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# Will Big Bang 2 Actually Happen?

A Multi-Model Implementation Assessment

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Centre for a Better Britain (CFABB)  
Big Bang 2 Project

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## The Bottom Line

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Big Bang 2 is the most intellectually serious reform programme for the British economy produced in the last decade. All three independent assessments converge on this. Its diagnosis is superior to standard think-tank output. Its scope is unusually ambitious. Its identification of governance failure — not bad regulation but bad governance — as the root cause of stagnation is an authentic intellectual contribution.

And it will almost certainly not be implemented in anything close to its current form.

This is not because the ideas are wrong. Most of them are right, or at least directionally right. It is because the project has the wrong theory of change. It assumes that sufficiently good analysis, sufficiently well-evidenced, will create its own political momentum. It will not. It never has. The Barker Review of 2004 was sufficiently good analysis on housing. England still has a cumulative shortfall of over two million homes. The Dilnot Commission was sufficiently good analysis on social care. It was legislated, given four implementation dates, and cancelled — without a single person ever benefiting from it.

The project is currently stronger as diagnosis than as execution strategy. It is a serious blueprint, but not yet a governing instrument. It reads as if an incoming rational government could simultaneously restructure the Treasury, rewrite the constitutional basis of regulation, rationalise arms-length bodies, overhaul AML, abolish or simplify multiple taxes, create a National Investment Bank, redesign pensions, and shift savings culture. In government, that is not a programme. That is a nervous breakdown.

What follows is the honest assessment of where Big Bang 2 stands, drawn from three independent critiques that agree far more than they disagree.

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## What's Genuinely Different

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Three perspectives — a political strategist, a veteran journalist, and a former Treasury Director-General — converge on the same four distinguishing features. That convergence is itself notable, because these are people who have spent decades watching reform proposals arrive with momentum and leave as footnotes.

First, the systemic diagnosis. Big Bang 2 does not merely propose discrete policy changes. It makes an explicit argument that regulatory and economic underperformance are symptoms of deeper governance failure, and that institutional incentives generate complexity. Most think-tank papers address a single policy area: the IFS does tax, the Resolution Foundation does living standards, Policy Exchange does whatever the Conservative leadership needs. Big Bang 2 attempts to describe an interconnected system of failure — institutional architecture, tax complexity, capital allocation, pension design — and to argue that these must be reformed together because they cause each other. That is analytically correct, and it is unusual. As the political strategist puts it: most think-tank output stays at the level of "government should do X"; this project gets closer to "the state is wired to stop itself doing X."

Second, the accountability asymmetry. The most important intellectual contribution is the argument that Britain's problem is not bad regulation but bad governance — that Parliament has abdicated the job of stating what risks the country is willing to bear, and that the resulting vacuum has been filled by 603 arms-length bodies, each optimising for the avoidance of visible failure rather than the pursuit of growth. The former Treasury official calls this insight "profound" and adds a formulation the project should adopt: "Until the head of a regulatory agency is sacked for failing to generate growth, rather than just for a minor compliance scandal, nothing changes." The journalist demonstrates the point with the Dilnot cap: proposed, legislated, given four implementation dates, and cancelled — the perfect case study of a state that punishes commission errors and ignores omission errors.

Third, the risk-appetite framework. The proposal that Parliament must explicitly state which risks it is willing to tolerate and which outcomes it expects in return is, as the journalist notes, "not the standard 'cut red tape' refrain. It is a constitutional argument about where democratic responsibility for economic risk should sit." No comparable body has framed the argument in quite this way. It is also extremely uncomfortable for most politicians, which is precisely why it has not been adopted before and precisely why it matters.

Fourth, the integration with delivery analysis. The companion papers — The Implementation Gap and A New Operating System for UK Government — demonstrate a self-awareness about the obstacles to reform that most think tanks lack entirely. The Implementation Gap paper shows, across five policy areas over twenty-five years and seven general elections, that the UK has achieved cross-party consensus on what needs doing and has then systematically failed to do it. No government has built 300,000 homes in a single year despite every major party pledging to do so. HS2's budget rose by over 800% and its northern leg was cancelled. Vocational qualifications have been redesigned by every government since 2000. Social care has been subject to at least twelve government-commissioned reviews since 1999, none substantially implemented. Most think tanks produce the prescription and leave the pharmacy to sort itself out. This project has at least described why the pharmacy is broken.

