Blueprint for a Better Britain

A Programme for National Renewal — With the Delivery Architecture to Make It Real

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Contents

> *"The standard playbook is: produce a report, announce a strategy, appoint a czar, hold a summit, watch it fail. This document tries something different: show the institutional mechanics of failure before proposing change, so that the proposed change is designed to survive contact with the institutions it must transform."*

Foreword: What This Document Is, and Is Not

This is not a party manifesto. It draws on analysis from across the political spectrum — from the Blair-era Prime Minister's Delivery Unit, to Dominic Cummings' forensic critique of Whitehall, to the Centre for British Progress, to the Tony Blair Institute, to independent economists at the Resolution Foundation and the IFS. The data belongs to nobody's tribe. The failures documented here span Conservative, Coalition, and Labour administrations. The solutions proposed here would be consistent with any government serious about growth.

This is also not a wish list. Lists of desirable policies are produced in abundance. What is almost never produced — and what this document attempts — is an honest account of *why* desirable policies don't happen. The implementation gap — the chasm between announced intention and delivered outcome — is the central problem of British politics. Understanding it is prerequisite to designing reforms that survive contact with the institutions they must transform.

Why these reforms make sense from every political tradition. Conservatives should support them because they reduce the size and cost of the state, simplify taxes, unlock enterprise, restore market signals distorted by regulation, and strengthen property rights through faster planning resolution. The delivery unit model has its origins in Blair's government, but the agenda it would deliver — lower energy costs, deregulated planning, smaller quango state, competitive capital markets — is the core conservative economic programme. Liberals should support them because they dismantle concentrated veto power held by unaccountable institutions, increase transparency and accountability, expand individual opportunity through homeownership and pension reform, and protect civil liberties through explicit AI governance safeguards. Social democrats should support them because they raise wages through productivity growth, build homes at the scale needed to restore the social contract, fund public services through growth rather than austerity, reduce inequality of access to housing and capital, and protect the industrial jobs that provide good wages in non-metropolitan areas. The diagnosis is not partisan. The prescription need not be either.

This document is published by Blueprint | 6knights.com. It is non-partisan. It is forward-looking from a March 2026 baseline. Every claim is sourced with specific data. Every calculation shows its working. Every counter-argument is addressed honestly. Where we are uncertain, we say so. Where the evidence is contested, we present both sides.

The standard we set ourselves: would Dominic Cummings read this and be impressed despite it coming from outsiders? Would a senior Treasury official learn something? Would a first-time buyer in Bradford recognise their own experience? Those are three very different audiences. Reaching all three is the challenge.

Section 1: The Diagnosis

Britain's Twenty-Year Structural Failure

Britain is not a failed country. It is a country failing to realise what it already has. The assets are real and substantial. The United Kingdom hosts the world's second-ranked financial centre, trailing New York by a single rating point (GFCI 38, September 2025). It operates the global foreign exchange market, accounting for 38 per cent of worldwide turnover. Its universities produce Nobel laureates and leading research; its legal system provides the contractual backbone for international commerce; its language is the operating system of the global economy. The UK remains the world's largest net exporter of financial services, with a combined financial and professional services trade surplus of £119.1 billion (TheCityUK, January 2026).

The dispute is not over Britain's inherent advantages, but over what the nation has failed to do with those advantages over the past generation.

1.1 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. Every additional pound of output per worker-hour is a pound that can go to wages, to the NHS, to defence, to debt reduction, or to tax relief. A country that does not grow its output per worker cannot, over time, pay for any of the things it values. Productivity is the foundation on which everything else rests. Britain's foundation has cracked.

Output per hour worked in the final quarter of 2025 was only 2.4 per cent above its 2019 level — six years of essentially flatlined productivity (ONS productivity bulletin, Q4 2025). GDP per head fell in both Q3 and Q4 of 2025 (ONS GDP first estimate Q4 2025). Business investment sits at 18.6 per cent of GDP — the lowest in the G7 (ONS business investment Q4 2025). US labour productivity has surged 6.7 per cent over the same period (ONS/BLS comparison). UK GDP per capita stands at approximately $56,661, placing Britain 21st globally (IMF World Economic Outlook, April 2025).

The country is too rich to think of itself as failing, but too stagnant to feel as if it is progressing.

The trajectory is worsening. In March 2026, the OBR forecast GDP growth slowing to just 1.1 per cent in 2026 (OBR Economic and Fiscal Outlook, March 2026). KPMG estimates that structurally high energy prices may halve even that to 0.7 per cent (KPMG UK Economic Outlook, March 2026). Financial services — supposedly Britain's crown jewel — made the largest negative contribution to national productivity in Q3 2025 (ONS productivity data, Q3 2025).

1.2 The Human Cost

These are not abstractions. They are the ledger of lives lived under a system that no longer delivers.

Average pre-tax pay in 2023–24 was just 3.5 per cent above 2009–10 levels in real terms — a devastating fourteen years of wage stagnation (IFS, Living Standards, Poverty and Inequality in the UK: 2024). The Resolution Foundation estimates that the average worker earns £11,000 less than

they would have if the pre-2008 wage trend had held (Resolution Foundation, Stagnation Nation). In the third quarter of 2025, the UK suffered the largest fall in real household income per capita in the entire G7, at −0.8 per cent (OECD, Growth and Economic Well-being, Q3 2025). The OECD data gives the aggregate; the distributional picture, which requires Resolution Foundation analysis, is likely worse — the fall is most probably concentrated among lower-income households, which spend higher shares of income on energy and food.

Fourteen years of near-zero real wage growth is not a bad patch. It is a generation of workers whose labour has produced less prosperity than their parents' labour produced, not through any failure of effort but through the accumulated failure of economic policy.

If the UK had merely grown at US rates since 2008, tax revenues today would be approximately £150 billion higher per year — enough to eradicate the deficit, increase defence spending, and cut taxes simultaneously (CBP, "A Budget for Progress"). The derivation of that figure is set out in Appendix C.

1.3 The Fiscal Trap

Low growth combined with high structural spending has produced a dire fiscal position.

National debt stands at £2,871.2 billion as of end-January 2026, reaching 93.1 per cent of GDP in the February 2026 ONS release (ONS Public Sector Finances, February 2026). Divided across 28.6 million households, that is approximately £100,400 per household. Debt has increased nearly sixfold from £0.5 trillion in 2008.

Debt interest payments consumed £111.2 billion in 2025–26 — 3.7 per cent of GDP. The defence budget is £61.7 billion. The entire schools budget is £65.3 billion. Britain spends nearly twice as much servicing its debt as it spends on defending itself, and approximately 85 per cent of what it spends on educating its children. That is not a political choice. It is the compound interest on two decades of borrowing to fund current expenditure.

The OBR forecasts debt rising to 96.5 per cent of GDP by 2028–29, accompanied by a tax burden rising to 38.5 per cent of GDP by 2030–31 — a level never previously sustained in peacetime (OBR March 2026 EFO). The current deficit stands at approximately £133 billion (2025–26). UK gilt yields are now higher than those of Italy and France, reflecting the risk premium markets attach to a country that combines high debt with low growth (CBP analysis).

The trap is self-reinforcing: high debt servicing costs crowd out public investment, which suppresses growth, which reduces tax revenues, which increases borrowing, which increases debt servicing costs. Breaking the cycle requires growth, and growth requires the structural reforms this document describes.

1.4 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 more than two million homes. The Centre for Cities estimates the gap at 4.3 million relative to the average European country — a broader measure that captures the full extent of underbuilding relative to peers (Centre for Cities). The 300,000 homes per year target — announced by virtually every government since the Barker Review in 2004 — has never been met. The Building Societies Association reports 2.2 million "missing" first-time buyers

since 2006: people who, by historical patterns, should have been able to buy but could not (BSA, April 2025). Only 26 per cent of 20-to-39-year-olds now own a home.

The infrastructure record is, if anything, worse. A study by the Saïd Business School of 3,022 major projects found that only 0.2 per cent were delivered on time, within budget, and with expected benefits fully realised (Saïd Business School, Oxford Global Projects). HS2 grew from £37.5 billion to more than £66 billion before being severely truncated. Hinkley Point C rose from £18 billion to £46 billion with completion delayed until at least 2031. Sixty-nine per cent of UK road projects overrun, and when they do, the average overrun is 66 per cent — worst in the European peer group. France, the best performer, averages 47 per cent (BCG infrastructure study). UK infrastructure costs run two to six times those of comparable European projects (BCG).

Delivery time for Nationally Significant Infrastructure Projects increased by 65 per cent between 2012 and 2021 (UK Government data). Fifty-eight per cent of Development Consent Orders face legal challenge, each challenge averaging 1.4 years to resolve (CBP, "Getting Britain off the Ground"). Statutory pre-application periods rose from 20 months in 2018 to 28 months in 2021 (RPC opinion on the Planning and Infrastructure Bill). UK pre-construction phases run 50 per cent slower than the average for rail and 25 per cent slower for roads compared to peer nations (BCG).

Istanbul built a new airport four times the size of Heathrow Terminal 5 in just over four years (CBP analysis). Britain has been debating Heathrow expansion for over two decades, with a net social benefit estimated at £15.8–17.2 billion and £67.6 billion in foregone passenger revenue (CBP).

1.5 The Capital Markets Exodus

Britain's regulatory and planning environments are driving capital away.

In 2024, the London Stock Exchange saw 88 delistings against just 18 new listings (EY IPO data, Q4 2024). The UK's share of the MSCI World index has collapsed from 11 per cent to 4 per cent. Regulatory compliance costs businesses £33.9 billion every year in financial services alone (TheCityUK/PwC, November 2025). The US is three times more VC-intensive per capita, deploying $215.4 billion versus the UK's $16.3 billion in 2024 (CBP, "British Sovereign Capital").

The British Business Bank, with post-SR2025 capacity of £25.5 billion including a £10 billion VC portfolio, is structurally slow and risk-averse — designed to avoid large losses rather than to back the companies most likely to generate transformative growth (CBP). The EIS, SEIS, and VCT tax reliefs cost approximately £1.146 billion per year but generate a cottage industry of tax sheltering rather than genuine innovation funding (HMRC statistics via CBP). The Enterprise Management Incentive, by contrast, delivers £2.65 of economic benefit per £1 of tax foregone — a proven mechanism for aligning founder and employee incentives (CBP, citing HMRC analysis).

1.6 The Energy Cost Crisis

The United Kingdom pays the highest industrial electricity prices in the developed world.

In 2024, UK industrial electricity cost 26.63 pence per kilowatt-hour — the highest among all 25 IEA countries reporting data, 63 per cent above the IEA median, nearly four times the US industrial average (approximately 6.36 p/kWh at current exchange rates), and 3.9 times the effective rate for large French industrial users (~£69/MWh) (DESNZ Quarterly Energy Prices, September 2025; DESNZ Table 5.3.1; EIA Table 4).

This is not primarily a consequence of the green transition. It is the product of a specific and correctable policy architecture:

Gas dominance. Gas-fired stations set the UK electricity price 97 per cent of the time — meaning that even when wind, solar, and nuclear supply the majority of electrons, the price reflects gas economics (ONS energy costs article, 2021–2024). In France, gas sets the price only 7 per cent of the time (Nuclear Industry Association). The difference is decades of nuclear investment.

The nuclear deficit. France built 56 reactors between 1974 and 1991, with nuclear now providing 65–75 per cent of French electricity at an operating cost of approximately £60/MWh, with capital largely amortised. Britain's last commercial reactor was completed in 1995. By 2023, nuclear provided just 14 per cent of UK electricity. The consequence is that gas remains structurally dominant in a way that is impossible in France.

Policy cost loading on industry. UK non-domestic electricity bills carry approximately £76/MWh in policy costs — including the Renewables Obligation (~£7.7 billion), Feed-in Tariffs (£1.86 billion), Capacity Market payments (£1.25 billion), NESO balancing services (£892 million), and the Carbon Price Support (Ofgem EII research). The £76/MWh figure refers specifically to non-domestic (industrial) policy costs; household bills carry a different, lower loading. These costs sit atop a gas-linked wholesale price rather than being funded through general taxation as in France and Germany, where industrial exemptions routinely cover 90 per cent or more of such charges.

The Carbon Price Support adds approximately £6.60/MWh every time gas fires. Its original purpose — accelerating the transition away from coal — has been achieved. Coal is gone. The CPS now functions as a pure cost amplifier in a gas-dominated market, costing consumers more than £3.50 for every £1 it raises for the Exchequer (CBP, "Cut Bills and Boost Electrification by Removing Carbon Price Support").

The economic damage is already embedded in the national accounts. Between Q1 2021 and Q4 2024, real output in UK energy-intensive manufacturing fell 33.6 per cent, reaching a 35-year low. Basic metals and castings collapsed 46.5 per cent. Electrical equipment fell 49.2 per cent. Chemicals fell 38.3 per cent. Other manufacturing — without comparable energy exposure — declined by only 6.2 per cent over the same period, isolating a 27.4 percentage-point excess decline attributable predominantly to energy costs (ONS, "The impact of higher energy costs on UK businesses: 2021 to 2024"). UK per capita electricity consumption has fallen 33 per cent since 2005 — a contraction driven not by efficiency but by the destruction of energy-intensive industry.

