

Labour Party Conference 2024

EGA round-up



Key Takeaways

- Labour headed to Liverpool to celebrate their historic election win, but the euphoria of their election victory has since been tempered by falling approval ratings and negative stories about donations and fractious relations within the prime minister's top team.
- The prime minister, chancellor and other Cabinet members tried to strike a more upbeat and optimistic tone while still emphasizing the scale of the challenge they had inherited, and warning of further "difficult choices" to come. The consciously serious tone was encapsulated by the prime minister's promise to avoid "easy answers, the politics of false hope... lies and bluster."
- The prime minister's speech landed well in the room, with numerous delegates telling EGA they welcomed its overall frankness, personal touches and plan to take the country forward. However, from outside of Liverpool, the lack of new policy announcements meant that media attention continued to focus on the donations row.
- The upcoming budget on October 30 will be a crucial moment as the Government looks to try to unlock fresh investment into public services and infrastructure spending, while maintaining economic stability and fiscal discipline.

Labour's first conference in Government

After 14 years in Opposition, the Labour Party took to the stage in Liverpool as a party of Government. It's important to acknowledge the road that took them there. Under Jeremy Corbyn's leadership, there were genuine fears that the party might never again be an election-winning force. So for the party faithful, taking a train to Merseyside to hear a Labour prime minister announce what he's going to do—not just what he would do—the relief and excitement cannot be overstated.

While this conference was always expected to be something of a celebration—and as we experienced on the ground, that celebratory mood was not hard to find—it's also important to note the seriousness with which the party leadership approached the gathering.

After years of picking apart Government policy, Labour now find themselves in the driving seat—with much work to do. Since winning power, there has been an almost relentless drumbeat of stern warnings coming out of Downing Street about the state of public services and the public finances—and the requisite "tough decisions" that must be taken in remedy. This was evident in the speeches of both the Chancellor Rachel Reeves and of Starmer himself. Both serious individuals, they laid bare the task ahead and asked their audiences to stay the course with them in order to reach the "light at the end of the tunnel."

This tone is reflective of the solemn task that the Labour Government has set itself. A wholesale restructuring of the relationship between the State and the communities it serves requires more than just valedictory speeches; it commands a hard review of the way the country is run, and—as we have repeatedly been warned—difficult choices. To govern is to choose, we are often told, and that's a message that was delivered loud and clear in Liverpool.

It is also worth remembering the point of Labour Party Conference. Unlike the Conservative Party, whose annual conference is much more akin to an American-style political convention, the Labour Party Conference is more than an annual gathering of industry representatives and Party members—it also serves a constitutional function, where policy is debated, and resolutions are proposed and voted on by delegates. In the difficult Corbyn years, this became a particularly contentious element of Conference, with debates—all televised—often descending into acrimony.

Not so, this year. The unseemly policy fights of yesteryear were largely driven by those that joined the party under Corbyn—the hard left, those more interested in ideological purism than the pursuit of change through power. They have left in droves since Starmer made it clear that his Labour Party was one where extremists—in his words—were unwelcome, and the absence of open disunity amongst delegates in 2024 was truly an illustration of how successful his reforms have been.

That said, the leadership cannot claim to have completely united the party and its wider political ecosystem behind their agenda with delegates formally adopting a Unite motion to reverse the introduction of means-testing for the Winter Fuel Allowance, and to introduce a wealth tax "on the top 1%."

The mood on the ground

This was an enormous conference with around 21,000 attendees and more exhibitors than ever before. Fringe meetings were "standing room only," with queues out the door. Crash barriers akin to a Taylor Swift or Oasis concert were in place at the (in) famous Labour Students disco.

Labour's last two Conferences had an almost unreal sense of optimism: after so long not just out of power, but in the political wilderness, they could feel the tide turning and knew they were on the cusp.

The first 48 hours of this conference had a more melancholy mood, with negative news stories dominating the days leading up to the event and many attendees unhappy about the choices of the new Labour Government. Whether over policy choices—like means-testing the Winter Fuel Allowance, or personal choices like accepting donations of designer clothes and concert tickets by the prime minister and others—people felt grumpy. Where was the plan for government? Was there ever really a "first hundred days" grid? Has the goodwill of the public been squandered?

