



UK IN A
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**POLICY LANDSCAPE
2026**

FOREWORD

A new Prime Minister, but a familiar, albeit growing, list of policy challenges. As Andy Burnham confronts the reality of governing, the Resolution Foundation and UK in a Changing Europe have assembled a group of respected experts to consider the state of the policy landscape. Each contributor was asked to consider what the current state of affairs is, what kind of political debate, if any, characterises their policy area, and what the major challenges confronting the government are likely to be.

Each article in this collection is the responsibility of its author. The Resolution Foundation and UK in a Changing Europe would like to thank all the authors for agreeing to write and for dealing promptly with our repeated queries and suggestions. Special thanks to Mike Brewer and Joël Reland (from Resolution and UKICE, respectively) for their tireless work in commenting on, editing and organising the collection as a whole.

We hope you find what follows interesting and informative.

8 September 2026

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INTRODUCTION

Ruth Curtice and Anand Menon

There is a general sense that Andy Burnham has got off to a decent start as Prime Minister, achieving some recovery in support for Labour in the polls. Initial announcements – notably on energy prices and bus fares – indicated a sensitivity to the importance of the cost of living for many voters, and a gift for effective communication that his predecessor conspicuously lacked. Equally, there is broad acknowledgement that this early success has been largely ‘vibes based’, and that much more difficult decisions lie ahead. As we approach the autumn, with the war in Iran ongoing, the immediate pressures on the cost of living may become more acute, while the fundamental challenge of reconciling low growth, high debt and poor public services has not gone away.

This report is an attempt to spell out some of the difficult choices and trade-offs that lie ahead, and that any serious ten-year plan would need to address. The Resolution Foundation and UK in a Changing Europe have once more come together to assemble a group of leading experts to analyse the major challenges confronting the UK government (in the case of devolved policy areas such as health and social care, housing and planning, and education, the analysis focuses on England).

As has been the case in all our [recent reports](#), the economic context it describes is pretty grim. GDP per person is still broadly where it was in 2019 – had the pre-2008 trend continued, it would be 30% higher than it currently is. The labour market continues to weaken: unemployment rose from 4.1% to 4.9% between July 2024 and June 2026, and the number of 16-24 year-olds not in education, employment or training passed 1 million this spring, for the first time in more than a decade.

The fiscal situation provides further grounds for concern. Debt, and the cost of servicing it, are high by recent standards: £1 in every £12 of public spending now goes on debt interest, and the government is borrowing around £115 billion – or 3.6% of national income – this year. In the short term, the plans bequeathed by Rachel Reeves imply significant fiscal consolidation in the form of tax rises and cuts to departmental spending, backloaded towards the end of this parliament.

As John Healey puts together his first Budget, the backdrop of bond market turmoil limits the room for manoeuvre. There is quite the irony to rumours that he won’t address the tangled issue of how and when to raise defence spending until next year, given it is the very issue over which he resigned as defence secretary. On top of which, there are questions as to whether to provide greater cost of living support, and how to leave space to meet the Prime Minister’s many other ambitions – from social care to council house building.

On the former, if a comprehensive, NHS-style model is adopted for social care, the costs could run to some £18.5 billion by 2035-36. As for the latter, as Paul Cheshire points out, only 1,970 council houses were built in 2025 – against the near-200,000

built annually in the early 1950s – which gives some sense of the scale behind the Prime Minister’s pledge to deliver the biggest council house-building programme since the Second World War.

With energy bills rising again this winter, the cost-of-living crisis is back centre stage. Overall prices are up a quarter since the invasion of Ukraine, but the cost of essentials, on which poorer families spend a larger share of their budget, has grown especially fast – food is up more than 30% and energy up 50%. It is global events that will most strongly determine their future path, and the UK remains vulnerable to a number of pressures over which the government exercises precious little control. The EU’s forthcoming ‘Made in Europe’ local content rules – not aimed at the UK, but liable to catch British firms embedded in EU supply chains regardless – pose a fresh threat.

All of this is in a context in which public services are coming under increased pressure. Richard Price outlines the challenges facing the criminal justice system, with prisons, probation and the courts part of one interlinked crisis. A probation staffing gap of around 3,900 posts – roughly a quarter of what is needed – means thinner supervision, more breaches of licence conditions and, for the first time on record, more prisoners recalled than released in a single quarter. Meanwhile, a Crown Court backlog of over 80,000 cases and a magistrates’ court backlog of over 370,000 are keeping more defendants on remand, compounding the pressure on prison places.

At the same time, the straitened fiscal environment makes it harder to address real problems with public services. Although health was the big winner in the 2025 Spending Review, with real-terms growth averaging 3% for day-to-day NHS spending up to 2028-29, the settlement was below the long-run average for health spending and well below the 2000s Labour-era increases.

Key to addressing this is the need to increase productivity – not least, in the case of health, given the need to fund social care and the longer-term demographic pressures that will see health spending, according to OBR forecasts, account for 14.5% of GDP by the mid-2070s, up from 8.3% in 2022-23. Yet the necessary steps – the shift from analogue to digital, for instance – will themselves require sustained capital investment.

Finally, there is the agenda sketched out by the new Prime Minister himself, many aspects of which will pose significant challenges. We are yet to see the details of the complete rethink of the education system that Mr Burnham has called for, involving the introduction of technical pathways for all young people from age 14 from September 2028. This raises enough questions in and of itself, as Carole Willis points out, including the relationship between education, skills and economic growth, and the balance between academic and technical education. But the Prime Minister’s initiative also raises questions about how it might interact with implementation of the Starmer-era Curriculum and Assessment Review and SEND reforms.

Of the new Prime Minister's priorities, greater devolution – within England at least – is perhaps the most personal. As Sophie Hale points out, the UK has persistently high levels of inequality between places, with the 4.5-times gap in income between those in Leicester and those in Kensington & Chelsea barely moving in 30 years. Part of the problem is that England is extremely fiscally centralised by international standards: just 4.8% of UK taxation is collected sub-nationally, the lowest share in the G7. Burnham's solution looks set to include giving Mayors powers to retain a share of income tax and business rate generated in their areas. But, as Andrew Carter says in his essay, there are big open questions about the capacity of strategic authorities, and about how to reconcile growth incentives with redistribution.

Many of the contributors stress the need for stable policy frameworks to address long-term problems effectively. As Jonathan Portes puts it, 'the test of a growth strategy is not the scale of its announcements, but whether it sustains credible policies long enough for firms, workers and places to respond.'

Yet long-term solutions themselves depend on a relatively stable world and relatively stable politics – something that is far from assured in the fragmented political landscape described by Rob Ford. The 2024 general election, in which Labour won nearly two-thirds of seats on little more than a third of the vote, was the most disproportionate result in the country's history, and further fragmentation looks more likely than less. It is conceivable that this landscape itself will shift, should the Prime Minister act on what has, to date, been his stated commitment to some form of electoral reform. But whether he does or not, polarised and adversarial politics – in which 67% of voters now see politicians as self-serving – will impede the kind of longer-term thinking that so many of the challenges we face require.

Then there is the inter-relationship of different policy areas. The health service reorganisation – including the abolition of NHS England, first announced last year – might have the effect of increasing ministerial control and reducing local autonomy, in stark contrast to the Prime Minister's rhetoric about devolution. In addition, as immigration numbers fall, the government will need to think about the implications for health and social care, where migrants have long been used to plug staff shortages. More broadly, as Peter Walsh and Ben Brindle note, falls in legal migration will weaken the government's fiscal position, since the decline has come mainly from workers and students – the groups that make the most positive economic contribution.

While lots of these challenges are familiar, they take place against a shifting world order and a wave of technological transformation. The development and deployment of AI could ease some of these choices, be it through the drugs it invents or the information it democratises. But, as Will Moy, says "the future will be exciting. But it is an open question what kind of excitement we are in for".

We hope this collection helps guide you through the key choices determining that future.

GROWTH AND PRODUCTIVITY

Jonathan Portes

WHAT IS THE SITUATION NOW?

Of the UK's economic challenges, GDP (or the change in GDP, which is what is reported as “economic growth”) gets the most attention, but what matters more for household living standards is GDP per person. And the only way to sustainably raise GDP per person is to improve productivity (output per worker, or per hour worked). Over time, higher productivity makes sustained rises in wages, living standards and tax revenues possible, and enables us to finance good quality public services. But the UK's poor record on productivity for the past two decades is the [central economic problem facing the UK](#).

UK GDP per person [grew](#) by 1.1% in 2025, recovering from a 0.1% fall in 2024, but the immediate outlook is clouded by the Iran conflict. More tellingly, GDP per person is [still broadly where it was in 2019](#); had the pre-2008 trend continued, it would be 30% higher. The slowdown has been broadly based, although the health sector has been a particularly poor performer in the aftermath of the pandemic.

There are tentative signs that productivity may be improving, but the data are unusually uncertain. The [Office for National Statistics' conventional measure](#) suggests output per hour was only 0.4% higher in early 2026 than a year earlier; an experimental measure using payroll data points to a very healthy rise of 2.1%. In any case, annual fluctuations are common and say little about long-term trends – let alone the impact of artificial intelligence. It is therefore too early either to declare a productivity revival since Labour's election victory or to dismiss the possibility.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

At the time of writing, the Burnham government has inherited and reaffirmed most of the previous government's growth agenda — planning reform, infrastructure, clean energy, industrial strategy and artificial intelligence — while placing more emphasis on reindustrialisation, devolution and “[growth in every postcode](#)”. This is an ambitious agenda – but the headlines conceal some difficult challenges, and even more difficult trade-offs, both economic and political.

