triple lock for the state pension. We will also adopt reforms to workplace pensions to deliver better outcomes for UK savers and pensioners. Our pensions review will consider what further steps are needed to improve security in retirement, as well as to increase productive investment in the UK economy".

Business Impact

The Labour Party pledges to retain the pension "triple lock". The triple lock guarantees the state pension rises each year in line with either inflation, earnings or by 2.5 per cent, whichever is higher.

But Labour has not pledged to match the so-called "triple lock plus" promised by the Conservative Party, which would involve increasing the tax-free pension allowance.

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PRACTICE GROUPS

Public
Law

Investigations

Tax

Employment
& Pensions

Consumer Goods
& Retail

Energy, Mining
& Infrastructure

Financial
Institutions

Healthcare &
Life Sciences

Technology,
Media &
Telecommunications

SPOTLIGHT ON

Consumer Goods & Retail

Business Tax

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024
June 11, page 7
([linked here](#))

Policy

Increase the business rates multiplier (i.e. the tax calculated on most commercial properties) on distribution warehouses.

Business Impact

The Conservative's proposal is to ease business rates for high street and hospitality businesses by increasing the multiplier on distribution warehouses that support online shopping. Of course, many retailers now sell their goods both online and instore – particularly large players in the industry – and so the increase will affect them equally. It is, therefore, doubtful as to whether this policy will have a meaningful benefit for retailers.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, page 31
([linked here](#))

Policy

Replace business rates with a new system to *"level the playing field between the high street and online giants, better incentivise investment, tackle empty properties and support entrepreneurship"*.

Business Impact

Labour's policy also looks to boost brick-and-mortar retailers by reducing their tax burden and encouraging investment in physical shops. Labour have not yet provided any real detail on the new system. Whilst it has been discussed that they may raise revenue via an online sales tax, this has not yet been confirmed.

Communities & High Streets

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024 June 11, page 56
([linked here](#))

Policy

Provide 105 towns in the UK with a £20 million endowment fund. The Conservatives announced that the existing plan will be extended to 30 more towns who can use the funding on their priorities (from reviving high streets to bringing new housing or town centres).

Changing planning laws to allow towns to reintroduce local market days and upgrade shopping centres.

Business Impact

Again, the Conservatives seem to be concerned to tackle the so-called 'death of the high street'. Proposals to provide funding to towns and change planning laws may result in increased footfall on UK high streets. Investment in shopping centres may also improve the general consumer experience and, therefore, drive instore sales.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, page 36
([linked here](#))

Strengthen the Post Office network and support the development of new products and services to *"help reinvigorate the high street"*.

Business Impact

Labour also plans to invest in the UK high street. Labour's proposal is focused on the Post Office network as a way to draw customers back to the high street. Labour are yet to provide any specifics on this proposal but, as stated above, it is hoped that increased footfall will drive instore sales.

Employment

CONSERVATIVES

Source:
The Conservative Party Manifesto
2024 June 11, page 14
([linked here](#))

Policy

Maintain the national living wage at two-thirds of median earnings. Current predictions indicate that it will rise to around £13 per hour by the end of the parliament.

Business Impact

Retailers are some of the biggest employers in the UK and, therefore, their profits may be impacted by an increase in the living wage. Retailers may need to re-evaluate their financial strategy in the event of any significant change to wages, to ensure their businesses can absorb these costs and maintain their profits.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, page 45
([linked here](#))

Policy

Remove the age bands for the national living wage, so all adults are entitled to the same minimum wage – *"delivering a pay rise to workers across the UK"*.

Business Impact

Currently, only persons aged 20 and over are entitled to the minimum hourly rate. Retailers often employ 16 to 20-year-olds as weekend or holiday staff at lower cost. Labour's proposed changes to increase the pool of people qualifying for the living wage may serve to impose an additional financial burden on retailers.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

SPOTLIGHT ON

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

Consumer Goods & Retail

Public Health & Product Regulation

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024
2024 June 11, page 41
([linked here](#))

Policy

Push forward the Tobacco and Vapes Bill in the next King's Speech.

Introduce new laws to restrict the advertising of products high in fat, salt and sugar.

Business Impact

The Tobacco and Vapes Bill, if passed, would prohibit the sale of tobacco to people born on or after 1 January 2009 and impose product requirements to reduce the appeal and availability of vapes to young people.

Tobacco companies will need to consider these rules carefully – their business models may need to adapt in circumstances where it seems that vaping, as an alternative to the cigarette business, is also under threat.

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, page 102
([linked here](#))

Policy

Introduce a generational ban on purchasing tobacco products.

Ban selling high-caffeine energy drinks to under 16s.

Business Impact

Labour's proposal will, if implemented, inevitably lead to a fall in sales of tobacco products. Producers, suppliers and retailers may wish to stress test their businesses to evaluate the impact of these bans on their overall revenue.

