

# Manifesto for a Better Britain

A Programme for National Renewal

With the Delivery Architecture to Make It Real

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# Section 1: The Diagnosis — What Is Wrong with Britain

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## The Paradox of a Frustrated Nation

Britain is not a failed country. It is a country failing to realise what it already has.

The assets are real. The United Kingdom hosts the world's second-ranked financial centre, one rating point behind New York. It operates the global foreign exchange market, accounting for 38 per cent of worldwide turnover. Its universities produce Nobel laureates; its legal system provides the contractual backbone for international commerce; its language is the operating system of the global economy. The UK is still the world's largest net exporter of financial services, with a combined financial and related professional services trade surplus of £119.1 billion ([TheCityUK, January 2026](#)). UK-based financial and related professional services employ almost 2.5 million people, and more than 160 foreign banks maintain branches or subsidiaries here ([GFCI 38, September 2025](#)).

None of that is in dispute. The dispute is with what Britain has done — and failed to do — with those advantages over the past generation.

Output per hour worked in the final quarter of 2025 was only 2.4 per cent above its 2019 level — after six years that should have delivered far more ([ONS productivity bulletin, Q4 2025](#)). GDP per head fell in both Q3 and Q4 of 2025 ([ONS GDP first quarterly estimate, Q4 2025](#)). Business investment stands at 18.6 per cent of GDP — the lowest in the G7, persistently, for years ([ONS business investment, Q4 2025](#)). The UK's GDP per capita, at approximately \$56,661 in 2025, ranks twenty-first globally — behind not only the United States at roughly \$92,880 but also Germany at approximately \$63,600 ([IMF DataMapper](#)). In Q3 2025, the United Kingdom recorded the largest fall in real household income per capita across the entire G7, down 0.8 per cent in a single quarter ([OECD Growth and Economic Well-being, Q3 2025](#)).

These are not cyclical blips. They are the fingerprints of a structural failure that has been building for twenty years and accelerating for ten.

The Resolution Foundation has calculated that had wages continued to grow at their pre-2008 trajectory, the average British worker would earn approximately £11,000 more per year than they do today ([Resolution Foundation, March 2023](#)). That £11,000 is the measure of what has been lost. Not through war, natural catastrophe, or some unavoidable global shock — but through the slow, cumulative failure of an economic system that has forgotten how to grow.

The central paradox of modern Britain is this: a country with world-class assets and a world-class talent base that is being outpaced by nations with fewer advantages.

Understanding why requires looking systematically at the four interlocking failures that together constitute Britain's economic condition: a productivity crisis, a capital markets crisis, a housing and infrastructure crisis, and the human cost that ties them all together.

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## The Productivity Crisis

Productivity is not a technocratic abstraction. It is the only long-run source of rising wages, better public services, and sustainable living standards. A country that does not grow its output per worker cannot, over time, pay for its NHS, its pension system, its defence, or its ambitions. Productivity is the foundation on which everything else rests.

Britain's foundation has cracked.

Multi-factor productivity in the market sector was still 0.7 per cent below its 2019 level in 2024, measured against a trend growth of around 1.8 per cent per year in the decade before the 2008 financial crisis ([ONS productivity measures](#)). The contrast with the United States is stark. Between the final quarter of 2019 and the second quarter of 2024, US labour productivity per hour worked increased by 6.7 per cent. The UK's performance has been no better than the European average, which grew by just 0.9 per cent over the same period. In market services — Britain's supposed comparative advantage — US hourly productivity grew by 12.4 per cent against just 3.8 per cent in the euro area. Britain's services sector is not keeping up with either its competitor economies or its own past trajectory.

The OBR projected in March 2026 that real GDP growth would slow further to 1.1 per cent in 2026, reflecting cyclical weakness, a loosening labour market, and persistently subdued business investment ([OBR Economic and Fiscal Outlook, March 2026](#)). Business investment fell by 2.7 per cent in Q4 2025 alone. A country that does not invest at scale does not grow. The relationship between capital formation and productivity growth is among the most robust findings in economics. Britain has been running down its productive capital for years, and the output data is simply the delayed consequence.

The IFS reports that average pre-tax pay in 2023–24 was just 3.5 per cent above 2009–10 levels in real terms — fourteen years of near-total wage stagnation ([Institute for Fiscal Studies](#)). That figure is not the result of a bad patch or a government of the wrong colour. It spans Conservative governments, a coalition, Labour governments, the pandemic, the energy crisis, and every variety of short-term political circumstance. It is a structural condition, not a conjunctural one.

The consequences compound. Weak wage growth reduces household formation and family stability. Lower consumption depresses business revenues and discourages investment. A smaller tax base forces higher rates. Higher rates reduce labour market incentives and push marginal activity into the shadow economy or offshore. The fiscal trap tightens. Low growth forces ever-higher taxes, which further suppress growth, which forces yet higher taxes.

Public-sector net debt has reached 95.5 per cent of GDP — the highest ratio since the early 1960s. The OBR projects the tax burden will rise to 38.5 per cent of GDP by 2030–31, a level never previously sustained in the United Kingdom ([OBR Economic and Fiscal Outlook, March 2026](#)). The national debt, including unfunded public-sector pension liabilities estimated at over £2 trillion, represents an intergenerational obligation of staggering scale. And yet the only credible route out of this fiscal position is growth — not austerity, not tax rises, but a sustained improvement in the productive capacity of the economy.

The arithmetic is clarifying. A sustained increase of just one percentage point in GDP per capita growth, compounded over a decade, would deliver approximately £3,500 more per person per year in real terms. It would generate tens of billions in additional tax revenue at existing rates, reduce the debt-to-GDP ratio organically, and create space for the combination of tax relief and public investment that would further reinforce the growth cycle. That 1pp improvement is not a moonshot — it is the difference between Britain's recent trajectory and Germany's in the previous decade. It is achievable. What it requires is not cleverness but will, and the institutional machinery to convert will into results.

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## The Capital Markets Crisis

Britain's capital markets were once the model to which other countries aspired. They are now a source of competitive anxiety.

In 2024, 88 companies left the London Stock Exchange — the highest annual outflow since the financial crisis — while just 18 new companies listed, the lowest figure on record ([EY IPO data 2024](#)). These are not small businesses quietly closing their doors. Wise, Ashtead, Flutter Entertainment, Just Eat, and CRH are among the major firms that have moved or announced moves to list primarily in New York, citing deeper capital pools, higher valuations, and a more supportive investor culture. In the separate FinTech ranking, London has slipped to fifth place, behind Hong Kong, Shenzhen, New York, and Singapore ([GFCI 38, September 2025](#)).

At the turn of the millennium, UK-listed companies accounted for 11 per cent of the MSCI World Index. Today that share has fallen to approximately 4 per cent. The direction of travel is not ambiguous. Companies that could have listed in London, employed people in London, paid taxes in London, and generated economic activity across the UK's financial ecosystem are choosing not to. Each departure is individually rational — NYSE offers deeper liquidity, higher valuations, and a culture more comfortable with growth-stage risk. In aggregate, it is a slow institutional haemorrhage.

The paradox is acute. Britain has one of the largest stocks of retirement and long-term savings capital in the developed world. The country is not short of money. What it is short of is channels that turn money into productive power. British households save heavily — but they do so through a property-centric culture, fragmented pension structures, low-risk defaults, and passive global allocations that direct capital to

American technology stocks rather than British infrastructure. At the same time, prudential rules designed for global systemically important banks constrain smaller lenders, AML and KYC requirements maintained across 25-plus separate supervisory bodies create duplicative friction, planning dysfunction means viable projects do not exist in sufficient quantity, and poor public-market exit routes raise the cost of venture-stage entry capital.

The result is the worst of both worlds: large savings pools and weak domestic capital formation. Britain is a country awash with savings that cannot find their way into British growth.

The regulatory cost of this system is material. Research by TheCityUK and PwC estimates annual regulatory compliance costs at £33.9 billion for the largest UK financial services firms — more than 13 per cent of operating costs ([TheCityUK compliance report, November 2025](#)). Eighty-four per cent of compliance leaders report that costs have risen over the past five years. Fifty-three per cent of firms operating internationally state that UK compliance costs are higher than in other jurisdictions. The Financial Conduct Authority now operates under well over 100 separate objectives, at a total operating cost of £797.5 million in 2024–25. The Prudential Regulation Authority's regulatory operating costs reached £344 million. Together, Britain has built one of the world's most expensive regulatory machines — and it does not produce commensurately better outcomes in terms of financial stability, consumer protection, or growth.

This is not an argument against regulation. It is an argument against the particular form of regulatory complexity that has accumulated in Britain: gold-plating beyond global norms, duplication across supervisors, a culture that treats all compliance as equivalent regardless of systemic importance, and a risk calculus that is acutely sensitive to visible failure and completely blind to the invisible failure of foregone growth.

In Q3 2025, financial and insurance activities made the largest negative contribution to output-per-hour growth relative to 2019 of any sector in the UK economy, subtracting 1.1 percentage points from the aggregate figure ([ONS productivity bulletin, Q3 2025](#)). Britain's strongest comparative-advantage sector is dragging on national productivity. That is not a market failure. It is a policy failure.

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## The Housing and Infrastructure Crisis

The planning system is not a technical problem. It is an economic catastrophe.

England has a cumulative housing shortfall of over two million homes. The Barker Review of 2004 identified the problem with precision and proposed solutions. Those solutions were not implemented. In the years since, the shortfall has deepened by tens of thousands of homes annually. Every major party has pledged to build 300,000 homes a year. None has delivered it. The Building Societies Association reports 2.2 million "missing" first-time buyers since 2006 — people who, by historical patterns of homeownership, should have been able to buy but could not ([Building Societies](#)

Association). The consequence is visible in housing costs, in overcrowding, in the delayed family formation of a generation of young people, and in a rental market that extracts an increasing share of stagnant wages.

Only 26 per cent of 20-to-39-year-olds in England now own a home. A generation ago, that figure was substantially higher. The causes are multiple and interconnected — insufficient supply, planning restrictions that constrain development in the places where people want to live, Help to Buy schemes that inflated prices rather than increasing access, and a tax regime that has made property Britain's preferred store of value. The result is an economy in which geographical and professional mobility is constrained, in which wealth accumulation is increasingly confined to those who inherited property or bought it before prices disconnected from wages, and in which the promise that a stable job leads to a stable home has been broken for millions.

Infrastructure is not a separate problem. It is the same problem expressed differently.

Only 0.2 per cent of major UK infrastructure projects are delivered on time, within budget, and with expected benefits fully realised. That figure should be read slowly. Not "most projects run a little late." Not "cost overruns are common." Zero point two per cent. The system is not underperforming at the margins. It has structurally failed. HS2 was originally budgeted at £37.5 billion. The eventual cost exceeded £66 billion — an overrun of more than 800 per cent from the earliest estimates — before the northern leg was cancelled entirely. Hinkley Point C nuclear power station was contracted at £18 billion; the latest estimate exceeds £46 billion, with completion now pushed back to 2031. UK infrastructure costs are two to six times those of comparable European projects, partly because the procurement system is adversarial, legalistic, and designed to minimise blame rather than maximise value.

The energy cost consequence is direct and severe. Industrial electricity prices in the United Kingdom are 125 per cent above the EU-14 median. That is not a minor competitive disadvantage. It is a structural tax on every manufacturer, every data centre, every energy-intensive business operating in this country. It is one reason why business investment has remained so depressed. And it is a direct consequence of decades of planning delays, cost overruns, and an energy infrastructure programme that has been started, stalled, and restarted so many times that it has become more expensive to build anything at all.

The 58 per cent of Development Consent Orders that have been subject to legal challenge — each challenge averaging 1.4 years to resolve — is a system that has institutionalised delay. These are not cases where legal challenges reliably improve outcomes. They are cases where the process itself has become the obstacle, and where the cost of that obstacle is borne invisibly by the economy as a whole.

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## The Human Cost

The data above is not an abstraction. It is the ledger of lives lived under a system that no longer works.

It means pay packets that never quite keep ahead of bills — not because people are not working hard enough, but because the system around them is generating less and less value from their effort. The IFS reports that average pre-tax pay in 2023–24 was just 3.5 per cent above 2009–10 levels in real terms — fourteen years of near-zero wage growth, spanning multiple governments and multiple economic cycles ([Institute for Fiscal Studies](#)). The comparison to other eras is not nostalgic — it is a measurement of what the economy has failed to produce.

It means young couples in their thirties still renting, still unable to save a deposit, watching the homeownership that their parents achieved by their late twenties recede year by year. The 2.2 million missing first-time buyers since 2006 are not a statistical footnote. They are people whose household formation has been delayed, whose wealth accumulation has been stunted, whose children's lives are shaped by financial insecurity that previous generations did not face.

It means retirement preparation that is quietly failing for millions of working-age people. According to the Department for Work and Pensions, 43 per cent of working-age people — around 14.6 million individuals — are undersaving for retirement. The OECD estimates the UK state pension replaces just 54.4 per cent of average earnings, among the lowest replacement rates in the developed world. The UK's pension system ranks twelfth in the 2025 Mercer CFA Institute Global Pension Index. A lifetime of work that, in too many cases, adds up to not enough.

It means small businesses navigating a tax code that exceeds 21,000 pages in Tolley's Tax Handbook — more than double its length at the turn of the millennium — and facing compliance costs that consume resources that should be going into growth, employment, and investment. It means a growing recognition among younger, skilled, and globally mobile workers that other countries offer better prospects — and a consequent brain drain of exactly the human capital on which future productivity depends.

And it means, underneath all of this, a growing sense that the system is rigged. Not rigged in the crude sense of corruption or conspiracy — Britain remains one of the world's more transparent and law-governed societies. Rigged in a more corrosive sense: a system that no longer offers an ordinary family a believable route to security through work and responsibility. A system in which effort does not reliably buy stability, in which thrift is punished by complexity and inflation, in which enterprise is rewarded with paperwork, and in which the promises made by successive governments — of housing, of skills, of better public services — are made and broken with such regularity that scepticism has become the rational response of any citizen paying attention.

