

If the Labour Policy Review meeting on tax is an indica...

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UPDATE: 11.35 am

I have just been asked to speak at this meeting.

Labour is planning a 'One Nation' tax event. I get sent the details. It says:

Monday April 29

A One Nation Tax System

4.30-6pm Committee room 10

Speakers. Catherine McKinnell (Shadow Exchequer Secretary to the Treasury), Paul Johnson (Director, Institute of Fiscal Studies), Chris Wales (Adviser, PWC) Chair. Kitty Ussher (Labour in the City, Smith Institute)

If you would like to attend please email onenationregister@gmail.com with subject header TAX

Labour Policy Review organised with Labour in the City and the Labour Finance and Industry Group

Britain's tax system needs to support a fairer and more dynamic, wealth creating economy. What kind of tax system fits with the values of One Nation Labour and are there lessons to be learnt from the Mirrlees Review in any future Labour tax reform?"

It's such an inside event they don't even specify where Committee Room 10 is (it's the House of Commons). But that's not the point. The real issue is that, so far as I know, this is the only tax event planned to date by the Jon Cruddas policy review team and the invited speakers all have a track record of being pro-City and anti-corporation tax, as, fundamentally, [is the Mirrlees review itself](#). It would, in fact have been hard for

Labour to have chosen a more inappropriate line up to discuss this issue at this time.

Chris Wales, a former Arthur Andersen partner, was chief tax adviser to Gordon Brown. He is known to have been heavily in favour of the disastrous merger of the Inland Revenue and HM Customs & Excise - which was designed to bring tax under Treasury control. No doubt he also advised on the Labour policy of offering low capital gains tax rates - unlike the Tories before them - a policy that has massively fuelled tax avoidance. When he left Brown he went to Goldman Sachs. Now he's at PWC - the very last people who should be advising Labour on tax, as Margaret Hodge MP has made all too clear.

But most notoriously, [he was the driving force behind the Oxford Centre for Business Taxation](#). This centre, backed with £5 million of FTSE money, has been the epicentre of the drive to undermine the effectiveness of the UK corporate tax system since its inception. Wales has himself told me, in Oxford, that the aim for the UK has to be a corporation tax rate of not more than 15%. Oxford supports tax havens, vigorously. It seeks to undermine all serious estimation of the tax gap or its significance. It has done its best to challenge the idea that developing countries are exploited by the international tax system. Its director, Mike Devereux, wrote in the FT in December [that the best way to reform corporation tax was to abolish it](#). A man more out of step with where Labour needs to be on tax is hard to imagine.

So too the IFS I'm afraid. Devereux headed their work on the Mirrlees report which recommended exempting large parts of corporate income from tax.

As for Kitty Ussher, she was the most pro-City of all the New Labour ministers, falling over herself in her desire to ingratiate herself with it in ways now so discredited. Since leaving office [she has supported Labour in Black](#) - the group whose aim is to import George Osborne's economic policies into Labour wholesale.

Add these three together and you have a pro-City, pro-tax haven, anti-corporation tax, pro-austerity, pro big business tax cut line up that is about as far removed from public sentiment and where Labour needs to be as it could be possible to find.

There is no hint of the tax justice agenda here, although I have met Jon Cruddas during this review.

There is no hint of the direction of travel that Margaret Hodge has taken the UK down on this issue.

There is no hint of the tax gap issue.

Instead there is just the bankrupt policies of failed neoliberal New Labour. And in that case I'm entitled to ask what is going on, as I already have of Jon Cruddas, who has not replied.

If this is where Labour is going then it deserves to be condemned by all with an interest in tax justice - because this is a sell out of the worst sort imaginable.

I'd recommend two things. First, [my submission for Unite to the Labour policy review](#). Second, chapter eight of '[Over here and under-taxed](#)'. In both there's an agenda for Labour to really pursue. The one that it looks like it's taking is a sure path to austerity, failure, inequality, unemployment, increased tax for ordinary people in this country and despair. And no one should expect me to shut up about that. Because I won't.