Source:
The Labour Party Manifesto
2024 June 13, page 102
([linked here](#))

Policy

Ban vapes from being branded and advertised to appeal to children.

Business Impact

Labour's proposed ban on certain types of branding and advertising will likely also impact the sales of vapes (which are particularly popular with the younger generation). Exactly what advertisements will fall under this ban is not yet clear. Companies will, therefore, need to watch out for potential new regulations to ensure they are not caught out by the rules.

Crime

LABOUR

Source:
The Labour Party Manifesto
2024 June 13, page 65
([linked here](#))

Policy

Scrap the current "effective immunity" for some shoplifting offences and create a new specific offence for assaults on shopworkers that will protect them from threats and violence.

Business Impact

Shoplifting is an increasing burden on retailers – not only does it directly affect revenue and profits, but it also disturbs inventory accuracy and the ability of retailers to meet customer demand. Labour's policy is, therefore, likely to be welcomed by retailers.

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PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Energy, Mining and Infrastructure

Energy

CONSERVATIVES

Source:

The Conservative Party Manifesto 2024, June 11
Pages 48, 49 and 50.
([linked here](#))

Policy

"Plan for an Affordable and Pragmatic Transition to Net-Zero"

The plan aims to deliver energy security by:

- Legislating to ensure annual licencing rounds for oil and gas production from the North Sea.
- Building new gas power stations.
- Treble offshore wind capacity.
- Building the first two carbon capture and storage clusters.
- Investing £1.1bn into the Green Industries Growth Accelerator.
- Scaling up nuclear power by approving two new fleets of small modular reactors and halve the time it takes for nuclear reactors to be approved.
- Rewarding energy firms that invest in manufacturing in the most disadvantaged places in the UK.
- Implementing a new import carbon pricing mechanism by 2027.

The plan aims to transition to net zero by:

- Ensuring that green levies on household bills are lower, ruling out creating further green levies and maintaining the energy price cap.
- Ensuring democratic consent for onshore wind and supporting solar in the right places, avoiding agricultural landscapes.

Business Impact

The Conservative Party have said that if they are re-elected that they will continue to allow oil and gas operations in the North Sea so oil and gas firms can continue exploration within the region. However, a windfall tax on oil and gas companies that was introduced in 2022 is likely to stay in place until 2028-29.

The Conservatives here are focusing on further development of the CCUS and power sector in the UK (including new technologies) with a range of state support measures.

Implementation of a new import carbon pricing mechanism will ensure that imports of iron, steel, aluminium, ceramics and cement from countries with a lower or no carbon price will face a comparable carbon price to those goods produced in the UK (a mechanism similar to that recently introduced in the EU).

These proposals are designed to retain private investment in the UK energy industry by providing incentives to corporations with strategic investments in the UK.

LABOUR

Source:

The Labour Party Manifesto 2024
June 13
Pages 50, 51, 52, 53, 54, 55, 56, 57, 58 and 59.
([linked here](#))

Policy

"Green Prosperity Plan"

The plan aims to create hundreds of thousands of new jobs for electricians, plumbers, engineers, and technicians across Britain by investing in these industries.

The plan aims to achieve clean power by 2030 through two main methods:

- Establishing a National Wealth Fund which will assess and make investments in ports, gigafactories, clean steel, industrial clusters and hydrogen.
- Establishing GB Energy – a publicly-owned clean generation company which will invest and deliver projects to provide additional investment alongside the private sector in leading edge energy technologies.

The introduction of the Energy Independence Act will establish the framework for Labour's energy and climate policies.

Business Impact

Labour aims to make the UK a clean energy superpower by 2030 through investing into existing/building new clean energy infrastructure within the UK and offshore as well as making strategic investments in new green energy technologies and accelerating the deployment of established technologies where there is a clear case that public sector investment would accelerate private sector deployment.

There is a clear priority for public-private partnerships and to channel public and private investment into the British green energy industry.

Labour insists that the benefits of GB Energy are that it is rooted in the UK which will help grow domestic supply chains, ensuring that homegrown research and development (R&D) leads to domestic manufacturing and nurturing partnerships with SMEs and large local employers.

Oil and gas firms will continue to manage their existing fields for the entirety of their lifespan and retain any licences obtained before the policy comes into effect. However, new licences will not be handed out to explore oil and gas fields so firms will need to be prepared for the transition out of oil and gas in the UK and into alternative energy sources. This plan may come under pressure from UK industry groups and the Scottish Government who have stated that they will continue to consider new licences on a "case-by-case" basis.

