

# Manifesto for a Better Britain

Executive Summary

## Executive Summary

### The Problem: A Country Drifting Toward Managed Decline

Britain is not a failed country. It is a frustrated country.

We remain a nation with world-class universities, a global language, the world's second-ranked financial centre, and one of the most trusted legal systems on earth. The United Kingdom is still the largest net exporter of financial services in the world. British institutions, British talent, and British ingenuity are not in decline. But the country those assets are supposed to serve is drifting — measurably, undeniably, and with accelerating consequences for every household in it.

Here is what the numbers say.

Output per hour worked — the most important single measure of a nation's economic health — was only 2.4 per cent above its 2019 level at the end of 2025. Six years of work, six years of effort by millions of people, and productivity barely moved. GDP per head — the truest measure of whether each citizen is getting richer or poorer — fell in both the third and fourth quarters of 2025. Business investment stands at 18.6 per cent of GDP, the lowest in the entire G7. Britain is not just growing slowly. It is investing less in its future than any comparable economy.

The capital markets tell the same story. In 2024, eighty-eight companies delisted from the London Stock Exchange — the highest annual exodus since the financial crisis — while just eighteen new companies listed, the lowest on record. Companies are leaving London, and almost no one is arriving. Only 26 per cent of adults aged 20 to 39 in England now own their own home. The Building Societies Association reports 2.2 million “missing” first-time buyers since 2006 — young people priced out of ownership not by bad luck but by a system that has failed them.

The human cost is not abstract. Had wages continued to grow at their pre-2008 trajectory, the Resolution Foundation has calculated that the average British worker would earn approximately £11,000 more per year than they do today. That is not a theoretical number. It is the holiday not taken, the deposit not saved, the retirement not secured, the child's birthday where you checked the bank balance twice. Fourteen years of near-total real wage stagnation — not because of war, or pandemic, or some unavoidable global shift, but because of the slow, cumulative failure of a governance system that has forgotten how to deliver.

The tax burden is set to rise to 38.5 per cent of GDP by 2030–31 — a level never previously sustained in the United Kingdom — because low growth demands ever-higher taxes, which suppress growth further, which demand higher taxes still. Public-sector net debt has reached 95.5 per cent of GDP. The first large generation relying entirely on defined-contribution pensions is approaching retirement with savings that are plainly inadequate: 43 per cent of working-age people — around 14.6 million individuals — are undersaving. The state pension replaces just 54 per cent of average earnings, among the lowest in the developed world.

This is a country caught in a trap. And the trap is tightening.

## Why Nothing Changes: The Graveyard of Exceptional Analysis

The most dangerous myth in British politics is that we lack ideas. We do not lack ideas. Across housing, transport, skills, tax, pensions, and social care, there is remarkable cross-party consensus on the direction of travel. Every major party has pledged 300,000 new homes a year; none has delivered it. Every major party has committed to infrastructure investment; every major project runs catastrophically over budget and over time.

The British state is a graveyard of exceptional analysis.

Consider the Dilnot Commission. In 2011, Sir Andrew Dilnot proposed a cap on social care costs — a reform to protect vulnerable people from catastrophic expense. It commanded cross-party support. It was legislated. It was given four separate implementation dates. It was cancelled in 2022. Not a single person ever benefited from it. Thirteen years of consensus. Thirteen years of failure.

This pattern repeats everywhere. The Barker Review of 2004 produced excellent analysis on housing — England still has a cumulative shortfall of over two million homes. HS2's budget rose by over 800 per cent before its northern leg was cancelled. Vocational qualifications have been redesigned by every government since 2000 — further education funding fell 28 per cent in real terms while the qualification framework was constantly overhauled.

Why? The manifesto identifies five recurring patterns of implementation failure: the planning trap, which turns years of delay into billions of wasted cost; cost estimation failure, where adversarial procurement inflates every project; political cycle disruption, where eighteen-month ministerial tenures mean every government starts everything and finishes nothing; the rhetoric-resource gap, where ambition is announced without the capacity to deliver it; and institutional capacity erosion, where a generalist, fast-rotating civil service has lost the specialist depth to execute.