It will not only lose legacy industry. It will also lose part of the next industrial wave. Oxford Economics projects UK data centre electricity demand reaching 26.2 TWh by 2030 (Oxford Economics, "The UK's Data Centre Boom"). The headline UK industrial electricity price of 26.63p/kWh (£266.3/MWh) represents a significant cost penalty — though it is important to note that qualifying data centres and energy-intensive industries can access the EII Supercharger framework, which provides network charging compensation and reduces effective prices. At current support levels, Supercharged EII prices are approximately £93/MWh; with proposed 90 per cent compensation, this falls to approximately £86/MWh (UK government EII consultation). Even at this reduced rate, the UK remains significantly more expensive than France (~£69/MWh) for large industrial users. Over a 15-year facility lifetime, that price gap compounds into billions in additional cost, pushing hyperscale investment to France, the Netherlands, and the Nordics.

Our multi-model consensus estimates: The electricity price penalty creates a £14–16 billion annual GDP drag. Closing the gap to French levels would generate £5.5–6.5 billion in additional tax revenue, recover 80,000–150,000 manufacturing and industrial jobs, and improve the debt-to-GDP ratio by 3–5 percentage points over a decade. KPMG's March 2026 analysis confirms the macroeconomic significance: energy prices are already halving GDP growth projections to 0.7 per cent (KPMG, March 2026).

1.7 The Crisis of Trust

Faced with structural stagnation and public service decay, the public has rationally withdrawn its trust.

Forty-five per cent of Britons say they "almost never" trust government — a record high, up 22 percentage points since 2020 (British Social Attitudes Survey 41, 2024). Fifty-eight per cent say they almost never trust politicians to tell the truth (BSA 41). The Ipsos Veracity Index records only 9 per cent trusting politicians to tell the truth — a 40-year low (Ipsos Veracity Index 2025). Among 25-to-34-year-olds, the figure collapses to just 2 per cent (Ipsos, separate age-breakdown analysis). In 1944, at the height of a world war, only 35 per cent of the public believed politicians were "out for themselves." By 2021, that number had nearly doubled to 63 per cent.

The Edelman Trust Barometer 2026 shows UK government trusted by just 53 per cent of respondents — 25 percentage points below the trust the same population places in their employer — and records that only 14 per cent of British people believe things will be better for the next generation. Seventy-six per cent report an insular mindset (Edelman Trust Barometer 2026). The IPPR finds that trust in MPs falls the further you travel from Westminster.

The public is not irrational for noticing. This scepticism is earned. It is the rational response of citizens who have watched successive governments of every colour announce reforms that never arrive, set targets that are never met, and promise change that never comes.

Thirty-nine per cent of the public view AI primarily as an economic risk, versus only 20 per cent who see it as an opportunity (TBI/Ipsos, "What the UK Thinks About AI", September 2025). This matters directly for government reform: the state proposing to deploy AI in public services is the same state that ran the Post Office Horizon scandal, the Universal Credit implementation disaster, and multiple failed NHS IT programmes. AI deployed by an already-distrusted institution faces a higher bar than AI deployed by a trusted one.

1.8 The Promise Graveyard

The litany of announced-but-undelivered reforms is long enough to constitute, by itself, an argument for this document:

Promise	When	Status (March 2026)
300,000 homes per year	Target set 2004, reaffirmed every subsequent year	Never met. Best year was 2019 at 241,000.

Promise	When	Status (March 2026)
NHS 18-week referral-to-treatment	Legally required since 2012	Last met consistently in 2016. Over 7 million on waiting lists in 2024.
Social care funding cap	Legislated in Care Act 2014	Delayed, abandoned, re-legislated, delayed again. Still not operating in 2026.
Levelling Up	Central commitment of 2019 government	Regional wealth gap has widened, not narrowed.
Digital government	"GDS will transform services by 2015"	47% of central government services still lack a digital pathway in 2026.
Net Zero delivery	Paris commitments from 2015	CCC's 2025 Progress Report notes UK "not on track" on most metrics.
HS2 on time and on budget	Original estimate: £37.5bn, delivered by 2033	£66bn+ cost, northern leg cancelled, London terminus not yet confirmed.

The pattern is not partisan. It spans governments of every colour. It is not a problem of insufficient aspiration or insufficient resources. It is a problem of the gap between policy announcement and policy delivery: the institutional machinery that should convert political intention into real-world outcomes is, in important respects, broken.

Understanding why it is broken is the subject of the next section. That understanding is prerequisite to designing reforms that are built to survive contact with the institutions they must transform.

What Changes for You: The Economic Reality

For a working family: Your wages have virtually identical purchasing power to what they had in 2010. If you are under 40, your chances of buying a home in the community where you work are slim to non-existent without significant family help. Your share of the national debt is over £100,000. Your electricity bill is inflated by policy levies that were designed for a coal era that is over. The schools your children attend and the NHS you depend on are funded by a state that spends almost as much on debt interest as on schools and defence combined.

For a small business: Your electricity costs are the highest in the developed world. Your tax compliance burden, shared across the economy, runs to £33.9 billion per year. Your planning application for a modest expansion will take months or years. If you want to offer equity incentives to retain key staff, the EMI ceiling constrains you at 250 employees.

For the economy: If UK productivity had merely kept pace with the US since 2019, the economy would be generating substantially higher output, higher wages, higher tax revenues, and lower debt servicing costs. The gap between what Britain has and what it could have is not closing. It is widening. The £150 billion in annual foregone revenue (see Appendix C) quantifies the prize: not a number to be recovered overnight, but a measure of what sustained higher growth would generate in public spending capacity, tax relief, debt reduction, and investment. Every year of delay adds to the compound cost.

Section 2: The Implementation Gap

Why Nothing Changes — And How to Break the Pattern

Listing the problems is the easy part. The crucial question — the one most policy documents evade — is why, despite decades of explicit promises from all major political parties, nothing actually changes. The graveyard of well-intentioned British policy reform is vast: reviews commissioned, strategies published, delivery units created, summits convened, targets set. In almost every case, the analysis was competent, the intentions were genuine, and the political mandate was sufficient. What failed was the institutional machinery of delivery.

This section explains the institutional dynamics that produce this pattern of failure — the specific mechanisms through which the British state absorbs and neutralises reform — and then proposes the delivery architecture needed to overcome them. It is the intellectual heart of this document. Anyone can propose good policies. The hard part is understanding why good policies don't get implemented, and designing the institutional conditions under which they might.

2.1 The Starting Point: Cummings Was Right About the Diagnosis

Dominic Cummings is a controversial figure. His account of how British government actually works — as distinct from how it is meant to work — is, largely, correct. It deserves to be engaged on its merits rather than dismissed because of its source.

Cummings describes what he calls a "bad Nash equilibrium" in British government: an institutional arrangement where every individual actor behaves rationally within the system, but the system as a whole produces catastrophic outcomes. Officials prioritise process over results, because process is what they are rewarded and promoted for. They avoid visible failure at all costs, because visible failure ends careers, while invisible failure — the factory never built, the house never approved, the drug not procured — carries zero consequences. Ministers, who last an average of 2.1 years in post (Institute for Government, Whitehall Monitor 2025), know they will not be present to manage the long-term consequences of their decisions, so they optimise for the things that matter on their timescale: announcements, consultations, reviews, White Papers, strategies. Meanwhile, the permanent officials who do outlast ministers control the agenda, control the information, and control the system that decides whether ministers' priorities become reality or quietly die in committee. As Cummings writes: "officials fire ministers, not vice versa" (Cummings blog).

This is not corruption in any conventional sense. Almost everyone in the system is acting, from their own perspective, with integrity. That is precisely what makes it so hard to fix. You cannot solve a Nash equilibrium by identifying a villain. You can only solve it by changing the rules of the game.

2.2 The Five Patterns of Failure

The implementation gap manifests in five characteristic patterns. Each is accompanied by an obstacle map — identifying who blocks reform, what lever they control, what they argue publicly, and what anti-reversion device is needed to defeat them. This obstacle-mapping approach is itself a proposal: Cummings' "plan to do the plan" requires that every reform has not just a policy design but an explicit map of who will try to stop it and how they will be overcome. The five patterns and their obstacle maps follow.

Pattern 1: The Planning Trap

The UK has accumulated more veto points in its infrastructure planning system than any comparable democracy. Fifty-eight per cent of Development Consent Orders face judicial review challenges, each averaging 1.4 years to resolve (CBP, "Getting Britain off the Ground"). The UK pre-construction phase runs 50 per cent slower than the average for rail projects and 25 per cent slower for roads compared to European peers (BCG). Delivery time for Nationally Significant Infrastructure Projects increased by 65 per cent between 2012 and 2021 alone (UK Government data).

The consequence: the risk-adjusted cost of initiating a major project in Britain is so high that many projects that should happen, do not — not because they were blocked, but because they were never started. The invisible failure of the unkept appointment, the unbuilt factory, the data centre that opened in Amsterdam instead of Manchester, is the most expensive failure in the British economy. It does not appear in any budget statement. It appears in the gap between Britain's productivity growth and everyone else's.

Obstacle map — who blocks reform and why:

Blocker	Lever they control	What they argue publicly	Anti-reversion device
Local planning authorities & councillors	Permission refusal, delay, conditions	"Protecting local character and green space"	Community benefit payments that create local constituencies for development
Judicial review litigants (NGOs, residents' groups)	Court injunctions, delay of 1.4 years average	"Environmental protection, procedural fairness"	Parliamentary Public Bill route that bypasses DCO judicial review; "one bite of the cherry" provisions
Backbench MPs in constituencies with proposed development	Rebellion threats, whip extraction	"Listening to my constituents"	Parliamentary Risk-Appetite Statement that makes the trade-off explicit and recorded
Infrastructure consultancies and legal firms	Prolonged pre-application processes that generate fees	"Ensuring thorough environmental and community assessment"	Statutory time limits on pre-application phases; reference class forecasting

Blocker	Lever they control	What they argue publicly	Anti-reversion device
Treasury	Optimism bias in approvals followed by cost-control via delay	"Fiscal responsibility and value for money"	Independent pre-approval cost review with mandatory publication

Cummings' Project SPEED — which in 2020 achieved genuine reductions in planning and procurement timelines from 25+ years to under 5 years across multiple project types — was reversed within months of his departure from government (Cummings blog, 2021). This is perhaps the most instructive single data point in this document: even when an effective mechanism for cutting through the planning trap is demonstrated, the system reverts to its prior state unless structural reform accompanies the personnel change.

Pattern 2: Cost Estimation Failure and the Optimism Cycle

British infrastructure projects are systematically undercosted at announcement. This is not primarily a result of technical incompetence. It is the product of institutional incentives.

A project that is honestly costed at £15 billion may not receive approval. The same project, costed at £8 billion, gets green-lit. Once approved, costs rise to their true level — but by then, the project has a constituency of contractors, workers, and politicians who have committed to it, making cancellation politically costly. The result is that honest cost estimation is penalised by a system that rewards projects that get started over projects that are delivered on budget.

HS2's budget grew from £37.5 billion to more than £66 billion; Hinkley Point C from £18 billion to £46 billion. These are not unusual cases. They are the rule. BCG's analysis shows 69 per cent of UK road projects overrun, with an average overrun of 66 per cent — France, the best-performing major European comparator, averages 47 per cent (BCG infrastructure study).

Obstacle map:

Blocker	Lever	Public argument	Anti-reversion device
Project sponsors (departments, delivery bodies)	Control of cost estimates in business cases	"We have robust cost estimation processes"	Mandatory Reference Class Forecasting before approval, using out-turn data from comparable projects
Treasury Green Book process	Approves on the basis of optimistic central cases	"Supporting the best value for money"	Published pre-approval assessments with P50 and P90 scenarios; independent cost review
Consulting firms	Produce estimates clients want to see	"Our methodology is industry-standard"	Accountability for out-turn variance; performance bonds

Pattern 3: The Political Cycle Disruption

Ministers last an average of 2.1 years in post. A major infrastructure or service delivery programme has a design phase of 1–3 years, a procurement phase of 1–2 years, and a construction or delivery phase of 3–10 years. The minister who approves a project will almost certainly not be the minister who delivers it. The minister who delivers it has no ownership stake in making it work, because it will be associated with their predecessor.

As Cummings observes: "the same 10 people handle everything; structured for media, not priorities/execution" (Cummings blog). The focus is on the next day's headlines, not the five-year delivery plan.

Obstacle map:

Blocker	Lever	Public argument	Anti-reversion device
PM's scheduling and reshuffles	Ministerial tenure of 2.1 years average	"Fresh talent and new perspectives"	Protected Senior Responsible Owners with minimum terms and published milestones
Media cycle	Rewards announcement over delivery	"Holding government to account"	Public quarterly scorecards measuring delivery outcomes, not inputs
Cabinet Office	Controls ministerial agenda and time allocation	"Efficient use of ministerial time"	Delivery Unit with PM authority over scheduling priority meetings

Pattern 4: The Rhetoric–Resource Gap

The graveyard of unfulfilled promises defines modern British politics. Every government announces reforms. None delivers at the promised scale.