The nuclear industry can expect to receive heavy investment in building modular reactors and speeding up the approval and construction of current approved projects.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

SPOTLIGHT ON

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

Energy, Mining and Infrastructure

Infrastructure

CONSERVATIVES

Source:
The Conservative Party Manifesto 2024, June 11
Page 78, 9 and 52.
([linked here](#))

Policy

"Investing in Digital, Transport and Energy Infrastructure"

They plan to achieve this by:

- Spending £36bn of HS2 savings on transport projects around the UK, improving railways and creating new bus routes around the North and Midlands.
- Aiming for all populated areas to be covered by 'standalone' 5G mobile connectivity and to keep the UK at the forefront of adopting and developing 6G.
- Supporting growth and decarbonisation of the aviation sector.
- Backing the maritime sector, including shipping and ports, as it decarbonises.
- Building a record number of homes on brownfield land and making sure local authorities use the new Infrastructure Levy to deliver GP surgeries, roads and other local infrastructure.
- Creating more Freeports and Business Rates retention zones.

"Speeding up Infrastructure Delivery"

The Conservative government will speed up the average time it takes to sign off major infrastructure projects from four years to one.

Business Impact

There will be opportunity for public-private partnerships in several industries such as transport, telecommunication and energy.

Under these plans firms could have shorter timelines for infrastructure projects approved for construction, which will in turn reduce the cost of infrastructure by allowing quicker changes to consented projects.

Please see the Investment Tax Incentives section of this document for more information on freeports and business rates retention zones ([linked here](#)).

LABOUR

Source:
The Labour Party Manifesto 2024
June 13
Pages 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41 and 42.
([linked here](#))

Policy

"Strategic Partnership Through Industrial Strategy"

Labour plan to work with industry to upgrade our national transmission infrastructure and rewire Britain.

Labour plan to develop a ten-year infrastructure strategy and National Infrastructure and Service Transformation Authority, to set strategic infrastructure priorities and oversee the design, scope and delivery of projects.

Labour proposes to reform the railways and bring them into public ownership.

Labour plans to develop a long-term strategy for transport, ensuring transport infrastructure can be delivered efficiently and on time.

Labour proposes to pledge £1.5bn to build battery factories focusing on the automotive industry.

Business Impact

Firms can expect reforms in the design, planning and delivery of infrastructure projects to which will speed up the delivery and approval of such projects.

The creation of the infrastructure strategy will guide investment plans and give the private sector certainty about project pipeline. Creating clear policies and procedures will enable increased investment in the sector as projects will be delivered on time.

Firms can be prepared to work closely with the government to resolve challenges faced on project delivery.

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PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Financial Institutions

Financial Sector and Regulations

CONSERVATIVES

Source:
Conservative Party Manifesto
2024 June 11, pages 10 and 11
([linked here](#))

Policy
To ensure the UK is a world leading global financial hub the Conservatives plan to:

- Build on the policies in the Edinburgh Reforms advanced in 2022 by implementing the Mansion House reforms outlined in 2023;
- Transform the regulatory landscape; and
- Explore a retail sale of NatWest shares.

Business Impact

Collectively, the Edinburgh and Mansion House Reforms could reshape the financial sector, increasing the UK's competitiveness.

The challenge, however, is time. As highlighted by the Treasury Committee report in December 2023, there has been little progress and therefore limited economic impact of certain proposals.

Amending financial rules and raising employee thresholds to alleviate the reporting obligations on medium-sized companies may cultivate a pro-business climate, tempting businesses to build and list companies in the UK.

Further reducing the government's stake in the bank could further mitigate losses incurred from the financial crisis bailout of the then RBS Group and attract retail investors (though returns on bank stock has been modest since the global financial crisis). However, retail investors and their financial advisers are increasingly risk averse on investment in this sector.

LABOUR

Source:
Labour Party Manifesto
2024 June 13, pages 28, 29, 57 and 122
([linked here](#))

Financing Growth: Labour's plan for financial services
2024 January 1, page 11
([linked here](#))

Policy

Labour outlines several priorities to drive financial growth including:

- Growing regional financial sectors across the country;
- Becoming a world leader in sustainable finance through a green finance regulatory framework;
- Embracing innovation and fintech (e.g., Open Banking and Open Finance);
- Reviewing the pensions landscape and increasing investment from pension funds; taking a more cohesive approach to financial regulation;
- Building better business partnerships; and
- Increasing female representation across the financial services sector.

Business Impact

A recurring theme in the Labour Manifesto is to leverage the financial services sector to unlock more business investment (domestic and foreign) to deliver growth across the wider UK economy. As suggested in the Labour Manifesto, "*ensuring a pro-innovation regulatory framework*" could create an environment which allows investment to flow more freely.

To convert the UK into a leading destination for capital investment into green technology and infrastructure it plans to:

- Extend covered bonds to green assets, enabling banks and insurance companies to lend and borrow more affordably; and
- Address regulatory rules to attract patient capital and institutional investment for green assets.