Simply recreating the industrial structure of the 1970s is not an option. Modern manufacturing matters, but so too do high-productivity tradeable services, from software and finance to design, life sciences and professional services. The

government's 'industrial strategy' covers all these sectors; central government will [need to](#) provide stability, set priorities and resolve cross-departmental blockages, rather than micromanage hundreds of measures, all in an increasingly difficult international economic environment.

The opposition parties offer more distinct prescriptions than a year ago. The [Conservative Party](#) and [Reform UK](#) emphasise lower taxes, cheaper energy and deregulation – all of which might increase growth, but might conflict with other objectives – alongside tighter immigration, which would do the opposite. The [Liberal Democrats](#) put closer EU economic integration at the centre of their growth strategy. The [Greens](#) favour substantially higher public investment, financed partly through wealth taxation.

These differences are real, but much of the debate still avoids hard trade-offs. At least in the current fiscal environment, tax cuts must be matched by lower spending, higher borrowing or other tax rises. Depending on implementation, wealth taxes may harm innovation and entrepreneurship. Immigration restrictions may reduce some pressures on services but are already shrinking the workforce, damaging universities and worsening the public finances. Closer EU ties would reduce trade barriers but will require any government to convince the EU that it can deliver a stable future relationship.

Politicians also confuse announcements with outcomes. Headline figures for '[investment secured](#)' or predicted AI gains are not the same as additional activity caused by policy. Growth measures often take years to work, their effects are uncertain, and success is hard to attribute.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The immediate priority is delivery. The current industrial strategy contains more than 350 interventions, many of them worthy. The main risk is continual relaunching and reprioritisation. The government could instead identify a smaller number of binding constraints – such as planning capacity, grid connections, housing in productive areas, transport and workforce skills – assign responsibility, and publish evidence on progress. It should not abandon an industrial strategy, or look for further headline-grabbing announcements, simply because macroeconomic effects cannot yet be observed.

Fiscal policy matters too. High debt-interest costs and weak underlying growth leave little room for permanent giveaways. But sharp cuts to public investment or already-stretched services would be self-defeating. Stability is necessary, albeit insufficient, for growth: firms invest when tax, regulatory, energy and

infrastructure policy is predictable. The Treasury should distinguish credible long-term discipline from mechanical short-term retrenchment.

Over the longer term, six issues stand out. First, the UK could seek to reduce trade frictions with the EU. Brexit is not the only cause of weak growth, but leaving the single market has [reduced](#) trade and business investment.

Second, migration policy needs to recognise that restrictions on international students and work visas are likely [to reduce productivity growth](#) over the medium to long term..

Third, devolution must involve real authority and resources, not just local responsibility for centrally-designed schemes. Places need discretion over skills, transport, land, innovation funding and procurement, alongside transparent evaluation.

Fourth, the government needs to address the ongoing meltdown in the university sector before it irreparably damages one of the UK's key sources of comparative advantage.

Fifth, improving state capacity and public-sector productivity – especially in health, social care, local government and justice – is essential both for service quality and the public finances.

Sixth, artificial intelligence may raise productivity, but datacentres and investment announcements are neither necessary nor sufficient. Larger gains will come from diffusion: whether ordinary firms and public services adopt new tools, reorganise work and improve management. That requires digital infrastructure, skills, access to finance, competitive markets and public sector capability.

The new Chancellor will by now have discovered that there is no ‘boost growth’ lever that he can pull (and which his predecessor overlooked). Raising productivity requires consistency and delivery across investment, skills, trade, migration, housing, infrastructure and the state's own capacity. The test of a growth strategy is not the scale of its announcements, but whether it sustains credible policies long enough for firms, workers and places to respond.

FISCAL CHOICES

Bee Boileau

WHAT IS THE SITUATION NOW?

The public finances are vulnerable. Debt is high by recent standards, as is the cost of servicing it: [£1 in every £12](#) of public spending currently goes on debt interest. The government plans to spend more than it will raise this year, [borrowing around £115bn](#) – 3.6% of national income – to cover the difference.

The plan inherited from Rachel Reeves is for borrowing to halve as a share of national income by the end of the decade. This consolidation is largely planned to come from higher revenues. Several tax rises – including a further three-year freeze in personal tax thresholds – are backloaded towards the end of the parliament. Taxes are expected to reach a historically high 38% of national income by 2029–30.

Public spending is set to remain historically high, representing around 45% of national income this year and falling only slightly as a share of national income over the next few years. Spending on public services, around half the total, accounts for most of this slight fall, while welfare spending is set to remain roughly stable as a share of national income. Debt interest – already roughly double its pre-pandemic level – is set to rise further.

The government has limited headroom against its fiscal rules, under which revenues must cover day-to-day spending and debt must be falling as a share of national income by 2029–30. Plans rest on economic forecasts made before the Iran war: higher energy prices and geopolitical instability have since raised inflation, placed upward pressure on borrowing costs and, if sustained, could weaken growth prospects.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

There are two central debates: one over the size and shape of the state (i.e. how much the government spends and what it spends that money on), and another on how spending should be financed.

On the size and shape of the state, Burnham has set out priorities on social care, council housebuilding and devolution. In some cases, these may imply substantial new spending commitments (which could come from a different allocation of currently-planned spending, or from higher overall spending).

Both the Conservatives and Reform UK advocate a smaller state, with lower levels of spending and taxation. The Conservatives have [promised](#) they would cut

spending significantly, in particular through reforming welfare spending. Reform UK propose even larger welfare savings, [including through](#) restricting working-age benefits for non-UK citizens and making large cuts to the generosity of the disability benefits system.

On how spending should be financed, Burnham has said he will retain the existing fiscal rules, although [suggested](#) he will seek to use ‘flexibility’ within them. The measure of debt used in the fiscal rules gives relatively favourable treatment to some financial investments made through public financial institutions, which could allow extra borrowing within the rules. But, in general, they will substantially constrain permanent additions to borrowing.

Burnham will also be constrained by his decision to stick to manifesto commitments not to raise the main rates of income tax, National Insurance or VAT. These are the three largest taxes, together [representing](#) around two-thirds of total tax revenue, so this decision rules out the most straightforward options for raising large sums.

The Conservatives have [promised](#) to devote at least half of savings from spending cuts towards reducing the deficit. Reform UK, similarly, have generally presented proposed tax cuts as being funded through reductions in spending, rather than additional borrowing. The Liberal Democrats have [argued](#) for a fiscal framework giving more weight to long-term growth and investment, and emphasised growth as a way of easing trade-offs between spending, tax and borrowing.

Overall, there is limited consensus on fiscal choices. That is unsurprising, given these are fundamentally political questions over the size and role of government.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The Autumn Budget will be the first big test of the new government’s fiscal strategy. The new Chancellor, John Healey, could face a weaker economic forecast, and will need to decide both how to fund new priorities and how large a margin to leave against the fiscal rules.

Even before allowing for new priorities, challenges lie ahead. Increasing taxes and slowing public service spending growth towards the end of a parliament, close to an election, will be politically difficult. Governments often promise sharp fiscal consolidations, and [rarely deliver](#).

Defence is one obvious pressure point. Healey resigned as Defence Secretary earlier this year, arguing that the proposed defence settlement was inadequate. Yet current spending plans are very similar to the offer he criticised. If the

government decides to increase defence spending to 3% of national income by 2030, this would require a top-up of around £11bn to existing plans in 2030.

Next year's Spending Review will set individual departments' budgets between 2028-29 and 2030-31. Decisions about NHS and defence spending will drive how much is left for other areas: within existing departmental spending totals, if the NHS continues to receive sizeable increases and defence spending rises further towards 3% of national income, substantial cuts would be needed in other areas. Avoiding these would in turn require some combination of tax increases, lower spending elsewhere or additional borrowing.

Whatever the overall level of taxation, there is a [strong case for tax reform](#). The UK's tax system is currently inefficient, unfair and too complex. Reform would not be painless, but should be an area of focus for any government serious about improving growth and living standards.

Much of the political debate focuses on the medium-term public finances. But it is important not to lose sight of the bigger picture. The UK faces large long-term fiscal pressures: an ageing population pushing up health, state pension and social care spending; a planned transition to net zero; the potential for permanently higher defence spending. Even if the currently planned fiscal consolidation is implemented, debt and borrowing costs are set to remain high. This fiscal inheritance would challenge any government. Questions over the size of the state, how revenues will be raised and spending priorities have no easy or cost-free answers.

TAX REFORM

Mike Brewer

WHAT IS THE SITUATION NOW?

At a high level, the Starmer government has pushed the tax burden to historically high levels, with national account taxes as a share of GDP expected to be 37.0% in 2026-27 and 38.3% by 2029-30 so as to afford increases in public spending and investment, and to cover higher interest payments on government debt.

In doing so, its key motivation has not been tax reform, but a desire to avoid breaking Labour's manifesto commitment not to raise the main rates of Income Tax, National Insurance or VAT (and this is despite the fact that, across all developed countries, none raises more tax as a share of GDP without also [having a higher tax wedge on average workers](#)).

But there have been some limited moves towards a more efficient tax system. A tax system should levy [similar rates on different sources of income](#); to do otherwise incentivises people to adopt specific legal forms just to minimise tax liabilities, which is inefficient, costs the government revenue, and is unfair when not everyone has equal chances to do so. Here, the Starmer Government reduced some of the worst anomalies: rates of Capital Gains Tax on shares [have been lifted](#), and most tax rates on property, savings and dividend income [will rise \(in effect\) by 2 percentage points](#).

