

Funding the Future

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Labour [has issued some new policy documents today](#). I, inevitably, [followed up that on the economy and tax](#). In it Labour says:

The next Labour Government will take action to develop a system which is robust and effective in the modern world, which supports investment and job creation, and deals effectively with the complexities of international business. It must be fair to all and transparent, so that it can be better understood by the public. We will consider how greater transparency around revenues, profits, and taxes paid could be delivered domestically if international agreement takes time to be reached. We will also examine the international lessons on how we can improve transfer pricing rules, so that the way in which companies allocate their profits for tax purposes is fair.

"These are the tax facts Labour should stand by and they have the aim of delivering:
- A progressive tax system that is fair to all
- A level playing field for all business
- Strong support for a stable economy
- Stability in the future" Unite

I welcome the first paragraph: it signals moves that are firmly in the right direction.

I also though I recognised the second paragraph from Unite, and then realised I wrote it ([page 11, here](#)).

This statement is also welcome:

Labour supports tough penalties on tax evasion and relentless action to close down loopholes that allow people and businesses to unfairly avoid tax. The current government is failing to tackle tax avoidance and evasion, with the value of the tax gap now £35 billion.

I do not, of course, agree with that last figure, but Labour's tough stance on this issue is welcome, as is there openness to listen to the issues.

They also such a commitment to provide the resources to tackle the tax gap:

We need to ensure that HM Revenue and Customs has the right resources, expertise and specialists in different sectors

Whilst Labour has not succumbed to the prime minister's absurd claim that the UK now has no tax havens, saying:

The next Labour Government will also ensure that action to tackle tax havens and tax avoidance is top of the international agenda. This will require work at a domestic, EU and international level, including looking at Britain's Crown Dependencies and overseas territories. We will prioritise increasing transparency in the Crown Dependencies and overseas territories, including requiring UK tax havens to reveal the identity of British tax evaders. Leading by example is the best way to make the case for a proper EU regime. However, such an approach should not be at the expense of working towards international agreement on those important issues.

It is only fair to note that there has been progress on this issue under the current government: the commitment to maintain it is what is significant. The current government does already appear to have lost that commitment. It is, for example, now a major opponent of country-by-country reporting in Europe.

There is marked contrast between the parties here so I looked up Labour's policy on tax havens which is in a document called "[Tax avoidance: tax havens](#)" published by the Stability and Prosperity Policy Commission in 2013. There I found another familiar quote:

"Whilst it's true that no-one loves tax what is becoming clear is that people — not just activists, but ordinary people up and down the UK — do not like tax cheats and realise that the time has come to address the problems that they create in the UK economy. The time for a new approach to tax has arrived."

That's also by me ([page 9](#)) and there are others from me in there too.

But what I really like is quote in there not written by me:

"There could be a 'Gold Star' system for businesses who pay their full tax."

Liz Tams

Is Labour backing the [Fair Tax Mark](#)?

Having said which, can I make clear I am not a member of any political party and will work with any non-racist politician on tax issues if they ask for reasonable assistance.

I was paid to write [the Unite submission](#).