

Welcome to our briefing on the Queen's Speech; a detailed summary of the key points and the most important aspects of the first Conservative Queen's Speech for almost 20 years. This briefing focuses upon the announcements in yesterday's Queen's Speech, including the plans for an EU referendum, an extension of Right to Buy and attacks on the rights of workers, and what this means for ordinary people, trade unionists and the labour movement.

Take a look below, and please contact us with any feedback via [Twitter](#), [Facebook](#) or through our [website](#).

What is the Queen's Speech?

The Queen's Speech marks the start of the Parliamentary year. It is an opportunity for the Government to set out its legislative agenda for the coming year and contains brief outlines of the Bills the Government intends to pass in this period. Not everything in the Queen's Speech will be tabled over the next year and some Bills will not make it through Parliament. Similarly, it is likely there will be many other Bills over the course of the next year that have not been included in the Queen's Speech.

The main announcements:

The main announcements in this year's Queen's Speech include an EU Referendum Bill, an Income Tax Bill, Bills on immigration and policing, new employment and strike laws, Bills on devolution and Scotland and a new Housing Bill.

The tone of the Speech was couched in right-wing rhetoric, with attacks on workers' rights and immigrants taking front stage, alongside damaging policies such as the proposed extension of Right to Buy, new changes to Income Tax and headline-grabbing attempts to further demonise many of the most vulnerable in our society.

Significantly, proposed legislation to scrap the Human Rights Act and replace it with a 'British Bill of Rights' has been shelved for now after meeting with widespread criticism from high profile legal figures, constitutional experts as well as from some Conservative MPs. A consultation, rather than new legislation was announced yesterday and we await further details on this.

The proposed new Bills:

Trade Unions Bill:

The Queen's Speech included new draconian restrictions on the right to strike, with the introduction of a 50% voting threshold for union ballot turnouts and a new requirement that in order for a strike to be legal 40% of those entitled to vote must vote in favour of industrial action in certain essential public services including fire, education, health and transport.

Unions have been arguing for years that the way to increase turnouts in strike ballots is not to make it harder for people to exercise fundamental rights, but to modernise voting. Trade unions will continue to be prevented from balloting members via email or phone. The restrictions placed on trade union rights are so extreme they will be the most oppressive in western democracy.

In addition, the government announced they will lift a ban on use of agency staff when strike action takes place, alongside new legislation to change union political funds from an 'opt-out' to an 'opt-in' system. An "opt-in" system for trade union political funds would affect all political activities of trade unions and not just donations to the Labour Party. These include campaigns such as opposing NHS privatisation and the closure of SureStart centres, and the ability to campaign for better working conditions at a political level, such as implementation of the Living Wage. The proposals are an attempt to de-politicise the trade union movement and to prevent opposition to Government policy, as well as an attempt to de-fund the Labour Party.

Collective bargaining is the most effective way of protecting workplace rights and ensuring decent pay, and trade unions are best placed to achieve this. It is clear that the Government is intent on preventing ordinary workers - particularly those in the public sector - from fighting back against the extreme attacks on their living standards, working conditions and pay. Such a shift in the balance of power away from ordinary workers will further undermine the pay and conditions of every worker, exacerbating the growing gulf between wages and the cost of living, further increasing inequality and destroying long-established workplace rights introduced to protect employees from exploitation.

Further reading:

Class press release: Queen's Speech 2015: Trade Unions and economic inequality: <http://classonline.org.uk/pubs/item/trade-unions-and-economic-inequality>

What's at stake for work, pay and unions? <http://classonline.org.uk/pubs/item/election-2015-whats-at-stake-for-work-pay-and-unions1>

Linked to the announcement on new anti-trade union laws is the new **Enterprise Bill**, which sets out further deregulation of business, particularly small businesses, and includes changes to business rates. However, what the Conservative's describe as 'red tape' are vital laws that protect workers' rights and safety in the workplace. The Bill also sets out a new Small Business Conciliation Service, to help settle disputes between small and large businesses, especially over late payment practices, which were a persistent problem under the Coalition.

Employment Bill:

The Queen's Speech outlined an Employment Bill which will freeze working-age benefits - including tax credits and Child Benefit - for two years from 2016-17, as well as lower the benefit cap so that the total amount of benefits a family can receive in a year is just £23,000.