And, although the Starmer government made no move to bring in an explicit wealth tax, it did rationalise how some forms of wealth are taxed: the scope of Inheritance Tax (IHT) has been widened, including the [\(contested and then amended\)](#) changes to agricultural [relief, and the inclusion of private pensions](#) within its scope. [The 'non-dom' regime has been replaced with a residence-based system](#). And there will be a tax on homes worth over £2 million, with [a high-value Council Tax surcharge](#) from April 2028.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

In its first week, the Burnham government moved quickly with some targeted tax cuts to help tackle [the cost of living](#).

Before entering Parliament, Burnham spoke in favour of higher taxes on wealth, the advantages of a land value tax, and about the unfairnesses of Council Tax, but these have not yet turned into policy commitments. [So far](#), all we know about his strategic priorities for the tax system is his desire to allow English strategic authorities to keep some locally-generated revenues from some national taxes

(but not control over their rates), a policy which could take effect relatively quickly given that the former Chancellor Rachel Reeves [announced a similar plan](#) in Spring 2026.

Other parties have clear proposals on tax. [The Conservatives are in favour of](#) abolishing stamp duty entirely on main homes, axing business rates, undoing VAT on private schools and Reeves's IHT changes, and (in effect) exempting some young people from National Insurance. At the 2024 election, Reform UK's manifesto proposed £90 billion of tax cuts, but it has said since that these cannot be guaranteed until it has identified savings. [But it still advocates](#) cutting taxes on workers, families and businesses; it has an ambition for a £20,000 Income Tax personal allowance; and it has proposed reducing IHT and taxes on non-doms. [The Green Party](#) wants an explicit annual wealth tax — 1% on assets over £10m and 2% on assets over £1 billion — alongside equalising tax rates on different forms of income, and a big rise in employee National Insurance for high earners. And tax policy is no longer made exclusively in London. In Scotland, SNP governments have increased the progressivity of the Income Tax schedule, to the point where [some question](#) whether these might have a harmful economic impact.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

There will be many items calling for attention at John Healey's first Budget as Chancellor, on 28 October.

Short-run decisions such as how to pay for spending commitments made since March, what to do about VAT on electricity and fuel duty, and how to react to changes in the forecast, may well dominate.

But the government should also address some of the long-term issues ducked by their predecessors. [The IMF has questioned](#) whether the tax burden can be pushed much higher without tax reform, and suggested that the UK is close to the limit on raising taxes from earnings. Even if this view is overstated, the fact that the tax burden will soon be at historical highs increases the costs of poor tax design.

So the new Chancellor should look at property taxation – both residential and commercial – which is in obvious disrepair. [Council Tax is regressive within](#) areas, and hugely biased in favour of London and the South East. The constant changes to business rates [underline how often these keep being patched](#) rather than replaced (with, say, a land value tax on commercial property).

And despite Reeves's changes, there are still differences in effective tax rates on different forms of income or capital gains, with working-age employee earnings

almost always facing the highest rates, so Healey will need to decide whether he wants to continue the trend begun by Jeremy Hunt (who cut employee National Insurance contributions) and continued by Rachel Reeves (who increased taxes on some unearned income sources). He may also want to look at the [bizarre structure of marginal rates of Income Tax](#) on earnings facing some parents, and the huge cliff-edge at £100,000 affecting those using pre-school childcare.

Finally, the move to net zero will also require changes to our tax system; electric vehicles will soon have a new tax, with the pay-per-mile charge starting in 2028, but this is currently set at a rate that [brings in far less revenue than the forgone Fuel Duty](#).

THE COST OF LIVING

Jonathan Marshall

WHAT IS THE SITUATION NOW?

April 2026 was meant to mark the start of a good year for living standards, especially for [those on lower incomes](#). Then came the war in Iran and the closure of the Strait of Hormuz: a chokepoint vital for global trade. Brent crude was trading around \$70/barrel before the US-Israeli strikes in late February, and peaked above \$115 – more than 60% higher – once the missiles started landing. Gas prices were even more volatile, with spot contracts quickly doubling from their pre-war level.

Household energy bills have followed. The price cap [increased by 13%](#) in July, and is set to increase by 4% in October. Still [bigger jumps are expected into 2027](#). Wider pass-through has so far been limited: CPI inflation has [stayed comfortably below the peaks of the last shock, easing from 3.3% in March to 2.6% in June](#), with food inflation starting the year above the headline rate before falling sharply below it. But retailers are warning that upward pressure will return as [higher energy prices start to feed through](#).

Moreover, these price rises come on top of severe increases in the cost of essentials since early 2022, following Russia's full-scale invasion of Ukraine. As of July, overall prices are up a quarter on pre-invasion levels, with food more than 30% higher and energy up more than 50%.

And these squeezes on budgets do not fall evenly. Between December 2019 and September 2025, annualised inflation experienced by the poorest families [ran 0.7 percentage points faster than for the richest](#), dragging the lowest incomes down by more than 3% relative to the highest.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Responsibility for prices has conventionally sat with the Bank of England, whose remit is to bring inflation back to 2%. But in recent years, politics has not sat back. Political parties are now competing on the price of essentials – energy, fuel, food, transport – which monetary policy cannot target directly, but which governments can influence through tax, spending and regulatory decisions.

The new Prime Minister has [promised](#) to lead a “cost of living government”. Indeed, his first week in office saw the removal of [VAT from electricity bills](#) (from October, and lasting at least six months) and a [£2 cap on local bus fares](#). These measures, costing around £2.1 billion in annual terms, mark a continuation of the

approach inherited from the Starmer government, which focused on individual cost pressures (including energy bills, train fares, and the ‘cost of summer fun’).

The Conservatives and Reform UK are both eyeing universal approaches. [The former](#) have backed a new energy strategy that would take power stations out of the UK Emissions Trading Scheme, forgoing much of the £3 billion a year the scheme is forecast to raise, without saying how the lost revenue would be replaced. [The latter](#) have promised to strip VAT and green levies from bills – saving “£200 per household” at a cost of £5-6 billion, with cuts to quango budgets used to balance the books.

[The Greens](#) would move policy costs – the levies on bills that fund renewables subsidies and energy efficiency schemes – along with the cost of servicing energy debt off bills and onto wealth taxes; while [the Liberal Democrats](#) have thrown their weight behind an ‘essential energy guarantee’ that offers cheaper prices for a fixed ‘block’ of energy for all households, funded by a tax on alleged windfall profits booked by energy network companies.

What is striking is that every party is leading with universal help, rather than a targeted approach that [some](#) – including the [energy industry itself](#) – are calling for.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

In the immediate term, the question is narrow: which bills to help with and for whom? Three decisions bring that to a head: whether to yet again postpone the reversal of the Fuel Duty cut, whether to provide further support with increasing energy bills, and whether to leave the gap between housing support and actual rents at the record high it is already set to reach this autumn.

The 5p Fuel Duty cut introduced by Rishi Sunak – costing £2.4 billion per year – is now in its fifth year, with its [staggered reversal postponed](#) in May. It has been 15 years since the ‘usual’ inflation-uprating of Fuel Duty. But the high visibility of petrol prices means that even such a poorly targeted way of helping family finances is likely to be hard to unwind.

On energy, the immediate decision is how to take the pressure off rising bills. But it is striking that, four years after the last energy shock, the government is still struggling to target households most in need – a criticism [Labour made in the past](#), when the best-off third of households received more than a third of the money from universal schemes.

Looking beyond this winter, the government’s wider approach looks set to continue, with reducing the extent to which wholesale prices affect household

bills top of the agenda. In April, DESNZ [published proposals to ‘de-link’ electricity bills from gas prices](#), shunting more of Britain’s power stations onto fixed-price deals [and using the tax system](#) to incentivise firms to make the switch.

After energy, a key pressure is the cost of housing. Other than getting more homes built, the biggest single way the government can influence this is through the generosity of Local Housing Allowance (LHA), arguably the policy that does most to make renting affordable on a low income. In April 2024, LHA rates were set at a level that covered the cheapest 30% of local market rents, but they have been held flat in cash terms since, and are not due to be changed at all over this parliament. Rents have risen significantly since then: the average shortfall between rents and LHA is already [more than 20%](#), and will hit a record this autumn.

Over a longer horizon, overall inflation should return to target. But the structural reasons for high costs of essentials – an energy system exposed to global price shocks, and a housing stock too small for the population it serves – will not unwind quickly. So it would not be surprising if the cost of essentials remains at the heart of political debate.

THE WELFARE STATE

Kitty Stewart

WHAT IS THE SITUATION NOW?

The ‘welfare state’ is the collective term for government policies and spending intended to support human welfare, or well-being. It includes health services, education, social security (pensions and cash benefits), housing and employment support – mapping onto the five ‘giant evils’ William Beveridge [identified](#) in his foundational 1942 report. Today, we can add to the list childcare, social care, and support for community services like libraries and parks.

Welfare state spending in the UK amounts to around [£870bn](#) per year – some two-thirds of all government expenditure, and about 28% of GDP in 2025-26. As a share of GDP this is less than it has been in the past: the peak was just over 30% in 2009-10. From 2010, a decade of austerity policies squeezed spending steadily down to 26% – before a temporary jump to 31% in 2020 due to the pandemic. In [comparative perspective](#), the UK sits at around the OECD average, and below the average for the EU.