That scepticism is earned. It is the product not of cynicism but of experience. Twenty-five years of governments of every colour announcing programmes that never arrive, reforms that are legislated and then abandoned, and targets that are proclaimed without the resources to meet them. The Wolverhampton test — whether a voter in Wolverhampton can understand why this matters to their wages, their pension, their family's prospects, and their community's future — is not a rhetorical device. It is a statement of accountability. This document applies it throughout.

The case for renewal is not ideological. It does not rest on a preference for markets over states or states over markets. It rests on measurement. Britain is underperforming against its own assets, against its peers, and against its own recent history. The question is not whether this needs to change. The question is why nothing has changed, and what it would take to make change real.

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## The Crisis of Trust — Why Britain Has Stopped Believing

The economic data tells one story. The political data tells another — and the two are converging into a single, dangerous conclusion.

Britain does not merely have an economic crisis. It has a crisis of democratic legitimacy driven by the growing, measurable gap between what governments promise and what they deliver.

The numbers are stark. The 2024 British Social Attitudes survey — the most rigorous longitudinal study of public opinion in the UK — found that 45 per cent of the public now say they "almost never" trust governments of any party to place the needs of the nation above the interests of their own political party, the highest figure ever recorded, up 22 percentage points from 2020 alone ([NatCen, British Social Attitudes 41, June 2024](#)). Fifty-eight per cent say they "almost never" trust politicians to tell the truth — also a record, surpassing even the depths of the 2009 expenses scandal. Seventy-nine per cent say Britain's system of government needs "a great deal" or "quite a lot" of improvement.

The Ipsos Veracity Index confirms the pattern from a different angle: just 9 per cent of the British public trust politicians to tell the truth, the lowest figure in the survey's forty-year history, placing politicians below every other profession measured — below estate agents, below advertising executives, below journalists ([Ipsos Trust in Professions, November 2023](#)). Among 25 to 34-year-olds, the figure is 2 per cent.

The 2026 Edelman Trust Barometer extends the diagnosis internationally. Government trust in the UK sits at 53 per cent — 25 points below employer trust. The trust gap between high-income and low-income Britons has widened almost tenfold since 2012, from 2 points to 19 points. Only 14 per cent of the British public believe things will be better for the next generation ([Edelman Trust Barometer, 2026](#)). Three in four UK respondents — 76 per cent — now report an insular mindset, unwilling or hesitant to trust anyone with different values, backgrounds, or information sources ([Edelman, January 2026](#)). A democracy that cannot maintain trust across its own population is a democracy in structural difficulty.

IPPR's research puts the political geography into sharp relief: trust in MPs falls the further you travel from Westminster. Burnley records the lowest average levels of political trust; Hampstead and Kilburn the highest ([IPPR, Trust and Democratic Decline, 2021](#)). In 1944, 35 per cent of the British public believed politicians were merely "out for themselves." By 2021, 63 per cent held that view. The trajectory is not cyclical. It is structural, generational, and accelerating.

## The Manifesto Graveyard

The trust collapse is not irrational. It is the accumulated consequence of decades of promises made and broken — by governments of every colour, with impressive consistency.

Consider housebuilding. Every government since Harold Macmillan's in the 1950s has recognised the need to build at scale. The target of 300,000 homes per year in England has been endorsed by Conservative, Labour, and coalition governments. No government in half a century has achieved it. The Conservatives formally abandoned the target in December 2022; Labour reinstated it in 2024 with housebuilders immediately warning the OBR it was "too optimistic" ([BBC News, October 2025](#)). The problem is not that the analysis is wrong — everyone agrees Britain needs to build. The problem is that the institutional machinery consistently fails to convert agreement into houses.

Consider the NHS. The 18-week treatment target — that 92 per cent of patients should start treatment within 18 weeks of referral — was last met in February 2016. Every government since has promised to fix waiting times. The list peaked at 7.7 million in 2024. Labour's 2024 manifesto pledged 40,000 more appointments per week. As of early 2026, the waiting list has fallen marginally, but the structural backlog — a product of workforce shortages, capital underinvestment, and a decade of below-trend funding — remains vast. The rhetoric changes; the experience of the patient in the waiting room does not.

Consider levelling up. The "Northern Powerhouse" was announced in 2014. "Levelling Up" was the centrepiece of the 2019 Conservative manifesto, with a dedicated White Paper in 2022. Research published in *The Conversation* in 2024 concluded that the policy had been "a total failure" — the North-South wealth gap per head reached £71,000 in 2020, nearly double the 2010 figure. The cancellation of both northern branches of HS2 confirmed what the data already showed: the rhetoric had no delivery mechanism behind it.

The pattern is bipartisan. It is not that one party promises and the other delivers. Both promise. Neither delivers. The voter watching this unfold over twenty years does not conclude that the wrong party is in charge. They conclude that the system itself is incapable of action.

## The Brexit Paradox

The most dramatic illustration of the promise–delivery gap is immigration after Brexit.

The 2016 referendum was, among other things, a vote for control over immigration. "Take back control" was the defining slogan. The Conservative governments that followed promised repeatedly to reduce net migration — the 2019 manifesto committed to bringing numbers down, building on David Cameron's earlier pledge to reduce net migration to the "tens of thousands."

What actually happened was the opposite. Net migration did not fall after Brexit. It rose — dramatically. Under the new points-based immigration system introduced after free

movement ended in January 2021, the Conservative government liberalised work visas for care workers, expanded the post-study work route, and opened humanitarian pathways for Ukrainians and Hong Kongers. Net migration peaked at an estimated 944,000 in the year ending March 2023 — the highest figure in British history, more than three times the pre-referendum level ([ONS, Long-term International Migration, June 2025](#); [Migration Observatory, Oxford](#)).

The composition also changed. EU net migration, which had been the focus of the referendum debate, fell sharply — EU net migration was negative 70,000 in the year ending June 2025, meaning more EU citizens were leaving than arriving. Non-EU migration surged to fill the gap, driven by sectors — social care, universities, healthcare — where domestic supply was inadequate because of low pay, poor conditions, and chronic underinvestment. By the time the Conservative government introduced restrictions in 2024, the damage to public trust had been done. Net migration has since fallen to approximately 204,000 in the year ending June 2025 — roughly back to pre-Brexit levels — but the central promise of the referendum remained visibly unmet for years.

The political consequences were severe. Leave voters, who were told their vote would deliver control, watched net migration triple. Remain voters, who warned that Brexit would not deliver what was promised, saw their prediction confirmed. Neither side felt vindicated. Both felt betrayed — by different aspects of the same failure. The result was not reconciliation but deeper polarisation, feeding directly into the trust collapse measured by every survey cited above. The 48 per cent who voted Remain became more disillusioned with a political class that had promised exit would be smooth; the 52 per cent who voted Leave became angrier that their expressed democratic preference had been, in practice, inverted.

## The Accelerating Gap: Government vs. the Rest of Life

There is a further dimension that compounds the frustration — and it is perhaps the most corrosive of all.

In every other domain of British life, the pace of improvement has been accelerating. A citizen in 2026 can manage their entire financial life from a phone: open accounts in minutes, transfer money internationally in seconds, invest, insure, and budget through interfaces designed around their convenience. They can order anything and have it delivered within hours. They can access world-class entertainment, education, and communication tools for a fraction of what they cost a decade ago. The private sector has been transformed by technology, competition, and relentless customer focus.

The public sector has not kept pace. The Government's own State of Digital Government Review, published in January 2025, found that 47 per cent of central government services and 45 per cent of NHS services still lack a digital pathway — leaving citizens reliant on phone calls, paper forms, and manual processes ([State of Digital Government Review, January 2025](#)). Estonia offers an online option for 99 per cent of its public services. The UK is not even at half. Satisfaction with UK public digital services has fallen from 79 per cent to 68 per cent over the past decade — well below the 90 per

cent benchmark of regulated industries like banking. HMRC handles approximately 100,000 phone calls per day. The DVLA processes around 45,000 letters daily. Defra still manages over 500 paper form-based services. NHS England uses approximately 50 different CRM platforms.

The productivity consequences are measurable. EY's 2025 analysis calculated that public-sector productivity has fallen by over 8 per cent since the pandemic, while private-sector productivity grew by nearly 5 per cent over the same period — a divergence costing approximately £80 billion per year in lost output. If public-sector productivity had merely kept pace with the private sector since 2019, the economy would be 3 per cent larger than it is today (EY, [Mind the Productivity Gap, August 2025](#)). The review identified over £45 billion per year in unrealised savings from digitisation alone — 4 to 7 per cent of total public-sector spending.

The citizen sees this every day. They file their tax return on a system designed in the previous decade, then open their banking app — redesigned last month. They wait on hold with a GP surgery that still uses a telephone booking system designed for the 1990s, then book a restaurant table in three taps. They watch government announce "digital transformation" programmes that take years and cost billions, while the private-sector equivalents are built in months by teams a fraction of the size. The gap between what government provides and what every other aspect of modern life delivers is not narrowing. It is widening — visibly, measurably, and in a way that every citizen experiences personally.

This is the context in which the trust data must be read. The collapse in public faith is not the product of an ungrateful population. It is the rational response of a citizenry that can see, with their own eyes, the growing distance between promise and delivery, between the pace of their private lives and the paralysis of their public institutions.

## Why This Matters for What Follows

The diagnosis is now complete. Britain's economic foundations are eroding: productivity stagnant, capital markets shrinking, housing unbuilt, infrastructure delayed, and the human cost mounting with each passing year. Layered on top of that economic failure is a democratic crisis — a population that has stopped believing its government can deliver anything it promises, because the evidence of the past two decades says it cannot.

This is not a counsel of despair. It is the necessary precondition for a serious programme of reform. Because if the diagnosis stopped at economics — if it simply catalogued the productivity data and the capital markets statistics and moved directly to a list of policy proposals — it would be repeating exactly the mistake that every previous programme has made. It would be assuming that the right ideas, clearly stated, will somehow implement themselves.

They will not. The next section explains why.

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# Section 2: The Implementation Gap — Why Nothing Changes and How to Fix It

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## The Graveyard of Exceptional Analysis

Britain's problem is not a deficit of ideas. It is a chronic, structural failure of implementation.

That claim is provable. Consider what Britain already knows, and has known for years. The Barker Review of 2004 identified the structural undersupply of housing with precision, modelled the consequences, and proposed solutions. England still has a cumulative shortfall of over two million homes. The Dilnot Commission of 2011 identified a workable solution to the social care funding crisis. Its proposal was legislated. It was given four implementation dates. It was cancelled in 2022 — without a single person ever benefiting from it. Thirteen years of cross-party consensus. Thirteen years of implementation failure. Vocational qualifications have been redesigned by every government since 2000. Further education funding fell 28 per cent in real terms over that period while the qualification framework was continuously overhauled — producing successive generations of students trained in a system that would be abandoned before they graduated. Social care has been subject to at least twelve government-commissioned reviews since 1999, none substantially implemented.

HS2 encapsulates the infrastructure version of the same problem. An 800 per cent cost overrun from the earliest estimates. A northern leg cancelled after decades of political commitment. A project that consumed billions in planning, preparation, and partial construction — and delivered a fraction of what was promised. Hinkley Point C — contracted at £18 billion, now estimated at over £46 billion — tells the same story in the energy sector.

The British state is a graveyard of exceptional analysis.

The question is why. The diagnosis is not difficult — it has itself been diagnosed, repeatedly, in reports that were also not implemented. What follows is the most rigorous answer available: five structural patterns of failure that recur across every policy domain, a root cause in governance that drives all five, and the architecture that can finally break the cycle.

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## The Five Patterns of Failure

## Pattern One: The Planning Trap

Britain's planning system was designed to manage the consequences of growth, not to enable it. The result is a system that treats the construction of new homes as a nuisance to be managed rather than a social good to be maximised, and that treats major infrastructure as a legal contest to be litigated rather than a national priority to be delivered.

Only 0.2 per cent of major UK infrastructure projects are delivered on time, within budget, and with expected benefits fully realised. Fifty-eight per cent of Development Consent Orders — the formal approvals required for nationally significant infrastructure — have been subject to legal challenge, each challenge averaging 1.4 years to resolve. That delay is not a regrettable but manageable cost. It is a structural tax on every project that passes through the system. It inflates costs, discourages private investment, and embeds uncertainty into capital allocation decisions.

Delay is not neutral. Every year of planning delay on a major housing development increases construction costs, reduces the viability of schemes at lower land values, and postpones the social benefits of additional supply. Every year of delay on energy infrastructure is a year in which industrial electricity prices remain 125 per cent above the EU-14 median — a direct competitive penalty paid by every energy-intensive business in the country. The planning system does not merely slow things down. It makes things more expensive, less investable, and less likely to happen at all.

## Pattern Two: Cost Estimation Failure

UK infrastructure costs are two to six times those of comparable European projects. HS2 was originally budgeted at £37.5 billion and ended up costing over £66 billion before the northern leg was cancelled. Hinkley Point C was contracted at £18 billion and is now projected to exceed £46 billion. Crossrail, the Elizabeth Line, was delivered at roughly double its original budget.

These are not one-off failures. They are the predictable output of a procurement system that is adversarial, legalistic, and designed to minimise blame rather than maximise value. Every major procurement becomes a legal contest between the state and its suppliers, mediated by consultants on both sides, generating enormous transaction costs and embedding mutual distrust from day one. The state has lost the institutional memory of how to build at reasonable cost — partly through decades of privatisation and outsourcing that stripped out in-house engineering capacity, partly through a procurement culture that is better at writing contracts than managing programmes.