These patterns are not independent. They reinforce each other in a vicious cycle that leaves the state a little weaker, the public a little more cynical, and the country a little further behind with each revolution.

At the heart of it all is what the manifesto calls Britain's great accountability asymmetry. Officials and regulators are punished severely for visible failure — a bank collapse, a consumer scandal — but face no consequence whatsoever for invisible failure: the business never funded, the company never listed, the house never built, the productivity gain never realised. Parliament has delegated enormous power to 603 arms-length bodies but has never clearly stated what level of risk is acceptable in pursuit of growth. A country that only audits its downside will always underperform on its upside.

This is not a policy problem. It is a governance problem. And until it is treated as one, no amount of brilliant analysis will change anything.

## The Programme: Six Pillars of Reform

The manifesto proposes six interconnected reform pillars — not a menu of independent options, but six parts of one machine. Government reform creates the conditions for financial reform. Financial reform creates the capital channels for enterprise. Tax reform removes the frictions that choke investment. SME finance reform ensures capital reaches the businesses that drive local employment. Pension reform mobilises Britain's vast savings for domestic productive investment. And AI-driven government transformation gives the state the capacity and fiscal headroom to deliver all of the above.

## 1. Fix the Machine of Government

Parliament must do something it has never done before: publish a Parliamentary Risk-Appetite Statement that explicitly declares the level of failure the nation is willing to accept in exchange for growth. Without that statement, every political intervention is automatically framed as irresponsible deregulation, and reform dies in committee.

The programme proposes breaking up HM Treasury — the department that currently combines spending control, tax design, fiscal strategy, and growth policy in a single institution where those functions are in structural conflict. The spreadsheet always beats the future. A separated Finance Ministry, a new Department of Commerce and Growth, and independent debt management would end Treasury's stranglehold on reform.

The FCA, operating under well over one hundred separate objectives, would receive reformed remit letters with clear growth mandates, benchmarked against international competitors. And the OBR would be required to produce dynamic scoring of structural reforms, ending the practice where the static cost of reform is certain and immediate while its benefits are dismissed as speculative.

For an ordinary family, this means: a government that is finally held to account not just for avoiding disasters, but for delivering the growth that pays for schools, hospitals, and pensions.

## 2. Unleash Financial Services

London's public markets are losing companies faster than they gain them. The programme abolishes stamp duty on share transactions — making Britain the only major financial centre without this tax on investment. It reforms AIM to make listing cheaper and more accessible for growing companies. It creates a National Investment Bank, capitalised from existing balance sheets rather than new borrowing, operating on commercial principles with a permanent regional presence so that lending decisions are made locally, not by a credit committee in London. And it simplifies the AML/KYC regime — currently overseen by twenty-five separate supervisors — so that identity verification happens once, not every time you open an account.

For an ordinary family, this means: more competitive investment returns, more local businesses getting the capital to grow, and a financial centre that works for the whole country — not just the Square Mile.

## 3. Simplify the Tax System

The UK tax code now exceeds 21,000 pages — more than double its length at the turn of the millennium. Compliance costs are estimated at £33.9 billion a year for the largest financial services firms alone. The tax-and-benefits system creates effective marginal tax rates exceeding 60 per cent at certain thresholds, punishing exactly the work and enterprise the country needs.

The programme proposes fundamental simplification: stamp duty abolition, capital gains tax reform, business rates restructuring, and the first phase of income tax and National Insurance alignment — ending the absurdity of two parallel taxes on the same income. Every reform is designed to broaden the base and lower the friction, not to cut revenue.

For an ordinary family, this means: a tax system you can actually understand, where hard work and saving are rewarded rather than penalised by complexity.