There is a clear priority to identify avenues for public-private partnerships and to channel private investment into British industry. There are also incentives for new and existing businesses entering the green economy. Although positive, the main questions surround implementation and the speed at which some of these proposals can be delivered and therefore as impactful.

Economic Growth and Investment

CONSERVATIVES

Source:
Conservative Party Manifesto 2024 June 11, page 7
([linked here](#))

Policy
The Conservative Party intends to connect the BBB with private sector fund managers to secure a £250 million Invest In Women Fund.

Business Impact

It is assumed that this proposal would build on the British Business Bank's (BBB) current efforts – the [Investing in Women Code](#) – to further address the disparity in investments between businesses established by male and female entrepreneurs.

There is limited detail on how the initiative would work or how success would be calibrated but its commitment to championing women in business is consistent with a diversity strategy aimed at increasing the sources of perspective and opinion on innovation and business leadership.

Business Impact

Stronger fiscal policy will limit market volatility and instability in response to key events and government decisions but may in turn constrain growth. Improving the discretionary implementation of fiscal policy may create a more predictable financial landscape, enabling investors and businesses to make long-term decisions but lower volatility and risk is usually accompanied by lower returns.

LABOUR

Source:
Labour Party Manifesto
2024 June 13, pages 19, 21, 126 and 127
([linked here](#))

Policy
The Labour Manifesto proposes to deliver economic stability by:

- Upholding fiscal rules to manage a sustainable debt level;
- Enabling the Office for Budget Responsibility to independently publish forecasts for government decisions; and
- Targeting stable inflation at 2 per cent.

Business Impact

Stronger fiscal policy will limit market volatility and instability in response to key events and government decisions but may in turn constrain growth. Improving the discretionary implementation of fiscal policy may create a more predictable financial landscape, enabling investors and businesses to make long-term decisions but lower volatility and risk is usually accompanied by lower returns.

Source:

Labour Party Manifesto
2024 June 13, pages 26, 28, 31, 32 and 55
([linked here](#))

Policy

Labour intends to harness private investment through:

- Economic regulation and planning reform, making it easier to attract investment;
- Establishing a National Wealth Fund to unlock £3 of private investment for every £1 of public investment; and
- A £500 million annual "British Jobs Bonus" to award grants to companies entering the clean energy sector.

Business Impact

Clearer policies and regulations can provide certainty and opportunities for greater inward private investment. These proposals intend to lure businesses and investors back to the UK market with incentivised initiatives, focused on long-term solutions and projects.

If the proposed planning and housing reforms to effect, these should yield new investment opportunities as financial institutions (FIs) stand to benefit from greater lending activity.

The focus on public-private partnership is a re-adoption of economic strategies common in the Blair/Brown era and continued under the coalition and Conservative administration so cannot be regarded as exclusively a Labour strategy.

PRACTICE GROUPS

Public
Law

Investigations

Tax

Employment
& Pensions

Consumer Goods
& Retail

Energy, Mining
& Infrastructure

Financial
Institutions

Healthcare &
Life Sciences

Technology,
Media &
Telecommunications

SPOTLIGHT ON

Financial Institutions

Economic Growth and Investment (cont)

CONSERVATIVES

Source:
Conservative Party Manifesto
2024 June 11, page 10
([linked here](#))

Policy

The Conservatives plan to help grow the economy through varying means which include:

- Establishing new trade links and entering new Free Trade Agreements (FTAs) with India and with the Gulf Cooperation Council (GCC), among others;
- Building on the Trade and Cooperation Agreement (TCA) with the EU; and
- Capitalising on Brexit reforms to reduce the regulatory burden on businesses.

Business Impact

The GCC members – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates – are home to significant private investors and sovereign wealth funds but are also becoming attractive outbound investment targets in their own right.

Given the region's economic growth and diversification away from strictly fossil fuels into new markets and industries (notably renewables, financial services, and technology), this represents a significant economic opportunity on both sides of the table for businesses and investors.

Similarly, reducing regulatory burdens would theoretically enable more businesses to prioritise what matters most: delivering products and services to stimulate growth across the economy.

Given the lack of detail in respect of the TCA proposals, the degree to which this might be achieved and what knock-on effects this could have on different segments of the financial sector (and businesses more widely) remains to be seen.

The UK's equivalence decision for EEA investment funds ensuring EEA-based funds enjoy continued access to UK investors without additional compliance obligations is a positive step. But monitoring regulatory divergence will be critical for any multinationals operating across the Continent to ensure compliance with competing obligations should these arise; for instance, reporting obligations for public and private securitisations, payment services, sustainability disclosure requirements and green finance.