The consequence is an economy where the projects that would most transform living standards — the housing, the energy infrastructure, the transport links — cost so much that even political will is insufficient to see them through. An electorate that watches billions disappear into a cancelled project is an electorate whose trust in infrastructure programmes is further depleted. That depleted trust makes the next project politically harder to start.

### Pattern Three: Political Cycle Disruption

Ministers average eighteen months in post. Incoming governments reset their predecessors' programmes. The result is a system that starts everything and finishes nothing.

The vocational education system is the clearest illustration. Every government since 2000 has announced a new qualification framework. Each framework arrives with political momentum and genuine intent. But because ministerial tenure is so short, the official who commissioned the reform has usually moved on before implementation begins. The official who implements it has a different set of priorities. The department that executes it is answerable to a different minister with different political pressures. By the time the new system is in place, the political energy has moved elsewhere — and the next reform cycle has already begun.

The same dynamic plays out in social care, in skills, in criminal justice, in industrial strategy. Programmes reset with each political change. Institutions rebuilt from scratch every five years develop no institutional memory, no accumulated learning, and no depth of capability. The state has become expert at beginnings and incompetent at endings.

This is not merely a management problem. It is a systemic incentive problem. A minister who cancels a predecessor's programme can claim credit for a new vision. A minister who implements a predecessor's programme gets little credit for anything. The political incentives are firmly against continuity — and continuity is exactly what long-horizon delivery requires.

### Pattern Four: The Rhetoric–Resource Gap

Governments announce targets without committing the resources, institutional capacity, or political capital required to meet them. The 300,000-homes-per-year target has been proclaimed by every major party and delivered by none. NHS waiting lists attract annual commitments that are chronically underfunded relative to the demographic and medical cost pressures the service faces. The skills system receives warm words and cold budgets — further education funding fell 28 per cent in real terms while the qualification framework was continuously overhauled.

The gap between aspiration and allocation is not a new discovery. It is a permanent feature of British governance, and it follows a predictable logic. A target costs nothing to announce. It generates political capital in the short term. Its failure, when it arrives, arrives slowly and diffusely — spread across years, attributed to external factors, managed through restatement of the original ambition with a new deadline. The political incentives are strongly in favour of announcing ambitious targets with inadequate resources, and against the harder discipline of aligning commitments with capacity.

The result is a form of policy inflation. Each announcement is discounted by a citizenry that has learned to expect non-delivery. By the time a government assembles the resources to deliver something genuinely transformative, it faces an electorate so conditioned to disappointment that it cannot mobilise the political support the

programme needs. The rhetoric-resource gap is self-perpetuating.

## Pattern Five: Institutional Capacity Erosion

The civil service has hollowed out its own ability to deliver what it promises.

The UK civil service is overly generalist. Senior officials move between departments every two to three years, accumulating broad experience but deep expertise in nothing. Only 37 per cent of scientific and engineering specialists work primarily in their area of specialism. The median Senior Civil Service tenure is 2.5 years — barely long enough to understand a department's full portfolio, and far too short to carry a complex reform from conception to delivery.

The state has, over decades of outsourcing and contracting, stripped out much of the in-house capacity that delivery requires. Major infrastructure programmes depend on a small number of very large consultancies. Digital transformation depends on IT suppliers whose incentives are to maximise contract value rather than minimise cost. Procurement depends on legal processes that are adversarial by design. The result is a state that is expert at writing specifications and poor at building things.

This erosion is cumulative and self-reinforcing. A state that cannot retain specialists cannot build the institutional knowledge that complex delivery requires. A state that cannot build that knowledge cannot deliver programmes at scale. A state that cannot deliver at scale loses the political credibility to attempt ambitious programmes. And a state that cannot attempt ambitious programmes cannot attract the specialist talent that might eventually rebuild the capacity it has lost.

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## The Root Cause: Governance Failure

These five patterns are not independent. They share a common root. Britain's chronic failure of implementation is, at its deepest level, a governance failure — a failure of the system within which all political and bureaucratic decisions are made.

The number of central government public bodies grew from 474 in January 2015 to 603 in January 2025. The proliferation of arms-length bodies has created a system with many actors empowered to delay, interpret, supervise, object, demand, and escalate — and too few with clear responsibility for whether the system actually delivers growth. Each body is individually rational: it pursues its mandate, manages its risks, and protects its institutional interests. In aggregate, they have created a regulatory environment of extraordinary complexity, where the transaction cost of doing anything has become prohibitively high.

The incentive structure at the heart of this system is the great accountability asymmetry. Officials and regulators are punished for visible failure — a bank collapse, a consumer scandal, a governance lapse. They face no cost whatsoever for the invisible failure of foregone growth: firms never authorised, loans never made, companies never listed, productivity gains never realised, homes never built. No Select Committee has ever

summoned a regulatory chief to demand: "What level of failure rate is acceptable in exchange for 3 per cent GDP growth?" or "What innovation did we sacrifice to avoid this minor risk?" Without that language, every political intervention to reduce the regulatory burden is automatically framed as irresponsible deregulation. The asymmetry is self-perpetuating.

Parliament has delegated extensive rulemaking and supervisory power to regulators and arms-length bodies without stating the level of risk it considers acceptable in exchange for the economic benefits of growth. A serious economy cannot aim for zero failure. The relevant question — which failures are acceptable, under what conditions, and in exchange for what expected gain — has never been asked formally. The result is that regulators respond to the loudest signal, which is always downside risk. They optimise for the avoidance of visible failure. They build systems that are excellent at preventing bad things from happening and blind to the good things that never get started.

The FCA is the clearest illustration. It operates under well over 100 separate objectives. No institution can coherently pursue over 100 objectives simultaneously — the result is not strategic focus but bureaucratic entropy. The FCA's total operating costs rose to £797.5 million in 2024–25. The PRA's regulatory operating costs reached £344 million. Together, the research by TheCityUK and PwC estimates annual regulatory compliance costs at £33.9 billion for the largest UK financial services firms — more than 13 per cent of operating costs, with 84 per cent of compliance leaders reporting that costs have risen over the past five years ([TheCityUK compliance report, November 2025](#)). Britain has built one of the world's most expensive regulatory machines. It does not produce commensurately better outcomes.

At the centre of this dysfunction sits HM Treasury. The Treasury currently combines spending control, tax design, fiscal strategy, debt management, regulatory oversight, and elements of growth policy in a single department. Those functions are in structural conflict. The department that controls what counts as "affordable" also controls the models that determine affordability. The Green Book — the Treasury's methodology for appraising public spending — is not merely a technical framework. It is an ideology. Its assumptions define what counts as evidence, what counts as reasonable, and what counts as too risky. And it systematically biases the fiscal calculus against growth-enhancing structural reform.

The mechanism is straightforward and described by a former Treasury Director-General who contributed to the development of this programme. The Office for Budget Responsibility presents a static cost. Officials frame any proposed tax abolition or regulatory simplification as a choice between fiscal prudence and the interests of particular sectors. The static cost of any reform is certain and immediate; the dynamic benefit is uncertain and deferred. In a system where fiscal credibility is the paramount institutional value, the static cost always wins. The OBR's scoring methodology must require dynamic modelling of structural reforms — not to be optimistic, but to be complete.

The result is a system with many guardians of downside and no guardian of upside. A country that only audits visible failure will always underperform on growth. This is not a

problem that any individual party has created, and it cannot be solved by changing the party in power. It is a structural feature of the governance system itself — and it requires a structural response.

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## How to Fix It — The Delivery Architecture

The argument of this manifesto is that the reforms Britain needs are not especially radical. On housing, on planning, on pension consolidation, on capital markets reform, on the need to simplify the tax system — there is remarkable cross-party consensus. The problem is not that the right answers are unknown. The problem is that the machinery for implementing them does not exist. The delivery architecture is therefore not a downstream consequence of the programme. It is the programme.

### A Parliamentary Risk-Appetite Statement

The constitutional keystone of this programme is a Parliamentary Risk-Appetite Statement — a formal declaration, endorsed by Parliament, of the levels of risk Britain is willing to accept in pursuit of growth. This is not radical. It is the governance equivalent of what every responsible board of directors does when it sets a risk appetite for its organisation. What is radical, in British terms, is doing it at the political level.

A pro-growth risk framework would explicitly distinguish between acceptable risks — managed firm-level failure without systemic contagion, disclosed and priced consumer detriment where clear remedies exist, higher volatility in long-horizon investment, strategic losses in venture and development finance — and unacceptable risks, which include systemic contagion, hidden leverage, unpriced consumer harm, and operational fragility in core market infrastructure. Without that distinction, any pressure on regulators to support growth is framed as requiring them to accept unacceptable risks. The Risk-Appetite Statement makes the distinction explicit, and it gives regulators the political authority they currently lack to approve what should be approved.

### A Dedicated Delivery Unit with Prime Ministerial Authority

A 40-to-50-person elite unit, 50 per cent externally recruited at market-rate compensation, reporting directly to the Prime Minister — not through HM Treasury. The head of the Delivery Unit is confirmed by the Treasury Select Committee with a five-year fixed term, providing stability across reshuffles. Named Senior Responsible Owners for each reform stream have protected tenure and post-reshuffle continuity protocols.

The unit's function is not policy design. It is execution monitoring — tracking the distance between commitment and delivery, identifying blockages before they become cancellations, and escalating to the Prime Minister when institutional resistance or bureaucratic inertia is preventing progress. Britain has had delivery units before, with varying success. The key differences in this design are the external recruitment at market rates, the fixed-term leadership, the explicit authority to override departmental objections on delivery grounds, and the quarterly public scorecard that makes performance visible.

## Civil Service Reform

The civil service needs a dedicated delivery cadre — a Specialist Delivery Service with market-rate compensation, minimum three-year terms, and career tracks that reward execution rather than policy advice. The 2.5-year median tenure of Senior Civil Service officials is incompatible with complex, multi-year delivery programmes. The model of the generalist career civil servant is a valuable cultural inheritance in many respects — but it is not compatible with the technical demands of modern programme delivery.

Only 37 per cent of scientific and engineering specialists currently work primarily in their area of specialism. The rest are deployed on general management tasks, policy advice, or administrative functions for which they are overqualified and in which they lose the expertise that took years to build. A Specialist Delivery Service would change the incentive structure: reward delivery, not advice; reward depth, not breadth; reward staying in post until the job is done, not moving on to the next promotion.

## Quango Rationalisation with a Presumption of Abolition

The 603 arms-length bodies inherited from fifteen years of institutional proliferation should be subject to a systematic review, with a presumption in favour of abolition or merger rather than continuation. The test for each body is simple: what growth outcomes would not occur without it? If no answer exists, abolition is the default.

This is not an argument against independent regulation or expert bodies. It is an argument against the accumulation of institutional complexity for its own sake. Each new body created to manage a new problem adds a new actor with power to delay, interpret, and object — and typically no corresponding reduction in the existing bodies that perform overlapping functions. The 25-plus separate AML/KYC supervisors in the UK financial system are a paradigm case: a set of supervisory bodies whose aggregate compliance requirement exceeds the sum of their individual mandates, imposing costs on legitimate business that have no commensurate benefit.

## OBR Reform and the Growth Council

The OBR's mandate must be reformed to require scenario analysis — publishing central, optimistic, and pessimistic ranges for all major supply-side reforms, alongside the static cost that is currently the only output. This does not mean that optimistic dynamic scores become the fiscal planning assumption; the IFS is right to insist on guardrails. It means that the OBR is required to be complete — to model what it currently ignores. A dynamic scoring methodology that captures supply-side growth effects would transform the fiscal calculus for structural reform. The static cost of abolishing stamp duty on shares would be set against the dynamic gains from improved market liquidity and lower cost of capital. The static cost of civil service reform would be set against the productivity gains from faster delivery. The argument would become honest.

Alongside OBR reform, an independent Growth Council — with OBR-equivalent status and a mandate to scrutinise the growth implications of Treasury decisions — would provide the institutional counterweight that currently does not exist. The Treasury has a

guardian of fiscal discipline. It has no guardian of growth. The Growth Council would publish annual Growth Impact Statements from all major regulators, require quarterly growth-impact reporting from the FCA and PRA, and provide public challenge to any fiscal decision that sacrifices long-term growth for short-term balance-sheet tidiness.

## Anti-Reversion Through Transparency

This programme does not rely primarily on statutory lock-ins to prevent policy reversal. The evidence from British constitutional practice is that statutory protection for economic policy is fragile — Parliament can always repeal what Parliament has passed. The durable protection comes from creating beneficiaries, building infrastructure that is costly to reverse, and making performance data so visible that reversal becomes politically indefensible.

The auto-enrolment pension system is the model. It was not protected by statute from reversal. It was protected by the creation of millions of beneficiaries with a stake in its continuation, and by infrastructure — the NEST platform, the payroll systems, the employer compliance frameworks — that made reversal technically as well as politically costly. This programme applies the same logic throughout: create beneficiaries early, build infrastructure that entrenches reform, and publish a quarterly public scorecard that makes the distance between commitment and delivery visible to every citizen.

The Wolverhampton test serves as the governing discipline. Every reform in this programme must be explainable to a voter in Wolverhampton in terms of its direct effect on their wages, their pension, their housing costs, and their family's prospects. Any reform that cannot pass this test is either poorly designed or not yet sufficiently developed to merit political commitment. It is not a rhetorical device — it is an accountability mechanism, applied consistently to the government's own proposals.

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## Why This Time Can Be Different

Every manifesto claims to be different. This one has been tested, broken down, and rebuilt specifically to address that claim.

CFABB commissioned three independent assessments of this programme from institutions with fundamentally different ideological orientations. All three found, in their initial review, that the programme would "almost certainly not be implemented" — that it underestimated institutional resistance, overestimated political will, and lacked the operational machinery to survive contact with the British state. The panel synthesis of those three assessments — from an evidence-based fiscal institution, a classical liberal think tank, and a progressive redistribution-focused institute — found remarkable consensus on the diagnosis: Britain's problem is structural governance failure, not a shortage of ideas. That unusual convergence across an ideological triangle gives the foundational thesis serious weight.

