

Tackling the economy in the first 100 days of a new gov...

Published: January 15, 2026, 8:36 pm

The [following blog was posted on the CLASS website yesterday](#) and is by my friend and occasional co-author, [Howard Reed](#), who is Director of Landman Economics, which specialises in policy analysis and complex econometric modelling. The views are Howard's, but I thought them worth sharing as some very definitely echo work we have done together or that will be familiar to readers of this blog:

Britain faces an unprecedented multi-dimensional economic and social crisis — the bitter harvest of forty years of neoliberal policies compounded and exacerbated by five years of Conservative/Liberal Democrat coalition government. Accordingly, to be effective a new progressive government needs to take action from day one on several fronts at once. It will take decades to undo all of the damage of the post-1979 shift to the right, but much can be done in the first 100 days to begin that process. Six crises in particular need to be addressed.

First, the crisis in the social security system. Cuts to benefits and tax credits for working age families have pushed hundreds of thousands of families further into poverty. A new government should reverse all cuts to benefits and tax credits which have impacted families at or below median incomes. The introduction of Universal Credit should be halted until it is redesigned to be substantially more generous so that no low-income families lose out from moving to this system. The sanctions regimes for Jobseekers Allowance and Employment and Support Allowance, which are draconian, sadistic and ineffectual, should be abolished. The government should also commission new research on the introduction of a Citizens Income — a non-means-tested benefit aiming to lift all families in the UK above the poverty line. A White Paper should be produced within 18 months, and an implementable scheme to replace most of the current social security system within 3 years.

Second, the crisis in the tax system. Successive increases in the tax-free personal allowance and cuts to corporation tax under the Coalition government have meant that the tax system no longer raises enough revenue to fund high-quality public services. To reverse these trends, personal tax should be redesigned, with the merger of the income tax and national insurance systems so that income from investments is taxed at the

same rate as income from earnings. The system should feature gradually rising rates to ease the burden on low-to-middle earners and increase it for high earners. The top rate of the new combined income tax should be raised to 65 percent for earnings over £250,000 per year. A General Anti-Avoidance Rule should be introduced to minimise avoidance and evasion of taxes. Council Tax should be abolished and replaced with a progressive tax on property values with the government conducting a revaluation of properties in England within the first six months of its term. The government should also prepare a White Paper on the introduction of a land value tax to replace conventional property taxes. Finally, corporation tax should be redesigned with higher rates for less competitive sectors of the economy (to discourage profiteering) but increased allowances for research and development (R&D) and capital investment.

Thirdly, the crisis in our public services. The Coalition has deliberately underfunded many public services, especially those maintained by local government, in the hope of being able to exploit public dissatisfaction with poor service quality by blaming the public sector workforce and trade unions as a pretence for further outsourcing, privatisation and funding cuts. A new progressive government should undertake to reverse the post-2009 cuts to public services and to begin transferring services back in-house. The UK arms of outsourcing companies such as Serco and Capita should be taken into public ownership to facilitate this process. 30,000 extra staff should be recruited at HMRC to assist with the anti-avoidance crackdown. Quasi-privatisations such as the academies and free schools programme in education should be reversed, with schools reverting to local authority control. Utilities such as the rail network and electricity, gas and water should be taken back into public ownership. The government should announce its outright opposition to the Transatlantic Trade and Investment Partnership (TTIP) free trade agreement and should state that if sued by multinational corporations under the ISDS (Investor-State Dispute Settlement) provisions of TTIP, it will simply refuse to pay up, on the grounds that it is unethical to extract money from hard-pressed taxpayers to fill the pockets of corporate 'fat cats'.

Fourth, the housing crisis. Since the early 1980s the social housing sector has been in decline due to the Right-to-Buy local authority housing and failure to build enough housing association homes to compensate for the decline in local authority housing stocks. The result is a massive crisis of availability in the social housing sector, compounded by high rents and poor tenancy conditions for private tenants. The Government should fund a massive investment in social housing construction, aiming for a million new social housing units over the next five years. This should be combined with reforms to tenancy laws to shift power from landlords to tenants, and rent controls in high-rent areas of the UK to restrict excess profiteering by landlords.

Fifth, the low wage crisis. Since 2008, average wages have declined by over 10 percent relative to consumer prices. To reverse this trend, the Government will need to end the public sector pay freeze which has been in effect since 2010, and instead commit to raising public sector wages by CPI+2 percent each year for the next five years. The

government should offer corporate tax breaks for the re-establishment of collective bargaining and trade union recognition across the private sector. The Living Wage should be introduced on a statutory basis across the UK economy, effectively up-rating the current minimum wage by £1.35 an hour outside London, and £2.85 an hour in London.

Finally, the crisis of investment, which has been at historically low levels across the private and public sectors despite extremely low borrowing rates. The government should announce a new round of quantitative easing where, instead of the Bank of England buying private sector debt, it creates money to fund infrastructure projects including new green energy and public transport investments and a large-scale investment in social housing newbuild to ease the chronic housing crisis. A total infrastructure investment of around £50 billion per year for the next five years is what is required.