Source:
Conservative Party Manifesto
2024 June 11, pages 30, 31, 32 and 33
([linked here](#))

Policy

The Conservatives will develop the defence sector to protect British interests and modernise the Armed Forces, including:

- Increasing defence spending to 2.5% of GDP by 2030;
- £10 billion investment in munitions production to boost the defence industrial base;
- Prioritising growth in UK industries to become the largest defence exporter in Europe by 2030;
- Delivering a new integrated procurement model; and
- Confirmation that defence investment is aligned with ESG principles.

Business Impact

The nature of modern warfare means the UK will need to adapt with new technological and digital capabilities. The Conservatives have identified R&D is a key area for investment as new weapons systems and emerging defence technologies are needed alongside more traditional technological and digital products. With a streamlined procurement process, defence contracts would create opportunities for new entrants and businesses across the supply chain.

By committing to invest £10 billion the Conservatives are sending a signal to the defence industry that there is strong interest in cultivating long-term partnerships with companies and suppliers who create jobs in the UK.

Although perceived as controversial in some corners, ensuring that the country's defence is considered a social factor and therefore a sustainable investment under ESG principles would likely drive private investment into defence companies and the industry.

LABOUR

Source:
Labour Party Manifesto
2024 June 13, pages 29, 36 and 79
([linked here](#))

Financing Growth: Labour's plan for financial services
2024 January 1, pages 20-22
([linked here](#))

Policy

Labour's proposals to deliver capital reform would include:

- Adopting the Solvency UK reforms to eliminate blockades and release capital from insurers;
- Reshaping defined contribution pension schemes to enable greater consolidation across retirement savings and pension schemes; and
- Conducting a review of the pensions landscape and identifying ways to increase investment from pension funds.

Business Impact

It is understood that a proper evaluation on how to deliver better value for pension funds and subsequent reform to pension schemes would increase investment. The central concern will be balancing risk profiles with longer-term investments into illiquid assets.

The Solvency UK reforms intend to retain high levels of protection for policyholders while creating productive finance investment opportunities. The Association of British Insurers estimates these measures could result in [£100 billion](#) invested across the next decade.

Source:
Labour Party Manifesto
2024 June 13, pages 35 and 36
([linked here](#))

Financing Growth: Labour's plan for financial services
2024 January 1, pages 9, 11 and 21
([linked here](#))

Policy

The Labour Manifesto details intentions to improve the BBB's operations, making it easier for SMEs to access capital. The plans also include widening the BBB's remit with a longer-term business plan to give investors and businesses more certainty.

Under Labour's proposals, more investment allocation targets would be introduced across regions and opportunities to offer match funding for seed funds will be explored.

Business Impact

One of the BBB's priorities is growing a green economy through financing. Broadening access and helping more SMEs transition to net zero, could lead to attractive investment opportunities.

SMEs which are created with a sustainable purpose could become targets for green deals and leveraged for strategic alignment as ESG-driven investing becomes more prominent.

Green Economy

LABOUR

Source:
Labour Party Manifesto
2024 June 13, pages 49 and 50
([linked here](#))

Financing Growth: Labour's plan for financial services
2024 January 1, pages 16 and 17
([linked here](#))

Policy

Labour seeks to position the UK as a leader in sustainable finance by:

- Harmonising sustainability disclosure standards;
- Working with FIs to create new financial products; and
- Mandating regulated FIs (and FTSE 100 companies) to deliver credible transition plans aligned with the Paris Agreement.

Business Impact

The UK is losing capital in green investment to the EU and US which, along with other jurisdictions, have already introduced legislation to help de-risk and incentivise investment into the green economy. Labour's regulatory proposals could reverse this trend, providing more certainty and clarity for investors to attract global capital.

Transitional financial services and products represent a source of revenue growth for FIs considering the level of financing required, especially across higher-emitting sectors of the economy.

However, FIs must be live to the legal, regulatory and reputational risks associated with transition finance. Robust governance processes are required, and transition plans must be properly scrutinised. These proposals deliver a significant regulatory burden for FIs and revenues could be materially impacted by enforcement costs in the event of regulatory breach.

At the same time, mandating transition plans for all FIs (which may need to be disclosed in certain jurisdictions) will be challenging given the nature of financed emissions; number of portfolio/customer evaluations required, and reliance on client data which may not be comparable.

PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

SPOTLIGHT ON

Financial Institutions

Other

CONSERVATIVES

Source:
Conservative Manifesto Party 2024 June 11, page 11 ([linked here](#))

Policy

The Conservative Manifesto also proposes to make government more efficient and cut bureaucracy by:

- Reining in quango spending; and
- Halving the amount of taxpayers' money spent on external consultants.

Business Impact

As of June 2023, the Cabinet Office reported that there are [308 arms-length bodies \(ALBs\)](#) compared to 832 in 2009. The Cabinet Office's most recent figures show that annual spending totalled [£224 billion in 2020](#). However, the Conservative Manifesto does not detail how it intends to reduce this spending or which ALBs would be targeted.