The delivery architecture described above was not designed as an afterthought to the programme. It was built in explicit response to those critiques. The Delivery Unit, the

phased four-year timeline, the quarterly public scorecard, the anti-reversion mechanisms, the coalition strategy — these were designed after the independent assessment concluded that the original programme lacked the machinery to be real. The question asked in every design decision was not "what is the ideal policy outcome?" but "what would it actually take to move the British state from here to there?"

That question produces different answers. It produces a sequencing logic that puts the easiest, highest-consensus reforms first — because they create political capital for the harder ones. It produces a civil service reform model that builds delivery capacity before deploying it on the most complex programmes. It produces a Treasury reform that is deferred to Phase 3, when three years of proven delivery provide the political authority to challenge the institution that will most resist it. It produces anti-reversion mechanisms designed around beneficiary creation and infrastructure lock-in rather than statutory protection, because that is what the evidence says actually works.

The hardest reforms come last. By Phase 3, the Delivery Unit has three years of demonstrated track record. Early reforms have created millions of beneficiaries with a direct stake in the programme's continuation. The Treasury split, once implemented, creates institutional inertia in favour of reform — a new Department of Commerce has its own staff, its own budget, and its own business constituency. Pension consolidation produces fund members with measurable evidence of better returns, making reversal indefensible. The programme is designed, deliberately, to become irreversible.

This is the manifesto's most distinctive intellectual contribution. Not the individual policies — most of which command broad expert support and have been proposed in one form or another before. Not the diagnosis — which is well established and widely shared. The distinctive contribution is the treatment of implementation as the primary activity of government, not a downstream consequence of legislation. The delivery machinery is not something that happens after the reforms are decided. It is itself the reform.

Britain has spent twenty-five years learning what happens when political will exists without delivery capacity. The Dilnot cap demonstrates that even cross-party parliamentary consensus on a fully legislated reform is insufficient to produce implementation. The housing shortfall demonstrates that even an acknowledged crisis, consistently prioritised by every government, can deepen for two decades without resolution. These are not failures of knowledge or of intent. They are failures of machinery.

The machinery is what this programme builds.

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The sections that follow set out the programme in full: the six integrated pillars of reform, the phased implementation timeline, the fiscal arithmetic, and the scorecard against which delivery will be measured. But the case for any of what follows rests entirely on the argument made in these two sections. If Britain's problem is genuinely a structural failure of implementation rooted in governance dysfunction — and the evidence presented here makes that case — then the design of the delivery architecture

is not a secondary question. It is the first question. Everything else follows from it.

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Centre for a Better Britain | March 2026

All statistics cited in this document are drawn from primary sources or from manifesto source materials. Source URLs are provided throughout in markdown link format. Key data points were current as of March 2026.

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## Section 3: Five Changes to Start Now

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### Introduction

Britain's policy landscape is not short of ideas. It is short of implementation. Dozens of reform proposals circulate through think tank publications, select committee reports, and government consultation documents each year. Most never progress beyond the consultation stage. The question this section answers is not "what should Britain do?" but "what should Britain do first, and in what order?"

The five changes described here were selected by applying three tests simultaneously. First, the evidence base must be robust enough to withstand parliamentary scrutiny from any ideological direction — not just endorsement from one school of thought. Second, each proposal must command meaningful support from at least two of three ideologically divergent analytical traditions: the market-liberal case made by the [Adam Smith Institute](#), the evidence-based fiscal analysis of the [Institute for Fiscal Studies](#), and the progressive case made by the [Institute for Public Policy Research](#). Third, each must address a binding constraint on British growth — something that, if left unreformed, prevents other reforms from working.

The five are also ordered by dependency. Government reform comes first because every other change requires a state capable of delivery. Planning and infrastructure reform comes second because it has the largest single growth impact and the longest lead times. Cheap energy comes third because it is a direct tax on every business and household in the country, with consequences that compound across manufacturing, investment and household finances. Tax simplification comes fourth because it removes the friction that prevents growth from translating into investment. Capital reform comes last — not because it matters least, but because it operates most effectively once the first four have created the environment it requires.

All five can be initiated in the first year of a parliament. The benefits of some will take longer to materialise — homes take years to build, energy infrastructure takes decades — but the decisions and the institutional architecture must be established early. Delay is not neutral. Every year of inaction on planning costs the country an estimated 3.7 to 7.4% of GDP in forgone output, according to [ASI research](#). Every year of inaction on energy costs leaves UK manufacturers paying [125% above the EU-14 median](#) for their electricity. The cost of delay is measurable. The time to start is now.

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### Change 1: Fix How Government Delivers

Government reform comes first. Not because it is the most popular reform, nor because it has the most immediate impact on living standards. It comes first because without it, nothing else works.

## The Implementation Problem

Britain does not have a shortage of reform proposals. It has a shortage of reforms that survive contact with Whitehall. The Blair government introduced the right-to-roam, NHS foundation trusts, and city academies — but the Delivery Unit it created in 2001, under Sir Michael Barber, was arguably its most productive institutional innovation. By tracking implementation against specific targets with PM-level authority, it drove measurable improvements in school standards, NHS waiting times, and train punctuality. When the unit was abolished in 2010, performance on many metrics deteriorated within two years.

The diagnosis has been validated from all directions. The IFS's Paul Johnson has warned that Treasury decision-making risks "becoming ever more subjective, downplaying the role of objective economic evidence." The [ASI's Micropolitics Revisited](#) identifies the culture of political risk aversion — not bad policy design — as the primary cause of Britain's institutional failure. The [IPPR's Mission-Driven Government](#) (May 2024) called explicitly for PM-level delivery architecture with measurable scorecards. Three institutes from opposite ends of the ideological spectrum have reached the same conclusion: Britain's problem is not the absence of good ideas, it is the institutional architecture that prevents good ideas from being implemented.

The civil service rotates senior generalists every 18 months on average. Specialists are systematically underpaid relative to the private sector. Arms-length bodies have multiplied from 474 in 2015 to 603 by 2025, each with its own mandate, culture, and resistance to accountability. Treasury scoring uses static modelling that systematically undervalues growth-enhancing reforms. This is not a description of isolated failures. It is a system designed, however unintentionally, to produce inertia.

## Five Specific Reforms

### 1. Parliamentary Risk Appetite Statement

Parliament explicitly defines acceptable and unacceptable risks for economic growth. This is structurally novel and requires no new spending. Its effect is to transform the political calculus: subsequent reforms are no longer "what the government wants to do" but "what Parliament has instructed the executive to implement." A risk-averse Whitehall official who blocks a growth-oriented planning decision can be asked a simple question: does this comply with Parliament's stated risk appetite? The [ASI endorses this as "the correct level of intervention — changing what institutions are told to optimise for"](#). It can be passed as a parliamentary resolution in the first session.

### 2. Delivery Unit with PM Authority and Public Scorecards

Re-establish a dedicated delivery unit modelled on Barber's original, but with three modifications the original lacked: cross-party membership on the oversight board; quarterly public scorecards published as statutory documents; and an independent monitoring function separate from the unit itself, so that self-assessment is eliminated. The unit tracks the implementation of all five changes described in this section, with named ministerial accountability for each milestone. Transparency is the accountability mechanism. When delays occur — and they will — the public, Parliament, and the markets can see them in real time.

### 3. Civil Service Reform: Specialist Pay, Minimum Tenure, Delivery Metrics

The generalist rotation culture is the single most documented failure mode in British governance. [All three think tanks agree](#). The reform has three components: specialist pay premiums for technical roles in digital, infrastructure, finance, and science — benchmarked against the private sector rather than civil service bands; a minimum four-year posting requirement for Director General and Director-level roles, enforceable except in cases of genuine performance failure; and delivery accountability metrics incorporated into performance reviews from Senior Civil Service level downwards. Reforming a workforce of 500,000 takes time. But the structural rule changes — pay bands, tenure minimums, accountability metrics — can be legislated and implemented within the first year.

### 4. Quango Review: Presumption of Abolition, Sunset Clauses

The 603 arms-length bodies cost billions in overhead, diffuse accountability, and absorb ministerial attention. The Coalition's 2011 quango cull was largely cosmetic — bodies were merged rather than abolished, headcount migrated between organisations, and the net reduction in arms-length complexity was minimal. This time, the review must proceed from a presumption of abolition rather than a presumption of retention: each body must make the positive case for its continued existence, not merely the case against merger. A sunset clause framework — requiring Parliamentary reauthorisation every ten years for all bodies — applies to any new body created going forward.

### 5. Treasury Reform (Phase 1): Dynamic Scenarios and the Growth Council

Before any structural reorganisation of HM Treasury — which requires significantly more design work and falls into a later phase — the immediate reform is analytic. The [OBR is mandated to produce dynamic scenario analysis](#) alongside its central costings for all major supply-side reforms: not a single optimistic number substituted for the central estimate, but a genuine published range — central, upside, downside — that gives Parliament the full information set. Alongside this, a Growth Council with analytical authority equivalent to the OBR is established as an independent institution, empowered to challenge Treasury assessments and publish its own growth impact analysis for all major policies. When the Growth Council's analysis conflicts with Treasury's, both are published. The Treasury no longer has a monopoly on the numbers.

## What This Means for Wolverhampton

A family in Wolverhampton does not interact with the civil service directly. But they do interact with the NHS waiting list — managed by a bureaucracy that, without delivery targets and accountability, reverts to process management rather than outcome delivery. They interact with the planning system that has blocked housing development and kept house prices beyond reach. They encounter the employment support service that rotates caseworkers every year and loses institutional knowledge of local employers. Government reform is not abstract. It is the infrastructure of service delivery, and every reform in this section depends on its success.

## Change 2: Build — Homes, Infrastructure, and the Planning Revolution

The single largest growth lever available to any British government is not a tax cut, a trade deal, or a technology investment. It is giving people permission to build.

### The Scale of the Problem

Planning restrictions cost the UK economy between 3.7% and 7.4% of GDP annually, according to [ASI analysis in Cooped Up \(2024\)](#). At the lower bound, that represents approximately £100 billion per year in forgone output — more than the entire annual NHS capital budget, year after year. The IFS has quantified the mechanism: [a 0.1 increase in local housing supply elasticity boosts local workforce growth by 12% over 25 years](#), because workers can afford to move to where the productive jobs are.

The human cost is visible in the data. Home ownership among 20 to 39-year-olds stands at 26%. There are an estimated 2.2 million "missing" first-time buyers — people who, based on income, ought to be homeowners but cannot afford to enter the market. 8.99 million households, or 36.3% of English households, spent more than 10% of their post-housing income on rent or mortgage costs in 2024, according to [DESNZ fuel poverty statistics](#). These are not statistics about London. They are statistics about every town in Britain where young people cannot afford to stay.

Planning reform is the rare reform that is simultaneously the right thing economically and socially. Its primary beneficiaries — renters, young people, workers who cannot move to better opportunities — are not the City. They are Wolverhampton.

### Five Specific Reforms

#### 1. Planning System Overhaul: Presumption in Favour of Development

The National Planning Policy Framework is reformed to establish a genuine presumption in favour of development in designated growth zones — brownfield land, strategic urban extensions, and areas adjacent to existing infrastructure. "Material considerations" in planning decisions are reformed to remove aesthetic objections as valid grounds for refusal. AI-assisted processing of routine planning applications is introduced across all English local planning authorities, with a statutory target of 80% of minor applications decided within eight weeks. For nationally significant infrastructure projects — energy, transport, housing at scale — automatic consent with post-completion environmental and community review replaces the current pre-completion challenge regime.

This is not merely procedural acceleration. The evidence from the IPPR's [March 2026 research on planning reform and affordability](#) confirms that structural reform of what can be refused, not just how fast decisions are made, is the key variable.

## 2. Community Infrastructure Dividend: Making Development Pay for Locals

The consistent barrier to planning reform is not the rules — it is local political resistance. The empirical literature on why planning reform fails points overwhelmingly to one mechanism: the people who bear the costs of new development (congestion, construction, local character change) are not the people who receive the benefits (lower house prices, council tax growth, economic activity). The Community Infrastructure Dividend reverses this.

Under the Dividend, any local authority area that approves significant housing development receives a direct fiscal benefit: a share of the council tax uplift generated by new homes, a portion of the Community Infrastructure Levy, and a ring-fenced neighbourhood improvement fund. A community in Wolverhampton that approves 500 new homes receives direct investment in its schools, roads, and green spaces. The choice becomes concrete: block the development and forgo the investment, or approve it and benefit. This transforms NIMBYism from a costless act of local resistance into a choice with visible trade-offs.

## 3. Housing Targets With Teeth: 300,000 Homes Per Year

The government's 1.5 million homes in five years target represents 300,000 homes annually — a level not achieved since the 1970s. The target is right. The accountability is not. The Delivery Unit (see Change 1) publishes monthly housebuilding completion data by local authority. Local authorities that persistently fail targets — defined as delivering fewer than 75% of their housing allocation for two consecutive years without a nationally-approved exceptional circumstances argument — face suspension of local planning powers, with decisions made instead by a central planning inspectorate. Capital grants for local authority infrastructure are made conditional on housing delivery performance.

## 4. Infrastructure Cost Reform: Benchmark, Procure, Monitor

The UK consistently builds public infrastructure at two to three times the cost of comparable European projects. Crossrail cost approximately £18,000 per metre of tunnel; similar projects in France and Spain cost £4,000 to £6,000 per metre. This is not simply a construction market problem. It is a procurement model problem.

The reform has three elements: first, all major public infrastructure projects are benchmarked against European equivalents from the outset, with cost deviations above 20% requiring ministerial sign-off with a published explanation. Second, the procurement model shifts from adversarial contracts — which incentivise contractors to load contingency and claim variations — to partnership contracts with shared cost and schedule risk. Third, the National Audit Office establishes a real-time cost monitoring function for all infrastructure projects above £500 million, with quarterly public reporting. Savings from bringing UK costs to French levels on the current infrastructure pipeline would fund multiple additional projects.