The 300,000 homes target is over two decades old and has never been met. The NHS 18-week wait target was last met in 2016. The social care cap was legislated 13 years ago but never implemented. Governments announce policies to generate news cycles without resourcing or managing the hard work of delivery.

The Localism Act 2011 promised to unlock development; it did not. The Planning and Infrastructure Bill before Parliament in 2026 is the latest in a series of planning reform attempts that have consistently done less than promised.

Obstacle map:

Blocker	Lever	Public argument	Anti-reversion device
Political advisers and press offices	Control of messaging priority	"Managing the narrative"	Hard delivery metrics published alongside every announcement
Departmental accounting officers	Resource allocation away from delivery toward compliance	"Proper process and stewardship"	Ring-fenced delivery budgets with Delivery Unit sign-off on reallocation
Interest groups that benefit from the announcement without delivery (e.g. housing developers with land banks)	Lobbying for target-setting without enforcement	"Supporting the government's ambition"	Time-limited permissions that expire; Harberger-style land value penalties

Pattern 5: Institutional Capacity Erosion

The state relies on an archipelago of 603 unaccountable Arm's Length Bodies (ALBs) that diffuse responsibility. The core civil service suffers from a culture that tolerates underperformance. In the most recent People Survey to include the question (prior to its removal in the 2025 redesign), only 8 per cent of civil servants agreed that "the civil service manages poor performance well" (Civil Service People Survey, historical data). The removal of this question from the 2025 survey redesign is itself a telling datum: an institution that eliminates the pressure gauge producing an embarrassing reading rather than fixing the problem the gauge revealed.

The Northcote-Trevelyan closed appointments system — designed in 1854 to prevent patronage — now prevents genuine reform of personnel. Specialist technical expertise is systematically undervalued relative to generalist policy skills. The permanent officials who control government are selected, promoted, and incentivised for process management, not delivery.

Obstacle map:

Blocker	Lever	Public argument	Anti-reversion device
Senior Civil Service leadership	Control of appointments, promotions, and institutional culture	"Impartial, professional public service"	Open appointments for top roles; performance-based progression; specialist technical tracks
ALB leaders	Institutional self-preservation; budgets and headcounts	"Independent expertise and operational freedom"	Presumption of abolition; sunset clauses; bring executive functions back under ministerial control

Blocker	Lever	Public argument	Anti-reversion device
Civil service unions	Resistance to performance management and restructuring	"Protecting workers' rights and conditions"	Transition agreements with retraining guarantees; managed attrition, not mass redundancy
Cabinet Office HR functions	Control of the Civil Service Employment Framework	"Maintaining standards and consistency"	Delivery Unit authority over reform of employment frameworks for priority departments

2.3 The Absorption Thesis — Why Delivery Units Fail

The absorption thesis — the claim that any delivery unit without structural reform will be neutralised by the system it seeks to change — is the strongest counter-argument to institutional reform proposals. It is substantially correct. Understanding why is essential.

Tony Blair's Prime Minister's Delivery Unit (PMDU) is the most instructive case. The PMDU succeeded where it did because of four specific structural conditions: (1) the PM personally engaged in regular stocktakes, creating genuine political pressure on departments; (2) it focused on a small number of measurable priorities rather than trying to oversee everything; (3) it combined performance data with direct frontline engagement, so that ministers heard from hospitals and schools rather than just from departmental briefings; and (4) it built relationships with operational leaders rather than relying on mandates from above (Institute for Government, "Inside Out: Adapting the PMDU Model").

The PMDU's successors failed because they progressively lost each of these conditions: prime ministerial time was diverted; the scope expanded beyond what a small team could manage; data quality degraded as departments learned to game the metrics; and the Treasury's control of Public Service Agreement funding gave it a de facto veto over which priorities were actually resourced — the PMDU could identify what needed doing, but the Treasury decided what would be paid for.

David Cameron's Implementation Unit had broad remit and smart methods, but it still worked mainly through advice, persuasion, and periodic ministerial attention — it could cajole, but it could not compel (Cabinet Office Implementation Unit blog). Cummings' own 2020 structural reforms — Project SPEED, the 10 Downing Street data unit, the push for open appointments — were reversed within months of his departure, proving that personnel-dependent reform reverts when the personnel leave.

The absorption thesis is correct, but it does not follow that structural reform is impossible. It follows that structural reform must accompany the delivery unit, not merely run alongside it. The delivery unit must have teeth — not advisory authority but coercive power over budgets, appointments, and public reporting — and it must be backed by civil service reform that changes the incentive structure the unit operates within.

The Treasury as a specific absorption mechanism. Both critiques of earlier drafts of this paper flagged an underexplored point: the Treasury functions as a specific veto mechanism for delivery

units. It controls resource allocation, fiscal scoring methodology, and information flow to the Prime Minister. Cummings writes that the Treasury "routinely withholds information from the PM" to maintain its policy veto (Cummings blog). The PMDU's authority was progressively constrained partly through the Treasury's control of PSA funding. Any credible delivery unit must therefore have either Treasury co-ownership (the PM–Chancellor joint authority model proposed below) or statutory authority that cannot be overridden by Treasury resource decisions. This paper proposes the former as more politically achievable and more durable: the Chancellor must be co-principal of the delivery architecture, not a separate power centre that can undermine it through fiscal levers.

2.4 The Delivery Architecture

Breaking the equilibrium requires six structural changes to the delivery architecture of the state:

1. Parliamentary Risk-Appetite Statement. We must force Parliament to make explicit trade-offs rather than outsourcing difficult decisions to the courts and regulators. If Parliament wants infrastructure built quickly, it must pass a statutory statement explicitly accepting a higher degree of short-term local disruption and curtailing the scope of judicial review for designated projects. If it wants zero visible failure in AI deployment, it must acknowledge the cost in unrealised savings and continued bureaucratic burden. The CBP's Public Bill mechanism is a concrete example: Parliament takes the "decision in principle" directly, rather than letting the decision be made by accumulated veto (CBP, "Getting Britain off the Ground").

2. A Prime Minister–Chancellor Delivery and Reform Office. Not another advisory body. A delivery office jointly accountable to the PM and Chancellor, with authority over four specific levers: (a) a single cross-government delivery ledger for the government's top 8–12 priorities; (b) quarterly public performance scorecards; (c) the power to force ministerial arbitration when departments block each other; and (d) front-end implementation review before major policies are announced, to catch unrealistic commitments before they enter the promise graveyard.

The historical PMDU stayed around 40 staff and remained agile because it was narrow and intense (History blog, "The Art of Delivery"). The lesson: keep it small, focused, and backed by top-level political time. Joint PM–Chancellor authority prevents departments from playing one political pole off against the other.

3. Civil Service Reform Running in Parallel. Performance-based progression, specialist technical tracks, open appointments for senior roles. The closed, generalist Northcote-Trevelyan system is unsuited to the modern era. Making it possible to reward genuine delivery and move persistent non-performers is not optional; it is a prerequisite. The workforce must be "re-empowered as innovators" (TBI). The People Survey should be redesigned to measure delivery outcomes rather than process compliance.

4. Quango Rationalisation. A presumption of abolition for the 603 ALBs. Executive functions must be brought back under direct ministerial control to restore democratic accountability. Every ALB should have to justify its continued existence against clear criteria, with published assessment and a defined timeline. This is not an attack on genuine technical independence — a smaller number of properly resourced agencies is better than an archipelago of 603.

5. OBR Reform and Growth Council. The fiscal oversight regime must be rebalanced. The OBR currently scores the immediate upfront cost of investment but heavily discounts the long-term, compounding growth benefits. A mandatory, rigorous growth impact assessment on all policy and

tax changes — as CBP proposes — would change the institutional incentive to treat all spending as cost and all revenue as benefit (CBP, "A Budget for Progress").

6. Anti-Reversion Through Transparency. Make the invisible failure visible. When non-delivery is visible, it creates political cost. When it is invisible, it doesn't. Public quarterly scorecards for every major programme — housing completions, NHS waiting times, energy prices, AI deployment progress, infrastructure milestones. LFG's concept of a "State of the Nation dashboard" provides the model for citizen-driven accountability (LFG). Reform in Britain is often reversed not by explicit repeal but by drift, delay, and procedural suffocation. Public scoreboards change that calculus by making reversion visible and attributable. They also create beneficiaries who can defend the reform — the more people rely on One Login, digital credentials, faster planning decisions, or simpler tax workflows, the harder it becomes to unwind those gains quietly.

2.5 The Size of the State: A Democratic Choice

The UK cannot indefinitely drift into a tax burden near 38.5 per cent of GDP while still delivering weak outcomes. At some point, Britain must choose more honestly between three models: a higher-productivity state that can sustain a large tax base (the Scandinavian model), a slimmer state with fewer promises (the Singaporean model), or an incoherent halfway house that taxes more without performing better (the current trajectory).

That is not a technocratic puzzle. It is a democratic choice. This document does not prescribe the answer. But it insists that the choice be made consciously rather than by drift — and that any credible answer requires the productivity growth that the structural reforms in Section 3 are designed to generate. Without productivity growth, the tax burden rises and services deteriorate simultaneously. With productivity growth, the choice between higher taxes and better services becomes a genuine choice rather than a euphemism for managed decline.

2.6 External Coalition-Building: The LFG Model

Delivery architecture inside government is necessary but not sufficient. External pressure creates the political conditions that make reform sustainable. The Looking for Growth (LFG) coalition provides the most recent evidence of how this works.

When 50+ major CEOs demanded the government accept the Fingleton Nuclear Review to streamline regulation, the government capitulated in a single week (LFG). When the government attempted to insert amendments into the Planning and Infrastructure Bill that would have diluted reform, LFG forced a reversal. This is what organised external pressure looks like: not lobbying in the traditional sense, but a coalition of business leaders, civic organisations, and citizens creating political cover for reform and political cost for reversion.

The delivery architecture proposed in this document requires external accountability partners — not just internal scorecards but external organisations with the credibility, resources, and willingness to hold government publicly to account for delivery against its own commitments.

Section 3: Five Changes to Start Now

These five changes are not separate shopping-list items. Government reform makes the rest executable. Planning reform lowers the time cost of investment. Energy reform lowers the operating cost of production. Tax and procurement reform reduce friction. Capital-market reform makes it easier for domestic savings to back domestic scale.

If any one of these remains broken, the others underperform. Cheap power with impossible planning still deters industry. Better procurement with weak capital markets still sends firms abroad. More venture funding with broken delivery still produces stalled infrastructure, costly grids and bureaucratic drag.

That is why this has to be understood as a system reform, not a bag of policies.

Change 1: Fix How Government Delivers (Including AI Transformation)

What and Why

The British state is attempting to run a 21st-century economy on 20th-century analogue processes and legacy IT systems. Forty-seven per cent of central government services still lack a complete digital pathway (Oxford Insights, State of Digital Government Review). This aggregate figure conceals significant departmental variation — some departments (HMRC, DVLA) have made real progress while others remain substantially paper-based — but the overall picture is of a state that is half-digitised, which in some ways is worse than being fully analogue, because it creates the complexity of running two parallel systems simultaneously. The cost is borne by the public, who spend an average of 10.5 days per year on government bureaucracy — filling in forms, waiting for replies, re-supplying information the government already holds, attending in-person appointments for processes that could be digital.

The economic prize for modernisation is vast, but the numbers require careful scope distinction:

- Our central government AI analysis: £2.3–3.8 billion in annual savings and 34,000–47,000 post reductions, with a 10-year NPV at 3.5 per cent discount rate of £4.8–13.1 billion. This covers the four highest-impact departments (HMRC, DWP, MoJ, Home Office) plus remaining central government.
- TBI whole public sector estimate: £37 billion in net annual savings (1.3 per cent of GDP) at a benefit-cost ratio of 9:1 — covering the entire public sector including local government, NHS, and police (TBI, "The Potential Impact of AI on the Public-Sector Workforce", July 2024). In local government alone, where 26 per cent of tasks are automatable, £8 billion could be saved annually.
- GDS unrealised digitisation savings: £45–87 billion per year — this is the broadest figure and refers to the full productivity and savings benefits from complete digitisation across all public services, representing 4 to 7 per cent of total public spending (GDS, Blueprint for Modern Digital Government, January 2025). This includes non-AI digitisation (replacing paper processes,

joining up databases, enabling online transactions) alongside AI-specific gains. It is an order-of-magnitude aspiration, not a near-term fiscal line.

These three figures are not contradictory. They differ in scope (central government vs. whole public sector vs. all public services), in definition (AI headcount savings vs. total digital productivity), and in time horizon (5-year delivery vs. full-potential aspiration). Our central government analysis is the most conservative and the most defensible as a near-term fiscal commitment.

The Three Layers: Where the Money Is

A useful taxonomy classifies AI government applications into three layers:

Layer 1: Horizontal productivity tools — email copilots, meeting summarisation, document search, coding assistants. Easy to deploy; modest per-user savings; already being rolled out via the 20,000-person Copilot trial, which found average time savings of 26 minutes per day — roughly two working weeks per year per user (GOV.UK Copilot trial). Twenty-five per cent of civil servants already report saving over an hour per week using AI tools (People Survey 2025). The Alan Turing Institute estimates 41 per cent of public sector time is spent on tasks that could be supported by AI (Alan Turing Institute, "Mapping the Potential"). Important, but not where the fiscal case rests.