Source:
Conservative Manifesto Party 2024 June 11, page 11 ([linked here](#))

Policy

The Conservatives have stated the party's intentions to balance workers' rights whilst limiting industrial action in public services by implementing the Minimum Service Levels legislation.

Business Impact

Public strike action indirectly impacts the financial sector, resulting in higher costs to businesses through lost revenue, decreased productivity, disrupted supply chains and indirect work absences.

The Centre for Business and Economic Research (CEBR) estimated that the 3-day rail and train strike action in the summer of 2022 cost the economy [£94 million](#) and at least at least [£17 billion](#) across 2022. It is difficult to quantify the reputational cost or degree to which strike action acts as a deterrent to foreign investment.

LABOUR

Source:
Labour Party Manifesto 2024 June 13, page 39 ([linked here](#))

Policy

Labour intends to revamp and make the government's existing 'Freedom to Buy' mortgage guarantee scheme, scheduled to end in June 2025, permanent. The scheme is primarily aimed at first-time buyers and those struggling to access the property ladder.

The manifesto also proposes to restrict the pre-sale of new developments to international investors before local residents are given the chance to buy.

Business Impact

Banks and lenders in this market will benefit from reduced risk exposure by offering loans backed by a government guarantee. This could be a revenue generator should lenders choose to capitalise by selling other products and services to these buyers.

In tandem with proposals on planning reform, a significant increase in construction and development could significantly stimulate the real estate finance sector.

However, restricting the ability for international investment in pre-sale property could impact lending for property development projects. Lenders often rely on pre-sales in lending decisions to help mitigate risks and assess project viability.

Source:
Labour Party Manifesto 2024 June 13, page 10, 19, 35, 36 and 129 ([linked here](#))

Let's Get Britain's Future Back Date TBC, pages 4 ([linked here](#))

Policy

During Covid-19 spending limits on external consultants were relaxed and only required central approval when contracts exceeded £20 million ([formerly £600,000](#)).

As part of its economic stability proposals, to address this, Labour plans to:

- Halve government consultancy spending;
- Introduce additional spending controls;
- Overhaul the procurement process; and
- Remove access to public contracts via ministerial connections.

Business Impact

Businesses and consultants often assist government by providing specialist expertise and can execute large-scale and complex projects.

This proposal may inadvertently present challenges for both government and business, limiting the ability for businesses to step in and help government solve challenges facing the public sector.

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PRACTICE GROUPS

Public Law

Investigations

Tax

Employment & Pensions

Consumer Goods & Retail

Energy, Mining & Infrastructure

Financial Institutions

Healthcare & Life Sciences

Technology, Media & Telecommunications

Healthcare & Life Sciences

Investment in AI, Life Sciences, Research and Tech

CONSERVATIVES

Source:
The Conservative Party Manifesto
2024 June 11, page 9
([linked here](#))

Policy

The Conservatives intend to focus on Artificial Intelligence (AI). They pledge to support funding in science, innovation and business research and development (R&D) by:

- Increasing public spending on R&D to £22 billion a year (currently £20 billion this year);
- Investing over £1.5 billion in large-scale compute clusters;
- Pushing forward with the Advanced Manufacturing Plan which is a £4.5 billion commitment to secure strategic manufacturing sectors including automotive, aerospace, life sciences and clean energy; and
- Distributing £1.6 billion of funding by 2028 to support innovation.

Business Impact

The Conservatives have stated that they want to provide funding and support into R&D of life sciences whilst also maintaining "nimble and agile" regulation.

This suggests that the Conservatives do not intend to restrict regulation to the detriment of the healthcare and life sciences sector. In that regard, businesses will be incentivised to develop new products and services. Increased R&D funding in life sciences can drive innovation and encourage companies to develop new technologies which address key challenges (e.g., new medical treatments, diagnostic tools and sustainable tech).

LABOUR

Source:
The Labour Party Manifesto
2024 June 12, page 97
([linked here](#))

Policy

Labour's manifesto states that data and life sciences have the potential to transform the NHS, they give the example of the government and industry partnering together for the development of the Covid-19 vaccine.

Therefore, Labour has stated that it will pledge to develop life sciences within the NHS, providing a clearer route for products into the NHS, with reformed incentive structures which drive innovation. Labour intends to implement faster regulatory approval for new technology and medicines.

Business Impact

These manifesto pledges aim to quicken regulatory approval to keep pace with new technology and medicines.

Faster regulatory approval should help firms in the healthcare and life sciences sector to develop medicines and products more efficiently. Accelerated product development coupled with a reduced product time to market will benefit first movers who can capture market share to gain a competitive advantage.