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## Where It Falls into the Same Traps

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The convergence of critique is equally striking. All three assessments identify the same fundamental weaknesses, and they do so with a sharpness that should be taken seriously rather than deflected.

The scope problem. The document proposes to break up the Treasury, restructure financial regulation, abolish or reform roughly ten taxes, create a National Investment Bank, consolidate the British Business Bank and National Wealth Fund, build a UK Lifetime Account system, replace the pension triple lock, reform the LGPS, restructure public-sector pensions, recalibrate Basel 3.1 implementation, reform AIM, change university spin-out structures, introduce financial literacy programmes in schools, and launch a national investing culture campaign. The journalist's judgement is blunt: "This is not a reform programme. It is a wish list with the dimensions of a manifesto." The history of UK reform is that the broader the

scope, the lower the probability of execution, because breadth creates more veto points, more losers, more coordination costs, and more opportunities for the political system to cherry-pick the easy bits and abandon the rest.

The original Big Bang succeeded partly because it was narrow. Three changes. One day. The abolition of fixed commissions, the end of single capacity, and the opening of the Stock Exchange to foreign ownership. You could explain it in a sentence. Big Bang 2 cannot be explained in a paragraph.

The political economy silence. This is, by unanimous assessment, the single largest gap. The project identifies the reforms it considers necessary. It does not adequately identify who will fight them, how they will fight, or how those fights will be won. It talks intelligently about risk but does not apply that intelligence to the political dimension. It knows that Treasury power is the problem but does not reckon with the fact that breaking up the Treasury means fighting the Chancellor, the Permanent Secretary, the Cabinet Secretary, the OBR ecosystem, the bond-market commentary class, and half the governing party — all at once.

The media and narrative void. There is no discussion of how to build and sustain public support for a programme of this scale. Thatcher had "there is no alternative." Blair had "education, education, education." The 1986 Big Bang had a simple story: London is falling behind New York and Tokyo; we either modernise or die. Big Bang 2 has a 200-page document with eleven core principles. "Recalibrating Basel 3.1 implementation for SME lending" is not a narrative. Neither is "rationalising the arms-length body landscape." The project needs a story that a voter in Wolverhampton would recognise and care about.

The theory-of-change problem. All three assessments converge on the same devastating conclusion: the project assumes that better ideas will prevail because they are better. The companion papers prove this is false — the very evidence the project assembles demonstrates that better ideas do not prevail in Britain. As the strategist puts it: "Big Bang 2 diagnoses the implementation gap. It does not yet bridge it."

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## The Implementation Gap: Why Good Papers Don't Become Law

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The project's own companion work provides the most damning evidence against its own likely success. The Implementation Gap demonstrates that across housebuilding, transport, skills, social care, and energy, the major parties have agreed for years on the direction of travel, yet delivery has fallen dramatically short. A New Operating System for UK Government diagnoses precisely why: six interconnected failure dimensions that together constitute a state incapable of executing what it promises.

These dimensions are worth restating because they apply directly to Big Bang 2:

No stable owner. Ministers average eighteen months in post. Secretaries of State rotate constantly. Incoming governments reset their predecessors' programmes. Big Bang 2 contains proposals whose payoff windows run from one to ten years. Without named, protected political ownership, they will die in the next reshuffle.

No delivery cadre. The UK civil service is overly generalist, rotates too fast, underpays specialists, and struggles with execution. Only 37% of scientific and engineering specialists in the civil service work primarily in their specialism. Median Senior Civil Service tenure is 2.5 years. Big Bang 2 proposes complex machinery reforms but does not specify the dedicated implementation unit, programme office, specialist staffing model, or protected commercial and legal capability required to execute them.

No protection against reversion. UK reform is often announced, partially implemented, then reabsorbed by guidance, process, review, consultation, or procedural drift. The former Treasury official traces the lifecycle with brutal specificity: primary legislation passes; mid-level civil servants draft operational guidance conservatively; regulators interpret the mandate narrowly; compliance departments implement the most restrictive possible reading; three years later, the cost of doing business has gone up and the original intent has been entirely inverted. The last-mile problem exists because politicians believe that passing a law is the end of the process. In Whitehall, it is merely the opening negotiation.