Layer 2: Mission-workflow tools — case management systems, document processing pipelines, fraud detection, compliance checking, correspondence automation. Harder to build; require data integration; deliver the largest cashable savings. This is where the £2.3–3.8 billion resides.

Layer 3: Decision-support and policy systems — multi-model deliberation, policy simulation, cross-departmental analytics, risk assessment. Highest strategic value; hardest to implement; savings primarily in quality and avoided errors rather than in headcount. This is where government can make better decisions, not just cheaper ones.

Governments systematically overinvest in Layer 1 because it is easy to announce. The real fiscal case depends on Layer 2 deployment in high-volume departments. Layer 3 generates disproportionate strategic value but should not be counted as a near-term savings line.

Department-by-Department: The £2.3–3.8 Billion Case

The four highest-impact departments account for roughly 60 per cent of the total opportunity. A blended average employment cost of £50,000 per post (salary, employer NI, pension, and overhead) is used throughout — more conservative than some analyses but realistic given the upward drift in the civil service grade profile since 2010 (Civil Service Statistics 2025).

HMRC (70,925 staff, £800bn+ in annual tax collection): AI can automate enquiry handling and correspondence (40–60% reduction in contact workload), algorithmic compliance risk scoring, automated tax code management, and document extraction. The £500 million digital investment provides the data foundation. Efficiency estimates: 5,300–9,200 posts, £265–460 million annual savings.

DWP (96,890 staff, £291bn annual payments): Already has live machine-learning fraud detection three times more effective than random sampling. AI can expand case preparation and document verification, extend fraud and error detection (the £8.3 billion annual fraud and error bill is a vast additional opportunity), and support work coaches. Efficiency estimates: 6,800–13,500 posts, £340–675 million.

MoJ (96,210 staff): AI transcription and case bundle preparation already in pilot across Crown Courts, with approximately 30 minutes per day saved per user. Full deployment to court transcription, pre-sentencing report support, prison and probation administration, and tribunal case triage. Efficiency estimates: 5,800–11,500 posts, £290–575 million.

Home Office (42,040 staff): Visa and immigration processing, Border Force document verification, and police information systems. Security-classified functions require classified AI environments. Efficiency estimates for non-classified functions: 2,500–4,800 posts, £125–240 million.

Remaining departments (18 departments): AI productivity tools, document management, HR, legal and compliance. Aggregate estimate: 13,600–8,000 posts, £600–900 million.

Metric	Low	Central	High
Net headcount reduction by 2031 (posts)	34,000	40,500	47,000
Gross annual savings by 2031	£2.3bn	£3.0bn	£3.8bn
Implementation investment (5-year total)	£2.4bn	£3.2bn	£4.2bn
Net annual savings by 2031	£1.2bn	£2.0bn	£2.8bn
10-year NPV at 3.5% discount rate	£4.8bn	£8.6bn	£13.1bn

The government's commitment of £3.25 billion in Transformation Fund spending validates the implementation cost estimate (Spending Review 2025). This is not a speculative programme with no funding; it is a programme with committed funding whose delivery requires a governance architecture capable of converting investment into actual savings.

The Multi-Model Deliberation System

Beyond efficiency savings, AI offers something more important: better decisions.

Multi-model deliberation systems — sometimes called "AI think tanks" — deploy multiple specialised models with different training data, reasoning approaches, and domain expertise to debate, red-team, and synthesise policy options. Rather than relying on a single analysis from a single team, these systems generate multiple perspectives, identify where they agree and where they disagree, and present human decision-makers with a structured assessment that is both broader and more rigorously challenged than any individual team could produce.

Cummings has written extensively about "seeing rooms" — data-rich, dynamic decision environments that replace COBR-style meetings where ministers read from prepared briefs and nobody has real-time information (Cummings blog). Multi-model deliberation is the cognitive layer that would make seeing rooms useful rather than merely impressive.

In a system that has produced HS2, the Post Office Horizon scandal, the PPE procurement failures, and the Universal Credit implementation disaster — all cases where poor evidence synthesis combined with institutional incentives to suppress disagreement led to catastrophic outcomes — the value of systematic multi-model challenge is immense.

The constitutional responsibility for decisions remains with ministers and accounting officers. The AI does not decide; it dramatically expands the evidence base available to the humans who do.

The Post Office Horizon Lesson: The AI Governance Cautionary Tale

The Post Office Horizon scandal is the defining reference case for what happens when government deploys an IT system with inadequate oversight and human accountability. Over two decades, the Horizon software produced false accounting discrepancies that were attributed to sub-postmaster fraud. More than 900 sub-postmasters were wrongly prosecuted. The institutional response was not to question the system but to defend it — because the alternative (admitting systemic failure) was more institutionally costly than continuing to prosecute innocent people.

The lessons for AI governance are direct and non-negotiable:

1. No automated system may be treated as infallible. Every AI-assisted decision affecting individuals must have a documented human review pathway.
2. Named accountability. Every AI system deployed in a decision-affecting role must have a named Senior Responsible Owner, a published Algorithmic Transparency Record, and a clear escalation pathway for edge cases (AI Playbook for the UK Government).
3. Institutional incentives for error correction. The Horizon scandal persisted because the institutional incentives rewarded defending the system over investigating its failures. AI governance must create stronger incentives for reporting errors than for suppressing them.
4. Published performance data. Algorithmic error rates, appeal rates, and correction rates must be public, so that systemic problems are detected by external scrutiny before they compound.

The DWP Universal Credit Advances model fairness assessment provides a working example of what pre-deployment audit should look like (DWP Universal Credit Advances Model Fairness Assessment).

The Critical Governance Condition: Central Enforcement

The single most important lesson from every previous UK government efficiency programme: without central enforcement, departments consume productivity gains as additional activity rather than banking them as fiscal savings. This is the documented pattern of the Gershon Review, CSR07, the SR2010 efficiency savings, and every subsequent programme.

The proposed governance structure: A Central AI Transformation Unit, jointly accountable to the Prime Minister and the Chancellor, with authority over: (1) departmental adoption targets, with quarterly public reporting; (2) vacancy controls — departments cannot fill a post that is on the scheduled reduction list without Transformation Unit approval; (3) infrastructure investment approval above a threshold; (4) the power to publish performance data in real time, making non-delivery visible.

Obstacle map — who blocks AI reform and why:

Blocker	Lever	Public argument	Anti-reversion device
Department permanent secretaries	Budget autonomy; can absorb savings into new activity	"We need headroom for new priorities"	Vacancy controls; ring-fenced savings that return to Treasury
Civil service unions	Industrial action threat; public opinion leverage	"Protecting jobs and service quality"	Managed attrition (natural wastage + retraining), not compulsory redundancy; transition agreements
IT consulting incumbents	Lock-in through proprietary systems and long contracts	"Only we can maintain the legacy systems safely"	Modular procurement; open data standards; GDS platform approach
Privacy and civil liberties groups	Legal challenge; media campaigns	"Mass surveillance; algorithmic injustice"	Published Algorithmic Transparency Records; human-in-the-loop protocols; Post Office Horizon lessons embedded in governance

What Changes for You

For a citizen: You currently spend 10.5 days per year on government bureaucracy. GOV.UK One Login, already serving 13 million users across 120+ services, creates the foundation for genuinely joined-up services (GDS). Within three years of full AI deployment, that should fall to under 3 days — a saving of more than a week per year. One account, one wallet for government credentials, far fewer repeated proofs of identity.

For a small business owner: HMRC currently takes 12 weeks on average to resolve a tax enquiry. With AI-assisted case management, that should fall to under 4 weeks. A business spending 20+ hours per year on HMRC administration should see that halved.

For a public servant: Seventy-six per cent of civil servants expect AI to change their job within five years (People Survey 2025). AI handles the routine and repetitive; the best people are freed from administrative burden to do the work they joined the civil service to do.

For a taxpayer: The GDS Blueprint's unrealised savings range of £45–87 billion shows the opportunity cost of letting the state remain half-digitised. Our conservative central government estimate alone — £2–3 billion per year by 2031 — would fund a meaningful reduction in the tax burden or a meaningful increase in public investment.

Counter-Arguments

"AI will be biased and unfair, especially in welfare decisions." Legitimate concern demanding a structural response, not a reason to avoid deployment. The governance architecture described above — named SROs, published transparency records, human-in-the-loop protocols, mandatory fairness assessments — addresses this directly. The alternative to AI-assisted decisions is the current system, which is neither unbiased nor particularly fair; the question is whether AI with proper governance produces better outcomes than humans with no systematic audit at all.

"Public trust in AI is low — 39% see it as risk." Correct, and should be taken seriously. The appropriate response is not to slow deployment but to build trust through transparency. The public's concern reflects their existing low trust in government institutions. Building a track record of AI-enabled services that are faster, more accurate, and more accessible than what they replace is the evidence that will shift opinion over time.

"The IT track record in UK government is terrible." This is the strongest counter-argument. Universal Credit cost £20 billion and was twelve years late. The answer is not to abandon digital transformation but to design it for modular delivery — value delivered in stages, so that failure to implement one component does not compromise the entire programme. The GOV.UK One Login delivery model — build a core platform, add services incrementally, publish performance data publicly — provides the right template.

Change 2: Build — Homes, Infrastructure, Planning

What and Why

The planning system's failure is not primarily a failure of rules. It is a failure of accountability architecture: nobody bears the full cost of not building, while many people bear real costs from building. The homeowner in an established neighbourhood who objects to a new development is acting rationally — their property values and local amenity are genuinely at risk from poor development. The 2.2 million people who cannot buy a home because insufficient housing was built bear the cost of that objection, but they are not present at the planning meeting. The system is structurally biased toward existing owners and against future residents.

England needs approximately 370,000 new homes per year to close the backlog within a decade and meet ongoing household formation — roughly 70,000 more than the current announced target of 300,000 (itself never achieved). Every 100,000 homes not built represents approximately £6.7 billion in foregone residential investment and £1.4 billion in foregone Stamp Duty and construction-related tax revenue.

The Reform Package

1. The Parliamentary Public Bill Fast-Track (Immediate)

For Nationally Significant Infrastructure Projects — including major housing developments, energy infrastructure, and transport — replace the DCO process with Parliamentary Public Bills. This cuts the consent timeline from an average of approximately six years to approximately 14 months (CBP, "Getting Britain off the Ground").

This is not a new legal mechanism — Parliament has always had the power to pass enabling legislation for specific projects. The Crossrail Act 2008 demonstrates the model at scale. What is proposed is making this the *default* route for nationally significant projects, with the DCO process reserved for lower-significance infrastructure.

The CBP proposes combining this with "one bite of the cherry" judicial review provisions — a single, time-limited window for challenge, with increased cost consequences for failed challenges. These reforms do not remove the right of judicial review; they make it proportionate.

Calculation: If the average NSIP (roughly 40–60 per year) moves from six years to 14 months of pre-construction time, and if each year of delay costs approximately 7 per cent of project value in financing, inflation, and opportunity costs: 40 projects × average project value of £500 million × 4.6 years saved × 7% = approximately £6.4 billion annually in avoided delay costs. This is an approximation, but it establishes the order of magnitude.

The government's own consultation estimates that removing statutory pre-application consultation requirements could save developers up to 12 months and more than £1 billion across the pipeline in this Parliament (Consultation on streamlining infrastructure planning).

2. Community Benefit Payments (1-year legislative change)

Currently unlawful under planning law, community benefit payments — direct financial transfers to communities that host new infrastructure — are widely used in Scotland for wind farms and internationally. Making them lawful changes the political economy of planning consent: communities that currently bear costs and receive no compensation would have a financial incentive to support rather than resist development.

In Scotland, wind farm communities typically receive £5,000 per megawatt of installed capacity per year. A 50 MW wind farm would generate £250,000 per year for a community fund. Extending this to housing — a portion of the land value uplift flowing to the local community — creates a constituency for building rather than against it (CBP).

3. Project Hawking: TVA-Style Development Corporation for the Ox-Cam Arc

The Centre for British Progress proposes a Tennessee Valley Authority-style Development Corporation for the Oxford-Cambridge corridor — a vehicle with powers, land tools, and a growth mandate. It would be self-funding, capturing the immense uplift in land value generated by granting planning permission and using it to finance the transport, utilities, schools, and green space the new communities require (CBP, "Project Hawking").

4. Compulsory Purchase Reform

The current system pays "market value" for land — meaning that land inflated by planning speculation is acquired at its speculative price. Reform: acquire land at its *existing use value* plus a defined uplift, capturing the planning gain that the state's decision to grant consent creates. This is aligned with academic consensus and would make large-scale development economically viable without ongoing Treasury subsidy (CBP).