However, should Labour come to power, businesses should monitor developments in this space to evaluate these proposals with greater detail.

MedTech

CONSERVATIVES

Source:
The Conservative Party Manifesto
2024 June 11, page 41
([linked here](#))

Policy

The Conservatives have pledged to invest in the NHS whilst also allowing for co-operation within the private healthcare sector. Some of these pledges are detailed below:

- Deliver 40 new hospitals by 2030 and invest proportionately in out-of-hospital services over time;
- Promote patients' right to choose services they receive from either the NHS, charity or the independent sector;
- Replace tens of thousands of outdated computers and fund technology to help clinicians read scans more efficiently;
- Remove obstacles (e.g., the NHS Budget Impact Test) enabling new medicines and medtech, including AI, to be adopted in the NHS more rapidly; and
- Finalise the introduction of a new licensing scheme and age limits for non-surgical cosmetic procedures.

The Conservative Party has also indicated its intention to leverage the UK's exit from the EU as an opportunity to diverge from EU medical regulations to support research into treatments such as Parkinson's, motor neurone disease and to secure more commercial clinical trials.

Business Impact

Several of these proposals could create new business opportunities across the sector. For instance, the commitment to build new state-of-the-art hospitals will not only require physical assets—medical technology and products—but also investors and property developers.

The medtech needed to improve efficiencies across the NHS is a lucrative opportunity and revenue generator given the value of IP rights and licensing deals.

However, as a majority of non-surgical cosmetic procedures are conducted by private providers, a new licensing scheme may result in additional costs for those businesses but more likely result in reduced need for product supply.

If the Care Quality Commission's (CQC) remit is expanded, there may be new administrative burdens on service providers. We [previously indicated](#) the potential impact a new licensing regime might have on the aesthetics sector.

SPOTLIGHT ON

LABOUR

Source:
The Labour Party Manifesto
2024 June 12, pages 96-97, 127
([linked here](#))

Build an NHS Fit for the Future
2024 February 5, pages 9-11
([linked here](#))

Policy

Labour has indicated an intention to focus on developing trials and expanding research within the NHS. Furthermore, one of its key pledges is to modernise the NHS through a variety of means which would include:

- Harnessing data and digital technology to connect different parts of the service;
- Leveraging the NHS Digital Transformation Fund to digitise medical records and improve patient engagement;
- Working with the CQC and revising procurement procedures to provide a clearer path for new products and technologies into the NHS; and
- Investing £171 million annually in a new 'Fit for the Future Fund' to double the number of CT and MRI scanners, to help identify cancer and other conditions earlier.

Business Impact

Labour aims to increase funding in diagnostic support which means increased demand on diagnostic medical tools and devices.

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Healthcare & Life Sciences

Technology, Media & Telecommunications

Technology, Media & Telecommunications

Investing in Infrastructure

CONSERVATIVES

Source:
Manifesto 2024, June 11, page 7
([linked here](#))

Policy

The Conservative Party aims to achieve at least 85% gigabit broadband coverage across the UK by 2025, and nationwide coverage by 2030.

The Conservatives also aim for all populated areas to be covered by 'standalone' 5G mobile connectivity and to "keep the UK at the forefront of adopting and developing 6G".

Business Impact

Businesses active in telecommunications, particularly those who provide products and services to the public network may see additional opportunities with the implementation of wider coverage across the UK.

LABOUR

Source:
Labour Manifesto 2024, June 13, page 32
([linked here](#))

Policy

The Labour Party plans to fulfil the ambition of full gigabit broadband and national 5G coverage by 2030.

Business Impact

In a similar manner to the target of the Conservative Party, this plan may provide opportunities for firms active in telecommunications, particularly those who provide products and services to the public network.

Innovation

CONSERVATIVES

Source:
Conservative Manifesto 2024, June 11, page 9
([linked here](#))

Policy

The Conservative Party plans to increase public spending on R&D to £22 billion a year over the next Parliament, up from £20 billion in 2024.

The Conservatives also promise to retain recent changes to R&D tax reliefs, which they maintain have simplified and improved this aspect of the tax system, including by bringing more SMEs into the scope of the relief.

The Conservatives plan to continue investing over £1.5 billion in large-scale computer clusters, with a view to taking advantage of the potential of AI and to supporting research into its safe and responsible use.

Following the development of the Catapult Network, which brings nine leading technology and innovation centres together, the Conservative Party have pledged to support innovation and de-risk the transition from research and delivery by distributing £1.6 billion of funding across the country by 2028.

Business Impact

Depending on where any additional public spending is allocated, firms whose businesses involve substantial R&D may see additional opportunities to work in collaboration with a Conservative Government or be eligible for additional funding.

If tax reliefs continue to be available, businesses may be able to benefit from them, and SMEs may be able to benefit from a change in scope.