The biggest items in 2025-26 are the social security system (13.3% of GDP – of which spending on pensioners makes up well over [half](#)), and health (8.4%). Health is the only area on which we spend a higher share of GDP today than in 2010 (7.5%). By contrast, spending on education has fallen from 5.6% of GDP in 2010 to 4.1% today.

It is in reality more accurate to talk about welfare states. While National Insurance, the state pension and Universal Credit are all determined in Westminster, policy on health, education, housing and some aspects of social security are devolved powers, differing across the four nations. Scotland has made a number of decisions (in part exploiting its tax-raising powers) that create stark differences in the scope of the welfare state compared to England, including free university education, free personal and nursing care, and additional means-tested benefits for children.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Two themes dominate political debate around the welfare state. The first is a wide consensus that public services are struggling and require both capital investment and higher day-to-day spending, as the contributions to this volume on health and social care, housing and education make clear.

The second is a repeated refrain about burgeoning ‘welfare spending’ – generally

used to refer to non-pension benefit expenditure. In practice, most working-age benefits have fallen significantly in real terms since 2010, in contrast to pensioner benefits, protected by the ‘triple lock’. As a share of GDP, spending on working-age benefits has roughly [flatlined](#), while the pensioner share has grown. But within the working-age bill, [disability](#) spending has grown, in part reflecting [high numbers](#) of young people inactive and receiving disability support.

Tackling the so-called ‘welfare bill’ has proven difficult. The triple lock seems sacrosanct: only the Green Party currently propose diluting it to a ‘double lock’. Cutting spending on pensioners is politically unpopular, as shown when Labour tried the relatively modest step of means-testing the Winter Fuel Payment. Reducing spending on disabled people is [not popular](#) either. Responding to Labour proposals to cut and reform the Personal Independence Payment (PIP) in 2025, [critics](#) pointed out that many of those in receipt already live in poverty, and argued that spending more rather than less in the short-term – e.g. on mental health and employment support – could be more effective at tackling economic inactivity.

New government proposals are due in autumn 2026, after the final reports of the [Timms Review](#) into PIP and the [Milburn Review](#) on inactivity among young people. Milburn is expected to propose benefit reforms alongside changes to the education system and more action from employers. Meanwhile, the Conservatives have pledged to cut spending by urgently [reassessing](#) all ‘mild’ claims for PIP, while Reform UK promise to save £50bn by [scrapping](#) PIP entirely, replacing it with support for only very severe cases, while [removing](#) all benefits from non-citizens.

The backdrop to both discussions is the challenge of raising funds. Labour are tightly constrained by their manifesto pledge not to raise income tax. More generally, UK politics has been characterised for many years by an absence of [open debate](#) about the tax rises needed to fund the level and quality of services opinion polls suggest we would like. In office, Labour have raised additional funds through National Insurance increases and threshold freezes, to pay for higher spending compared to Conservative plans: a projected [2.6%](#) increase across all sectors annually over this parliament compared to plans of 0.6% from the outgoing government. But increases fall well short of growing demands.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

There are a multitude of areas that would benefit from more resources. We also urgently need to find significant additional sums to address what are clearly major limitations to existing welfare state provision, notably social care (other

than in Scotland) and social housing. Meanwhile, as a number of contributions to this volume make clear, there is significant competition for resources from other sectors – such as the net zero transition and defence.

In the longer term, [demand pressures](#) on the welfare state will only increase. Our ageing population will push up spending not only on state pensions but also on health and social care, with worrying [implications](#) for other areas if the total dedicated to the welfare state is not increased.

Spending pressures are exacerbated over the long term by ‘[Baumol's cost disease](#)’: public services are labour intensive, and therefore productivity increases slowly if at all, [even](#) in an age of AI. Think of education: good education requires as many teachers as ever, and teachers’ wages need to keep up with gains in other sectors (unless the quality of teachers is to decline), so costs rise over time compared to other things.

Resource constraints include people as well as money. The UK has relied on immigration to fill staff [shortages](#), especially in health and social care – and migrants have also on average proved net [contributors](#) to the Exchequer. But divisive narratives around migration have led to [rule changes](#) that have made immigration for work much harder. These narratives also potentially damage social solidarity and support for the welfare state.

If the welfare state is not protected, the effects will be regressive. Richer households can opt for private health and education provision (and [increasingly](#) do so). Those with fewer resources have fewer options. In the long run, the risk is that the welfare state becomes a more limited safety net for the poorest, rather than a collective commitment to provide for us all at times of need.

THE LABOUR MARKET

Hannah Slaughter

WHAT IS THE SITUATION NOW?

The labour market has deteriorated significantly since the 2024 General Election. The [unemployment rate](#) has risen from 4.1% in July 2024 to 4.9% in June 2026. Unemployment peaked at 5.2% in late 2025, close to the Covid-19 pandemic high of 5.3%, and the highest rate outside the pandemic since 2015. The working-age employment rate [implied by HMRC's tax data](#) has fallen from 75.9% to 75.1% over the same period, equivalent to over 300,000 fewer people in work. There have been some signs of stabilisation this year – unemployment has stopped rising and payrolled employment has stopped falling – but we are yet to see substantial improvements.

As is often the case, young people are at the sharp end of this slowdown. [Youth unemployment](#) reached 16.4% in May 2026, its highest rate in 11 years, and the number of 16-24 year-olds not in education, employment or training (NEET) [passed 1 million this spring](#) for the first time in more than a decade. Employment gaps between different parts of the UK are substantial and [among the largest in the OECD](#). For example, the [employment rate](#) is 69.6% in Newcastle, at the 10th percentile of UK local authorities, compared with 82.8% in Wiltshire, at the 90th.

The picture on pay is not much brighter. Pay growth is slowing in cash terms: [regular pay](#) (excluding bonuses) is growing by 3.5% a year, and by 2.8% in the [private sector](#). With inflation now [above 3%](#), pay packets are barely growing in real terms – if inflation rises again, workers could face their [fourth real pay squeeze](#) in less than two decades.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Recent debate has focused on the extent to which the Starmer government's policies damaged the labour market. In April 2025, a large rise in the minimum wage coincided with an increase in employer National Insurance contributions (NICs), raising the costs of employing low earners in particular. [Resolution Foundation analysis](#) before the changes took effect estimated that together they would reduce employment by around 80,000. April 2026 brought [a further 4.1% rise](#) in the main National Living Wage rate, to £12.71 an hour, alongside another large increase in youth minimum wage rates. This prompted concern from [some business groups](#) and [opposition parties](#) against a backdrop of a weakening jobs market and rising youth unemployment.

The [Employment Rights Act](#) (ERA) is at the centre of the debate about what happens next. Some parts have already taken effect – Statutory Sick Pay (SSP) is [now available](#) from the first day off sick and has been extended to the lowest earners, and the [Fair Work Agency](#) was set up in April 2026 – but the more controversial aspects are still to come. From January 2027, the time an employee must have worked for an employer before gaining protection against [unfair dismissal](#) will fall from two years to six months. The details of further measures, such as protections for workers on [zero-hours contracts](#), are still subject to consultation, amid competing claims from [employers](#) and [trade unions](#) about their likely effects.

The opposition parties are pulling in different directions on employment rights. Both the [Conservatives](#) and [Reform UK](#) have pledged to repeal the ERA if they win the next election, claiming that it is destroying jobs and damaging growth. The Liberal Democrats made several employment rights proposals in their [2024 manifesto](#), including stronger SSP and a higher minimum wage for workers on a zero-hours contract, but have [expressed concerns](#) that some aspects of the Act as implemented could harm businesses. And the [Green Party](#) want a ‘second ERA’, including a full ban on zero-hours contracts and protection from unfair dismissal from day one of employment.

The new Prime Minister shows no signs of departing from the Starmer government’s agenda. Within his first 10 days in office, Andy Burnham [highlighted pay in social care](#) as a priority – something that the new Fair Pay Agreement [is well placed to address](#). And he has drawn attention to regional inequalities, including gaps in labour market outcomes.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The overall strength of the labour market remains an immediate priority, particularly the plight of young people. The [Milburn review](#) will set out recommendations to the government for addressing these problems, although many of the solutions lie outside the labour market. Indeed, recent rises in NEET rates [have been linked](#) to poor mental health, and [Resolution Foundation analysis](#) shows that limited vocational education opportunities explain why Britain’s NEET rate is so much higher than international comparators. But labour market policy could still help improve job opportunities for young people. The government has already made some changes, [such as introducing and expanding the Youth Guarantee](#). Options for going further include [tailored support and engagement requirements](#) for more young people receiving the health element of Universal Credit and [reforming the Growth and Skills Levy](#) to improve firms’ incentives to hire young people.

Alongside this, the government will need to continue refining the details of the ERA over the rest of this parliament. It will also need to address related issues outside the Act itself: [effectively enforcing](#) the new measures and clarifying and enforcing the law on [employment status](#) to prevent employers from misclassifying workers as self-employed to avoid providing them with the new rights.

In the longer term, there are important questions about how rising use of artificial intelligence (AI) will affect the labour market. [Bank of England analysis](#) has found, for example, that the fall in job vacancies since 2022 has been concentrated in the occupations most exposed to AI, and an [evidence review by the AI Security Institute](#) suggests that broader changes in hiring are consistent with AI being a contributing factor. But the evidence is not conclusive, and the longer-term outlook is even more uncertain.