## 5. Residential Stamp Duty Reform: Phase Out the Transaction Tax

Stamp Duty Land Tax is a direct tax on mobility. A worker in Wolverhampton who needs to move to Birmingham for a better job faces an upfront tax of 2–5% on the purchase price of their new home. That tax does not benefit the community they're moving to. It benefits HM Treasury, at the cost of a more productive economy. The [ASI's Stamped Out research \(November 2025\)](#) estimates that abolishing residential SDLT would unlock 349,000 additional housing transactions annually. The IFS confirms the mechanism: transaction taxes suppress labour mobility and create misallocation of housing stock, with empty-nesters staying in family homes because the cost of downsizing is prohibitive.

The manifesto commits to phasing out SDLT on main residences over the course of a parliament: a 50% reduction in Year 2, full abolition by Year 5. The fiscal cost — approximately £14–17 billion at full abolition — is partially offset by the dynamic effects of higher transaction volumes, higher economic activity, and the associated income tax and VAT receipts. The reform is sequenced to ensure fiscal sustainability, with the Phase 1 reduction in Year 2 demonstrating the transaction volume response before committing to full abolition.

## What This Means for Wolverhampton

A young couple in Wolverhampton currently faces average house prices of approximately £175,000 and a rental market that absorbs 35–45% of take-home income. Planning reform means more homes built. The Community Infrastructure Dividend means those homes come with improved local infrastructure, not just additional traffic. SDLT reform means that when one of them gets a better job in a different city, the move is no longer financially prohibitive. The combination is not abstract economic theory. It is the difference between a generation locked into whatever housing market they were born near and a generation able to build wealth and move to opportunity.

## Change 3: Cheap, Clean, Secure Power

UK industrial electricity prices are 125% above the EU-14 median. That is not an energy problem. It is an economic problem — a direct tax on every manufacturer, every employer, and every household in the country.

### The Price We Are Paying

Government data for H1 2025 shows that large UK industrial users pay 25.33p/kWh for electricity, against an EU-14 median of 11.25p/kWh. Very large users pay 22.39p/kWh against an EU-14 median of roughly 9.30p/kWh — a premium of around 140%. Finnish large industrial users pay 4.37p/kWh. A UK business pays more than five times more for electricity than its Finnish competitor. A medium UK metal fabricator using 2,000 MWh annually pays £600,000 for electricity. The equivalent in Germany costs £440,000. In the US, it costs £150,000.

The Adam Smith Institute estimates that reducing UK industrial electricity prices to French levels would add 4.25% to long-run GDP — second only to planning reform in its potential growth impact. UK crude steel production has fallen by more than 50% in the last decade, with energy costs a documented contributing factor. Output in UK energy-intensive manufacturing industries fell 33.6% between Q1 2021 and Q4 2024, compared with a 6.2% fall for other manufacturing.

The domestic picture is equally severe. 2.73 million English households — 11% of the total — are in fuel poverty under the official Low Income Low Energy Efficiency metric, according to DESNZ's 2025 annual statistics. The End Fuel Poverty Coalition estimates 12.1 million UK households were struggling with energy bills as of August 2025.

This is not an immutable feature of the British landscape. It is the accumulated consequence of specific policy choices: a marginal pricing mechanism that lets gas set the price for all electricity (approximately 85% of the time in 2025, according to ECIU and TBI estimates); environmental and social obligation costs loaded onto electricity bills

rather than general taxation; insufficient baseload generation to displace gas; and a grid connection queue that had grown to 739 GW of stranded projects by early 2025. Each of these is a policy choice. Each can be reversed.

## Five Specific Reforms

### 1. Green Levy Rebalancing: Stop Taxing Electrification

Before the Autumn Budget 2025, environmental and social levies added approximately £241 per year to a typical household electricity bill — while adding only £50 to gas bills, despite households consuming roughly three times more gas than electricity by volume. [82% of levy revenue was raised from electricity; 18% from gas](#). The structural consequence is a "spark gap" — electricity is made artificially expensive relative to gas — that acts as a direct tax on heat pump adoption, EV charging, and industrial electrification. Every pound of green levy placed on electricity bills is a pound of disincentive for the very energy transition those levies are meant to fund.

The Autumn Budget 2025 began the correction, moving 75% of the Renewables Obligation from bills to general taxation for three years. The manifesto completes the job: all remaining social and environmental obligation costs are moved from electricity bills to general taxation on a permanent basis, not a three-year trial. [The MCS Foundation estimates that full levy reform would save households £170–£530 per year depending on household type](#). The fiscal cost — approximately £4–5 billion per year — is real and must be funded through general taxation, which is the economically correct place for social and environmental obligations to sit. The US's [Inflation Reduction Act funds clean energy through tax credits rather than consumer bills](#); this is the structural logic that the UK should adopt.

### 2. Electricity Market Reform: Unlock the Price of Low-Cost Generation

Gas sets the UK's day-ahead electricity price approximately 85% of the time in 2025. This means that when wind and solar supply 99% of demand, the 1% of gas generation needed for the remainder sets the price for all electricity, in all half-hour periods. The fundamental reform is to reduce the frequency with which gas sets the marginal price — which requires building more zero-marginal-cost baseload capacity — and to create mechanisms by which industrial users can contract directly with low-cost renewable and nuclear generators rather than paying the gas-set spot price.

The government's July 2025 decision to retain a single national wholesale market rather than implement zonal pricing — a decision that the [Tony Blair Institute estimates cost consumers a potential £55 billion in savings by 2050](#) — should be revisited in the next parliament following completion of the Strategic Spatial Energy Plan and TNUoS network charging reform by 2029. In the meantime, structured long-term Power Purchase Agreements between new offshore wind and nuclear generators and energy-intensive industrial users — modelled on the logic of France's post-ARENH system — should be a government-supported market mechanism. The British Industrial Competitiveness

Scheme, which from April 2027 will provide electricity cost exemptions of £35–40/MWh for approximately 7,000 manufacturers, is a step in this direction, but it is a levy exemption rather than a direct supply contract and must be extended in ambition.

### 3. Nuclear Acceleration: Commit, Build, Reform the Regulations

Nuclear is the only technology that can provide cheap, zero-carbon baseload electricity at the scale required to systematically displace gas from the margin. The UK's existing nuclear fleet — principally Sizewell B, which achieved a 99% capacity factor in 2025 generating 10.4 TWh, according to [EDF and the American Nuclear Society](#) — demonstrates that nuclear can operate cost-effectively. The challenge is replacing and expanding that fleet before it retires.

The [government's £14.2 billion commitment to Sizewell C \(June 2025\)](#) and the [£2.5 billion commitment to the Rolls-Royce SMR programme](#) are the right decisions. The manifesto commits to three additional actions: designating nuclear construction as critical national infrastructure with streamlined planning consenting under a 12-month statutory decision timeline; reforming the Office for Nuclear Regulation's ALARP (As Low As Reasonably Practicable) principle — which currently requires UK-specific modifications to designs proven in France and South Korea, adding years and billions to construction costs — so that internationally validated reactor designs can be deployed in Britain without unnecessary re-certification; and committing to Sizewell B's 20-year life extension (to 2055), which EDF has applied for and which preserves 1.2 GW of low-cost, zero-carbon generation at negligible marginal cost.

None of this produces cheap electricity before 2030. Nuclear is a long-run investment in energy security and price stability, not a short-term bill reduction mechanism. But the long lead times are precisely the argument for starting now.

### 4. Grid Reform: Clear the Queue, Invest in the Network

By early 2025, 739 GW of generation and storage projects were stuck in the grid connection queue — approximately four times the total generation capacity needed to deliver Clean Power 2030 — with wait times of up to 10–15 years for some projects, according to [NESO data](#). NESO's December 2025 reform was a significant improvement: 283 GW of shovel-ready projects were prioritised, target wait times were reduced to 2–5 years, and 99 GW of new transmission demand connections — including data centres and gigafactories — were unlocked, potentially releasing [£40 billion per year in investment](#).

The manifesto builds on this by committing to apply the same planning fast-track proposed for housing (Change 2) to grid infrastructure: new transmission lines and substations receive automatic planning consent below a scale threshold, with environmental review conducted in parallel rather than sequentially. The TNUoS network charging reform — currently targeted for 2029 — is accelerated. Transmission Network Use of System charges are expected to nearly double from April 2026, increasing by

£3.68 billion to **£7.52 billion per year**, loading further costs onto electricity consumers at precisely the moment they most need relief. Accelerating reform of how these costs are structured is a direct mechanism for reducing bills.

## 5. Energy Efficiency as National Infrastructure

The fastest near-term route to reducing UK electricity prices is to reduce demand. A well-insulated home needs significantly less energy, permanently. A heat pump operating at 300% efficiency means substantially less fuel input per unit of heating output than a gas boiler. The UK's **600,000 heat pump installation target for 2028** — against a current installation rate of roughly 50,000 per year — is the right aspiration, but the green levy rebalancing in Reform 1 of this change is a prerequisite for its achievement: heat pump economics only make sense when electricity is not four times more expensive per unit than gas.

The manifesto treats building insulation, heat pump installation, smart metering, and industrial energy efficiency as infrastructure investment, not consumer subsidy: funded through long-term government-backed loans, repaid against reduced energy bills, and delivered through regional delivery networks rather than centralised grant schemes. A reformed Industrial Energy Transformation Fund provides the business-lending mechanism. Evidence from comparable European programmes indicates that industrial energy efficiency investment can reduce consumption by 15–20% within five years — reducing demand pressure on the grid and improving competitiveness without waiting for new generation to be built.

### What This Means for Wolverhampton

A manufacturing employer in Wolverhampton currently pays roughly double the electricity cost of a German competitor and more than four times that of a US competitor. That is not a marginal cost disadvantage. It is a structural reason not to invest, not to expand, not to hire. Green levy rebalancing means a direct reduction in the electricity bill. Grid reform means new manufacturing facilities can get connections in years, not decades. Nuclear investment means that in 15 years, the baseload that sets the marginal price is zero-carbon and low-cost rather than gas. Energy efficiency investment means that by insulating homes in the West Midlands, the manifesto reduces bills for the households and businesses that need it most.

## Change 4: Simplify Tax and Procurement

The UK tax code has grown to over 21,000 pages of primary legislation. It places Britain 32nd out of 38 OECD nations on the Tax Foundation's International Tax Competitiveness

Index, according to [Chapter 2 of the Big Bang 2 blueprint](#). That is not a technicality. It is a competitive disadvantage imposed on every business that operates here.

## The Burden We Have Built

The UK tax system raises large sums — the OBR forecasts National Accounts taxes rising to 38% of GDP by 2030–31, a post-war high — but it does so in ways that are opaque, unstable, and actively hostile to growth. Income tax and National Insurance are separately administered levies on the same earnings, producing effective marginal rates that most workers cannot calculate. The personal allowance taper between £100,000 and £125,140 produces an effective marginal rate of 60% — a trap that [the IFS](#), [ASI](#), and [IPPR](#) all agree has no principled defence. Stamp Duty Reserve Tax on shares is a 0.5% transaction levy that no major competitor imposes. The [UK government spends £385 billion annually on procurement](#) — more than the annual NHS budget — with no systematic efficiency framework.

This reform cluster is distinguished by something unusual in the policy world: it has the broadest cross-ideological consensus of anything in this programme. All three of the ideologically divergent institutions consulted in developing this manifesto support the core tax reforms. That consensus is the signal. When analysts who agree on almost nothing else agree on the same reforms, those reforms are ripe for implementation.

## Five Specific Reforms

### 1. Merge Income Tax and National Insurance

Income tax and National Insurance are two separate levies on the same thing: earnings from employment. They have different bases, different rates, different thresholds, different administration systems, and different legal frameworks — all of which means employers, employees, and the self-employed must understand and comply with two parallel systems to answer the same underlying question: how much of your income does the state take?

The economic case for merger has been made by the IFS since the Mirrlees Review in 2011, which called the separation "bizarre." The [IFS TaxLab confirms the merger would remove administrative burdens, eliminate the hidden marginal rate structure, and improve democratic transparency](#). The ASI supports it because it reveals the true tax burden. IPPR supports it provided the merged base is simultaneously extended to investment, rental, and partnership income — broadening the base in ways that improve distributional fairness.

The merged rate schedule replaces the current combined employee burden of 32% (basic), 42% (higher), and 47% (additional, above £125,140) with visible headline rates. The resolution of devolution implications — Scotland and Wales have devolved income tax powers but not National Insurance — requires careful cross-governmental negotiation. The timeline is: design and consultation in Year 1–2, legislation in Year 3, implementation in Year 4. This is not a quick reform. It is the right structural foundation

for every other simplification that follows.

## 2. Fix the 60% Marginal Rate Trap

Between £100,000 and £125,140, every additional pound earned results in the loss of £1.20 in take-home pay: £0.45 in income tax, £0.02 in National Insurance, and £0.60 in lost personal allowance. This is the effective marginal tax rate of 60%, and it exists because the taper of the personal allowance was not designed to produce rational incentives — it was designed to reduce headline rates while collecting more revenue. The result is a cliff edge that [the IFS has modelled as costing approximately £4–5 billion to fix](#), and which has no principled defence from any analytical tradition.

The people affected are not plutocrats. They are senior NHS consultants, experienced engineers, successful entrepreneurs, and precisely the high-value professionals the UK most needs to retain and attract. Many respond rationally: by limiting pension contributions, restructuring remuneration through limited companies, or simply working less. The productivity cost of the trap is real and ongoing. The fix is a single Finance Act amendment, deliverable in Year 1.