#### **4. Close the SME Financing Gap**

Britain's small and medium-sized businesses — the firms that employ the majority of private-sector workers — face a capital market that was designed for global banks. MREL (Minimum Requirement for Own Funds and Eligible Liabilities) thresholds force challenger banks to hold capital reserves designed for systemically important institutions, crushing the competition that would drive better lending to smaller firms. The programme raises these thresholds, freeing challenger banks to lend to the manufacturer, the technology firm, and the construction company that the major clearing banks consider too small to bother with. Combined with the National Investment Bank's regional presence and reformed venture capital schemes, this creates a finance ecosystem where geography is no longer the binding constraint on growth.

For an ordinary family, this means: the local business that employs you or your neighbours can get the loan it needs to expand, hire, and invest.

#### **5. Reform Pensions and Savings**

The programme creates a UK Lifetime Account — a single, portable, digital savings vehicle that follows every citizen from birth to death, consolidating the fragmented landscape of workplace pensions, personal pensions, ISAs, and state benefits into one account with one dashboard and one set of rules. Every child born in the United Kingdom receives a £1,000 British Start deposit. Auto-enrolment contributions rise from 8 per cent to 12 per cent, phased over five years. The Local Government Pension Scheme — 86 administering authorities managing £400 billion — is consolidated into no more than six professionally governed pools, benchmarked against the Canadian and Australian models that deliver superior returns. And the state pension triple lock is replaced, after the savings reforms are visibly working, with a sustainable double lock that protects the poorest pensioners through an above-poverty-line floor.

For an ordinary family, this means: one account for life, no more lost pension pots, every child starting with £1,000, and a pension that actually provides security in retirement — funded in part by investment in British businesses, infrastructure, and housing, not just American tech stocks.

#### **6. Build the Intelligent State**

The government's own trial of AI tools found that civil servants saved an average of 26 minutes per day — nearly two working weeks per year per user. The Alan Turing Institute found that 41 per cent of public-sector working time is spent on tasks that generative AI can support. The manifesto's department-by-department analysis shows that a well-sequenced AI transformation can deliver a net reduction of 40,500 posts over five years, gross annual savings of £3.0 billion, and a ten-year net present value of £8.6 billion — after £3.2 billion in implementation investment. These savings are not aspirational. They are anchored to the government's own administration-budget settlement and discounted against the documented failure rate of previous efficiency programmes.

A workforce compact with unions guarantees retraining, voluntary redundancy terms above statutory minimums, and minimum twelve-month transition periods for all affected staff. This is not about cutting the state. It is about building a state that works.

For an ordinary family, this means: faster benefit assessments, quicker planning approvals, shorter visa processing times, and a government that answers in hours rather than weeks.

## How It Gets Done: The Delivery Architecture

This is where the manifesto departs from every other think-tank paper in Britain.

The programme maps a nine-link chain from publication to sustained economic improvement — and identifies the specific failure mode at each link. It then builds the countermeasure. Publication leads to intellectual legitimacy. Legitimacy leads to political adoption. Adoption leads to mandate construction. Mandate leads to legislation. Legislation leads to institutional implementation — the precise point where the British system most reliably kills reform. Implementation leads to front-line behavioural change. Behavioural change leads to intermediate outcomes. Outcomes lead to structural economic improvement. And improvement leads to political sustainability, where the beneficiaries of reform defend the settlement against reversion.

The delivery runs across four phases over five years, with hard sequencing rules: no Treasury split before less controversial reforms have proved the government can deliver; no triple-lock confrontation before a visible household savings dividend exists; no National Investment Bank statute before governance and risk principles are specified.

At the centre sits a 40-to-50-person Delivery Unit reporting directly to the Prime Minister — not through HM Treasury. Its head is confirmed by the Treasury Select Committee with a five-year fixed term. Monthly confidential reports name departments and individuals obstructing reform. Quarterly PM-chaired stocktakes follow the format pioneered by Tony Blair's Prime Minister's Delivery Unit. An Annual Implementation Report is laid before Parliament.