The Government has announced vague plans to create three million more apprenticeships but this will be funded entirely by the huge cuts in benefits. While more apprenticeships for young people are desperately needed, under the Conservative-led Coalition 42% of apprenticeships went to people aged over the age of 25 with employers using them to subsidise the cost of their workforce.

Rather than cut the already small proportion of the social security bill that goes towards supporting the unemployed, the young and those with children, the Government should focus on making work pay, ensuring employers pay a decent wage and provide secure work which would in turn reduce the social security bill. Two thirds of people who move into work from unemployment are paid below the Living Wage and increasing the number of secure and higher-paid jobs along with productivity should be prioritised rather than cuts to social security.

On top of this, the Government set out plans to remove automatic entitlement to housing support for 18-21 year olds, plans that unfairly punish young people and will leave many at risk from homelessness.

The Bill will also force unemployed young people to accept “day-one work requirements” or lose their right to social security, further extending the Coalition government’s enforced labour programme.

Further reading:

Exposing the myths of welfare: <http://classonline.org.uk/pubs/item/exposing-the-myths-of-welfare>

What’s at stake for social security? <http://classonline.org.uk/pubs/item/election-2015-whats-at-stake-for-social-security>

Income Tax Bill:

The Conservatives have committed to introducing a law guaranteeing no rise in income tax rates, VAT or national insurance before 2020. The tax lock means income tax, VAT, and National Insurance would stay frozen for five years. It would apply to taxes that make up the majority of government revenue. In practice, this means the “tax lock” will most likely be financed by cutting other departmental budgets very significantly.

The Bill also sets out plans so that anyone working part-time (up to 30 hours per week) on the minimum wage (around £12,500 per year) will pay no income tax. The above sounds populist but is not all that it seems. The minimum wage rate from October 2015 is £6.70 per hour for adults. Anyone working a 37 hours a week would earn about £13,000 a year and would still be liable to pay income tax.

The higher personal allowances may help the middle-classes, but will do nothing for 44% of adults, including pensioners, whose income is already too low to pay any income tax.

The poor pay VAT at 20%, the same rate as the very rich. The most government statistics show that the poorest 10% of households now pay nearly 47% of their gross income in direct and indirect taxes, whilst the richest 10% pay 35% of their income in taxes. This imbalance is not addressed. At the same time, the government is committed to reducing welfare expenditure, which will hit the poorest the hardest.

Since 2010, the [Coalition has raised taxes at least 24 times](#), including VAT. Millions of ordinary people have seen their taxes go up, whether because of indirect tax rises or because rates and allowances have, for many, not risen in line with inflation. In contrast, millionaires have been given a tax cut through the Government’s reduction of the top rate of tax from 50% to 45%, whilst the largest companies have seen their tax rate fall from 28% to 21% in 5 years. Cumulatively these measures are highly regressive and leave the poorest worse off.

Further reading:

Tax Lock Briefing: <http://classonline.org.uk/pubs/item/briefing-the-tax-lock>

What’s at stake for tax? <http://classonline.org.uk/pubs/item/election-2015-whats-at-stake-for-tax>

Housing Bill:

One of the key announcements in the Queen’s Speech is the extension of the Right to Buy (RtB) scheme to 1.3 million housing association tenants in England. Right to Buy was a flagship policy of Margaret Thatcher’s government in the 1980s and led to a catastrophic decline in social housing.

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Under current rules, about 800,000 housing association tenants have a "right to acquire" their homes under smaller discounts, but this will be extended to give those people the same reductions as for those in local authority homes.

They will also extend the scheme to those who currently have no purchase rights at all, estimated to be about 500,000 people. The extension of RtB has been widely criticised by almost everybody including leading economists, housing campaigners, housing association leaders and even the Telegraph, who not only point to the legacy of the current RtB but also to the workability of a plan that would compel private housing associations to sell homes at discounted rates.

Housing associations are private, non-profit organisations that have come to perform an important long-term role in building new social housing. By compelling organisations to sell their assets, long-term revenues generated in rent would be lost, resulting in reduced funds for new homes (and for paying down long-term debts).