The Treasury's veto culture. The Treasury does not merely appraise spending decisions. It controls the economic narrative. Its models define what counts as "affordable." Its culture — cautious, short-termist, sceptical of anything that cannot be modelled in a spreadsheet — permeates the entire system. The Green Book is not just a methodology. It is an ideology. The former Treasury official describes what happens when any tax abolition reaches the Star Chamber: the OBR presents a static cost; officials frame it as a choice between the City and nurses; and the proposal dies. Until the OBR's scoring methodology is reformed to require dynamic modelling of structural reforms, the Treasury will always win the argument against simplification.

The procurement and legal drag. UK infrastructure costs are two to six times those of comparable European countries. 58% of Development Consent Orders have been subject to legal challenge, each averaging 1.4 years to resolve. Only 0.2% of major UK infrastructure projects are delivered on time, within budget, and with expected benefits fully realised. If you reform financial regulation but cannot build the infrastructure that the newly mobilised capital would finance, you have changed the allocation of deck chairs.

The compound effect of these failures is a state with an immune system optimised to reject reform. The former Treasury official's metaphor is apt: "When a foreign body — a radical new policy, a disruptive idea — enters the system, the permanent bureaucracy does not openly rebel. It surrounds the idea, coats it in process, subjects it to endless consultation, demands impossible evidentiary thresholds, and slowly digests it until it is indistinguishable from the status quo."

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## Who Will Block This, Specifically

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The three assessments name the opponents with varying degrees of directness. The journalist names them most explicitly, the former Treasury official describes their tactics most vividly, and the strategist maps the structural logic most clearly. Combined, they

produce a threat map that the project needs but does not yet have.

HM Treasury. Every Chancellor in living memory has resisted any reduction in Treasury power with total commitment. Gordon Brown expanded it. George Osborne expanded it. Jeremy Hunt defended it. Rachel Reeves will defend it. The former Treasury official describes the playbook: the Permanent Secretary will request an urgent private meeting with the Prime Minister, warn that any restructuring will be interpreted by the gilt market as fiscal irresponsibility, cite the disastrous Department for Economic Affairs under George Brown, and predict a spike in debt-servicing costs. If the PM proceeds, the Treasury will ensure the new Department of Commerce gets the mandate for growth but none of the money. Unless the split is accompanied by fundamental rewriting of the fiscal rules and the Green Book, changing the brass plaque on the door will achieve nothing.

The FCA and PRA. These are institutions with thousands of employees, significant budgets, and deep institutional self-interest in maintaining their current scope. Every proposal to tighten their mandates reduces regulatory autonomy. They will fight through private briefings to sympathetic parliamentarians, warnings about financial stability risks, selective leaking to the Financial Times, and the deployment of "complexity" as a reason why outsiders cannot understand why change is dangerous. They will be supported by the compliance industry, which employs tens of thousands and has a direct commercial interest in regulatory complexity.

The City itself. This is perhaps the most uncomfortable finding. The former Treasury official, who sits in FTSE 100 boardrooms, delivers the verdict: "The City will not fight for this." Senior leadership loves to complain about the FCA at Guildhall dinners, but when it comes to actual political combat, they are rationally cowardly. A bank CEO who publicly attacks the FCA risks Section 166 reviews, capital add-ons, delayed personnel approvals, and acquisition blocks. The City has internalised its own captivity. Compliance departments outnumber front-office risk-takers. Major clearing banks have no genuine incentive to lower barriers to entry in SME lending. The City will applaud Big Bang 2, sponsor the launch event, and write polite op-eds in the Financial Times. It will not spend a single ounce of genuine political capital to force implementation.

Public-sector unions. Pension reform means confrontation with Unite, Unison, the GMB, the teaching unions, the police federation, and the fire brigades union. These are organisations with millions of members, significant political funds, and demonstrated ability to shut down public services. The 2011 pension strikes taught every subsequent government to leave the topic alone.

The pensions industry. The proposal for a unified UK Lifetime Account threatens the commercial model of every workplace pension provider, every ISA platform, and every financial adviser whose business depends on the current fragmented system.