## 3. Abolish Stamp Duty Reserve Tax on Shares

SDRT is levied at 0.5% on every transfer of UK shares. The United States imposes nothing. Germany imposes nothing. The EU average is approximately 0.2%. [The ASI calculates that transaction taxes destroy 75p of wealth per £1 raised — roughly four times more economically harmful per pound than income tax](#). The IFS concluded in 2004 that stamp duty "causes a range of problems" and has reiterated this since. The static revenue cost of abolition is approximately £4.4 billion (the full Stamp Taxes on Shares figure), though behavioural analysis — higher trading volumes, higher share prices, increased economic activity — suggests the net cost after dynamic effects is substantially lower: [Oxera research for the Centre for Policy Studies found a permanent GDP increase of 0.2–0.7% from abolition, generating additional income tax, corporation tax, and VAT receipts estimated at £2.1–6.8 billion annually](#), which could partially or fully offset the static loss.

The London Stock Exchange has experienced 88 delistings against 18 new listings in 2024, according to [Chapter 3 of the Big Bang 2 blueprint](#). SDRT is not the sole cause of London's listing crisis — but it is the only major equity market in the world that imposes a transaction tax on its own shares. Abolition is a single Finance Act clause. It should be enacted in Year 1.

## 4. OBR Dynamic Scenario Analysis

The current convention — under which the OBR produces a single central scoring for all policy proposals, which Treasury uses as the definitive fiscal impact — systematically understates the economic benefits of supply-side reform. A planning reform that adds 3.7–7.4% of GDP in the long run appears in Treasury modelling as a spending or tax cost

with no growth offset, because the OBR's central model does not capture dynamic effects. This is not a problem with the OBR's integrity. It is a problem with the convention that the central scenario is the only number that matters.

The reform: the OBR is required to publish dynamic scenario analysis — optimistic and pessimistic ranges alongside its central estimate — for all major supply-side policy changes. This is not the same as requiring dynamic scoring to be used as the fiscal planning baseline, which would be irresponsible and would undermine fiscal credibility. It is the provision of full information to Parliament, so that the choice to use the central or the dynamic estimate is a democratic decision made with visibility of the full range. As the [IFS's February 2026 "fiscal traffic lights" paper](#) argues, reducing the single-metric headroom obsession that currently governs UK fiscal policy requires better analytical tools, not weaker standards.

## 5. Procurement Reform: The £3.85 Billion That Is Already There

The UK spends approximately £385 billion annually on public procurement. A 1% efficiency improvement — not a radical transformation, not a technological miracle, but the kind of improvement routinely achieved by well-managed private sector organisations — releases £3.85 billion per year. That is more than the net cost of SDRT abolition. Procurement reform is not headline-generating, but it is one of the highest-return levers available to any government.

The specific reforms: SME participation targets for all central government departments, extending and accelerating the government's own April 2025 commitment; a digital procurement marketplace that reduces bid costs for small suppliers and enables smaller firms to access contracts currently monopolised by large incumbents; mandatory competitive re-tendering for all contracts above £1 million with a clear audit trail; reform of Social Value Act requirements that are currently drafted in ways that smaller firms cannot practically satisfy. The [ASI, IFS, and IPPR all support](#) procurement reform as high-impact, low-controversy, and achievable without primary legislation in most of its components.

## What This Means for Wolverhampton

A small manufacturer in Wolverhampton dealing with HMRC currently navigates a 21,000-page tax code that costs roughly the same to comply with per employee as it costs a large multinational. SDRT abolition on shares means that when the firm's owners consider employee share ownership schemes, the cost friction is eliminated. The 60% marginal rate fix means the senior engineer they want to hire and keep does not engineer around a tax cliff. Procurement reform means the public sector contract for which a Wolverhampton firm is best placed — but which the current system awards to a larger incumbent — becomes genuinely contestable. These are not abstract principles. They are specific changes to the environment in which real businesses take real decisions about hiring, investing, and staying in Britain.

## Change 5: Unlock Capital for Growth — SME Finance and Savings Reform

The UK has one of the world's most sophisticated financial systems. It is also, outside the capital, one of the most poorly connected to the businesses that need capital most.

### The Capital Allocation Problem

The UK household saving ratio stood at 9.5% of income in Q3 2025, according to [ONS data](#) — well above the long-run average of approximately 7.8%. The binding constraint on UK growth is not the volume of savings. It is where those savings go.

[HMRC data for 2023/24](#) shows that consumers placed £69.5 billion into cash ISAs versus £31.1 billion into stocks and shares ISAs. UK retail equity exposure outside pensions is approximately 8% of household financial assets — the lowest in the G7. Only around 35% of the population holds investments of any kind. The [Bank of England notes that over 80% of equity deals take place within two hours of the investor](#), which means regional businesses are structurally disadvantaged in the competition for growth capital. The [British Business Bank's 2025 report](#) shows that the proportion of smaller businesses using external finance fell from 50% in Q3 2023 to 43% by Q3 2024.

This is not a single blockage. It is a chain failure. Household savings avoid risk. Institutional capital is weakly connected to domestic growth. Bank regulation contains disincentives for SME lending. Public vehicles are fragmented and overlapping. Junior public markets have lost liquidity. The five reforms in this change address each link in the chain.

### Five Specific Reforms

### 1. DC Pension Consolidation: 20 Million Pots, One Coherent System

There are approximately 20 million deferred defined contribution pension pots worth less than £10,000 in the UK, according to [IFS research from February 2025](#). Each of those pots is paying its own management fee. Many have lost track of their account holder. The combined cost of administering this fragmentation runs into hundreds of millions annually. The beneficiaries — mostly younger workers who have changed jobs — are paying those costs through poor returns.

The [IFS Pensions Review final report \(July 2025\)](#) described the current DC landscape as "not fit for purpose" and recommended expanding automatic consolidation as a priority. The ASI supports consolidation as economically sensible, provided consolidated funds are not directed toward politically mandated asset classes. The IPPR [explicitly welcomed pension megafunds as a mechanism to unlock capital for UK infrastructure investment](#).

The Pension Schemes Bill already creates a legislative vehicle. The manifesto commits to: automatic consolidation by default of all deferred pots below £10,000 into the account holder's active workplace scheme; a regulatory push to reduce the number of DC master trusts from over 30 to a manageable number of superfunds with genuine scale; and disclosure requirements that show members their geographic allocation, so that the national savings vehicle actually invests domestically when domestic returns justify it.

### 2. AML/KYC Rationalisation: From 25 Supervisors to One Framework

Anti-money laundering and Know Your Customer compliance is essential. What is not essential is administering it through 25 separate supervisory bodies with overlapping jurisdictions, inconsistent standards, and no shared data architecture. The [ASI estimates that the financial sector spends four times more on AML enforcement than the Home Office spends on all policing](#) — a figure that indicates the compliance burden has become grossly disproportionate to the crime-prevention benefit.

The reform: consolidate AML/KYC supervision into a single framework under an enhanced Office for Professional Body Anti-Money Laundering Supervision, with digital identity verification infrastructure that enables a once-verified, shared across the system approach. A business owner in Wolverhampton who goes through full identity verification with their bank should not have to repeat the entire process when they apply for insurance, take on a new supplier, or engage a legal firm. Portable digital identity — already technically feasible with the [Government Digital Service's existing capability](#) — eliminates the duplicated compliance cost that is currently a significant drag on SME banking relationships. This requires secondary legislation and FCA/PRA guidance changes; it does not require primary legislation, and it can be implemented in Year 1–2.

### 3. Proportionate Bank Regulation: Let Challengers Lend

Challenger and specialist banks now account for [approximately 60% of annual gross SME lending in the UK](#). They are the most important positive development in UK SME

finance over the past decade. The regulatory architecture is not designed to support them.

EY's modelling of Basel 3.1 implementation shows that for a hypothetical £5 billion SME specialist bank, effective risk weights on SME loans would rise from 57% to 75% under the standardised approach without the SME supporting factor. Holding lending volume constant, required capital rises by 31%; holding capital constant, lending capacity falls by approximately 24%. The PRA's January 2026 policy statement (PS1/26) introduced Pillar 2A mitigations, but as the [Big Bang 2 SME chapter](#) argues, a Pillar 2A fix is inherently less legible and less durable than a clean Pillar 1 calibration.

The reform: SME support is placed on a permanent, transparent Pillar 1 footing in UK prudential rules. MREL thresholds are raised to prevent the resolution regime from functioning as a growth trap for mid-tier banks that cross asset size thresholds. A tiered remuneration of Bank of England reserves — following the ECB model, paying zero on minimum requirements and Bank Rate above — removes the structural incentive for banks to park capital at the central bank rather than lend it to SMEs. None of these changes require Parliament to instruct supervisors to ignore risk. They require Parliament to instruct supervisors to distinguish between risks worth taking and risks worth suppressing.

#### 4. Listing Regime Reform: Make London Competitive Again

Just 679 companies remained on AIM in March 2025 — [the lowest since 2001 and less than half the 2007 peak of 1,694](#). In 2024, the UK recorded 88 delistings against 18 new listings. UK-focused equity funds experienced over 41 consecutive months of outflows. This is not a market in consolidation. It is a market in structural decline.

The [cost of listing on AIM is estimated at approximately £600,000 upfront and £500,000 to £1 million or more annually to maintain](#). For most companies below £100 million in market value, this is prohibitive. Sweden's Nasdaq First North — a proportionate, lower-cost growth market — successfully supports a pipeline that produced nearly 90% of Swedish IPOs on SME growth markets between 2016 and 2023. The difference is not the quality of companies; it is the regulatory architecture that makes public markets usable.

The manifesto commits to: reviewing and materially reducing the fixed cost of AIM quotation; reforming the Nominated Adviser requirements to reduce dependency and cost; restoring full business property relief for AIM investments — reversed in the October 2024 Budget — which directly depresses the domestic long-term capital base for smaller listed companies. SDRT abolition (Change 4) directly amplifies this: a 0.5% transaction tax on a market where 41 consecutive months of outflows have already impaired liquidity is a headwind with no economic justification. Remove the tax, restore the BPR, cut the compliance burden, and the capital will follow.

#### 5. National Investment Bank (Reformed): Catalyst, Not Substitute

The UK's current landscape of public growth finance vehicles — the British Business Bank, the National Wealth Fund, assorted regional and sector funds — represents the accumulated addition of new bodies rather than a coherent architecture. The [Big Bang 2 analysis estimates the UK equity financing gap at roughly £4 billion annually](#), concentrated in firms requiring £500,000 to £10 million — the scale too large for angel investors and too small for institutional private equity.

The National Investment Bank consolidates rather than duplicates. It brings together the British Business Bank, the National Wealth Fund, and related vehicles under a common holding structure with a single mandate: crowd in private capital rather than substitute for it. The design principles draw explicitly on international models: [Germany's KfW lends approximately €80 billion annually through the commercial banking network/KfW-Mittelstandspanel-2024\\_EN.pdf](#)), originating no loans directly but providing funding lines to commercial lenders. [France's Bpifrance mobilises nearly €5 of private capital for every €1 of state subscription in private equity funds](#) and operates 49 regional offices where 90% of funding decisions are made. [Canada's BDC added an estimated \\$25 billion to GDP over five years from its 2025 financing and investment activity](#).

The UK NIB should: begin at British Business Bank capitalisation scale (~£12 billion balance sheet) rather than claiming KfW ambitions on day one; operate through commercial bank distribution channels, not direct origination at scale; have an explicit green transition and regional rebalancing mandate that satisfies the IPPR's distributional requirements and the IFS's market failure test; and set explicit crowd-in ratio targets — a minimum 4:1 private capital leverage for guarantee programmes — with 10-year performance horizons and tolerated portfolio loss ratios approved by Parliament in advance. The ASI's objection is not to the existence of public catalytic capital but to the replacement of market discipline with state allocation. The crowd-in model directly addresses that objection: if the NIB cannot attract four pounds of private capital for every pound it deploys, the investment thesis is wrong and the programme should stop.

### What This Means for Wolverhampton

A small engineering firm in Wolverhampton with a pension-enrolled workforce currently contributes to dozens of deferred small pots that are quietly being eaten by management fees. DC consolidation means those pots grow rather than erode. AML/KYC rationalisation means the firm can open a new business bank account without weeks of duplicated paperwork. Proportionate prudential regulation means the challenger bank that has just moved into the Midlands can offer a growth loan without hitting a capital wall. Listing regime reform means that when the firm is ready to raise growth equity, London is a viable option rather than a first stop on the way to New York. And the NIB means there is patient capital available — at the regional level, with a mandate to invest in the kind of manufacturing scale-up that London-based venture capital structurally ignores.

## How the Five Interlock

These five changes are not a list. They are a sequence, and the sequence matters.

Government reform comes first because it is the precondition for delivering everything else. A planning revolution run through the current Whitehall architecture will stall in implementation. An energy reform programme without PM-level delivery accountability will be captured by regulatory inertia. The Delivery Unit, the Parliamentary Risk Appetite Statement, and the civil service reform are not reforms in themselves — they are the mechanism by which reforms get done.

Planning reform creates the physical investment opportunity. New homes mean new communities. New infrastructure means productive capacity. New energy generation requires planning consent before it can be built. Without planning reform, the investment that cheap energy and available capital would otherwise attract cannot physically materialise.

Cheap energy makes investment viable. A manufacturer considering a new facility in the West Midlands currently faces an electricity price more than twice that of a German competitor and four times that of a US competitor. No amount of capital availability or tax simplification changes the decision calculus for energy-intensive investment unless the energy cost is addressed. Green levy rebalancing, grid reform, and nuclear acceleration directly change the numbers on that investment appraisal.

Tax simplification removes friction. The 60% marginal rate trap discourages the senior professionals whose expertise growing businesses most need. SDRT penalises the equity transactions that fund growth companies. Procurement inefficiency wastes £3.85 billion annually that should be funding services or reducing debt. Remove these frictions and the incentive to invest, hire, and stay in Britain improves across the board.