AI is only one of the long-term factors that will influence the labour market's strength and resilience. Productivity growth is key to improving pay prospects; immigration policy will shape the size and composition of the workforce, with direct implications for sectors like social care; and skills policy will determine how well workers can adapt as the economy changes. None of these are quick fixes, but addressing them alongside more immediate labour market interventions could determine whether the weakness of the past two years proves to be temporary or a more lasting shift.

REGIONAL INEQUALITY

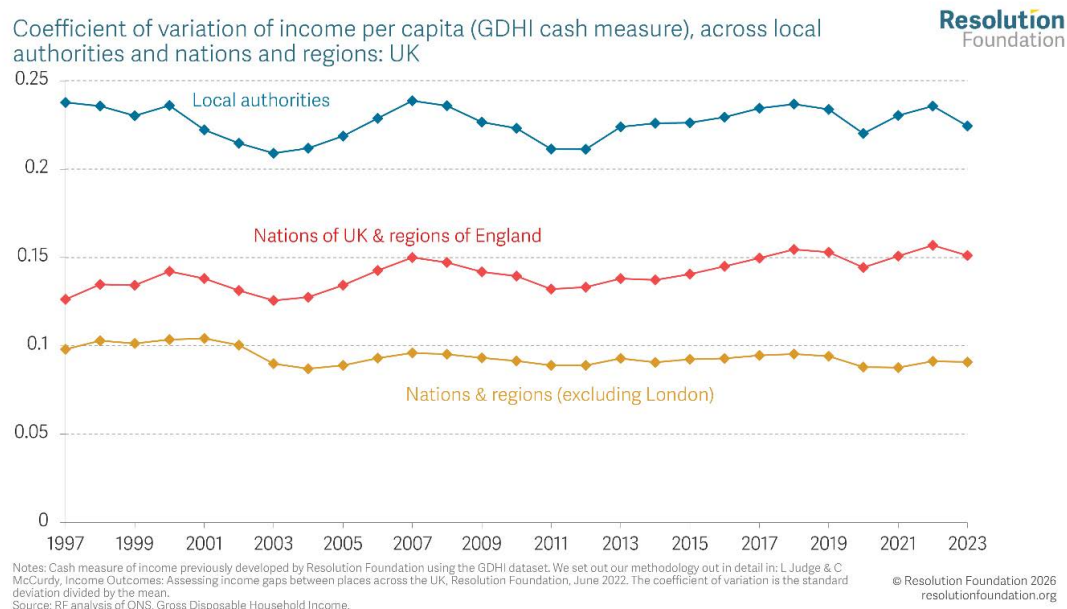
Sophie Hale

WHAT IS THE SITUATION NOW?

Despite successive governments promising to address regional inequalities, economic gaps between places remain large and have proven remarkably stubborn.

Unfortunately, there is no single measure of regional or spatial inequality (which measures the differences between different parts of the country): household incomes, pay, employment and productivity each tell a different story about the gaps between places. The size of the gaps also depends on the geography chosen, from nations and regions to local authorities and neighbourhoods; gaps between different parts of the country are almost always smaller if we are looking at larger areas.

One key dimension of geographical differences is incomes. As the figure below shows, [spatial inequality has barely shifted](#) over the past quarter of a century at all geographic levels. Zooming in on local authorities, average [income per person](#) in Kensington and Chelsea (the highest-income local authority) was £60,584 in 2023, four-and-a-half times higher than in Leicester, at £13,398 (the lowest-income local authority) – a gap that has persisted for nearly three decades.



This persistent income inequality has come about despite a shrinking of employment gaps over the last decade, and a rising minimum wage that has allowed low-paid workers in poorly-paid parts of the country to catch up with those elsewhere. Working against this has been the large and persistent productivity gaps between areas, which are important for explaining earnings

beyond those at the bottom. Average output per job in London, at £90,000 in 2023, was 1.6 times that of Newcastle, and 1.3 times that of the Manchester metropolitan area, and the UK also [stands out internationally](#) for the size of the productivity gap between its capital and its other major cities. Just as with income, there is considerable persistence in productivity gaps: over two-thirds (68%) of (OECD metro and non-metro) economic areas in the least-productive quartile in 2002 were still there in 2023.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Successive governments have attempted to tackle regional inequality [since at least the 1920s](#) and there is near-total [political consensus](#) that high regional inequality is a problem for the UK. But broad agreement on the goal has not prevented [considerable policy churn](#) – within parties as much as between them – and the regular launch of new funds, programmes and roadmaps has undermined efforts. In particular, addressing regional gaps was an explicit priority under May and especially Johnson’s leadership, but arguably became less so under both Sunak and Starmer.

Previous Conservative programmes include the Levelling Up Fund, Towns Fund and UK Shared Prosperity Fund – alongside an expanding set of devolution deals with mayoral combined authorities. Earlier this parliament, the Starmer government launched two new spending programmes: the Pride in Place Programme, which sought to regenerate left-behind places, and the Growth Mission Fund, which aimed to address regional productivity gaps. It also gave mayors greater control over multi-year funding settlements and some tax-raising powers (including a [Community Infrastructure Levy](#) on large commercial developments).

Arguably, the country’s most prominent devolution advocate now sits in Downing Street. Andy Burnham has built his reputation on ‘[Manchesterism](#)’ – the belief that stronger regional government, strategic public investment and partnership with business can drive regional growth and close gaps with London and the South East. As Prime Minister, he has made [radical devolution](#) the keystone of his policy programme, [vowing to deliver](#) “the biggest rebalancing of power the country has ever seen” and “good growth in every postcode... across the whole of the UK” (albeit the evidence that devolving power raises growth in lagging places is [unclear](#)).

In practice, he has promised a [ten-year programme](#) of economic renewal, with the reduction of long-standing regional disparities a likely priority within it. He has recommitted to delivering former Chancellor Reeves’s roadmap for fiscal devolution at the autumn Budget, which will set out how mayors will [retain](#)

[a greater share of locally generated revenues](#), starting with business rates in spring 2027 and extending to income tax later. But his enthusiasm for devolving power within England is much clearer than his position on Scotland, Wales and Northern Ireland, on which he has so [far said little](#). Both the leader of the Conservatives and Reform UK have criticised Burnham's devolution agenda, warning "[devolution is not a silver bullet](#)" for resolving Britain's economic and fiscal challenges, while the SNP have dismissed his proposals for lacking detail, emphasising "[rhetoric alone will not cut it](#)".

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The immediate policy issue is how to make good on Burnham's promise to decentralise political power. Decentralisation covers more than tax: responsibility for spending, and powers over transport, skills and planning are all in play. But fiscal devolution is the strand already committed to, and it involves several design choices that must be settled upfront. These include the nature of what is devolved (i.e. a share of locally generated revenues or powers to set tax rates or borrow); the geographic scale at which powers are devolved; and the balance between growth incentives and the risk of widening regional inequalities. Tying local budgets to volatile tax bases, without some form of equalisation, could leave the most fragile local economies exposed. Between 2010-11 and 2023-24, real-terms income tax receipts [grew unevenly](#) across regions: by 51% in London but by just 13% in the North East. How that balance between incentives and equalisation is struck will decide whether fiscal devolution narrows regional gaps or widens them.

In the long-term, devolution alone is unlikely to close the substantial regional productivity gaps across the UK that became entrenched during the [deindustrialisation of the 1980s](#). The Manchester experience shows just how difficult it is: despite strong recent growth, productivity remains 25% lower than in London. Closing these gaps likely requires spending on a scale much closer to Germany's post-reunification commitments, where infrastructure spending and business support [exceeded £27bn](#) in a single year in 2003, which was approximately six times the UK's annual spending commitments as of late 2022. And such higher spending also needs to be sustained across multiple parliaments. But the public finances are especially tight, creating a sharp trade-off between demonstrating fiscal discipline and delivering the substantial spending commitments that regional convergence has historically required.

HEALTH AND SOCIAL CARE

Anita Charlesworth

WHAT IS THE SITUATION NOW?

Health and social care have been central to the government's agenda since the 2024 election. The Starmer government committed to reducing NHS waiting times, improving access to care and social care reform. Lord Darzi's [review](#) of the NHS shaped the 2025 [10 Year Health Plan](#).

Despite earlier commitments to avoid major restructuring, in March 2025 the government [announced](#) plans to abolish NHS England, reduce administrative staffing and reorganise NHS management. A [Health Bill](#) introduced in this year's King's Speech, will implement these changes.

Social care reform has focused largely on the workforce, including the introduction of a [Fair Pay Agreement](#), under which employers and trade unions will negotiate sector-wide minimum standards on pay, terms and conditions through a new Adult Social Care Negotiating Body. Wider reform was delayed and an independent commission on adult social care was established, led by Baroness Louise Casey. Phase 1 was due to report in 2026 and Phase 2 by 2028, but Andy Burnham has accelerated the timetable, with recommendations expected in 2027.

The Burnham government inherits a health service still struggling to recover from the pandemic. The elective waiting list has fallen slightly from its September 2023 peak, but in May 2026 remained at [almost 7.3 million](#). Only around two-thirds of patients start treatment within 18 weeks, well below the target of 92%. Waiting times for A&E, ambulances and cancer services have improved in some areas but continue to [miss key targets](#).

Public confidence remains low. Only 26% of adults report satisfaction with the NHS. While this is a six percentage point improvement on 2024, and the first increase since 2019, it remains the third-lowest level of satisfaction recorded in more than four decades of the British Social Attitudes survey.