There was never going to be a policy blitz in the speeches of Cabinet Ministers. With three major economic events coming up: the Investment Summit on October 14, and the Budget and first stage of the Spending Review on October 30. It's fair to say that after the PM's speech the mood around the conference was buoyant. Not all prime ministers are great orators—Keir Starmer's success as party leader has been built on relentlessly and ruthlessly dealing with difficult issues, rather than soaring rhetoric.

A Labour insider close to Starmer told EGA the speech was "aimed squarely at solving the country and the public's priorities." A newly elected MP welcomed the speech, telling us: "It is about time we put our struggling communities back at the heart of policymaking. This Government will provide meaningful change on access to education."

The PM's call for people to be aware of the trade-offs—whether on planning, welfare reform, migration, or any of a range of issues—was the talk of the Conference afterwards. How does the nation have this political conversation in a serious way?

Those who watched in the hall found the speech moving, personal, serious, and inspirational in its political calls, but the key question is whether it serves as a platform for the Government to regain control of the agenda.

What this means for business

The Labour Party has in recent years proudly proclaimed itself as pro-business, but what would businesses themselves have learned from their time in Liverpool?

The short answer: not as much as they would have hoped. Since early 2023, businesses have heard that a Labour Government would be mission-driven, and with that came an expectation of clarity. But as we approach the end of the first 100 days, there are still as many questions as there are answers about what this means in practice.

With the Budget a little over a month away, this Conference was always going to be dominated more by rhetoric than policy detail. Labour Ministers at various fringe events spoke repeatedly about co-creating policy, with industry involved in the process from the beginning, rather than civil servants in Whitehall making it "in a black box."

The mantra that economic growth is the number one mission of this Government was also widely repeated. Ministers sought to explain that achieving sustained growth would be underpinned by a three-stage process. First, economic, fiscal, and financial **stability**. Second, **investment** in new elements of the economic landscape, including the eagerly awaited industrial strategy, the initial plans for which will be published next month. Third, **reform** to break down barriers, in areas such as skills and planning.

If delivered, these changes would be significant. But businesses were eager to hear more at this conference on how exactly these measures will be implemented. There was a growing concern that despite the shift towards a slightly more upbeat tone in Liverpool, the headlines have been heard before and nothing new of substance on their implementation seems to be forthcoming.

Labour is eager to prove its credentials as a pro-business government, and the business community wants this Government to succeed. Consumer confidence, however, is down and concerns linger about the potential impact of the "New Deal for Working People." Also, inexplicably, the Government still lacks an investment minister less than three weeks away from hosting an international investment summit.

The Government will be hoping that the shift in tone we saw in Liverpool will have gone some way to allay these fears. Business, however, will be looking to the budget for concrete actions to back up the rhetoric of this conference.

Looking ahead to the Budget

All eyes now turn to Labour's next set-piece moment—the Budget on October 30.

Rachel Reeves' first Budget as Chancellor—and the first Labour Budget in 14 years—is one of the most anticipated fiscal events in modern times. The Budget will ultimately set the tone for the new Government's economic strategy for the remainder of this Parliament.

We know the Government intends to announce a series of further "difficult decisions" at the Budget, but exactly what? Speculation is swirling across Westminster about possible reforms to pensions relief, Capital Gains Tax, Inheritance Tax; or even the creation of a "wealth tax" to raise desperately needed funds for the Exchequer.

In Liverpool, message discipline reigned, with minister after minister urging attendees to wait until the Budget for answers to their questions, as anticipation ahead of the event grows. It's also worth keeping in mind the Chancellor's comments about "borrowing to invest." The Chancellor also hinted at significant changes she is considering to fiscal rules, which would enable the Government to move borrowing for policies like the National Wealth Fund and Great British Energy off their balance sheet. Treasury advisers are keen to emphasise that the investment card is still there to play, and next month's Investment Summit will be backed up by Government investment.

As we enter Budget month, businesses will be looking for the Chancellor to provide some certainty on where the axe will fall. Whether Starmer and Reeves can reconcile their administration's pro-business agenda with Labour's traditional concerns for the rights of working people will ultimately seal their political fortunes in the months ahead.

With every Government Department under strict instructions to play their part in pulling towards the "sunlit uplands of economic growth," the Budget needs to set the tone for economic renewal. The prize? More cash for public services, and a Government empowered to deliver on its missions. The stakes could not be higher for Rachel Reeves and her team next month.

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