Incumbent financial institutions. Large banks benefit from the current regulatory settlement in ways the paper correctly identifies — MREL thresholds create barriers to challenger banks; IRB model complexity favours incumbents; risk-free reserves at the Bank of England are more attractive than SME lending. These institutions will not publicly oppose reform. They will argue for "careful sequencing," "proper consultation," and "maintaining financial

stability" — the vocabulary of delay.

Homeowners and the property lobby. Any policy that might reduce house prices, even indirectly, faces organised opposition from 65% of UK households.

The legal profession. Simplification of planning, reduction in judicial review scope, and consolidation of regulatory bodies all reduce demand for legal services. The legal profession has demonstrated a remarkable ability to defend complexity in the name of the rule of law.

The structural logic is Mancur Olson's: concentrated interests defeat diffuse ones. The losers from Big Bang 2 are immediate, concentrated, and organised. The beneficiaries are diffuse, delayed, and probabilistic. That asymmetry is why most UK reform dies. The strategist's formulation is precise: "Costs are concentrated, benefits are dispersed, and delivery capacity is weak."

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## What Successful Reforms Had That This Lacks

All three assessments draw on historical precedent, and their combined analysis is more powerful than any single version. Five cases stand out.

The original Big Bang (1986) succeeded because it had a Prime Minister who had already demonstrated willingness to take on powerful incumbents; a specific legal lever — the threat of a Restrictive Practices Court case against the Stock Exchange; a narrow, clear, implementable package; an external competitive threat that was visible and undeniable; and a willing institutional partner in Nicholas Goodison who could deliver his members. Big Bang 2 has none of these. There is no committed Prime Minister, no legal lever, the package is vast, the competitive threat is gradual rather than acute, and there is no institutional partner who can deliver the relevant constituencies.

Thatcher's privatisation programme built its own coalition. Each privatisation was a discrete act requiring one piece of legislation. Share offers created millions of new shareholders who became a political constituency for the next privatisation. The programme generated revenue that funded tax cuts. It was phased over a decade. Big Bang 2 does not have a comparable mechanism for creating early beneficiaries who then support the next phase.

New Zealand's Rogernomics (1984–1990) moved with extreme speed before opposition could organise. A small, ideologically committed cabinet faction had detailed implementation plans ready before taking office. The country faced acute fiscal crisis. And New Zealand is a small, unicameral system with no second chamber, no devolution, no 603 arms-length bodies, and no entrenched legal frameworks. Britain in 2026 has none of these conditions.

Pension auto-enrolment — the great unsung triumph of British public policy this century — succeeded because Adair Turner spent years building cross-party, cross-industry, cross-union consensus. It was not shoved through in 100 days. It relied on phased, multi-year implementation, culminating in NEST. It depoliticised technical delivery while maintaining political lock-in. This is arguably the closest model for what Big Bang 2 should

aspire to, and it is the one the project least resembles.

The National Minimum Wage succeeded because the government created the Low Pay Commission — a trusted tripartite body that took the toxic politics out of rate-setting. By outsourcing implementation to a credible external authority with a clear mandate, the policy survived multiple changes of government.

The common thread: successful reform requires not just good ideas but a political mechanism — a crisis, a mandate, a lever, a coalition, a sequence that builds momentum. Think-tank papers provide ammunition for someone who already has the gun.

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## What's Missing: The Gap Between Paper and Power

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Drawing on all three assessments, there are eight critical absences. Until they are filled, Big Bang 2 remains vulnerable to the fate the Implementation Gap paper itself documents: admired, mined for speeches, selectively borrowed into manifestos, then neutralised by the British state's immune system.

1. A political principal. Someone with executive power who is willing to stake their career on this programme. Not a sympathetic minister who "welcomes the contribution." A Prime Minister or Chancellor who says: this is what we are going to do, this is the order in which we are going to do it, and I will be judged on whether it happens. The 1986 Big Bang had Thatcher and Lawson. Rogernomics had Douglas and Lange. Big Bang 2, as of today, has no one.

2. Ruthless prioritisation. You need a Phase 1 that contains no more than three to five flagship moves. Not twenty. The journalist's candidates are persuasive: abolish stamp duty on shares (straightforward, low-cost, immediately beneficial to market liquidity); raise the MREL threshold for challenger banks (technical enough to avoid media attention but significant enough to change competitive dynamics); dramatically simplify AML/KYC (produces immediate visible relief for millions); and publish a parliamentary risk-appetite statement (establishes the constitutional principle without requiring immediate structural change). Win those, build credibility, then tackle the harder items.