High-profile failures, particularly in maternity care, have [intensified concerns](#) about safety, accountability and quality. NHS productivity has improved from its low point in 2020/21 but [remains below](#) pre-pandemic levels. Industrial relations are also fragile: resident doctors [accepted a pay deal](#) that ended strike action, but consultants continue to press for further negotiations and have [threatened](#) industrial action if agreement is not reached.

Health was the big winner in the 2025 Spending Review, with real-terms growth averaging 3% for day-to-day NHS spending up to 2028/29. However, this is below the long-run average for health spending and well below the 2000s Labour-era increases. The social care settlement was limited to up to £4bn extra by 2028/29, providing [little room](#) for wider reform once workforce commitments are funded.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Andy Burnham [committed](#) to building a more integrated health and care system that provides “security and dignity” while reducing pressure on hospitals and NHS services. Yvette Cooper, the new Secretary of State for Health and Social Care, [identified](#) maternity care and social care reform as major priorities.

Devolution will be central to debate around the Health Bill. Abolishing NHS England and transferring many of its responsibilities to the Department of Health and Social Care could simplify decision-making and make ministers more directly accountable for NHS performance.

But, [critics argue](#), it risks increasing ministerial control and weakening local autonomy. The Conservatives have raised concerns that the Health Bill’s abolition of NHS England could amount to a major reorganisation dressed up as simplification. Stuart Andrew, Shadow Secretary of State for Health and Social Care, [argued](#) that “Whitehall sometimes possesses a remarkable historic talent for abolishing bureaucracies ceremonially before quietly recreating them under another name”. The Health Bill’s proposals to transfer powers to the Secretary of State, remove some local governance arrangements and abolish bodies such as Healthwatch have therefore become key points of contention during parliamentary scrutiny.

Social care reform also returns to the political spotlight. Successive governments have tried and failed to deliver reform, so Andy Burnham’s decision to make it a personal priority is significant. The question is whether he can succeed where predecessors failed by delivering sustained change.

The Liberal Democrats are the government’s natural ally on social care. Ed Davey has repeatedly [called](#) for cross-party talks, a system of free personal care, greater support for unpaid carers and protection against catastrophic care costs. The Conservatives have also signalled a willingness to engage in cross-party talks but have set clear red lines around reform and raised concerns about the costs and potential tax implications of new funding models.

Previous reform efforts, including Burnham’s proposals in 2010 and Theresa May’s plans in 2017, became politically contentious — labelled respectively the

“death tax” and the “dementia tax”. Social care reform is therefore as much a test of the political system’s ability to deliver long-term change as it is of Burnham personally.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The immediate challenge is to sustain progress on NHS recovery. Waiting lists are falling and access is improving, but the gap between current performance and the constitutional standard remains significant.

Maternity care will provide an important test of the government’s approach. While several high-profile scandals have highlighted profound problems in [specific trusts](#), poor maternity outcomes are a nationwide issue. Maternal mortality rates have risen since 2017-19 and are [no better](#) than they were two decades ago.

The second challenge is delivering the 10 Year Health Plan. Its three shifts – from hospital to community, treatment to prevention, and analogue to digital care – command broad support, but the scale of change is hard to overstate. Successive governments have struggled to shift resources into community care and prevention, while hospitals continue to dominate spending and political attention. The digital shift could improve access, productivity and patient experience, but will require sustained capital investment, implementation capacity and public and staff confidence.

The fiscal context makes reform harder. Meaningful social care reform will require substantial additional funding. Free personal care [could cost](#) around £6.5bn extra in 2026/27, rising to £7.8bn by 2035/36, while a more comprehensive NHS-style model could cost around £18.5bn by 2035/36. Health and care already account for almost half of Westminster-controlled day-to-day public service spending, while wider pressures – including defence – mean settlements are [likely to remain tight](#).

Burnham has [warned that](#), without fixing social care, the NHS will “collapse under the weight” of caring for people who could be better supported outside hospital. Will his government therefore seek to rebalance spending between the NHS and social care in the Spending Review?

Improving NHS productivity will be essential. Public support for the NHS’s founding principles [remains strong](#), but maintaining them under tight funding settlements will depend on a credible productivity drive. Gains [should mean](#) better value and outcomes, not simply asking staff to work harder or chasing short-term savings.

HOUSING AND PLANNING

Paul Cheshire

WHAT IS THE SITUATION NOW?

The new Prime Minister came to power doubling down on his predecessor's commitment to build 1.5 million homes by the end of this parliament but with an even more ambitious additional pledge – the “[biggest council house building programme](#)” since WWII. Since we built nearly 200,000 council houses in 1953 and [just 1,970 in 2025](#), this target is an order of magnitude more ambitious than Starmer's, especially since Starmer's pledge included houses built by the private sector. And it is [impossible to deliver](#) without radical reform of the planning system.

Ordinary people would probably think of ‘building homes’ as constructing new houses. However, over the years, as building has slowed to a trickle and house prices have risen, the incentive to subdivide larger houses, fix up obsolete ones and convert offices or shops has increased greatly. These other types of ‘new homes’ now add substantially to the total of newly built houses: in the five years from 2020 ‘net additions’ [averaged 223,302](#) a year compared to an average of only 162,490 new houses built. Newly built homes have gone from 1.4 to 0.7 times the volume of ‘net additions’ since the 1960s but it is on this dysfunctional measure of new supply which political rhetoric now focuses.

The excess of ‘net additions’ over actual building is a good measure of the extent of our housing crisis. The barriers to house building presented by our planning system have over the years generated a crisis of supply and so made housing more and more unaffordable and, the more unaffordable it becomes, the bigger the incentive to convert rather than build. Not only does housing become increasingly out of reach but it morphs into pokey, gas-guzzling inadequacy.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Political parties other than Labour are presently offering very little in terms of policy. The Lib Dems [pronounce good intentions](#) but [oppose planning reform](#) when on offer. The Conservatives and Reform UK want to reserve social housing for the British-born.

To be fair to the Labour Party, immediately after coming into office, the new government announced [radical reform](#) to the planning system. Moreover the [revised National Planning Policy Framework](#) (NPPF) is at least the most radical reform since [Johnson's 2020 attempt](#) to move towards a rules-based system foundered at the Amersham and Chesham by-election.

Yet the revised NPPF, like so many previous sensible attempts to reform our dysfunctional planning system, has been so worked on as it passed through the government machine that it has emerged as more of a mole hill than a mountain.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

There are others, but the [main barrier to house building](#) is our planning system. It makes all building slow and expensive but it also [actively restricts building](#) and land supply where houses are most needed. There are several problems. First, the system is discretionary. Even when there is a plan ([only about a third of local authorities](#) (LAs) have one), the LA can override it in deciding any proposal. Second, key decisions are made at the local level by political committees and the costs of development are very local – so the NIMBY voice dominates decisions. Third, wider social or regional interests can only enter after extended delays and great cost via the ‘appeals’ system. Finally, there has been a binding restriction on the supply of land around our major cities, primarily via Green Belts, since 1955.

The revised NPPF attempts to address three out of four of these problems but only at the margin. There is a shift towards a more rules-based system, but local planning committees still have discretion and are the initial arbiter. The regional interest in permitting development is strengthened by giving mayors the power to overrule LA decisions – but again after delay and costs have been incurred and uncertainty generated. And there has been the loudly advertised move to a presumption in favour of development close to well-connected stations.

This last change could have been a game-changer, but its impact on house-building has been severely constrained. It could have introduced both a substantial degree of rules-based decision making and [freed up land supply](#). However, most of the land close to well-connected stations is in a Green Belt. Then the presumption in favour of allowing building is weakened to ‘development is not inappropriate’. More restrictive still, the section of the NPPF defining the conditions allowing Green Belt boundaries to be changed – to release land around stations – passes the onus on to the LA to allocate the land. But LAs, particularly where there is a strong NIMBY vote, are unlikely to volunteer to do so.

There are, in addition, the ‘golden rules’ any houses built on declassified Green Belt land will be subject to. These will normally demand an affordable homes percentage of 50%. This ratio is so high it will make many sites unviable.

There is finally the focus on affordable housing. Our housing problem is the result of not building enough homes of any type over a generation. All homes at every level are ridiculously expensive relative to incomes. The accepted measure of affordability, the [ratio of median house prices to median incomes](#), has worsened

in England from a 5-year average of 4.74 in 1999-2003 to 8.31 in 2021-25; the equivalent figures for London are from 6.02 to 11.76.

This is both the immediate and the long-term problem to resolve. For every additional person living in England, we built 2.37 new houses in the 1970s compared to just 0.30 since 2012; worse in London and southern England. Moreover, that forward indicator of building, planning applications, is at an all-time low. The evidence shows that building more houses of any 'type' - market or 'affordable' - makes [housing more affordable](#).

The government's emphasis on building and setting ambitious targets, is the right one if we are to escape from our housing crisis. But the policy emphasis must, above all, be on building more houses - hence the problem with the 'golden rules' - and to achieve that we still need radical reform of the planning system. Otherwise, the prohibitive cost of housing - and the impact this has on social division and on a population already struggling, as other contributions to this volume have indicated, with a cost-of-living crisis - will not abate.

CRIME AND JUSTICE IN ENGLAND AND WALES

Richard Price

WHAT IS THE SITUATION NOW?

The criminal justice system in England and Wales is under acute strain, experiencing a capacity crisis spanning [prisons](#), [probation](#) and the courts. This is despite a decline in crime since the 1990s.