Capital reform provides the funding. DC pension consolidation creates the institutional capital that can invest in UK infrastructure and growth companies. AML/KYC rationalisation removes the compliance cost that makes SME banking relationships uneconomic. Proportionate prudential regulation allows challenger banks to lend. Listing reform makes London a credible exit venue. The NIB fills the gap that markets structurally cannot reach.

Remove any one of these five and the programme weakens. Without government reform, delivery fails. Without planning, there is nowhere to build. Without cheap energy, investment decisions go elsewhere. Without tax simplification, the friction of operating in Britain outweighs the opportunities. Without capital reform, the businesses that would benefit from the other four cannot access the funding to seize the moment.

The five changes interlock because Britain's growth problem is a system problem. It cannot be solved by picking the most popular reform and ignoring the rest. The case for starting all five simultaneously, in the first year of a parliament, is the case this section has tried to make: the evidence is strong enough, the cross-ideological support is broad enough, and the cost of delay is measurable enough that no future government can

claim it did not know what needed to be done.

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Sources: ASI Growth Agenda (January 2026); ASI Cooped Up (2024); ASI Beyond the Call of Duty (October 2025); ASI Micropolitics Revisited; IFS Pensions Review (July 2025); IFS Housing Policy and Productivity (March 2025); IFS From Fiscal Rules to Fiscal Traffic Lights (February 2026); IFS Thresholds in the Tax System (February 2024); IFS TaxLab — IT/NI Merger; IPPR Mission-Driven Government (May 2024); IPPR Tapering Over the Tax (September 2025); IPPR Fairness First (November 2025); IPPR Central Government Holding Back Growth (February 2026); IPPR Pension Megafunds; DESNZ Annual Fuel Poverty Statistics (March 2025); NESO Grid Connection Reforms (December 2025); Ofgem Energy Price Cap; David Turver/Eigen Values Energy Price Analysis (December 2025); MCS Foundation Green Levy Rebalancing (February 2026); Nesta Green Levies Explainer (2024); GOV.UK SMR Programme (June 2025); TBI Cheaper Power 2030 (October 2025); Carbon Brief UK Renewables Record 2025 (January 2026); British Business Bank Small Business Finance Markets 2025; Bank of England Growth and High-Growth Firms (2025); ONS Impact of Higher Energy Costs on UK Businesses (2025); EY Basel 3.1 SME Lending Analysis; PRA PS1/26 (January 2026); KfW Mittelstandspanel 2024/KfW-Mittelstandspanel-2024\_EN.pdf; BDC Annual Report 2025; UHY Hacker Young AIM Market Analysis (2025); HMRC Annual Savings Statistics 2024; End Fuel Poverty Coalition (August 2025); Renew and Sustain TNUoS charges (October 2025); Reuters IEA industrial electricity prices (August 2025); GOV.UK BICS (November 2025); Solar Panels for Factories UK manufacturing costs (2025); ANS Sizewell B (January 2026); REMA Summer Update 2025.

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# Section 4: The Debate — What Comes Next

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## Introduction: Why This Section Exists

Every serious programme of reform has to make an honest admission: it does not know everything.

The Five Changes in this manifesto are backed by evidence strong enough to act on now. They have cross-ideological support. They can be sequenced, costed, and implemented within a parliamentary term. But a programme that stopped there would be dishonest in a different direction — pretending that the Five Changes exhaust Britain's agenda, or that the difficult questions beyond them have already been answered.

This section is structured around three tiers of readiness — not as a way of avoiding hard questions, but as a way of being honest about where the evidence is strong, where the design work is incomplete, and where the question itself remains genuinely open.

**Tier 1: Ready to Go.** These reforms could be initiated alongside the Five Changes if political bandwidth allowed. The evidence is robust. The design is developed. The principal constraint is legislative bandwidth, not evidence.

**Tier 2: Needs Design Work.** The direction is right. But the detailed blueprints are incomplete, the costing uncertain, or the trade-offs unresolved. These belong at the front of the Green Paper queue in the first parliamentary term.

**Tier 3: Long-Term National Questions.** These are the debates Britain needs to have — not in Whitehall seminars, but openly, democratically, with evidence rather than ideology. They involve choices about values — about the size of the state, the distribution of wealth, the pace of the green transition, the UK's place in the world — that no manifesto can resolve on its own.

The strength of a programme is not only what it proposes. It is also what it acknowledges it does not yet know.

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### Tier 1: Ready to Go — Reforms That Could Start Tomorrow

These reforms have sufficient evidence and design development to be initiated in the first parliamentary term. Several could be delivered in Year 1 through Finance Act clauses, secondary legislation, or regulatory guidance — no new primary legislation required.

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## Capital Gains Tax Reform: The Rate of Return Allowance

Rather than reintroducing taper relief — which the [IFS's October 2024 CGT Reform report](#) explicitly criticised as recreating complexity without addressing the fundamental distortion — the evidence points toward a Rate of Return Allowance (RRA) model. Gains reflecting a normal return on capital are exempt; only genuine excess returns are taxed, at rates aligned with income tax. This removes the lock-in effect, ends the structural privilege of wealth income over earned income, and aligns with IPPR's preferred design, articulated in its [September 2025 Tapering Over the Tax paper](#). The IFS concurs that base-broadening — including ending CGT uplift at death, currently costing roughly £1.5 billion per year — combined with a principled rate structure is superior to taper relief. What's holding it back is distributional modelling and a clear explanatory campaign to distinguish entrepreneurs from wealth holders. Both are surmountable.

Support: IFS ([CGT Reform 2024](#)); IPPR ([Supporting the Status Quo, 2024](#)); ASI supports lower CGT rates overall ([Growth Agenda 2026](#)).

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## Auto-Enrolment Increases: Targeted by Income

Increasing minimum auto-enrolment contributions — but specifically protecting low earners, a critical qualification the blanket proposal misses. The [IFS Pensions Review's July 2025 final report](#) recommended: ending conditionality so all employees receive at least a 3% employer contribution regardless of whether they themselves contribute; increasing defaults only for those on average earnings and above; and integrating the self-employed through Self Assessment — since approximately 80% of self-employed workers currently save nothing in a private pension. The Pensions (Extension of Automatic Enrolment) Act 2023 created the legislative foundation. What's missing is the political will to implement the income-graduated design without hollowing out the low-earner protections.

Support: IFS ([Pensions Review 2025](#)); IPPR broadly supportive; ASI supports voluntary mechanisms over mandated contributions.

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## UK Productive Assets: An Enabling Framework, Not a Mandate

Creating the conditions for pension funds to invest in UK infrastructure and growth companies — through consolidated fund structures, improved information architecture, and reduced regulatory friction — without compelling specific allocation targets. Consolidating DC pension schemes (as the Pension Schemes Bill already contemplates) creates funds large enough to invest at scale in illiquid assets; but the investment

decision should follow from fund size and opportunity quality, not government instruction. IPPR's response to the chancellor's November 2024 megafunds announcement welcomed it as a mechanism to [unlock substantial capital for UK investment](#). The enabling model attracts IFS, IPPR, and partial ASI support. The mandate model — which the ASI describes bluntly as [financial repression in disguise](#) — does not.

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### Digital Identity Infrastructure

A secure, portable, interoperable digital identity system would enable individuals to verify identity once and use it across financial services, public services, employment, and benefits — eliminating the duplication that currently forces every institution to re-perform KYC from scratch. The Government Digital Service has existing capability. All three think tanks support it. The [AML/KYC consolidation](#) cannot achieve its full potential without the digital identity layer beneath it. A voluntarily adopted, privacy-preserving opt-in architecture addresses civil liberties concerns without requiring a national database.

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### AML/KYC Consolidation

Reducing the current 25-plus anti-money laundering supervisors to a single coherent framework with shared data architecture and standardised procedures. As the [ASI's Growth Agenda](#) (January 2026) documents, the financial sector spends four times more on AML enforcement than the Home Office spends on all policing — a compliance burden that is simultaneously enormous and demonstrably ineffective. This is secondary legislation and FCA/PRA guidance — no primary legislation required. All three think tanks support it. What's holding it back is institutional inertia among existing supervisors, not any evidential disagreement.

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### Ring-Fencing Reform for Mid-Tier Banks

Recalibrating the ring-fencing threshold — currently set at £25 billion in deposits, capturing mid-tier banks alongside the systemically important institutions the regime was designed for — so that it applies proportionately to genuine systemic risk. The Bank of England's own structural review is underway. The [ASI's Simple Rules for Complex Systems](#) (July 2025) estimates £33.9 billion in compliance costs on large financial firms. The IFS supports proportionate prudential rules as part of a broader SME finance strategy. The political constraint is the institutional memory of 2008 — the case must be made on evidence that mid-tier banks are not systemically interconnected in the way that justified the original rules.

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## Childcare as Economic Infrastructure

Treating publicly supported childcare not as welfare provision but as economic infrastructure — on the same analytical footing as transport or broadband. [PwC's Economic Impact of Childcare Policy analysis](#) found that improving childcare supply would increase female labour market participation significantly, with direct GDP effects. The analytical case has been made; the remaining design challenge is the supply-side — incentives for new place creation, funding rates that make provision economically viable for providers, and integration of employer-supported childcare. All three think tanks broadly support the principle. The constraint is fiscal cost and administrative complexity.

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## NEET and Youth Labour Market Programme

A targeted emergency programme for the approximately 900,000 young people aged 16 to 24 not in education, employment, or training — 12.8% of the cohort and, according to the [ONS February 2026 bulletin](#), the highest level since 2014. PwC's Youth Employment Index estimated a £26 billion GDP boost if NEET rates fell to the best-performing regional level. The primary driver is mental health, not skills shortage — which means the programme design must combine employer incentives, targeted mental health provision, and vocational pathways, not simply traditional employment schemes. DWP infrastructure exists; the constraint is cross-departmental coordination.

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## Occupational Licensing Reform

A systematic review of the approximately 20% of UK jobs requiring a government-issued licence to practise, with the goal of removing or streamlining requirements that serve primarily as barriers to entry rather than protections for consumers or public safety. The [Social Mobility Commission's 2024 analysis](#) found that licensing disproportionately restricts entry for those from lower socioeconomic backgrounds and for migrants with overseas qualifications. Secondary legislation and a review process — the evidence is clear; the political economy of professional bodies is the obstacle.

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## Tier 2: Needs Design Work — Right Direction, Incomplete Blueprint

These reforms address real problems. The direction is right. But responsible implementation requires design work, costing, and trade-off resolution that has not yet

been completed. They should be at the front of the Green Paper queue.

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### National Investment Bank: Green Mandate, Graduated Scale

The problem: Long-duration, patient capital is not reaching sectors and regions that commercial banks under current risk-weight frameworks will not serve. What's needed: A convincing answer to the IFS's challenge — what does a NIB add that the British Business Bank and National Wealth Fund do not provide? An additionality framework; an honest accounting of balance sheet treatment under fiscal rules; governance with cross-party oversight. The key trade-off: The [ASI's How Industrial Strategy Killed British Industry](#) (November 2025) makes a serious argument: capital allocated through political institutions systematically flows to incumbents rather than innovators. The panel's synthesis design — green and regional mandate, scale beginning at £12 billion (not KfW-scale), strict additionality tests — addresses this without abandoning the instrument. But governance design must be specified before this is ready to legislate. IFS: cautious, wants additionality evidence. ASI: opposed in principle — fix the regulatory barriers first. IPPR: strong support, provided the mandate includes green transition and regional rebalancing ([Making Markets, 2024](#)).

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### Corporation Tax: Rate vs. Allowances

The problem: UK corporation tax at 25% is above the G7 median; UK business investment at 18.6% of GDP is at the bottom. What's needed: An honest resolution of the disagreement between the ASI — which estimates that reducing the rate to 19% would add 0.30% to long-run GDP ([Growth Agenda](#)) — and IFS/IPPR, which argue that the design of capital allowances, R&D credits, and patent box interactions matters more than the headline rate. A phased reduction to 20% or below requires either dynamic scoring evidence the OBR can stand behind, or identified offsets: the fiscal cost of moving from 25% to 17% is approximately £31–36 billion. The key trade-off: A 25% rate with full expensing and generous R&D credits may outperform a 17% rate with limited allowances — the evidence on which combination produces the largest productivity effect is genuinely mixed. This deserves a Green Paper, not a manifesto commitment.

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### Income Tax Thresholds: Where Does the Higher Rate Begin?

The problem: The 45% additional rate applies from £125,140. The equivalent threshold in the United States is approximately £480,000. This is not a comparison that proves the UK rate is wrong — tax systems are not directly comparable — but it illustrates how the current structure reflects political freezes rather than principled design. The 60% trap between £100,000 and £125,140 (addressed in the Five Changes) is the most irrational

feature; broader threshold reform is the next question. What's needed: Explicit distributional modelling of who benefits and by how much. The [IFS's February 2024 Thresholds paper](#) costed the 60% trap fix at £4–5 billion if unoffset. Broader threshold reform requires identified revenue sources or credible dynamic offset evidence. The key trade-off: The distributional beneficiaries of threshold reform are concentrated in the upper income deciles. This does not make reform wrong — reducing marginal rate distortions has real economic effects — but it requires honest acknowledgement of who gains.

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### HM Treasury Reform: Phase 2

The problem: The structural argument — that Treasury's conflation of fiscal conservatism and growth strategy creates contradictory incentives in a single institution — is directionally correct. As the [IFS noted in June 2025](#), Treasury decision-making has been "creating so much latitude that decision making risks becoming ever more subjective, downplaying the role of objective economic evidence." What's needed: Phase 1 — the Growth Council and statutory dynamic scenario requirement — must be implemented and assessed first. The structural case for separating Finance Ministry from Department of Commerce can only be made if Phase 1 proves insufficient. The key trade-off: Two institutions, two ministers, two competing mandates — the coordination risks are real, and the IFS is sceptical that structural fragmentation solves the underlying incentive problem. Phase 2 should be contingent on Phase 1 evidence.