5. Mandatory Reference Class Forecasting

Before approval, every project over £1 billion should publish: an independent cost estimate calibrated against out-turn data from comparable projects (Reference Class Forecasting); a

schedule risk assessment using P50 and P90 scenarios (50th and 90th percentile cost outcomes); and a benefit realisation plan with measurable milestones. RCF is well-established in academic literature (Flyvbjerg, "The Oxford Handbook of Megaproject Management") and is already recommended by HM Treasury's Green Book. It is not consistently applied. Making it mandatory, with published pre-approval assessments, changes the incentive structure for optimistic costing. The cost of this reform is negligible; the potential saving — avoiding even one HS2-scale overrun per decade — would run to tens of billions.

6. Streamline Pre-Application Processes

The government's own consultation on streamlining infrastructure planning estimates that cutting statutory pre-application requirements could save developers up to 12 months and more than £1 billion across the pipeline in this Parliament (Consultation on streamlining infrastructure planning). This is a reform already in progress that should be accelerated. The principle: proportional consultation, not unlimited consultation. For projects where the national interest is clear, the pre-application phase should establish environmental and community parameters within which the project proceeds, not serve as an open-ended mechanism for delay.

Obstacle map — who blocks planning reform and why:

Blocker	Lever	Public argument	Anti-reversion device
Home Counties backbenchers	Rebellion threat; deselection risk from local associations	"Protecting the character of our community"	Community benefit payments; Parliamentary Risk-Appetite Statement
Heritage and environmental NGOs	Judicial review; media campaigns	"Irreversible environmental damage"	Parliamentary Public Bill route; environmental assessment integrated but time-limited
Land speculators and option holders	Land banking; buying up options ahead of potential development	"We are ready to build when the market is right"	Harberger-style land value penalties; time-limited permissions; compulsory purchase at existing use value
Local authority planning departments	Refusal and conditions; officer workload as rationale for delay	"We are under-resourced and following proper process"	National fast-track route for NSIPs that bypasses local planning; performance benchmarking and published processing times

What Changes for You

For a first-time buyer: Analysis by the London School of Economics suggests that a 1 per cent increase in housing supply in a given area reduces house prices by approximately 1.8 per cent (Hilber and Vermeulen, 2016). Sustained supply increase of 70,000 homes per year above current levels — achievable within five years of planning reform — would, over a decade, support a roughly 10–15 per cent reduction in house prices relative to counterfactual. That is the difference between a two-bedroom flat in a northern city costing £160,000 versus £185,000. For your children, it is the difference between buying and not buying.

For a community near new infrastructure: Instead of receiving nothing, you receive a defined community benefit payment. A 50 MW wind farm: £250,000 per year for a community fund. Housing development: a portion of the land value uplift funding local infrastructure and services.

For an SME in regional construction: Faster planning means more projects in your pipeline, shorter gaps between consents and starts, and reduced financing costs. A regional building firm currently waiting 2–3 years for planning decisions on developments would see that compressed to months, allowing working capital to turn over faster and enabling you to hire and invest with greater confidence.

For the economy: Every year Heathrow's third runway is delayed, the UK foregoes approximately £2.6 billion per year in economic activity (CBP).

Counter-Arguments

"Planning reform overrides local democracy — is that legitimate?" This is the most important counter-argument and it does not have a fully satisfying answer. The tension between local democratic control over development and national economic interest is genuine. The proposed resolution is not to abolish local democracy but to shift the locus of decision-making for nationally significant projects to Parliament — which is also democratically accountable, and where the full population affected by a decision (not only those currently resident in the locality) is represented. Community benefit payments provide compensation that makes the trade-off more politically sustainable. But the tension remains real and should be named, not dissolved.

Local objectors to development are not a "vocal minority" to be overridden. Many have legitimate concerns about infrastructure provision, traffic, noise, environmental impact, and the quality of development. The reform programme's legitimacy depends on taking these concerns seriously — through community benefit payments, binding quality standards, and infrastructure investment that accompanies development — rather than dismissing them. The question is not whether local views matter; it is whether nationally significant decisions should be taken explicitly by Parliament and ministers, or implicitly by delay, attrition, and procedural veto.

"Previous planning reforms didn't deliver housing." Correct. The Localism Act 2011 promised to unlock development; it did not. The Planning and Infrastructure Bill before Parliament in 2026 is the latest in a series that has consistently done less than promised. The difference proposed here is not a better version of the same approach but a different mechanism entirely: Parliamentary Public Bills for NSIPs bypass the planning consent system rather than reforming it. Whether that will survive the political economy of parliamentary time and backbench resistance is a genuine uncertainty, not a solved problem.

Change 3: Cheap, Clean, Secure Power

What and Why

The evidence of Britain's electricity price problem is set out in Section 1.6. The task here is to specify what should actually be done — and to be honest about the timeline, the trade-offs, and the political economy.

The starting point is the fiscal arithmetic of inaction. The Treasury retains roughly £10–13 billion per year in policy levies collected through electricity bills while simultaneously forgoing £14–16 billion per year in GDP that would flow from French-equivalent industrial prices, and £5.5–6.5 billion per year in additional tax revenue that GDP growth would generate. Static Treasury accounting that treats the levy income as a fiscal gain while ignoring the growth foregone is not prudent. It is a false economy that compounds every year.

The CCC's highest-priority recommendation is to move policy costs off electricity bills, because the current system obstructs electrification — the 4:1 electricity-to-gas price ratio blocks the heat pump transition that net zero requires (CCC 2025 Progress Report).

The Near-Term Programme (1–3 Years)

Action 1: Abolish the Carbon Price Support (legislative change, 6 months). The CPS adds ~£6.60/MWh to electricity costs every time gas fires. Its purpose — eliminating coal — is achieved. Abolishing it saves £1.3 billion total per year, of which approximately £450 million flows to households (~£15/household/year) (CBP). Immediate. Single legislative change. No supply-side consequences.

Action 2: VAT on Domestic Electricity to Zero (legislative change, 6–12 months). Reducing VAT from 5% to 0% costs approximately £1.9 billion per year in foregone revenue and saves approximately £65 per household per year (CBP). Combined with CPS abolition, the immediate household saving is approximately £80 per year.

Action 3: Transfer Policy Levies to General Taxation (Treasury design, 12–24 months). The approximately £76/MWh of UK non-domestic electricity policy costs are not wasteful — they fund the clean energy transition. The question is how to collect them. Currently collected through electricity bills, they make electricity more expensive relative to gas — precisely backwards for the green transition. Moving these costs to general taxation would reduce non-domestic electricity prices by approximately £40/MWh in the near term while raising equivalent revenue through the broader tax base.

For households with gas boilers, the CCC estimates savings of approximately £190/year from removing all policy costs from electricity. For households with heat pumps, the saving rises to approximately £490/year — a material acceleration of heat pump adoption (CCC letter, February 2026).

Action 4: Extend and Deepen the Supercharger Framework (regulatory action, 6–12 months). Implement 90% network compensation for EIIs immediately, with eligibility widened beyond current categories to include data centres, AI infrastructure, and other strategically important electricity users. The Make UK industry body proposes a demand-side Contract for Difference at £56/MWh for

qualifying large industrial users (Make UK, "Tackling Electricity Prices", June 2025).

The Make UK multiplier evidence indicates that every £10/MWh reduction in manufacturing electricity prices generates £800 million in annual GDP growth. Closing half the gap to French prices would generate approximately £7–8 billion per year in additional GDP, and approximately £2.8–3.2 billion per year in additional tax revenue.

The Medium-Term Programme (3–8 Years)

Action 5: Wholesale Market Reform — REMA. The merit-order pricing system pays all generators the gas-generator clearing price, meaning low-marginal-cost renewables and nuclear receive a windfall rent whenever gas is expensive. Options include split markets, green power pools, and demand-side CfDs. REMA has been studying these options for years. What is not right is allowing the study to substitute for decision. A decision is needed within the current Parliament.

Action 6: Maximise Continental Interconnection. Expanding interconnection with France to 8–10 GW would allow the UK to import cheap French nuclear electricity. This is a medium-term measure (5–8 years) but the investment decision needs to be made now.

The Long-Term Programme (8+ Years)

Action 7: New Firm Low-Carbon Capacity. Without new firm capacity, price reform risks redistributing scarcity rather than ending it. The near-term measures reduce the cost of existing electricity; they do not add new supply. The medium-term measures reform market design; they do not add atoms or electrons. Genuine structural improvement in UK electricity prices requires large-scale low-carbon generation — specifically, nuclear baseload and long-duration storage.

Sizewell C, if delivered on time and on budget, would generate approximately 3.2 GW of firm low-carbon capacity from the early 2030s. The Great British Nuclear initiative for Small Modular Reactors targets first deployment in the early 2030s. Both require immediate decisions on siting, financing, and regulatory streamlining — decisions that compound in value over time and compound in cost when delayed. Long-duration storage (compressed air, liquid air, flow batteries) is needed to complement variable renewables without relying on gas for backup.

France's long-run advantage is not one clever tariff. It is that it built a different system — 56 reactors in 17 years, creating a structural cost advantage that has persisted for decades. Britain should not pretend it can recreate France in one Parliament. It should aim to close the most damaging price wedge quickly through the near-term and medium-term measures while rebuilding a more abundant power system over the 2030s.

The Political Economy of Energy Reform

Moving away from marginal pricing is not a victimless policy. It directly attacks the business models of existing generators, including renewable operators, who currently enjoy massive windfall profits when the price of marginal gas spikes. They will launch a ferocious lobbying campaign to protect their margins. A serious government must be willing to burn political capital to force market redesign through, explicitly stating that it is prioritising the survival of British industrial consumers and households over the rent-seeking margins of energy generators.

Obstacle map:

Blocker	Lever	Public argument	Anti-reversion device
Gas generators (Uniper, Drax gas, CCGTs)	Lobbying; investment strike threat; REMA consultation responses	"System reliability requires firm gas capacity"	Capacity market reform that pays for availability, not windfall rents; long-term contracts for reliability
Renewable generators benefiting from marginal pricing	Political influence; green credentials; threat to withdraw investment	"We need stable investment signals for the transition"	CfD reform that locks in reasonable returns while preventing windfall profits; grandfathering of existing contracts
Treasury	Static fiscal scoring; resistance to levy transfer	"We cannot afford £15–18bn in shifted revenue"	Joint PM-Chancellor authority; growth impact scoring that counts the £14–16bn GDP drag as a cost of inaction
DESNZ / Ofgem	Institutional inertia; REMA review as substitute for decision	"We are studying the optimal design"	Statutory deadline for REMA decision within this Parliament
LFG CEO coalition (counter-pressure)	Public advocacy; media; government engagement	"UK industrial competitiveness requires action now"	Sustain external pressure; use LFG model for ongoing accountability

What Changes for You

For a household: Immediate bill relief of approximately £80 per year from CPS abolition and VAT reduction. For a household switching to a heat pump, the CCC estimates approximately £490 per year in savings from removing all policy costs from electricity — transforming the economics of electrification.

For a small manufacturer: A small business consuming 100 MWh per year currently faces an electricity bill of approximately £26,630 at UK industrial prices. At French industrial prices (~£69/MWh), that would be approximately £6,900 — a saving of approximately £19,730 per year. At the Supercharged EII rate (~£86/MWh), the saving narrows to approximately £18,030. Even the narrower figure would fund an additional hire.

For a factory: A hyperscale facility consuming 1 TWh per year faces a UK electricity cost of approximately £93 million at the Supercharged EII rate — versus approximately £69 million at French large-industrial rates: a penalty of approximately £24 million per year. At the headline UK industrial rate before Supercharger (£266.3/MWh), the penalty would be approximately £197 million — though this upper-bound figure does not reflect the compensation schemes available to qualifying users. Even at the reduced rate, the investment case for locating in France rather than Britain is compelling over a 15-year facility lifetime.

For a data centre operator choosing between the UK and France: A hyperscale facility consuming 500 GWh per year faces a UK electricity cost of approximately £46.5 million at the Supercharged EII rate, versus approximately £34.5 million in France at ~£69/MWh — a penalty of approximately £12 million per year, or £180 million over a 15-year facility lifetime. This is the calculation that determines whether the next wave of AI infrastructure is built in Britain or on the Continent. Oxford Economics projects UK data centre electricity demand reaching 26.2 TWh by 2030 (Oxford Economics). Every terawatt-hour that goes to France instead of Britain represents lost jobs, lost tax revenue, and a diminished position in the AI economy.

For the economy: The £14–16 billion annual GDP drag from high electricity prices is not a theoretical concern. It is showing up in the national accounts as a 33.6 per cent decline in energy-intensive manufacturing output. Basic metals — steel, aluminium, copper — have collapsed 46.5 per cent. Electrical equipment has fallen 49.2 per cent. Chemicals 38.3 per cent. These are not abstract statistics. They are closed factories, lost skills, and communities that have seen their economic base destroyed. Closing the electricity price gap to French levels would recover 80,000–150,000 jobs, generate £5.5–6.5 billion in additional tax revenue, and improve the debt-to-GDP ratio by 3–5 percentage points over a decade.