There were [9.6 million](#) incidents in the year to March 2026 - no significant change on the previous year. Victim-based offences fell 2% to 4.4 million; homicide, knife-enabled crime and firearms offences all [declined](#). Traditional 'volume crimes' such as theft and burglary have [fallen](#) since the mid-1990s, while fraud now forms a large component of measured crime; fraud and online offending produce fewer identifiable suspects, charges and prosecutions per incident than conventional local offences, so high incident volumes do not translate directly into equivalent pressure on courts and prison. Cases leading to a charge or summons [rose](#) 12.8%, suggesting some improvement in case progression.

Prisons, probation and courts form one interlocking crisis. The lack of capacity in the system reflects a long-term mismatch between sentencing policy and resourcing, worsened by court backlogs caused by the Covid-19 pandemic.

The 2026 Sentencing Act abolished most short prison sentences and expanded community sentences, but these take time to [affect](#) the aggregate population. The prison estate is approaching a further capacity crunch [driven](#) by long-run sentence inflation, and in the short term, [a greater-than-usual number of released offenders being recalled to prison](#). The Ministry of Justice's [projections](#) show that, without the Sentencing Act measures, capacity would have run out in June this year. Post-Sentencing Act, its more pessimistic scenarios show a shortfall by November 2027, rising to around 400 prison places by May 2028. A more cautious approach to early releases inevitably brings these dates earlier.

The current solution to prison overcrowding is early release, but the probation service lacks capacity to absorb the extra load. In March 2026, probation supervised 258,332 offenders; the National Audit Office [estimates](#) a staffing gap of around 3,900 posts—roughly a quarter of what is needed—with officers on average managing 118% of their notional capacity. Thinner supervision means [more missed appointments and breaches of license conditions](#). The consequence? For the first time on record, [more](#) prisoners were recalled than released in a single

quarter. Currently [12,145 people in jail are held on recall](#), accounting for around one in seven of the male prison population. The Prison Reform Trust [attributes](#) this to a “revolving door”: prisoners are freed to ease overcrowding, breach thin supervision, and return to custody, renewing the pressure releases were meant to relieve.

Court delays compound this cycle. The Crown Court backlog exceeded 80,000 cases in early 2026, almost a record high, and the magistrates’ courts [backlog](#) reached a new peak of over 370,000. Long delays keep more defendants on remand, adding further to the prison population.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

The justice system has given Andy Burnham his first genuinely difficult decision in office. Rather than abandoning the 2026 Sentencing Act’s “earned progression” early release scheme, the Prime Minister has [narrowed it in stages](#). He first excluded prisoners convicted of rape, serious child-sex and grooming offences. Following pressure over the prospective earlier release of the men convicted of the manslaughter of PC Andrew Harper, he has now excluded unlawful killing, including manslaughter, and historic child-sex offences. The scheme is therefore proceeding in a more restrictive form, with ministers saying that [hundreds more prisoners will remain in custody](#). The government’s proposals to add places to existing prisons will be very costly and slow to deliver.

Burnham still faces a difficult [balancing act](#): tighter exclusions may reduce public and victims’ concerns, but they also reduce capacity relief to an overcrowded prison system. Not fixing probation capacity risks adverse headlines and a continuing recall cycle.

The Conservatives take a familiar law-and-order approach, emphasising disorder and the [risks of early release](#). The Liberal Democrats [stress](#) backlogs, victims and community-based sentences and support to reduce reoffending. Reform UK [favours](#) zero-tolerance enforcement, restoring visible policing, and tougher, mandatory minimum prison sentences for serious and repeat offenders, all of which would need greater resources. The result is a crowded, but often shallow debate, where symbolic positioning crowds out serious discussion of trade-offs and delivery challenges.

This is worsened by online misinformation. Between March 2024 and March 2026, online [narratives](#) portraying London as dangerous or declining rose by some 150-200%, despite falling neighbourhood and knife crime and lower murder rates. Coordinated [campaigns](#), including by extreme-right networks and state-linked actors, have amplified this perception of lawlessness. This risks policy driven by vivid but unrepresentative incidents. It also undermines trust in official

data and diverts resources from prevalent but less visible harms such as fraud and online crime.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The immediate task is to stabilise the capacity crisis in prisons, probation and courts without shifting pressure between them and exacerbating the problem. Increased probation capacity and effective supervision are preconditions for sustainable early release, with the backlog in courts and the remand population part of the same demand equation.

However, lasting progress requires breaking the cycle of crisis, review, temporary respite and renewed crisis that has plagued the system since the early 1990s, as successive governments ratcheted up sentencing without adequate resourcing.

Technological advances provide an opportunity to make greater use of targeted prevention to reduce the flow into the justice system and prevent people from re-entering it. The government's ambitious Freedom from Violence and Abuse [strategy](#) commits to halving violence against women and girls within a decade, and its recent rough sleeping [commitment](#) shares the same prevention logic: both require services to identify and address overlapping vulnerabilities that draw people back into the system.

The tools exist but implementation lags. The MoJ's [BOLD](#) programme shows how linked data can reveal patterns like repeat [homelessness](#), drug misuse and financial pressures, while the MoJ/Treasury [Prevention Project](#) set out a roadmap for personalising support to achieve sustained improvements in people's life chances, leading them away from offending. Ministers [committed](#) £100 million to Community Help Partnerships after the 2025 Spending Review, but rollout has lagged: indeed, the best examples of data-led, multi-agency innovation are [emerging](#) from local authorities, responding to pressures in their own services, with little support from central government.

Coordinated, data-led approaches can move people off resource-intensive services and toward independence, easing pressure on stretched public services and on the fiscal position. Together, capacity, evidence-led resourcing and joined-up delivery focused on the most vulnerable will determine whether government manages this crisis or spends the Parliament reacting to it.

AI

Will Moy

WHAT IS THE SITUATION NOW?

Emerging technologies are always hard for policy makers. Even understanding what they are is a work in progress. AI is not just large language models. It includes specialist models, like the Nobel-prize-winning AlphaFold for protein structure prediction; world models that learn from images and videos as well as text and understand the physics of the world, not just the language of the world; and agentic AI tools, which work autonomously and sometimes together to achieve goals. And AI needs to be seen alongside a wave of technological advances including at least mobility, robotics, augmented reality, energy, and biology. You do not need to believe that we face a singularity of self-improving technology to believe that the future will be exciting.

But in many areas, it is an open question as to what kind of excitement we are in for. A lot about AI is double-edged.

Computing is the area where the earliest and clearest value has been achieved. People can build new tech far more easily than before, and tech is solving problems it previously could not. But AI-powered hacking is transforming cyber security risks, with warnings of imminent threats from both [tech firms](#) and the Five Eyes cyber security [agencies](#). The [Strategic Defence Review](#) said the UK would embrace AI to provide “greater accuracy, lethality, and cheaper capabilities—changing the economics of Defence.” But this is true for our enemies, too.

Economically, AI is enabling new forms of value creation that will have big long-term benefits. Who will get those benefits is one of the critical questions for governments worldwide. Prominent [warnings](#) of the risk of large-scale job displacement have not yet come true. But the CEOs of [Google](#) and [JP Morgan](#) have warned about overvalued stocks, and the Bank of England [Governor](#) has highlighted the risk of a “correction that could spread across borders”.

Right now, our political parties are more focused on how the UK fits into an AI revolution that is dominated by the US and China. The US has already demonstrated a capricious willingness to withhold frontier tech even from allies, so the question of digital sovereignty is a real one. But the broader challenge for the government is to set a clear vision for the UK and to show how the opportunities and risks of AI fit into that. That challenge applies to all areas of the public sector: information at our fingertips makes the existing

education system anachronistic; the potential for new cures may make the NHS unaffordable; AI assistance is making it easier for citizens to exercise their rights, but is placing burdens on [public bodies](#). No country seems close to rising to this challenge.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

The parties are split on how the UK can have influence. It is an open question how involved the Prime Minister will be, but the new government has kept Kanishka Narayan as Minister for AI and elevated the role to give him the right to attend Cabinet. He is [highly regarded](#) by the industry and has committed to “focus relentlessly on securing British influence in shaping AI.” He has also [argued](#) that the UK’s route to being a global leader in AI is not through developing frontier models, but by “being the world’s best adoption nation” in the public and private sectors. That is a plausible goal to set, in keeping with the UK’s skills base, tech base, and relatively rich but [neglected](#) data infrastructure. But at the moment it is really just a goal.

Like the government, the Conservatives show a strong focus on good relations with the industry. Kemi Badenoch has [argued](#) in favour of keeping AI firms in the UK, so it can be “ahead of the pack”. She has also warned about the dangers of overregulation. Yet politicians have the power to shape how AI is deployed, if not developed, and not using that power just gives tech firms and foreign states free rein.

The Liberal Democrats have [framed](#) “AI Digital Independence” as an opportunity to “end the UK’s dependence on US Tech Giants” and [argued](#) for “a ‘new Magna Carta’ to protect British rights from populists and tech tyrants.”

Reform UK [promises](#) to create a “pro-innovation environment that encourages experimentation and attracts top talent”, while the Green Party has [called](#) for the government to “slam on the brakes” on new data centre approval, citing water and energy use and the need for community consultation.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The economy is, as ever, the key issue. Aside from near-term concerns over a stock market correction, the long-term question will be what economic benefits AI creates, and who gets them? If AI drives growth, we may see more concentration of wealth, and more of a shift from labour to capital, rather than good growth in every postcode. And any form of change in our industrial structure will have losers as well as winners.