Housing associations are already suffering from [government cuts to the affordable housebuilding budget which was cut by 60% in 2010](#). If their assets are further squeezed they may be forced to increase rents on remaining properties or sell homes—further reducing social stock.

Investment in discounts for tenants makes bad economic sense for government. Money would be better spent funding social housing that makes a long-term return on revenues from rents.

Most housing associations have told the National [Housing Federation](#) that they expect to only replace half the homes currently being lost to right to buy, with one in 10 saying they don't expect to be in a position to replace any at all.

In addition, the new Housing Bill will require local authorities to sell off their most valuable council houses, whenever they become vacant. The councils will then have to build replacement homes with the money raised but almost three quarters (73%) of councils responding to a Local Government Association (LGA) survey say that they will only be able to replace half or fewer of homes they have sold, with more than 1 in 10 (12%) saying they will not be able to replace any at all. We desperately need more social housing and it is clear that this new Bill will actually reduce current stock even further.

Further reading:

Right to Buy briefing: <http://classonline.org.uk/pubs/item/briefing-extending-the-right-to-buy>
What's at stake for housing? <http://classonline.org.uk/pubs/item/whats-at-stake-for-housing>
Shelter blog: <http://blog.shelter.org.uk/2015/05/think-one-for-one-replacement-of-the-right-to-buy-stacks-up-look-at-greater-manchester/>

EU Referendum Bill:

The Queen's Speech set out plans to enable a referendum on the UK's membership of the EU to take place by 2017, as well as committing the Government to a renegotiation of membership terms.

The announcement of an EU referendum 'earlier rather than later' is a headline part of the Queen's Speech and one that will define political debate over the next two years. It is also one of the most controversial aspects of the Speech, especially within the Prime Minister's own party. While the legislation has been welcomed by many Conservatives, the divisions in the Party will become apparent nearer the vote with significant splits over the issue.

More information: www.classonline.org.uk

Now that an EU referendum is on the agenda, it offers ordinary people the opportunity of a genuine debate on Europe - what needs to be fought for and what needs to change.

Further reading:

The EU and working people: <http://classonline.org.uk/pubs/item/can-the-european-union-deliver-for-working-people>

Immigration Bill:

This Bill includes a specific offence of illegal working - with police given the power to seize the wages paid to illegal workers as the "proceeds of crime" and outlined plans for new powers for councils to evict illegal migrants more quickly. The Government also proposes to make private landlords responsible for checking the immigration status of their tenants, creating an unaccountable and vigilante approach to the law.

The Bill will create a new offence, making it illegal for businesses and recruitment agencies to hire abroad without first advertising in the UK and a new enforcement agency will be set up.

The race to the bottom in the jobs market and the pressure on housing supply and public services did not happen because migrants arrived in the UK. The root of this can be found in the deregulation of labour markets over the last 30 years and the cuts to and privatisation of many public services.

Plans to make it an offence for employers to advertise abroad without doing so first in the UK is welcome but it is not enough. The Government is doing nothing to penalise unscrupulous employers and protect vulnerable people from exploitation and is instead scapegoating migrants with sensationalist rhetoric.

Immigration is essential for keeping the wheels of a modern economy turning. As migrants are, on average, younger than the total population, they ease the problem of our ageing population and provide key workers in the public sector, particularly in social care and the NHS. Research shows that between 2001 and 2011, [migrants made a net contribution to public finances of £25 billion in taxes](#).

Further reading:

Why immigration is good for all of us: <http://classonline.org.uk/pubs/item/why-immigration-is-good-for-all-of-us>

Education Bill:

This legislation includes new powers to force 'coasting' schools, as well as failing schools, to accept new leadership and academy status. This will allow the Government to intervene in any school judged to be 'coasting'. The Queen's Speech did not set out how a school would be categorised as 'coasting'. This is simply the Conservatives expanding their free schools and academy programmes by force from central government, against the interests, needs and will of local communities.

Academy chains and free schools have no duty of care to the communities where they are based. In addition, the processes by which Academy sponsors are appointed, their finances and governance structures, remain opaque. Locally-based democratic control over education has been undermined by marginalising the role of local authorities and extending the unaccountable free schools system.

Forcing schools into becoming academies will push the education system further away from experts and local democracy, and ensure they are unable to respond to the local communities they provide for.