Every reform is subjected to the Wolverhampton Test: if a voter in Wolverhampton cannot understand why it matters to their wages, their pension, their family's prospects, and their community's future, we have failed. This is not a programme for the City. It is a programme for every household that deserves better.

Anti-reversion mechanisms are built into the architecture. The Lifetime Account creates millions of holders with platform infrastructure that makes reversal technically costly. LGPS consolidation produces performance data that makes reversion indefensible. The Treasury split creates a new

Department of Commerce with its own staff, budget, and constituency. The programme is designed to become irreversible.

## Why This Time Is Different

Every think tank says it has the answer. Why is this different?

First, this programme starts with implementation, not policy. The delivery architecture is not an appendix. It is the structural core. The operational programme was built specifically because three independent assessments told us our original proposals would “almost certainly not be implemented.” We took that seriously.

Second, the systemic diagnosis. Most reform proposals address a single policy area. This programme argues that regulatory underperformance, tax complexity, capital misallocation, pension inadequacy, and institutional sclerosis are symptoms of the same governance failure — and must be reformed together because they cause each other.

Third, the accountability asymmetry. The argument that Parliament has abdicated the job of stating the nation's risk appetite is, we believe, the most important intellectual contribution. No comparable body has framed the argument this way. It is uncomfortable for politicians — which is precisely why it matters.

Fourth, stress-tested rigour. Every chapter has been subjected to multi-model analysis and independent red-teaming. The programme was attacked, broken down, and rebuilt to be implementable. This is not how think tanks usually work.

Fifth, honesty about opponents. We name our opponents — HM Treasury, the FCA, the compliance industry, incumbent financial institutions, the property lobby, public-sector unions. We map their tactics. We explain why they will resist. And we design the sequencing to create beneficiaries who outweigh opponents at each phase.

We are under no illusions about the difficulty. A former Treasury Director-General who contributed to this programme offered the starkest assessment: “The only way this happens is through brute political force, institutional bypass, and a ruthless focus on the mechanics of delivery over the elegance of policy.” That is what the delivery architecture is designed to enable.

## The Choice

This programme is not a spending programme. It is broadly self-funding over a ten-year horizon. AI transformation generates the fiscal headroom. Triple-lock reform delivers the structural savings. Dynamic revenue recovery funds the transition costs.

A sustained increase of just one percentage point in GDP per capita growth — the central ambition — would deliver approximately £3,500 more per person per year in real terms, compounded over a decade. It would transform the fiscal arithmetic, generating tens of billions in additional tax revenue, reducing the debt-to-GDP ratio, and creating the space for tax cuts and

public investment that would further reinforce the growth cycle.

The diagnosis is done. The programme is designed. The delivery architecture is built. The coalitions are mapped. The risks are identified and mitigated.

What remains is the political will.

If you found this summary compelling, the full manifesto contains the evidence, the detail, and the operational machinery behind every claim made here. It contains the department-by-department AI savings analysis, the phased implementation timeline, the coalition cascade strategy, the fiscal arithmetic, the international benchmarking, and the honest assessment of who loses and why the losses are necessary.

The journalist who reviewed the programme offered the starkest formulation: “The country has the blueprint. The question is whether it still has the nerve.”

The choice is not between reform and the status quo. The status quo is managed decline. Every year of stagnant productivity is another year in which real wages fail to grow, the housing shortage deepens, pension pots fall further short, and the fiscal arithmetic deteriorates. The transition costs of reform are real but finite. The cost of doing nothing is permanent.

Reform or managed decline — there is no third option.

Read the manifesto. Challenge it. Engage with it. Hold us to account for it. And if you believe, as we do, that this country deserves better — support it.

Build. Save. Invest. Own.

Centre for a Better Britain, March 2026

The full manifesto — approximately 16,000 words — contains the complete evidence base, delivery architecture, fiscal analysis, and operational programme summarised here. It is available at [centre website].