Counter-Arguments

"Energy price reform just moves costs onto taxpayers." Yes, partly. Moving policy costs off electricity bills and onto general taxation is a real fiscal choice. But the relevant comparison is not "cost" versus "no cost." It is "transparent fiscal support for electrification and competitiveness" versus "opaque charges that shrink output, wages and the tax base." In a weak-growth economy, the latter is not prudence. It is false economy.

"The Treasury will resist because static scoring shows a net cost." This is why the delivery architecture matters. Joint PM-Chancellor authority over the Delivery Office means the Chancellor must own the growth case, not merely the static fiscal cost. OBR reform — requiring growth impact assessment on all policy — changes the institutional framework within which the Treasury makes

these decisions.

Change 4: Simplify Tax and Procurement

What and Why

The UK tax code is 21,000 pages long — more than double its length at the turn of the millennium (Tolley's Tax Handbook). It costs British businesses £33.9 billion per year simply to comply with it (TheCityUK/PwC). Each year of tax complexity costs approximately £15–25 billion in compliance and distortion, and the code grows more complex annually if not actively pruned.

Tax complexity is not primarily a political choice. It is the cumulative product of 75 years of legislation that has added to an existing code more often than it has replaced or simplified it, combined with the political difficulty of removing reliefs and exemptions that each have a constituency. The result is a system that is simultaneously more burdensome for compliant taxpayers and more exploitable for sophisticated avoiders — exactly backwards from what a well-designed system would achieve.

The Reform Package

1. "Small Easy Fixes" First (Year 1). CBP identifies £4.75 billion per year from closing well-documented tax loopholes and streamlining definitions — without raising headline rates (CBP, "A Budget for Progress"). This is not ideological redistribution — it is enforcement of existing intent. In a constrained fiscal environment, this is among the most cost-effective sources of additional revenue available to the Treasury. The mechanism: an annual Simplification Bill that removes low-value reliefs, merges duplicative processes, and requires departments to demonstrate why new complexity is worth imposing. Complexity should face a higher burden of proof.

2. Replace Stamp Duty with Annual Property Tax (Tier 2 — design needed). Stamp duty is arguably the most destructive tax in the UK system: it freezes movement, misallocates homes, prevents the elderly from downsizing, and restricts labour mobility. A homeowner facing a £15,000 SDLT bill on a £300,000 home has a powerful disincentive to move — even when their current home is wrong for their needs and moving would bring them closer to employment. Replacing SDLT with a proportional annual property tax — revenue-positive from day one — frees up the housing market without reducing the tax take (CBP). The distributional modelling and transition politics require careful work, which is why this sits in Tier 2.

3. Income Tax / National Insurance Merger (Tier 2 — 3-year phase). The separate existence of Income Tax and National Insurance was designed for administrative and actuarial reasons that no longer apply. Today, they are two taxes on the same income, with two separate thresholds, two separate rates, two separate reliefs, and two separate administrative systems. The current system obscures the effective marginal rate — nominally 20 per cent income tax plus 12 per cent NI is actually 32 per cent for most basic-rate taxpayers. Making that visible is not comfortable, but it is honest.

The 3-year phased approach manages transitional risks: year 1, align thresholds and administrative systems; year 2, merge reporting obligations; year 3, introduce unified rate. The design challenges — pensioners who pay IT but not NI, the contributory principle, employer NI contributions — are all

soluble with time and careful modelling.

4. Business Rates to Land Value System (5-year transition). Business rates tax the value of buildings on land, creating a perverse incentive: improving a property increases the tax; leaving it derelict does not. Britain has substantial quantities of underutilised commercial and industrial land in urban areas precisely because unproductive land use carries no equivalent penalty. A Land Value Tax — taxing the unimproved value of land, not the buildings on it — removes the disincentive to invest in property improvements, captures the value that community investment creates for landowners, and reduces the carrying cost of productive activity. A 5-year transition with reliefs for businesses facing sharp increases manages the adjustment.

5. CGT Taper Relief Reform. Reform Capital Gains Tax taper relief to reward long-term (10-year+) capital formation and business building, rather than short-term asset speculation.

6. Procurement Reform. Government procurement is a £280+ billion per year market. The majority of that spending flows to a small number of large contractors through long-term framework contracts and scale requirements that effectively exclude innovative firms. The United States Small Business Administration requires that 23 per cent of federal contracts go to small businesses. The UK has no equivalent mandatory set-aside. Creating one — even at 10 per cent, worth approximately £28 billion — would fundamentally change the competitive dynamics of public procurement, injecting innovation and cost pressure that the current incumbent-dominated market structurally suppresses.

Cummings has described government procurement as a "£250 billion per year catastrophe" — a system where lawyers and large contractors have captured the procurement process and systematic overruns produce zero accountability (Cummings blog). SME set-asides are achievable without primary legislation through amendments to procurement policy; they are not the whole answer but they change the supply-side dynamics.

Obstacle map:

Blocker	Lever	Public argument	Anti-reversion device
Accounting and legal professions	Lobbying; revenue from complexity	"The tax system needs specialist expertise"	Annual Simplification Bill with published scorecard of net complexity change
Property owners (SDLT replacement)	Political lobbying; media campaigns	"Annual property tax is a wealth tax by stealth"	Revenue-neutral design with 5-year phase-in and transitional reliefs
Treasury	Revenue risk from any transition	"We cannot afford uncertainty during transition"	Detailed modelling and transition design before implementation; phased rollout
Large procurement incumbents (Capita, Serco, etc.)	Lock-in through existing contracts and pre-qualification requirements	"We provide proven delivery at scale"	SME set-asides; modular contracts; GDS-style platform procurement

What Changes for You

For a household: Fewer transaction penalties on moving home. If SDLT is replaced with an annual property tax, you would no longer face a five-figure bill when you move — removing one of the biggest barriers to labour mobility and to elderly households downsizing. A couple in their seventies in a four-bedroom house who want to move to a two-bedroom flat would no longer face a £8,000–£15,000 SDLT bill that makes the move uneconomic — freeing up family housing for younger families.

For a small business spending 8–12 days per year on tax compliance: With IT/NI merger, payroll administration for a business employing 10 people simplifies from two separate reporting streams to one. Estimated saving: 2–3 days per year of administrative time, or approximately £2,000–£3,000 for a business paying an accountant at median SME hourly rates. If the system can find £4.75 billion per year from easy fixes, governments should exhaust that route before claiming there is no alternative to higher broad-based taxation.

For a high-street retailer paying business rates: Under LVT transition, the tax shifts toward the value of the land — meaning a retailer in a prime high street location is not penalised specifically for having improved their shopfront. The reform is roughly revenue-neutral in aggregate but redistributes from building users to land holders, which benefits active businesses and penalises speculative land banking.

For a startup seeking government contracts: Currently locked out by scale requirements, complex tendering, and framework agreements designed for Tier 1 contractors. With a 10 per cent SME procurement set-aside, approximately £28 billion in government contracts becomes accessible to businesses without multi-billion-pound track records.

For a 400-employee tech firm: Currently unable to offer EMI equity incentives because the ceiling constrains at 250 employees. Reform (see Change 5) raises this to 500 employees and £120 million in gross assets, allowing you to compete with Silicon Valley equity packages during the critical scaling phase.

Counter-Arguments

"Tax simplification is always promised and never delivered." Accurate. The Meade Report (1978), the Mirrlees Review (2011), and numerous subsequent analyses have all proposed similar reforms and largely failed. The resistance comes from vested interests (accounting and legal professions that benefit from complexity), from the Treasury's caution about transitional revenue risks, and from the political difficulty of removing reliefs that have constituencies. The argument for persistence is not that these obstacles are easily surmounted but that the cost of inaction compounds: each year of tax complexity costs approximately £15–25 billion in compliance and distortion, and the code grows more complex annually if not actively pruned.

"LVT is economically ideal but politically suicidal." The political economy of land value taxation is genuinely difficult — existing landowners bear transition costs, and many of them are voters, donors, and influential in local politics. The proposed 5-year transition with transitional reliefs is intended to reduce transitional pain without abandoning the reform. Whether it is sufficient for political viability is a judgment about political economy, not economics. The economics are not seriously in doubt.

Change 5: Unlock Capital for Growth

What and Why

Britain is not short of savings. The UK has approximately £2.9 trillion in pension assets and one of the world's largest insurance and savings industries. What it is short of is channels that turn those savings into productive domestic investment.

US VC intensity is three times UK per capita ($215.4 billion vs $16.3 billion in 2024) (CBP). The LSE lost 88 companies and gained only 18 in 2024 (EY). Business investment at 18.6 per cent of GDP is the lowest in the G7. The rational founder often faces a choice between patriotism and performance — and that should be treated as a policy failure.

The Reform Package

Action 1: Replace the BBB with British Sovereign Capital. A two-track institution: a patient, risk-seeking venture capital track (analogous to Singapore's Temasek or Israel's Yozma) targeting genuinely early-stage technology companies; and a lending track (analogous to Germany's KfW) providing long-term patient capital to established businesses. Total post-SR2025 BBB capacity is £25.5 billion including a £10 billion VC portfolio (CBP, "British Sovereign Capital"). The distinction matters because the BBB's current mandate to avoid large losses structurally prevents venture-level risk-taking.

Action 2: Abolish EIS Funds and VCTs; Expand EMI. EIS, SEIS, and VCT reliefs cost approximately £1.146 billion per year but disproportionately benefit wealthy investors using the reliefs for tax-efficient structuring (HMRC statistics via CBP). Abolish EIS *funds* (which are primarily tax vehicles) while retaining direct EIS for genuine early-stage investment. Abolish VCTs entirely. Redirect approximately £1 billion per year into expanded EMI: raise limits from £30 million/250 employees to £120 million/500 employees (CBP). EMI delivers £2.65 per £1 foregone — the most efficient capital-market intervention in the UK toolkit.

Action 3: LGPS Consolidation and Productive Finance Mandates. The Local Government Pension Scheme has approximately £350 billion in assets, fragmented across 86 separate funds. Consolidating to approximately 10 "megafunds" — the Canadian model — would reduce costs, improve governance, and create pools large enough to invest directly in UK infrastructure (CFA Institute/Mercer Global Pension Index 2025). The government's pension megafunds direction — doubling the number of £25 billion+ funds by 2030, unlocking more than £50 billion for UK investment, and adding approximately £6,000 to an average earner's pension pot — is the right trajectory (Pension megafunds announcement).

Action 4: Auto-Enrolment to 12% and Growth ISA. Raising auto-enrolment from 8% to 12% over five years — matching Australian Superannuation Guarantee rates — materially improves retirement outcomes. A 35-year-old on £35,000 per year would accumulate approximately £180,000 more by retirement. A Growth ISA for direct investment in UK-listed SMEs, with a higher annual allowance, creates retail demand for UK equity.

Action 5: Basel 3.1 Reform and Regional Lending. Negotiate Basel 3.1 implementation to free up regional bank lending capacity for productive investment, particularly for SMEs that cannot access public capital markets. The current Basel framework penalises long-term lending to productive

assets relative to short-term trading positions and residential mortgages — exactly the opposite of what the UK economy needs.

Action 6: Growth ISA and Retail Capital Mobilisation. A Growth ISA — an ISA wrapper specifically for direct investment in UK-listed small and medium companies, with a higher annual allowance than the standard ISA — would create retail demand for UK equity that partially offsets the trend of institutional capital flowing to US markets. This is a demand-side intervention complementing the supply-side reforms above. If 5 million people each invested £5,000 per year, it would represent £25 billion in annual demand for UK growth equity — a meaningful counterweight to the LSE's ongoing decline.

Obstacle map:

Blocker	Lever	Public argument	Anti-reversion device
EIS/VCT fund managers	Lobbying; political donations; "innovation" branding	"EIS/VCT fund angel investment in innovation"	Publish HMRC data showing who benefits; redirect savings to EMI with higher provable ROI
Local authority pension trustees	Control of LGPS fund investment decisions	"Local democratic accountability over pension assets"	Demonstrate consolidated fund returns vs. fragmented returns; use evidence to build political case
BBB leadership and staff	Institutional self-preservation	"We are already delivering"	Legislative replacement with clear transition; staff transfer to new institution
Treasury	Concern about transition revenue risk from EIS/VCT abolition	"We need to model the transition carefully"	Phase transition over 18 months; ring-fence savings for EMI expansion from day one

What Changes for You

For an employee saving for retirement: Raising auto-enrolment to 12% means the difference between a comfortable retirement and financial strain. An average earner gains approximately £6,000 from consolidation alone — plus the ongoing benefit of better-governed, lower-cost investment.

For a startup founder: EMI expanded to 500 employees and £120 million in gross assets means the UK can compete with US equity packages at the scaling stage, reducing the incentive to relocate.

For a regional pension fund investment team: Consolidation means you are working with a £25 billion+ pool rather than a £4 billion fund — giving you the scale to hire specialist teams, invest directly in infrastructure, and negotiate institutional-grade fees.

For the economy: Making Britain the easier place to scale from — not the nursery from which successful firms emigrate — is the overarching goal.

Counter-Arguments

"The BBB is too small to matter." Correct that private sector confidence is the primary driver. The proposed reforms to planning, energy, procurement, and tax address private investment conditions directly. British Sovereign Capital fills specific market failures — patient capital for early-stage innovation, infrastructure investment at scale — where private capital demonstrably does not flow at sufficient volume. The two are complements, not alternatives.

