



# Labour's plan for jobs

## in the North East

### Labour's five-point plan for jobs and growth in the North East

1. Create up to 5,500 jobs for young people and build 800 new homes
2. Bring forward investment projects like new school buildings
3. Temporarily reverse the Tory-led Government's VAT rise - a £450 boost for families with children
4. Cut VAT on home improvements to 5% for a year
5. Give up to 58,000 small firms a tax break to take on extra workers

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There is a better way

# Labour's five point plan for jobs and growth

**This is a really worrying time for families; struggling with higher food prices and gas bills and worried about their jobs and their children's futures.**

That's why Labour has set out a clear five-point plan for jobs, to help struggling families and support small businesses. Our jobs plan includes a tax on bank bonuses to fund up to 100,000 jobs for young people; bringing forward long-term investments in infrastructure like roads and schools; a temporary VAT cut which would give families with children a boost of around £450; a one year cut in VAT to 5 per cent on home improvements and repairs to help small businesses; and tax breaks for small businesses taking on extra workers.

The Tory-led Government refuses to listen to people's concerns. Far from being the safe haven George Osborne claims it is, Britain's recovery was choked off last autumn – well before the current crisis in the eurozone. We now know that there has been zero growth in our economy for nine months. Japan is the only G7 country that has grown more slowly over the last year.

The decision by the Bank of England effectively to print more money shows that the Government's reckless plan is not working. In fact two years ago the Chancellor George Osborne said doing this was "the last resort of desperate governments when all other policies have failed."

But there's only so much the Bank of England can do on its own. The Government needs to act too. The real problem is that the Government is cutting spending and putting up taxes too far and too fast. And the result is that families have been hit hard, the economy has ground to a halt and more people are now out of work.



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Unemployment is at its highest level in 17 years, with over 2.5 million people without a job. One in five young people are out of work and there are now more women unemployed than any time since 1988. And while 111,000 jobs have been lost in the public sector in the three months to June, just 41,000 jobs have been created in the private sector.

Like every other country we've got to get our deficit down and that means tough decisions on tax and spending cuts. But the Government doesn't seem to understand that more people on the dole – claiming benefits rather than paying taxes – will just make it harder and harder to get the deficit down.

The International Monetary Fund has now warned that if things get any worse the Tory-led Government will have to change course and slow down the cuts and tax rises. Business groups are also calling on the Government to do more to get the economy growing again.

There is a better way – a real plan for jobs and growth to get our economy moving again and help get the deficit down in a steadier and more balanced way.

And we must now lay the foundations for a new bargain in the future based on something-for-something values which reward responsibility, help us pay our way in the world and fulfil the promise of Britain.

If David Cameron and George Osborne really understood how tough things are for families, pensioners and businesses they'd stop sitting on their hands and take action now.

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# Labour's five point plan for jobs and growth

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**1**

**A £2 billion tax on bank bonuses to fund 100,000 jobs for young people – which they would be required to take-up – and build 25,000 more affordable homes.**

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**2**

**Bringing forward long-term investment projects – schools, roads and transport – to get people back to work and strengthen our economy for the future.**

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**3**

**Reversing the Tory-led Government's damaging VAT rise now for a temporary period – a £450 boost for a couple with children – immediate help for our high streets and for struggling families and pensioners.**

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**4**

**A one year cut in VAT to 5% on home improvements, repairs and maintenance – to help homeowners and small businesses.**

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**5**

**A one year national insurance tax break for every small firm which takes on extra workers – helping small businesses to grow and create jobs.**

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# What this means for the North East:

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**1**

**Create a youth jobs fund to help the 29,800 18-24 year olds on the dole in the North East get back into work and build up to 800 homes in the North East.**

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**2**

**Bring forward long-term investment projects – like the 92 schools projects scrapped by the Government here in the North East, roads and transport – to get people back to work and strengthen our economy for the future.**

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**3**

**Temporarily reverse the Tory-led Governments VAT rise and put £450 back in the pockets of families in the North East.**

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**4**

**Cut VAT on home improvements, repairs and maintenance to five per cent for a year – to help homeowners and small businesses here in the North East.**

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**5**

**Give the 58,000 small firms here in the North East a one year national insurance tax break if they take on extra workers.**

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# The Tories: Too Far, Too Fast

By trying to cut spending and raise taxes too far and too fast this Tory-led Government is getting our economy into a vicious circle. By choking off the recovery and putting tens of thousands of people on the dole, claiming benefits rather than paying taxes, the Government will make it harder to get the deficit down. **David Cameron's austerity plan is hurting, but it isn't working.**

- The Tory-led Government's decision to cut the deficit too far and too fast choked off the economic recovery last autumn - well before the eurozone crisis of recent months.
- In the last nine months the UK economy has not grown at all.
- Over the last year Japan is the only G7 country to grow more slowly than the UK.
- Slower growth and higher unemployment means the Government is now set to borrow £46 billion more over the next few years.
- Unemployment is rising again and is currently at the highest level in 17 years.
- The number of women unemployed is at its highest level since 1988.
- Almost one million young people are unable to find a job, the highest number since comparable records began in 1992. But one of the first acts of the Tory-led Government was to scrap Labour's Future Jobs Fund which helped young people into work.
- The private sector is failing to fill the gap left by the Government's public spending cuts that go too far and too fast.



**£46 billion** more borrowing



**Unemployed women** highest numbers since 1988



**one million** young people unable to find a job

# The effect of the Tory-led Government's cuts in the North East:

- The Tories have scrapped Labour's Future Jobs Fund which helped 5,720 people in the North East into jobs.
- The number of house building starts fell by 720 in the second quarter of 2011 compared to the same quarter a year ago.
- 142,000 people in the North East are unemployed as of October 2011.
- The Tories have scrapped One North East, the Regional Development Agency for the area, despite the fact that One North East:
  - Extended the Company Pathfinder programme during the recession, helping nearly 100 businesses and protecting around 300 jobs across a range of business sectors
  - Awarded 213 North East companies a total of £22m in Grant for Business Investment support from the start of the recession in the second quarter of 2008
  - Safeguarded by this investment more than 2,200 jobs, creating almost 3,500 and leveraging in £280m worth of capital expenditure to the North East.
  - helped secure the decision of Nissan to choose its Sunderland plant to manufacture its all-electric car, the Nissan LEAF.



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That's why Labour has set out a clear five-point plan for jobs, to help struggling families and support small businesses.

**But the Tory-led Government refuses to listen to people's concerns.**

**Help us make them understand how tough things are for families, pensioners and businesses.**

**Join our campaign at [Labour.org.uk/plan](https://labour.org.uk/plan) and take action now.**

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