



## UK election 24 Labour landslide: What's next for UK investors and business?

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After six weeks of bruising election campaigning – not to mention recent years in which politics has strained the UK's long-founded reputation for consensus and stable policymaking – the nation wakes up on 5 July with a major shift in the landscape. Keir Starmer's Labour Party has secured its much-anticipated landslide election win at the expense of the incumbent Conservative administration. We explore what we know so far about what Starmer will do with one of the largest Parliamentary majorities in British history and what the result means for business and investors amid the first full transfer of power in the UK in 14 years.

### Labour's business-friendly shift

Labour's perception among businesses has changed significantly since the 2019 election. The expulsion of former leader Jeremy Corbyn at the start of the campaign, though not for policy reasons, symbolises a genuine shift in Labour's approach to business. Key policy changes include:

- **dropping all nationalisation plans** involving transferring ownership from the private to public sector. The only remaining proposal is to bring passenger rail franchises back to the public sector upon contract expiry, without re-letting. See [Labour ditches nationalisation but investors should still \(legally\) hedge their bets](#).
- **reassurance on business tax** including commitments to cap corporation tax at 25% for the next Parliament, retaining the full expensing regime and maintaining capital allowances, R&D tax credits and the patent box regime. See [Bombshells defused? Exploring Labour's UK tax plans](#).
- **significant private sector investment welcomed** for the energy transition and other Labour priorities.

### But there will be change

While many shifts will be welcomed in corporate circles, the new Labour government will significantly depart from current UK policies, with key examples including:

- **Tougher regulation**  
While nationalisation for the UK utilities sector is off the agenda, a tougher regulatory approach

looms for them and UK business more generally. See [Life under Labour: UK regulation on the rise?](#)

- **Partnership with private sector investment**

Labour aims to attract global private investment, particularly for energy transition and infrastructure, while increasing government direction and co-investment. Initiatives like Great British Energy, a state-backed clean energy company, and a National Wealth Fund exemplify this approach. Labour is also expected to revisit and refresh co-investment models with the private sector. See [Will Labour's Green Prosperity Plan make Britain a 'clean energy superpower'?](#)

- **Employment laws**

Labour aims to balance business concerns with their pledge to deliver the "biggest upgrade to rights at work for a generation". Their plans include day one employment rights for leave, sick pay and protection against unfair dismissal (subject to as-yet-undetermined ability to use probationary periods). Other key reforms cover banning so-called "exploitative" zero-hours contracts, introducing a new single "worker" status to cover everyone bar those "genuinely self-employed" and reforming long-standing restrictions on trade unions. However, significant questions remain that will greatly affect the impact on businesses. See Labour Manifesto confirms key employment law reform proposals. See [Labour Manifesto confirms key employment law reform proposals](#).

- **Brexit and future relationship with the EU**

Starmer, having served as Shadow Brexit Secretary until April 2020, feels strongly about the EU relationship. Labour's past support for closer EU ties and Starmer's stance against a hard Brexit in 2019 complicate the issue, despite fading voter support for Brexit. Labour has ruled out re-joining the Single Market, EU Customs Union, or allowing free movement but may consider voluntary alignment and EU Court of Justice jurisdiction in specific areas. They aim to enhance professional qualification recognition, labour mobility and cooperation on sanitary, phytosanitary, climate and energy policies. However, crafting reforms that avoid EU cherry-picking concerns while benefiting the UK will be challenging. The early election gives Labour time to develop detailed proposals before the new EU Commission is in place after the EU's June elections.

- **Planning policy for big infrastructure, the energy transition and housing**

Rachel Reeves, Labour's new Chancellor, describes the party's plans to liberalise planning as a "once-in-a-generation set of reforms," emphasising support for "builders over blockers". Successive governments have struggled with this politically fraught issue. It often pits a small, motivated group of voters who oppose local change against national need and the relatively silent majority.

- 'Fixing' planning is also deceptively tricky from a policy perspective. Our planning team, created [this series](#) to help the next government implement planning reforms that are neither too radical to execute nor too trivial to drive positive change. See also [Labour's Manifesto – Energy and Infrastructure: can they speed up consenting where so many have failed?](#) and [Labour's Manifesto – Planning and Housing](#).

- **Devolving powers in England**

Labour also proposes significant devolution of powers relating to issues such as transport, energy and housing to cities, towns and local authorities.

## What next?

A policy programme in opposition has its limits, not least due to the shift from a small team of advisers to thousands of civil servants. As Labour now moves from general ideas to hard detail, the real decision-making begins and the implications for business and investors will come into focus.

The first substantive indication we will get on priorities will be the King's Speech on 17 July, which sets out the government's legislative agenda. Our team will be on hand to explore the new administration's key business policies as they emerge.

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