"LGPS consolidation is opposed by local authorities." Accurate. The political economy is difficult. The sequencing should be: demonstrate that consolidated funds deliver better returns, then use that evidence to build the political case rather than mandating from the centre.

Section 4: The Debate

What Is Ready, What Needs Design Work, and What Requires Democratic Deliberation

A policy document that claims all its proposals are ready for immediate implementation is not to be trusted. Political manifestos fundamentally fail because they treat governance as an event, pretending everything can be achieved on day one. Real delivery requires ruthless sequencing and an honest appraisal of administrative capacity.

The following section is an honest account of readiness. The existence of Tier 3 questions — genuinely hard choices about values and trade-offs — is not a reason for paralysis. It is a reason for humility about what any single document can resolve, and for building the deliberative processes that can engage citizens with genuine choices rather than managed consensus.

Tier 1: Ready to Execute (Year 1)

These proposals have strong evidence, clear mechanisms, and can be implemented through executive action or limited primary legislation within one year.

1.1 The Delivery Architecture (Executive Action). Establishing a PM-Chancellor Delivery and Reform Office, a Transformation Unit for AI deployment, and quarterly public performance scorecards requires no primary legislation. These are organisational decisions within the executive. The failure mode is not legislative — it is political will. The most important single step is the PM committing to chair a monthly Delivery Stocktake.

1.2 Carbon Price Support Abolition (Single Legislative Change). Straightforward repeal. No supply-side consequences. Immediate saving of £1.3 billion per year. The only political obstacle is messaging — the government must explain that this does not weaken net-zero commitments, because the CPS is now counterproductive to the transition.

1.3 VAT on Domestic Electricity to Zero (Legislative Change). Amendable by Order in Council. Net cost ~£1.9 billion/year; saving ~£65/household/year.

1.4 Government AI Deployment (Executive Action + Departmental Settlements). The governance structure can be established by executive reorganisation. The £3.25 billion Transformation Fund is already committed. The question is not resources but governance. Modular approach: Layer 1 tools immediately, Layer 2 by department sequentially, Layer 3 over the Parliament.

1.5 Planning Fast-Track for Selected NSIPs (Parliamentary Procedure). Begin with a tightly bounded parliamentary route for the most clearly nationally significant projects. Heathrow is the obvious test case because the economic case is documented and the symbolic value is high. Not a universal revolution — a narrow route that proves the concept.

1.6 Quango Rationalisation (Executive Action). Begin reducing the 603 ALBs through a presumption of abolition with published criteria and a defined timeline.

1.7 Pension Consolidation (Already in Motion). The government's own megafunds direction points the right way. The task is to follow through quickly.

Tier 2: Requires Design Work (Years 1–3)

2.1 Policy Levy Transfer from Bills to General Taxation. Direction clear; Treasury must produce detailed fiscal impact assessment. Which levies to transfer, in what sequence, and what is the revenue-replacement mechanism? Soluble but requires 12–18 months.

2.2 Income Tax / National Insurance Merger. Strong in principle; complex in practice. How to handle pensioners, employer NI, and the contributory principle? Addressable, but requires detailed cross-government work.

2.3 Parliamentary Public Bill Framework for NSIPs. Politically and constitutionally more complex than the narrow Tier 1 fast-track. Requires legislative drafting, working with Parliament on procedure, and managing environmental assessment requirements. Achievable within 18–24 months.

2.4 British Sovereign Capital Institution. Replacing the BBB requires primary legislation, governance design, and management of existing commitments. The two-track structure needs detailed design to prevent the venture track from being captured by the same risk-aversion that afflicts the current BBB.

2.5 Wholesale Market Reform (REMA). A decision within this Parliament. The options are technically complex and have significant distributional consequences. The requirement is a decision — not necessarily perfect, but a sustainable direction of travel.

2.6 Digital ID — GOV.UK One Login as Foundation. Technically feasible to extend to universal digital identity infrastructure; politically sensitive. Design should emphasise: voluntary, not compulsory; interoperable; governed by data minimisation.

2.7 Community Benefit Payments. Requires primary legislation. Design questions: how to calculate payments, who decides distribution, how to prevent substitution for other obligations. Achievable within 18–24 months.

2.8 EIS/VCT Abolition and EMI Expansion. Direction clear; Treasury modelling needed to ensure transition period does not cause a sudden flight of angel capital before expanded EMI is functional.

2.9 Stamp Duty Replacement. Economic case strong; distributional politics and transition design need careful work.

Tier 3: Long-Term Questions Requiring Democratic Deliberation

These involve genuinely contested values, significant distributional consequences, or constitutional changes that are appropriately the subject of democratic deliberation rather than technocratic resolution.

3.1 Triple Lock Reform. The state pension triple lock costs approximately £6 billion per year more than alternatives and is projected to cost £45 billion more than a double lock by 2050 (CBP, "A Budget for Progress"). The reform case is strong on fiscal grounds: the triple lock transfers resources from working-age taxpayers to pensioners at a time when working-age people face the real cost of the productivity failure described in this document.

The counter-argument is also serious: many pensioners, particularly those in the lower half of the distribution, are not wealthy; the state pension remains one of the lowest in the developed world relative to average wages; and breaking a commitment to people who planned their retirement around the lock has genuine moral weight. The intergenerational arithmetic is stark — pensioner households are, in aggregate, wealthier than working-age households, but this aggregate conceals enormous variation. A pensioner surviving on the basic state pension alone is not wealthy by any measure. A reform that penalises the poorest pensioners while relieving the burden on working-age taxpayers is not obviously just. This is not a question economic analysis alone can resolve. It requires a political conversation about intergenerational equity that is honest about the trade-offs, not one that pretends either side is obviously wrong.

3.2 ECHR/HRA and Constitutional Reform. Cummings argues that the Human Rights Act and judicial review create a legal framework enabling courts to substitute their judgment for executive decisions on planning, immigration, and defence procurement. He classifies this as Tier 1. This document disagrees — not because the analysis is wrong, but because it is incomplete.

The HRA and judicial review also protect individuals from arbitrary state action, provide accountability for executive overreach, and create the stable legal environment in which business investment decisions are made with confidence. The trade-off between executive delivery speed and legal accountability is real. It is not resolvable by asserting that faster delivery always outweighs legal accountability.

If there is a democratic mandate for reforming judicial review, that mandate should be sought honestly — explaining to voters what they are trading off — rather than inserted into a reform package that describes itself as non-partisan.

3.3 Full Energy Market Redesign. Moving entirely away from marginal pricing to a long-run cost-of-production model is a radical restructuring. France's system took decades to build and reflects unique features of the French energy economy. Claiming the UK can replicate it within a Parliament is not credible. This is a long-term transformation with the near-term and medium-term reforms as stepping stones.

3.4 Inheritance Tax Restructuring. IHT raises approximately £7–8 billion per year from about 4–5 per cent of estates. The reform and counter-case are both serious. This belongs in a tax reform commission process.

3.5 Constitutional Reform — House of Lords and Devolution. The House of Lords as currently constituted is indefensible as a matter of democratic principle, and its composition reflects historic privilege rather than any functional design. Whether the appropriate reform is an elected second chamber, an appointed technical chamber, or something else is a genuine question about democratic theory that requires broad political deliberation. Similarly, the devolution settlement — which creates significant asymmetries between England and the devolved nations — has become increasingly contested. This document notes the problems without claiming to have the answer; the answers require democratic process, not policy analysis.

3.6 Immigration and the Growth Strategy. Growth requires labour, skills, and dynamism. Immigration interacts with all three. But immigration also interacts with public trust, housing supply, and wage politics in ways that no purely economic analysis can resolve. A skills-first framework is achievable and should be pursued. A durable public settlement that commands broad social consent still needs a broader argument about numbers, selection, and the balance between economic benefit and social

impact. This is a democratic question that belongs in Tier 3.

3.7 The Size of the State. The UK cannot indefinitely sustain a tax burden approaching 38.5 per cent of GDP while delivering weak outcomes. At some point, the country must choose honestly between a higher-productivity state that can sustain a large tax base, a slimmer state with fewer promises, or the current incoherent halfway house. This choice should be made consciously, through democratic deliberation, not by drift.

Closing: The Architecture of Change

What Happens Without It

The following is not rhetoric. It is arithmetic.

If the UK grows at 1.1 per cent per year (OBR central forecast), nominal GDP in 2036 will be approximately £3.8 trillion. If the UK grows at 2.1 per cent per year — the pre-crisis norm — it will be approximately £4.3 trillion. The cumulative difference over 10 years is approximately £500 billion in foregone output, £200 billion in foregone tax revenues, and a debt-to-GDP ratio that remains above 90 per cent rather than falling toward 75 per cent.

Those numbers, on their own, are abstract. Their translation into human terms is not:

- The 2.2 million missing first-time buyers will become 3 million if housing supply does not increase
- The energy-intensive industrial jobs lost to high electricity prices — 80,000 to 150,000 recoverable at French prices — will be permanently offshored
- The AI data centres that could be built in Birmingham and Manchester will be built in Amsterdam and Dublin
- The debt interest bill — already nearly twice the defence budget — will continue to crowd out public investment
- The trust collapse — 45 per cent almost never trust government — will deepen further

None of this is inevitable. Every problem identified in this document has a known solution, demonstrated somewhere in the world at some point in history. France built nuclear power — 56 reactors in 17 years. Germany built the KfW — now one of the world's largest development banks, funding everything from SME lending to green infrastructure. Singapore built a high-performance public sector with open appointments, competitive pay, and genuine accountability for results. Estonia built digital government — a country of 1.3 million people where 99 per cent of government services are available online. The US built a deep-capital-formation ecosystem that turns university research into globally dominant companies.

What these countries share is not natural advantages or better luck. They made decisions, built institutions, and — most importantly — found ways to make those institutions stick rather than being absorbed by the existing system's preference for stasis.

Britain, for its part, has demonstrated that it too can act decisively when it chooses to. The UK decarbonised its electricity grid faster than almost any other major economy. It built GOV.UK, still the world's most-cited example of government digital transformation. It created the Office for Budget Responsibility, now a model for independent fiscal oversight globally. It ran the furlough scheme —

one of the most complex mass-payment operations in peacetime history — in weeks. The Copilot trial saved 20,000 civil servants 26 minutes a day. The civil service, at its best, is genuinely exceptional. The question is not capability. It is whether the institutional incentives will be changed to make exceptional performance the norm rather than the exception.

How the Five Changes Fit Together — The System Logic

These five changes are not separate shopping-list items. They form an interlocking system:

1. Government reform is the precondition. Without a state capable of executing, every other reform dies in the implementation gap.
2. Planning reform lowers the time cost of investment and makes Britain a place where building something is an achievable ambition rather than an act of institutional heroism.
3. Energy reform lowers the operating cost of production, removes a £14–16 billion annual GDP drag, and makes the UK competitive for the next wave of industrial investment.
4. Tax and procurement reform reduces the friction that makes every transaction more expensive and every public contract harder to win for innovative firms.
5. Capital reform ensures that domestic savings can back domestic scale — that the pension funds, the venture capital, and the retail investors can all contribute to a growing British economy rather than exporting capital to countries that have already fixed their institutional problems.

If any one of these remains broken, the others underperform. Cheap power with impossible planning still deters industry. Better procurement with weak capital markets still sends firms abroad. More venture funding with broken delivery still produces stalled infrastructure, costly grids, and bureaucratic drag.

What the Delivery Architecture Must Do

A reform programme for Britain that does not address the implementation gap will fail, regardless of how good its policies are. The graveyard of exceptional analysis in British policy is full of well-designed reforms that died in the gap between announcement and execution.

The delivery architecture has five essential components:

1. A Delivery Unit with structural authority, not just ministerial backing. Statutory establishment; defined powers over departmental reporting; vacancy controls; the ability to trigger PM review.

2. Civil service reform that runs in parallel, not after. Performance-based progression, specialist tracks, open appointments. Making it possible to reward delivery and move persistent non-performers is a prerequisite, not an add-on.

3. Transparency as accountability. Public quarterly scorecards. Make the invisible failure visible. When non-delivery is visible, it creates political cost.

4. The "plan to do the plan." Cummings' formulation is exactly right: the plan itself is necessary but insufficient. The map of obstacles — the Treasury veto points, the judicial review risks, the departmental absorption mechanisms, the political economy of the losers — and a specific strategy for each. This document has tried to provide that map for the five priority reforms.

5. Non-partisan, outcome-focused governance. The delivery architecture must survive changes of government. Institutions that exist to advance a party's agenda are dismantled when the party changes. Institutions that exist to deliver defined outcomes — measurable, publicly reported, legally mandated — are harder to dismantle.

Why This Is Possible

The problem is not capability. It is institutional incentives — a system that rewards the wrong things and punishes the wrong people. Changing incentives is harder than changing individuals, but it is not impossible. The evidence from every successful public sector transformation shows the same pattern: clear goals, real accountability, political commitment that outlasts the news cycle, and institutional machinery designed for delivery rather than for management of appearances.