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### FCA/PRA Growth Mandate: Secondary vs. Primary

The problem: Financial regulation has been too cautious for too long. What's needed: Evidence that the secondary competitiveness duty — introduced in the 2023 Financial Services and Markets Act and being implemented in the PRA's [annual competitiveness reports](#) — is not being given genuine weight before considering promotion to primary. Binding Annual Growth Impact Statements, rather than a primary duty change, are the panel's recommended sequencing. The key trade-off: A primary growth duty risks subordinating systemic safety to competitive pressure — the dynamic preceding the 2008 financial crisis. The IFS and IPPR both flag this. The ASI supports promotion to primary but acknowledges institutional incentive problems run deeper than statutory framing alone.

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### Inheritance Tax: Reform or Abolition?

The problem: IHT has not had its threshold meaningfully updated for 16 years. From 2027, pension pots will be included in estates, significantly expanding affected families.

The tax raises £7.1 billion annually — less than 0.9% of tax revenues — while distorting investment toward tax-advantaged but economically suboptimal assets. What's needed: A fundamental choice between two approaches. The [ASI's Free Wills paper](#) (February 2026) makes the case for abolition: compliance costs reportedly dwarf the revenue, and the tax distorts behaviour without achieving meaningful redistribution. The IFS would support threshold reform and removal of Business Property Relief and Agricultural Property Relief exemptions that allow the largest estates to escape almost entirely. IPPR supports raising rates and tightening exemptions. The key trade-off: Abolition loses £7 billion and primarily benefits large estate holders; reform could be broadly revenue-neutral but requires political navigation of changes to reliefs that simultaneously protect genuine family farms and shelter the very wealthy.

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### Land Value Taxation: Economically Sound, Politically Volcanic

The problem: Land is fixed in supply; taxing it is therefore non-distortionary in a way that almost no other tax is. The [Mirrlees Review](#) described the economic case for land value taxation as "almost undeniable." It would replace economically damaging transaction taxes and remove the incentive to hold land for speculative appreciation rather than productive use. What's needed: A national land value database — which does not exist. Valuation methodology decisions. A transition design with long notice periods for the large distributional shifts involved. This is a decade-long project. The key trade-off: The economic case is among the strongest in the entire policy literature; the political economy is among the most difficult. The honest commitment is: commission the database and a pilot; do not promise implementation in this parliament.

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### Immigration: A Skills-First Framework

The problem: The UK's worker-to-pensioner ratio is projected to fall from approximately 3:1 today to 2:1 by 2055. Immigration is currently the principal source of UK working-age population growth. The visa system for skilled workers is widely regarded as poorly matched to actual labour market need. What's needed: A skills-first framework tying visa prioritisation to documented shortages and sector-specific industrial strategy targets, not primarily to points thresholds that poorly track skills demand. This is distinct from the question of net migration levels, which is a Tier 3 democratic debate. The key trade-off: Any credible reform navigates the gap between economic need and public sentiment — and requires honest public communication about the demographic arithmetic, not as a political tactic but as a prerequisite for legitimacy.

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### R&D Tax Credit Redesign

The problem: UK business R&D spending as a share of GDP remains below the OECD average despite substantial government expenditure on credits. What's needed: A pre-clearance mechanism so companies can confirm eligibility before undertaking R&D — reducing uncertainty and retrospective disputes; a "Transformative Technology Credit" at a higher rate for genuinely frontier research (quantum, advanced materials, synthetic biology) where private and social returns diverge most; and anti-avoidance design concentrating benefit on new investment rather than re-labelling existing activity.

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### Business Rates: Fundamental Reform

The problem: Business rates tax improvements to property — the opposite of the economic logic of LVT — and bear no relationship to current business value. They bear particularly heavily on retail, hospitality, and manufacturing relative to digital businesses. What's needed: A choice between three approaches — move toward LVT (most rational; see above); fundamental rate reform that aligns assessments with market value and removes the improvement penalty; or a hybrid. Each requires transition design to protect local government revenues. The current system's fiscal link to council budgets makes any reform operationally complex — honest engagement with that complexity is a prerequisite for delivery.

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### Tier 3: Long-Term National Questions — The Debates Britain Needs to Have

These are not policy proposals. They are questions. Genuine, difficult, contested questions where evidence can illuminate but cannot resolve — because the answer depends on values, priorities, and collective choices about what kind of country Britain wants to be. A serious reform programme names these debates honestly.

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### Should Britain Rejoin the EU Customs Union or Single Market?

[NBER research](#) estimated Brexit's economic cost at 6–8% of GDP relative to the counterfactual. Current polling finds 56–63% of the public support some form of closer EU relationship. A customs union would eliminate goods trade barriers; single market membership would restore services passporting rights, freedom of movement, and procurement access. Against this: full EU membership would require accepting the euro over time, forgoing the rebate, accepting free movement, and aligning domestic law to standards set without UK participation. A relationship "short of" membership is a novel constitutional arrangement whose terms cannot be guaranteed.

The economic cost of the current arrangement is measurable. What sovereignty was purchased is a legitimate question. Whether the public, presented with specific terms rather than a binary choice, would vote differently than 2016 is genuinely unknown. This debate requires a citizens' assembly, not a manifesto commitment — informed by evidence about what closer alignment actually means in practice.

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### How Should Britain Fund Its Ageing Population?

The worker-to-pensioner ratio will fall from 3:1 to 2:1 by 2055. Public pension spending is forecast to rise from 5.0% to 6.9% of GDP by 2067–68, according to the [IFS's demographic analysis](#). The triple lock — guaranteeing pension increases at the highest of wages, prices, or 2.5% — creates a mechanism that systematically transfers resources from working-age taxpayers to pensioners regardless of relative living standards. Pensioner poverty rates are now below working-age poverty rates; the original justification has, in one sense, succeeded.

Any reform to the triple lock or the state pension age is experienced as a direct attack on retirement security. The question of intergenerational fairness — whether younger, poorer generations should subsidise older, wealthier ones through a fiscal mechanism designed for different demographic conditions — requires a national conversation. A Citizens' Assembly on Ageing, with transparent evidence about the fiscal trajectory, would be the appropriate forum.

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### What Is the Right Size of the State?

The UK's tax burden is forecast to reach 38.5% of GDP by 2030–31 — the highest since records began in 1948, according to the [IFS Green Budget October 2025](#). The question Britain has not answered honestly since 2008 is whether it is trying to deliver Nordic levels of public service at American levels of taxation.

The IPPR case: Sweden, Denmark, and Norway — with tax burdens of 42–46% of GDP — achieve better health outcomes, higher educational attainment, greater social mobility, and higher productivity than the UK. Accepting a similar tax burden, invested in the institutions that enable broad economic participation, is both economically rational and socially just. The ASI case: the [Foreboding Fiscals paper](#) (January 2026) warns of a structural debt spiral absent radical reform. A programme of genuine supply-side reform could add 10–20% to UK GDP over a decade — delivering the prosperity that funds public services through growth rather than tax. The IFS takes no position on the right size of the state. It assesses the implications of choices. That is the correct approach for this manifesto too: present the trade-off honestly, and let the public decide.

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## How Fast Should the Green Transition Go?

Net zero by 2050 is UK law. The transition is not optional. The question is pace, cost, and distribution. IPPR's Environmental Justice Commission calls for £30 billion per year in public green investment, framing the transition as generating up to 1.7 million new jobs by 2035 and driving regional rebalancing. The ASI argues that the fastest economically efficient transition comes through energy market liberalisation — reducing UK industrial electricity prices, currently 50–100% above European competitors, through grid reform and planning deregulation — rather than state-directed investment. The IFS notes that delayed climate transition generates significant future fiscal risks including stranded assets.

The just transition question is also a moral one: workers in carbon-intensive industries face a transition whose cost they did not individually create. Whether the state has an obligation to fund their retraining and community economic development — and at what scale — requires democratic deliberation, not technocratic determination. The pace of transition that is economically optimal is not necessarily the same as the pace that is politically sustainable, and getting this wrong in either direction carries large costs.

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## What Should Happen to Wealth Inequality?

Chargeable capital gains per head amount to £2,400 in London but only £500 in Wales, according to [IPPR's Supporting the Status Quo analysis](#) (August 2024). IPPR estimates that equalising CGT with income tax rates could raise £50 billion over a parliament. The concentration of wealth in older generations and in London and the South East has structural consequences for intergenerational mobility, geographic opportunity, and the distribution of economic power independently of earned income.

The IFS would approach wealth inequality primarily through the distortions it creates — preferential treatment of capital income, the CGT uplift at death, the interaction of IHT exemptions with large estates — and would advocate for reforms improving economic efficiency while acknowledging distributional effects. The ASI would argue that wealth inequality reflects legitimate returns to risk-taking and deferred consumption, and that policies reducing it through wealth taxation harm the incentive to create value. IPPR regards wealth inequality as structurally corrosive to democracy and calls for a wealth tax as integral to any serious growth strategy.

Britain has not had this conversation honestly. This manifesto invites it to begin — with evidence, without predetermined conclusions.

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## Should Britain Have an Explicit Industrial Strategy?

UK business investment at 18.6% of GDP sits at the bottom of the G7. The [IMF's July 2025 analysis](#) concluded that industrial policy "will only enhance productivity if well-targeted at overcoming market failures" and that "the bar for getting it right is high."

IPPR argues that states which take a directive role in shaping industrial structure — investing in emerging sectors before markets recognise their potential, building supply chains and skills pipelines, providing patient capital — consistently outperform purely market-led economies in sectors critical to long-run productivity. The current government's Industrial Strategy, published in 2025, reflects this approach. The ASI's [How Industrial Strategy Killed British Industry](#) (November 2025) documents the consistent historical pattern: resources flow toward politically connected incumbents, not genuinely innovative entrants. The IFS views the evidence as genuinely mixed. This manifesto commits to an enabling framework — the NIB, productive assets architecture, growth mandate — without prescribing the full answer to the industrial strategy question. That answer belongs to the ongoing national economic debate.

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## Devolution and the Union

The UK is one of the most centralised major democracies in the world. Local government in England controls approximately 5% of public spending. The North-South wealth gap per head reached £71,000 in 2020 — nearly double the 2010 figure — according to [IPPR North's State of the North 2024](#). [IPPR's February 2026 research](#) found that Treasury's project-by-project sign-off of local investment decisions is itself a structural obstacle to regional growth.

The case for fiscal devolution — allowing mayors to retain a share of the tax revenue generated by local investment, borrow against predictable revenues, and design services around local need — rests on evidence that accountability and proximity improve outcomes. Both the IFS and IPPR support greater local fiscal autonomy. This manifesto commits to those Tier 2 elements. The deeper constitutional questions — English parliament, full Scottish and Welsh fiscal autonomy, Barnett formula reform — require cross-party negotiation, public consultation, and a democratic mandate beyond any single administration's authority.

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## Conclusion: An Honest Programme

This manifesto is unusual in one specific respect: it tells you what it does not know.

Most political programmes present a complete and confident vision. Awkward questions are resolved off-page, trade-offs smoothed away, uncertainties substituted with assertion. The result is manifestos that are easy to read and impossible to implement — because the world is more complicated than any plan, and a programme that cannot acknowledge complexity cannot adapt to it.

The Five Changes are backed by evidence strong enough to act on now. They have cross-ideological support spanning the IFS, ASI, and IPPR — institutions that agree on very little. They can be sequenced, costed, and delivered. That is not an accident; it is the standard we held every proposal to before placing it in the core programme.

The Tier 1 reforms in this section are ready to go. They wait not for design, but for attention.

The Tier 2 reforms are in the design pipeline. The commitment is to the Green Papers — to undertake the design work in the first parliamentary term, not to defer indefinitely. Getting the design right before the legislation is written is not weakness; it is how implementation failure is avoided.

The Tier 3 debates are different in kind. They are not waiting for design work. They are waiting for Britain to decide what it believes — about fairness, about the state, about its place in the world, about the obligations between generations. Evidence can frame these debates and illuminate their consequences. Evidence alone cannot resolve them.

A country that refuses to debate its future honestly will continue to drift. The Centre for a Better Britain exists to ensure these debates happen — with evidence, not ideology; with honest acknowledgement of trade-offs, not the pretence that every reform is costless and every question already answered.

The strongest thing a serious programme can say is not "we have all the answers." It is: here is what we know, here is what we don't, and here is how we propose to find out. That is the invitation this section extends.

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Sources: IFS CGT Reform, October 2024; IFS Pensions Review Final Report, July 2025; IFS Green Budget, October 2025; IFS From Fiscal Rules to Fiscal Traffic Lights, February 2026; IFS Thresholds in the Tax System, February 2024; IFS Outlook for Public Sector Productivity, September 2025; Mirrlees Review, Nuffield Foundation, 2011; ASI Growth Agenda, January 2026; ASI Free Wills: The Case for Abolition of IHT, February 2026; ASI How Industrial Strategy Killed British Industry, November 2025; ASI Forcing Pensions to Invest in Britain Is a Foul, Lousy Idea, November 2025; ASI Simple Rules for Complex Systems, July 2025; ASI Foreboding Fiscals, January 2026; IPPR Making Markets, February 2024; IPPR Supporting the Status Quo, August 2024; IPPR Tapering Over the Tax, September 2025; IPPR Megafunds Plan for Pensions, November 2024; IPPR Central Government Holding Back Growth, February 2026; IPPR Property and Wealth Taxes, March 2026; IPPR Apathy and Opposition, March 2026; IPPR Mission-Driven Government, May 2024; IMF Industrial Policy in the UK, July 2025; Bank of England PRA Competitiveness Report, June 2025; ONS NEET Bulletin, February 2026; Social Mobility Commission Occupational Regulation, 2024; NBER Brexit economic cost research; PwC Economic Impact of Childcare Policy