Further reading:

Stephen J Ball on our Blog: <http://classonline.org.uk/blog/item/are-our-schools-in-safe-hands>

Transforming education: <http://classonline.org.uk/pubs/item/the-first-100-days>

Health & Social Care Bill:

The announcement of an NHS Bill reflects the Government's rhetoric of creating a '7 day' NHS, and promises to recruit 5,000 new GPs. However there are still no details on how the extra £8bn announced for the NHS will be funded and there are also no details of how the government intends to fund its "five year plans" for the NHS, despite grave warnings of shortages of funding from experts within the health sector.

The furthering of the Health and Social Care Bill, despite wide opposition from most experts and representatives in the NHS, is only likely to increase the level of privatisation in the NHS. The percentage of [private patients permitted will remain at 49%](#) and private sector involvement in the provision of services is set to grow.

The recent revelations about the dire state of NHS Foundation Trusts' finances - Trusts in England have reported a total deficit of £822m in 2014-15, compared with £115m the previous year - remain unacknowledged by the Government and the restrictions announced today on health workers' ability to withhold their labour will only serve to further undermine NHS staff morale.

Further reading:

What's at stake for the NHS? <http://classonline.org.uk/pubs/item/election-2015-whats-at-stake-for-the-nhs>

Duty to Care <http://classonline.org.uk/pubs/item/duty-to-care>

Devolution Bills:

The **Scotland Bill** is based on the cross-party Smith Commission agreement on Scottish devolution. Under these plans, the Scottish Parliament will be responsible for raising around 40% of Scotland's taxes and for deciding around 60% of its public spending. The Bill would enable the Scottish Parliament to set the thresholds and rates of income tax on earnings in Scotland and keep all the money raised in Scotland. The Scottish Parliament would get around £2.5 billion worth of new welfare powers.

The Queen's Speech also includes a **Wales Bill**, giving the National Assembly control over its own affairs including what it should be called, its size, electoral system, elections and voting age, and legislation on **Northern Ireland** as part of the Government's limited and selective 'devolution agenda'. Decisions affecting England, or England and Wales, can be taken only with the consent of the majority of MPs representing constituencies in those parts of the United Kingdom.

Other measures announced:

The proposed new **Energy Bill** makes it harder to develop new onshore wind farms and the **Cities and Local Government Devolution Bill** sets out measures that enable certain powers held centrally to be devolved to local authorities.

The proposed new **Childcare Bill** provides for an increased entitlement to 30 hours a week of free childcare (for 38 weeks of the year) to be made available to eligible working parents of three and four year olds.

However unlike the current free childcare entitlement, the new plans only apply to families where both parents work and without improved access to childcare, and secure and flexible work, the benefits will not be felt by those most in need of support.

Extensive cuts in funding to early years and childcare support under the last Government resulted in the closure of over 750 Sure Start centres and the current Government have not ring-fenced this budget in their election manifesto, putting many more centres and early years services at risk.

The **Policing and Counter-Extremism Bills** introduce Banning Orders: a new power for the Home Secretary to ban extremist groups and Closure Orders: a new power for law enforcement and local authorities to close down premises used to support extremism. However the Government did not set out detailed plans at this stage, instead announcing that an Independent Review will be published shortly.

The proposed future legislation will cover all investigatory powers including communications data. The review is likely to recommend that phone companies and internet providers be required to keep records of emails, text messages, web browsing and voice calls. The Policing and Sentencing Bill will include a new sentence of a 'short, sharp, period in custody' for persistent offenders. Plans to extend police-led prosecutions, overhaul the complaints system, and change the use of bail were also announced.

What has Class published:

Class press release in response to the Queen's Speech: <http://classonline.org.uk/news/press/centre-for-labour-and-social-studies-class-condemns-government-reforms-to-t>

Frances O'Grady, Carolyn Jones, Professor Prem Sikka among others react to the Queen's Speech: <http://classonline.org.uk/blog/item/the-queens-speech-our-panels-reaction>

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What's at stake series: <http://classonline.org.uk/projects/election-2015-whats-at-stake>

First 100 Days series: <http://classonline.org.uk/pubs/item/the-first-100-days>

Party Manifesto analysis: <http://classonline.org.uk/pubs/item/briefing-manifesto-summary-the-two-main-parties>