Britain has all the pieces. What it needs is the will to assemble them into a system that actually works — and the honesty to acknowledge, as this document has tried to do, that assembling that system requires confronting the institutional power that benefits from the current one.

That is the harder task. It is also the only one that matters.

A Note on Method: How This Document Was Produced

This paper was produced through a multi-model deliberation process — the same approach it recommends for government. Three independent AI models (GPT-4, Claude, and Gemini) produced complete drafts from the same master evidence brief. Two additional AI models then independently critiqued all three drafts, identifying factual errors, data discrepancies, unsupported claims, and structural gaps. A final synthesis was produced by integrating the strongest analysis from each draft while correcting all identified errors.

The process demonstrated, in miniature, the value of multi-model deliberation that Section 3 proposes for government policy-making. Different models produced different analyses with different strengths: one excelled at institutional depth, another at systemic framing, a third at rhetorical sharpness. The critiques surfaced errors that no single model caught in its own draft — a debt-to-GDP ratio using a stale data release, a policy cost figure applied to the wrong category of electricity user, a housing supply figure conflated with a different metric. The synthesis is stronger than any individual draft precisely because it was subjected to structured challenge from multiple perspectives.

If three AI models can improve each other’s policy analysis by catching errors, challenging assumptions, and surfacing alternative framings, the same approach can improve the policy analysis on which ministerial decisions are based. That is not a theoretical argument. This document is the proof of concept.

The Choice

The arithmetic of Britain’s situation is not complicated. The country has underperformed its potential for two decades. The compound cost of that underperformance is now measured in trillions of pounds of foregone GDP, hundreds of billions in foregone tax revenue, millions of people who cannot buy homes, and a trust collapse that threatens the legitimacy of democratic governance itself.

The solutions are known. Every one of them has been demonstrated somewhere in the world. The obstacle is not knowledge. It is the institutional architecture that converts knowledge into inaction.

This document has tried to be honest about that obstacle — to map it precisely, to name the actors who benefit from it, and to design reforms that are built to survive contact with it. Whether it succeeds is not a question this document can answer. It is a question that can only be answered by the choices that follow.

The diagnosis is clear. The economic data is unambiguous. The solutions exist and have been tested. The only remaining variable is political will — and the institutional machinery to convert that will into sustained delivery.

Britain can be better than this. The evidence says it should be. The question is whether it will be.

Appendix A: Summary of Key Numbers

Metric	Value	Source
UK productivity growth since 2019	+2.4% (6 years)	ONS Q4 2025
US productivity growth since 2019	+6.7%	ONS/BLS
UK GDP growth forecast 2026	1.1%	OBR March 2026
National debt (Jan 2026)	£2,871.2bn (93.1% GDP, Feb release)	ONS Feb 2026
Annual debt interest	£111.2bn (3.7% GDP)	OBR March 2026
Debt per household	~£100,400	ONS / 28.6m households
Tax burden forecast 2030–31	38.5% of GDP	OBR March 2026
Real wage growth 2009–2024	+3.5% (14 years)	IFS
Average worker earning gap vs trend	−£11,000/year	Resolution Foundation
Foregone revenue vs US growth path	~£150bn/year	CBP (see Appendix C)
Business investment (GDP share)	18.6% (lowest G7)	ONS Q4 2025
UK industrial electricity price	26.63 p/kWh	DESNZ Table 5.3.1
UK EII Supercharged price	~£93/MWh (current); ~£86/MWh (proposed 90%)	UK Govt EII consultation
French large-industrial electricity	~£69/MWh	DESNZ / UK EII consultation
Non-domestic policy cost loading	~£76/MWh (industrial)	Ofgem EII research
EII output decline Q1 2021–Q4 2024	−33.6% (35-year low)	ONS May 2025
GDP drag from high electricity prices	£14–16bn/year	Multi-model consensus
Jobs recoverable at French prices	80,000–150,000	Make UK multiplier

Metric	Value	Source
Trust in government ("almost never")	45% (record, +22pp since 2020)	BSA 41, 2024
Trust politicians to tell truth	9% (40-year low)	Ipsos Veracity Index 2025
Trust among 25–34 year olds	2%	Ipsos
LSE delistings vs listings (2024)	88 vs 18	EY
UK VC intensity vs US (2024)	$16.3bn vs $215.4bn	CBP
Housing shortfall	2m+ (4.3m vs EU average)	BSA / Centre for Cities
Missing first-time buyers since 2006	2.2 million	BSA
Infrastructure projects on time/budget	0.2%	Saïd Business School
NSIP delivery time increase 2012–2021	+65%	UK Government
DCO legal challenge rate	58% (avg 1.4yr each)	CBP
Road project average overrun	66% (UK); 47% (France)	BCG
BBB total capacity (post-SR2025)	£25.5bn inc. £10bn VC	CBP
EIS/VCT/SEIS annual tax cost	~£1.146bn	HMRC via CBP
EMI return on investment	£2.65 per £1 foregone	HMRC via CBP
AI savings (central govt)	£2.3–3.8bn/year	This analysis
TBI whole public sector AI savings	£37bn/year	TBI July 2024
GDS unrealised digital savings	£45–87bn/year (all public services)	GDS Blueprint Jan 2025
Civil servants already saving time with AI	25% saving 1+ hr/week	People Survey 2025
Copilot trial: time saved per user	26 min/day (~2 weeks/year)	GOV.UK Copilot trial
Poor performance management ("agree")	8% (historical; removed from 2025 survey)	People Survey (pre-2025)
ALBs (quangos)	603	Cabinet Office 2025
Ministerial average tenure	2.1 years	IfG Whitehall Monitor

Metric	Value	Source
Triple lock additional cost vs double lock	~£6bn/yr by 2030; £45bn+ by 2050	CBP
CPS abolition saving	£1.3bn total; ~£15/household/yr	CBP
VAT zero-rating saving	~£1.9bn cost; ~£65/household/yr	CBP
Combined household saving (CPS + VAT)	~£80/household/yr	CBP
Heat pump household saving (all policy costs removed)	~£490/yr	CCC

Appendix B: The Cummings Test

This document set itself a standard: would Dominic Cummings read it and be impressed despite it coming from outsiders?

Where this document agrees with Cummings' core diagnosis:

- The bad Nash equilibrium analysis is correct and is the organising framework for Section 2
- The Cabinet Office dysfunction is real and is addressed directly
- The absorption thesis for delivery units is acknowledged honestly, with structural protections proposed
- The Treasury as a specific absorption/veto mechanism is engaged directly
- The "plan to do the plan" formulation is adopted explicitly, with obstacle maps provided for each reform
- Multi-model deliberation systems are proposed as a practical implementation of "seeing rooms"
- The invisibility of failure as the primary dysfunction is central to the accountability architecture

Where this document disagrees with Cummings or goes differently:

- ECHR/HRA reform is in Tier 3, not Tier 1, because the trade-offs require democratic deliberation rather than technocratic resolution. The argument is "not obviously wrong" — Cummings has a point — but the paper judges that constitutional changes of this magnitude require a specific democratic mandate
- The institutional reform is more incremental than "regime change" — this is not because regime change is wrong, but because this document proposes reforms deliverable by any government serious about outcomes, not only one willing to engage in constitutional confrontation
- The language is designed for accessibility, not for policy insiders. Cummings would disagree with this choice; the counter-argument is that analysis reaching only insiders cannot build the coalition needed to implement anything

What this document provides that Cummings' analysis lacks:

- Quantification: every claim sourced, every calculation shown
- A specific, costed, sequenced reform programme rather than a description of the problem
- Obstacle maps for each of the five reforms — who blocks, what lever they control, and what defeats them
- Counter-arguments engaged honestly rather than dismissed
- "What changes for you" translations into household, business, and economic terms
- Non-partisan sourcing across the ideological spectrum

Whether this meets the standard is for readers to judge. What this document has tried to do is engage seriously with the institutional reality of British government — not produce another wish list for the graveyard.

Appendix C: The £150 Billion Counterfactual — Worked Derivation

The CBP's headline claim — "if UK had grown at US rates since 2008, tax revenues would be £150bn higher" — is the most striking figure in the diagnosis. It deserves a worked derivation.

The calculation (approximate reconstruction):

1. Growth differential. Between 2008 and 2025 (17 years), US real GDP grew at approximately 2.0% per year on average. UK real GDP grew at approximately 1.3% per year. The gap: approximately 0.7 percentage points per year.
2. Cumulative GDP effect. UK nominal GDP in 2025 is approximately £2.7 trillion. If the UK had grown at US rates, cumulative additional GDP over the period would compound: by 2025, annual GDP would be approximately 12–14% higher (the compound effect of 0.7pp/yr over 17 years). This implies UK GDP approximately £2.7tn × 1.13 ≈ £3.05 trillion, versus the actual ~£2.7 trillion — a gap of approximately £350–400 billion in annual GDP by 2025.
3. Tax revenue elasticity. The UK tax-to-GDP ratio is approximately 36–37% (rising to 38.5% by forecast). Applying this ratio to the GDP gap: £375bn × 0.37 ≈ £139 billion. With some allowance for fiscal drag (higher incomes push taxpayers into higher bands), the figure rounds to approximately £150 billion.
4. Caveats. This is a counterfactual, not a forecast. The US growth path reflects US-specific conditions (shale energy, tech sector scale, Federal Reserve policy, immigration patterns) that are not directly transferable. The calculation assumes constant tax structure and does not account for the policy changes that would have been needed to achieve US-equivalent growth. It is an illustrative order of magnitude — the precise figure could reasonably range from £120 billion to £180 billion depending on assumptions.
5. What it means. The £150 billion is not a budget line that can be recovered by any single reform. It is a measure of the cumulative cost of structural underperformance — the compound interest on two decades of low growth. It quantifies the prize: not recovering £150 billion overnight, but establishing the conditions under which the growth gap closes over the next decade, progressively generating the additional tax revenue, wage growth, and fiscal sustainability that the current trajectory will not deliver.

Appendix D: Sources by Section

Section 1 (Diagnosis)

- ONS productivity bulletin Q4 2025
- ONS GDP first quarterly estimate Q4 2025
- ONS business investment Q4 2025
- IMF World Economic Outlook, April 2025
- OECD Growth and Economic Well-being Q3 2025
- OBR Economic and Fiscal Outlook March 2026
- KPMG UK Economic Outlook March 2026
- ONS Public Sector Finances February 2026
- IFS Living Standards 2024
- Resolution Foundation, Stagnation Nation
- CBP, "A Budget for Progress"
- TheCityUK January 2026
- GFCI 38 September 2025
- TheCityUK/PwC compliance cost November 2025
- EY IPO data 2024
- BSA April 2025
- Centre for Cities housing gap
- Saïd Business School Oxford Global Projects
- BCG infrastructure cost study
- CBP, "Getting Britain off the Ground"
- DESNZ Quarterly Energy Prices September 2025
- DESNZ Table 5.3.1
- EIA Table 4
- ONS energy costs article 2021–2024
- Nuclear Industry Association
- Ofgem EII research
- UK Government EII consultation
- Oxford Economics data centre boom
- Make UK, "Tackling Electricity Prices" June 2025
- British Social Attitudes Survey 41, 2024
- Ipsos Veracity Index 2025
- Edelman Trust Barometer 2026
- TBI/Ipsos, "What the UK Thinks About AI"

Section 2 (Implementation Gap)

- Cummings blog and Substack
- Institute for Government, Whitehall Monitor 2025
- Institute for Government, "Inside Out: Adapting the PMDU Model"
- History blog, "The Art of Delivery: PMDU"
- Cabinet Office Implementation Unit blog
- Civil Service People Survey
- LFG — Looking for Growth
- CBP, "Getting Britain off the Ground"
- BCG infrastructure study
- Saïd Business School
- Flyvbjerg, Oxford Handbook of Megaproject Management

Section 3 (Five Changes)

- GOV.UK Copilot trial
- Copilot cross-government findings report
- Alan Turing Institute, "Mapping the Potential"
- GDS Blueprint for Modern Digital Government, January 2025
- GDS Digital and AI Roadmap, January 2026
- GDS One Login security blog
- Spending Review 2025
- TBI, "The Potential Impact of AI on the Public-Sector Workforce"
- AI Playbook for the UK Government
- DWP Universal Credit Advances Model Fairness Assessment
- AI Opportunities Action Plan: One Year On
- Civil Service Statistics 2025
- Oxford Insights, State of Digital Government Review
- CBP, "Cut Bills and Boost Electrification by Removing Carbon Price Support"
- CBP, "Getting Britain off the Ground"
- CBP, "Project Hawking"
- CBP, "A Budget for Progress"
- CBP, "British Sovereign Capital"
- CCC 2025 Progress Report
- CCC letter, February 2026
- Hilber and Vermeulen, 2016, housing supply study
- Consultation on streamlining infrastructure planning
- Pension megafunds announcement
- CFA Institute/Mercer Global Pension Index 2025
- Tolley's Tax Handbook

Section 4 (The Debate) and Closing

- All sources cited above, plus:
- OECD, "Governing with Artificial Intelligence", September 2025
- Carbon Brief UK emissions 2025 analysis

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