3. A named implementation architecture. The former Treasury official proposes a "Dictator for Delivery" — a Cabinet-level minister, ideally the Chancellor of the Duchy of Lancaster, whose sole mandate is implementation, with explicit written authority from the Prime Minister to overrule HM Treasury on implementation disputes. The strategist proposes a Big Bang 2 Delivery Unit in the centre, named SROs, a monthly stocktake chaired by PM or Chancellor-equivalent, a legislative war room, external secondees with fixed tenure, and a red-team function for legal and political blockers. The companion paper A New Operating System for UK Government is already half the answer. Integrate it explicitly — it cannot remain a separate thought piece.

4. A coalition strategy. For each reform, list supporters, neutrals, opponents, inducements, compensations, and likely attack lines. If you cannot answer "why would this minister take

the hit?" and "what does this stakeholder get in return?" the reform is not ready. The project needs specific, identifiable groups who will campaign for implementation: challenger banks who want MREL reform, fintech firms who want AML simplification, small business owners who want tax simplification, young savers who want a Lifetime Account. These groups need to be named, convened, and given a stake.

5. A public narrative. Not eleven principles. Not four workstreams. A story. Something like: "Britain's savings are trapped in a system that makes the City rich and keeps your wages flat. We are going to change that." Or: "Your pension is invested in American tech stocks while the factory down the road can't get a loan. We are going to fix that." The story must make the beneficiaries visible and the status quo indefensible. The project's existing household-facing language — wages, housing, savings, pension adequacy, family formation — is correct. It now has to become the central political argument, not a supporting paragraph.

6. A loss-acceptance framework. The project talks intelligently about tolerated risk and portfolio-based governance. Good. Now apply it politically. Which scandals, headlines, transition costs, and implementation failures are you willing to endure in the first 24 months? If the answer is "none," the answer is "nothing will happen."

7. Cross-party commitment. Some mechanism — a royal commission, a joint select committee, a formal cross-party accord — that commits the next government, whichever party forms it, to at least the core structural reforms. Without this, the programme dies at the next election. The Danish model of cross-party infrastructure agreements that survive changes of government is the right idea. Britain's adversarial parliamentary system makes this hard. But auto-enrolment and the National Minimum Wage show it is not impossible.

8. Reform of the referee before the game. The former Treasury official makes a point no one else does with sufficient force: before proposing tax abolition, the Chancellor must formally alter the OBR's mandate to require dynamic scoring for structural market reforms. Before instructing regulators, Parliament must legislate to override, not instruct — drafting negative obligations ("the Authority shall not require X") rather than positive ones ("the Authority should consider Y") that leave discretion to maintain the status quo. The secondary competitiveness objective introduced by the Financial Services and Markets Act 2023 is Exhibit A: a secondary objective is, by definition, secondary. The evidence to date suggests it has changed nothing.

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## The Verdict: Will It Work?

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The three assessments occupy slightly different positions, but the spread is narrow.

The political strategist says: "Potentially, yes — but only because it comes closer than most think-tank work to identifying the true problem. Will that, by itself, make it happen? No." The project is "close enough in diagnosis that building the missing half is worth doing. The missing half is not another chapter. It is the implementation and political warfare plan."

The journalist says: "Big Bang 2 is the best think tank output on British financial reform I have read in a decade. And it will almost certainly not be implemented in anything close to its current form." But: "If the UK's slow-burning economic crisis becomes acute — a gilt market shock, a sovereign downgrade, a pension funding crisis — then a detailed, ready-made reform programme becomes extremely valuable."

The former Treasury official says: "The British state is a graveyard of exceptional analysis." And: "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."

The adjudicated verdict is this: Big Bang 2 is different from standard think-tank output in diagnosis, scope, and self-awareness. It is not yet different in the one way that matters most — it does not have a political mechanism for implementation. What it provides is the intellectual infrastructure for a future government that decides, under pressure, that it is finally time to act.

There is a useful distinction between the project's value and its likelihood. Its value is high — this is the most coherent description of what needs to change that exists in British policy. Its likelihood of implementation in current form is low, because the project is still a paper when it needs to be a campaign, a coalition, and a governing plan.

