

# Policy beyond Brexit: important or irrelevant?

Blog post by Practice Lead Tom King, 3 June 2019

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With a list of candidates longer than your leg, the Conservative leadership contest is now in full swing. Unsurprisingly, many of the candidates' public statements - and the questions they're being asked by the media - relate to the looming question of Brexit. You might think in this context that talking about the details of government, like taxation and public spending, is rather like talking about the weather when there's a spaceship overhead. Nonetheless, some brave souls are taking that challenge on. Last week two major reports have emerged that may help to guide whoever grasps the chalice - poisoned or not - that awaits them in Downing Street.

The first was commissioned by the current occupant, Theresa May, and its publication one of the final lingering echoes of her original commitment to tackle the 'burning injustices' in British society. The [independent review of post-18 education and funding](#), led by Sir Philip Augar (and therefore immediately dubbed the Augar Review), is a comprehensive look at the entire tertiary education sector. That's more significant than it sounds: there hasn't been a similar review for over half a century. The focus on tuition fees in the report is a product of the circumstances in which it was commissioned: May was responding to the surge of support for Jeremy Corbyn's pledge to remove tuition fees completely.

Another was '[Firing on all cylinders](#)', written by Neil O'Brien MP for Onward, a new 'campaigning thinktank' currently in vogue with those who wish to acquire a reputation for imaginative policy. O'Brien's report is significant for two reasons: firstly, because it has the backing of no fewer than five (count them) Conservative leadership candidates, and secondly, because it sets out a serious set of proposals to shift the party's position firmly back towards an expansionist, spending-driven approach to public services and the economy.

O'Brien makes many detailed recommendations, but perhaps most interesting are those on fiscal policy. He calls for a further relaxation of the rules on debt drawn up by George Osborne and followed by Philip Hammond, allowing substantial additional headroom (as much as £190 bn) in the government's spending plans. With a spending review in 2019 imminent, O'Brien emphasises the importance of returning the schools budget to its record level, recruiting more police, and expanding the UK's prison network. He also advocates significant changes to personal taxation, including increases to the national insurance threshold to help lower income families, and a new version of Universal Credit, 'UC Plus', which would substantially increase work allowances and create a separate work allowance for second earners. This addresses one of the strongest criticisms of the Universal Credit head-on.

The attempt to coin a new term - 'trickle-up economics' - is typical of think tank wonkery, but it should not be allowed to obscure the detail in O'Brien's work. Similarly, the obsessive media focus on university tuition fees is to the detriment of the Augar panel's attempt to map out a new future for the entire English post-18 education and training system. These reports are illustrative of the

desire many politicians and voters profess to feel - that politics should be about ideas to change the country for the better, rather than bitter tribalism and blind ideology.

But will they matter? That is a question for those who claim they want to lead. Can they steer the conversation back to the solid ground of policy, while the spaceship Brexit still hovers in clouded skies? Until there is certainty over the UK's place in the world, the ambition in these reports may go unfulfilled, their careful research and detailed recommendations left to gather dust.

**To receive a full briefing on either report's recommendations and their implications for investors and businesses, please contact [Tom King](#).**