LABOUR

Source:
Labour Manifesto 2024, June 13, page 35
([linked here](#))

Policy

Labour have committed to implement an industrial strategy that supports the development of the Artificial Intelligence (AI) sector and removes planning barriers to new datacentres.

The Labour Party have stated that they will create a National Data Library to bring together existing research programmes and help deliver data-driven public services.

Labour have pledged to implement 10-year budgets for key R&D institutions in place of shorter terms.

Labour have said that they will work with universities and industry to support start-ups.

Labour will create a new Regulatory Innovation Office, bringing together existing functions across government. They have pledged to introduce binding regulation on those developing the most powerful AI models.

Business Impact

Businesses should be aware of how the Labour Party intend to regulate technology, particularly AI. This may not only affect those who develop AI, and particularly Generative AI, but also any firms who wishes to bring GenAI systems into their day-to-day environment. Additional regulation may lead to further legal obligations.

Labour's proposals may also generate opportunities for those in the business of building datacentres, as well as those offering data management solutions.

Protecting Children Online

CONSERVATIVES

Source:
Conservative Manifesto 2024, June 11, page 19
([linked here](#))

Policy

The Conservative Party have stated that they will committed to legislate to ban mobile phones in the school day, and consult on introducing further parental controls over access to social media.

Business Impact

Firms who own major social media platforms will need to understand if new rules and regulations require amendment to the functionality of their products, and where the responsibility lies in complying with any new legislation.

Transforming NHS Technology and Productivity

CONSERVATIVES

Source:
Conservative Manifesto 2024, June 11, page 41
([linked here](#))

Policy

The Conservative Party have said that they will invest £3.4 billion in new technology with a view to improving productivity and unlocking savings of £35 billion by the end of the decade. They propose to:

- Make the NHS App the single front door for NHS services;
- Use AI to save time;
- Replace outdated computers, and digitise NHS processes through the Federated Data Platform; and
- Fund technology to help clinicians read MRI and CT scans more quickly and accurately, aiming to speed up results for 130,000 patients every year.

Business Impact

Whilst the Conservative manifesto does not go into detail on how the commitments will be implemented, there are likely to be public procurement opportunities for firms who are present in the healthcare, data and technology development industries.

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Technology, Media & Telecommunications

Creative Industries

CONSERVATIVES

Source:
Conservative Manifesto 2024, June 11, page 70
([linked here](#))

Policy

The Conservative party propose to work with industry to deliver a dedicated flexible coordination service so that everyone who wants to work in the film, TV, gaming and music sectors can work on live productions whilst benefiting from at least 12 months of secure training.

- The Conservative Party have stated that they aim to ensure that the creative sector tax incentives remain competitive.
- The Conservative Party has committed to protect creators and make the most of opportunities for AI.

Business Impact

Businesses involved in live production industry will need to understand how secure training will be implemented and delivered. There may be employment issues to navigate.

Any change in tax incentives for the creative sector may provide opportunities for savings or additional obligations for firms.

Consistent with the above, firms developing Generative AI may see opportunities within the creative industry but must be aware of any change in regulation and enforcement.

Public Procurement

CONSERVATIVES

Source:
Conservative Manifesto 2024, June 11, page 7
([linked here](#))

Policy

The Conservatives plan to work with public sector organisations, including local authorities and NHS trusts and companies benefitting from government contracts, to ensure that procurement opportunities are focused on SMEs in their local economies where possible and practical.

Business Impact

The Procurement Act 2023 (which was passed before the announcement of the election) will bring in significant reform to the UK's public procurement regime. It is therefore unlikely that these proposals will involve further legislative change.

As such, the focus on offering greater opportunities to SMEs (which has been a long-standing aim of UK governments) is likely to come via a future Conservative Government's National Policy Statement, which contracting authorities are required to have regard to under the new Act.

LABOUR

Source:
Labour Manifesto 2024, June 13, pages 35, 36 and 97
([linked here](#))

Policy

The Labour Party proposes to simplify procurement processes to support innovation and reduce micromanagement for universities and R&D institutions. Labour also plans to reform procurement rules to give SMEs greater access to government contracts.

As part of its proposed NHS innovation and adoption strategy in England, Labour have said that it will include a plan for procurement with a view to giving a clearer route to get products into the NHS.

Business Impact

It is unclear from Labour's manifesto exactly what mechanisms they will use to pass such reforms, and whether this will involve further legislative change, or be effected via a Labour Government's procurement policy. Businesses will need to be cognisant of how any such changes tie in with the incoming reforms engendered by the new Act.

In any case, these proposals may give rise to opportunities for tech companies that supply universities or R&D institutions, as well as those who contract with the NHS. It may also lead to greater access to public contracts for SMEs.

SPOTLIGHT ON

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