AM: Andrew Gwynne, you have said in the past that Brexit could tear the Labour Party in two. After you’ve heard Chuka Umunna there being close with Anna Soubry, do you feel that’s coming about?

AG: Absolutely not. And I think what we’ve got is actually quite a coherent position in that what we’ve said is there needs to be a transitional period, and that transitional period accepts that we will be part of the single market and part of the customs union.

AM: Only for a couple of years, it doesn’t really solve the end problem.

AG: But the point, Andrew, is that it’s acting as that bridge to the new relationship with the European Union. We are leaving the European Union, we had a referendum on this, and how we get to that final destination and what that final destination looks like shouldn’t be rushed to a March 2019 deadline. I think all are agreed that actually the government is going to struggle to get a bespoke deal by March 2019. That’s why we need a proper transitional period, time-limited, so that we can get that deal that we want to see.

AM: Michel Barnier has been very clear that to get the transition we must agree to all of their terms or else. Are you concerned the transition period – given where we are now – may not happen?

AG: Well, I think where the government is should send worrying signals to the country at large, because they have ruled out a number of measures that we would like to see in the transitional
period. We’ve said that we will accept the rules and regulations of the single market, we will be part of the single market and customs union for the transitional period. That’s important, so that we can get to a position that we need to be when we’re outside of the European Union.

AM: Well, let’s talk about the position you need to get to. Owen Smith, you know, your Shadow Cabinet colleague, has been absolutely clear, tweeting just yesterday, ‘a hard border’ – he’s talking about Northern Ireland of course – ‘must be avoided. And it’s only membership of the single market and customs union that can guarantee the open border so important for the Good Friday Agreement.’ That is a breach of party discipline and party policy, is it not?

AG: Well, no. What Owen is saying is that one way of avoiding a hard border is to ensure that the current arrangements continue between the UK and the European Union. Of course that would make Britain –

AM: He says it’s the only way. He says you have to stay in those things or else. And that is way, way away from your policy.

AG: That would make Britain a rule taker and not a rule maker.

AM: And that’s a mistake?

AG: And so I think what we’ve got to do, Andrew, is we’ve got to make sure that there is a Brexit deal that secures the benefits of the single market, that mirrors the rules and the conditions of the single market.

AM: So it will mirror the rules and conditions...
AG: Because what we don’t want to do is we don’t want to end up with workers’ conditions, environmental protections being less in the United Kingdom than elsewhere in Europe. But we need to make those rules ourselves.

AM: And this is a crucial question facing the country, and the Labour Party believes in giving your own members a proper say. You’ve got eight policy commissions now, designed to allow ordinary Labour Party members and even voters to have their say in shaping the policy. How many of those eight commissions deal with Brexit?

AG: All eight.

AM: None.

AG: No, all eight. I think you’ll find, Andrew, I’m a co-chair of the Communities Commission, and on each of those commissions we have a dedicated member that is looking at the impacts of Brexit in each policy area.

AM: A lot of your own MPs think you’ve sliced it up so finely there is no real forum to debate.

AG: You can’t go from there being no policy commissions dealing with Brexit to now it being sliced up finely. There are eight policy commissions dealing with a whole range of public policy, all of whom are looking at Brexit.

AM: In which case why have 30 of your colleagues written to the National Executive Committee asking for a proper debate on Brexit because they feel it is being pushed to one side. In the words of Heidi Alexander, ‘it’s a really, really important issue and it’s being treated like marginal one’.
AG: Well, I don’t think it is being treated like a marginal because wherever we go and whatever we do, Brexit is always the number one subject.

AM: Okay, very, very quickly. Can I just be absolutely clear, when it comes to not being a member of the customs union and not being a member of the single market, that is absolutely clearly Labour Party policy and will not change?

AG: The Labour Party policy – and Keir Starmer has made it very clear – is that we don’t take anything off the table. That’s the mistake –

AM: Ah, because you yourself have said that you could change policy if public opinion changed.

AG: That’s the mistake that the current government have made. They’ve ruled everything out. Now, we’ve said we want to have the benefits of the single market. We also, Andrew, want to have that tariff-free, custom-free trade with Europe, and that means having some form of a customs union with the European Union.

AM: Cake and cake eaten, many people would say. Let me move, however, to your own department. We’ve seen a whole series of really, really bad crises in Conservative councils around the country: Surrey, Northamptonshire and many more. Big, big budget deficits. Will a Labour government give them the extra money they need?

AG: Well, what we’ve said is that we will fully resource local government. In our manifesto for the last general election we identified two billion pounds for this year that we would have invested directly in local government services. But on top of that we were putting money into adult social care, children’s services and early years as well. And it’s costing –
AM: Many of which have been cut in the past.

AG: Well, it’s those things that are really tipping councils over that financial cliff edge.

AM: Absolutely right, but can I ask you very clearly would you reverse the cuts the Conservatives have made to local authorities?

AG: Well, we’ve said, and I’ve just said now, that we will invest in adult social care –

AM: Why can’t you say yes?

AG: Well, investing in those services means that we are putting money in, we are helping councils avoid that financial cliff edge...

AM: But a radical government should be able to say we’re going to reverse those cuts, and you can’t say that presumably because they’re too expensive?

AG: Well, I’ve just said that we will put money back in, so for example, the Local Government Association, Andrew, says that councils need two billion pounds on children’s services alone.

AM: Let’s turn in that case to how we raise the two billion pounds.

AG: Well, at the budget – and this comes onto the point – the Conservative government cut five billion pounds on the bank levy. We opposed that. We said that two billion pounds of that should be given to children’s services this year, precisely the money the Local Government Association said it needs.

AM: In the end if taxpayers want better local services, then one way or another they’re going to have to pay for that. It’s been a long, long time since we’ve had a council tax revaluation. 1991
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was the last time. And you have yourself said this is an absurd situation. Can you tell us today that the Labour government in power will revaluate, have another revaluation of council tax properties and bands?

AG: I think we need to be more radical. I think we need to look afresh at how we fund local government going forward.

AM: So a totally different system?

AG: And that's a big piece of work that we are going to undertake, because the problem –

AM: I can't stop without asking you a little bit more about that.

AG: The problem about this, Andrew, is that council tax is broken. It is not fit for purpose. One per cent increase in council tax on my own local authority, Tameside in Greater Manchester, brings in just 700,000 pounds. And yet our social care gap this year is 16 million pounds. That does not fix the problem.

AM: So we push council tax away into history and we replace it with something else. Now, there has been a suggestion that land value tax is something that your party is looking at.

AG: Well, we are looking at what we need to do to fix how we finance local government going forward. We've not made up our minds on what that will be. It might be that the council tax can be reformed.

AM: An extra income tax perhaps?

AG: It might be that the council tax can be reformed. There are lots of other examples of how local authorities raise revenues
across the country, and we need to have a genuinely open mind and an open discussion about this.

AM: Very, very general question in that case. Have you a completely open mind as to whether a new tax to pay for local authorities would remain essentially a property-based tax, a land tax or a reformed kind of council tax, or whatever, or the rates, whatever it might be on the one hand, or some extra form of income tax as they use, for instance, in the United States?

AG: Well, let’s look at what works and let’s look at what works in this country. I will take international examples, but you put some of those policy ideas through the machine and what comes out at the other end might not work in this country. But what is crucial is that we properly fund local services because local government is on the brink of collapse.

AM: Lots of aspirations. We haven’t got clear answers. We wait agog to find out what you’re going to do. Thank you very much indeed, Andrew Gwynne.

(ends)