The gap is not intellectual. The gap is operational and political. The project knows why Britain fails to implement. It has not yet built the machinery to be the exception.

But here is the important addendum, on which all three assessors agree: the work is not pointless. Ideas enter the political bloodstream in unpredictable ways. The 1986 Big Bang was intellectually prepared by years of work before the political moment arrived. Rogernomics drew on a decade of shelved Treasury analysis until a crisis made it actionable. The question is not whether Big Bang 2 is good enough. It is whether Britain's crisis will become bad enough, soon enough, for anyone with power to pick it up.

And the crisis is real. Output per hour barely above 2019 levels. GDP per head falling in the second half of 2025. Business investment at the lowest share of GDP in the G7. A cumulative housing shortfall of two million homes. Public-sector net debt at 95.5% of GDP. The tax burden on track to reach levels never previously sustained. The first large DC pension cohorts approaching retirement with plainly inadequate pots. If any of this sharpens into a market event or a political rupture, the government that inherits it will need something exactly like Big Bang 2. The project's job is to make sure it is ready — not as a PDF, but as an implementable programme with allies, sequencing, legislation, and a delivery machine.

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## What Would Need to Happen in the Next 12 Months

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If the project is serious — and the quality of the work suggests it is — the next twelve months must look fundamentally different from the last twelve. The question is not "what more should we write?" It is "what do we build?"

Months 1–3: Narrow and fuse.

- Reduce the reform core to no more than five flagship measures. Each must have an identified owner, a timetable, a draft legislative route, and a veto map. The strategist's framework is right: probably one institutional reform, one capital-markets/SME finance reform, one savings/pensions reform, and one delivery-state reform.
- Fuse the New Operating System for UK Government into Big Bang 2 as its delivery chapter, not a companion thought piece. Without that integration, the project is arguing simultaneously that Britain cannot implement and that this project somehow will.
- Identify at least one reform that can be executed administratively, requiring no primary legislation. The institutional chapter already identifies first-100-days items. Prove the concept there.

#### Months 3–6: Build the coalition.

- Produce a political coalition document, not for publication, listing who must be brought in: parts of business, selected unions where feasible, pension providers, local government reformers, selected Labour and Conservative modernisers, and a small group of ministers or shadows willing to own the package.
- Convene the beneficiary groups — challenger banks, fintech firms, small business owners, young savers — and give them a stake. The programme needs organised supporters, not just diffuse goodwill.
- Secure at least one political principal: a front-bench figure, in either party, willing to be publicly identified with the programme's core propositions.

#### Months 6–9: Legislate and narrate.

- Have model legislation ready for at least one flagship reform and an administrative route ready for a second.
- Launch a public campaign frame that ordinary voters can understand: "build, save, invest, own" — not "regulatory risk appetite and Treasury disaggregation."
- Commission and publish dynamic scoring of at least one major tax reform, to establish the principle that static OBR analysis is not the only legitimate framework.

#### Months 9–12: Test the system.

- By month twelve, you should be able to answer four yes-or-no questions: Is there a live political sponsor with real authority? Is there a delivery unit or equivalent? Is there one legislatively mature reform and one administratively executable reform? Is there an agreed first-wave package rather than a giant shelf of ideas?
- If the answer to those questions is no, then Big Bang 2 is still a think-tank product, however good the prose. If the answer to even two is yes, the project has crossed a threshold that most reform programmes never reach.

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## Final Word

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The journalist's closing line deserves to stand as the epitaph — or the rallying cry, depending on what happens next: "The country has the blueprint. The question is whether it still has the

nerve."

The strategist's version is more operational and perhaps more useful: "Big Bang 2 will not be different because it is smarter. It will only be different if it becomes harder — harder-edged, harder-prioritised, harder-nosed about power, and harder to kill."

And the former Treasury official, who has watched reform proposals die from inside the machine for two decades, offers the starkest test: "If the government spends 2026 arguing about the theory of growth rather than rewiring the machinery of state, Big Bang 2 will be remembered as just another brilliant PDF that gathered dust while the country quietly managed its own decline."

The diagnosis is done. It is excellent. Now build the thing that makes it real.