Secondly, capability. This involves creating the business environment, the skills base, and the infrastructure to have AI capabilities that are not at risk of falling behind what other countries can access. The government is focusing on supporting British tech companies through, for example, the £500m sovereign AI venture capital fund. Data centres have been classified as critical national infrastructure. The UK has a base of skilled tech workers underpinned by some strong universities, but routinely loses skilled workers and entrepreneurs to the US.

Thirdly, adoption. Andy Burnham's reshuffle abolished the Department for Science, Innovation and Technology and split AI across four departments. Outside experts including [industry bodies](#), [former officials](#), and the Labour [Chair](#) of the Select Committee have all been critical of a change described as “baffling – and bad” by an independent [commentator](#). The Minister acknowledged these concerns in an [interview](#) and needs to show that the new structures can deliver. Meanwhile, the skilled workforce needed to drive adoption at national level – something that is very different from building the tech in the first place – let alone throughout a more devolved UK or throughout the private sector, does not yet exist.

Finally, AI can be a great levelling technology, enabling each of us to do more. But it may create digital divides based on geography, occupation, or age. As AI permeates the economy and society, will we see lost generations, such as the kinds of people who read and write reports like these, who were too old to grow up with AI, and may be too slow to catch up?

EDUCATION

Carole Willis

WHAT IS THE SITUATION NOW?

In early 2026, the government's education programme appeared to be entering a relatively predictable phase. Attention had shifted from legislation towards implementation, with ministers having introduced reforms to school inspection, presented further proposals on [special educational needs and disabilities](#) (SEND) and on reforms to [post-16 qualifications](#), and responded to the [Curriculum and Assessment Review](#). This review aims to create a broader, more inclusive and future-facing curriculum and improve coherence between educational stages.

But that all changed with the appointment of Andy Burnham as Prime Minister. He stated in June that the education system needed a “[complete rethink](#)” and [outlined his agenda](#) days after taking office. Burnham's main proposal – to introduce technical pathways for all young people from age 14 from September 2028 – has raised fundamental questions about the purpose and organisation of secondary education in England. Although details are sketchy, the idea is that students would continue to study a core academic curriculum while also accessing technical learning linked to employers, local labour market needs and work experience. Modelled on the [MBacc](#), developed in Greater Manchester during Burnham's time as Mayor, colleges, employers and local leaders will be expected to work together to develop these pathways, with Ofsted expected to assess schools' technical offer as part of its inspections.

The announcement reflects an increased emphasis on the relationship between education, skills and economic growth, placing education policy more explicitly within the government's wider growth agenda than has been the case recently. It has also reopened debates about the balance between academic and technical education, and whether the current organisation of secondary education is best suited to preparing young people for the labour market of the future.

Meanwhile, schools face longstanding pressures. Demand for SEND support has continued to escalate, placing pressure on mainstream schools, specialist provision and local authority budgets. Questions remain around the future of [Education, Health and Care Plans](#), the balance between mainstream and specialist provision, and how greater inclusion can be achieved while maintaining confidence among families and schools.

School and college leaders increasingly report financial pressures, with the tightened funding environment combined with falling pupil numbers in primary

schools making something of a perfect storm for schools and trusts across the country. The greatest challenges relating to [falling pupil rolls are in London](#), with [disadvantaged schools most affected](#). Questions about recruitment and retention also persist, particularly in shortage subjects and disadvantaged communities. Similar challenges face England's further education sector, which will play a key role in the technical education reforms but is dealing with some of the greatest funding and staffing challenges.

The publication of Alan Milburn's [interim review](#) has added a further dimension to the debate. Commissioned to examine the growing number of young people who are not in education, employment or training (NEET), it highlights issues including school absence, mental health, SEND, careers education and the transition from education into employment. Its initial findings have already informed political debate, with the full recommendations expected in the early autumn.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Technical education has now undoubtedly taken centre stage in the political debate. Successive governments have sought to strengthen it, particularly through post-16 qualifications and apprenticeships. However, the current debate focuses on whether technical pathways should become a mainstream part of secondary education from age 14 (with echoes of the University Technical Colleges championed by Lord Baker, the first of which opened in 2010).

The government has proposed locally designed technical pathways from age 14, changes to Ofsted's assessment of schools and additional support intended to deliver 50,000 youth apprenticeships. Reform UK has said it will prioritise technical and vocational education, proposing wage subsidies for smaller employers and a retention bonus for apprentices. For now, the principal dividing line amongst the main parties is not whether technical education should expand, but whether this should be achieved through place-based reform and public investment or through employer incentives and a broader cultural reorientation of the education system.

There have been clear areas of cross-party agreement on the need to protect children from online harms. The Starmer government's decision to ban social media for under-16s was supported in principle by the Conservatives – who claimed their campaigning had forced the change. The Liberal Democrats and Greens also accepted the case for intervention, but argued that restrictions on children would be insufficient without stronger regulation of technology companies. There has been little contestation between the main parties on the

government's plans for widening access to enrichment and the inclusion of children with SEND in mainstream education.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

Despite Burnham's radical intervention, the immediate challenge is implementation of the Starmer-era reforms. The timelines for both the Curriculum and Assessment Review and the SEND reforms were already challenging, and it is unclear how the new policy agenda on technical education will interact with the Curriculum and Assessment Review reforms, especially given the Prime Minister has made clear these new pathways will be in place for Year 10 students from 2028.

The introduction of technical pathways will require decisions about curriculum design, qualifications, accountability and the respective roles of schools, further education colleges and employers. Taken together, these reforms require schools, trusts, colleges, employers and local authorities to work together across areas of policy that have traditionally been considered separately. These issues are likely to remain central to education policy over the medium to longer term. Whether the education system can provide high-quality academic and technical routes that command equal confidence among young people, families and employers may well become one of the defining questions of the Burnham administration.

Alongside this, the government will need to demonstrate that it can build a more inclusive SEND system that delivers better outcomes for children and young people, while ensuring schools, colleges and local authorities have the funding and capacity to deliver an ambitious reform programme. How these competing priorities are balanced is likely to shape education policy for the remainder of the parliament.

IMMIGRATION

Peter William Walsh and Ben Brindle

WHAT IS THE SITUATION NOW?

Immigration remains at the very top of the UK's public agenda. It has been the most frequently cited concern in the [Ipsos Issues Index](#) in almost every month for the past year, with concern heavily concentrated among Reform UK supporters – three-quarters name immigration as their top issue.

Driving concern is asylum. In 2025, around [41,000 people](#) reached the UK after crossing the Channel in a small boat, the second-highest year on record. In the first half of 2026, however, roughly 12,000 people crossed – down 41% on the same period of 2025. Exactly why is unclear. The Starmer government deployed a range of measures, including a new [£660m agreement](#) with France on enforcement, the 'one-in-one-out' returns pilot, and new sanctions targeting people-smuggling networks. But wider trends matter too: detected unauthorised crossings into the EU as a whole [fell by 37% in the first half of 2026](#), which could reduce the pool of people reaching northern France.

Almost everyone arriving by small boat claims asylum, but the asylum system is much bigger than the Channel. Roughly 40% of the [101,000 people who claimed asylum in 2025](#) arrived by small boat, yet a similar share originally [entered legally](#) on a work, study, or visitor visa. Faster processing has cut the backlog of initial decisions significantly, but this, along with a higher refusal rate, has shifted cases into the courts: the backlog of asylum appeals [reached a record 80,000](#) at the end of 2025. This partly reflects the quality of initial decisions: [39% of appeals decided in 2025 succeeded](#); a further third were withdrawn, often because the Home Office reversed its earlier refusal; and the [National Audit Office](#) found significant errors in 42% of sampled decisions. Faster refusals therefore risk generating more appeals rather than more departures.

Around [21,000 asylum seekers](#) were in hotel accommodation at the end of March 2026, down by a third in a year. But most of the reduction reflects a shift into dispersal accommodation — largely shared houses in the private rented sector, rather than fewer people needing support.

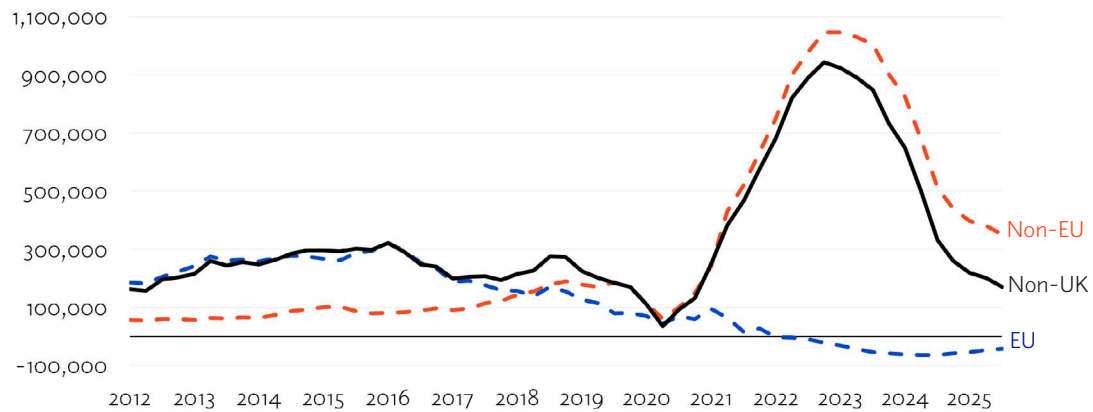
Legal migration has fallen sharply. Net migration was an [estimated 171,000](#) in 2025, down more than 80% from the peak of almost 950,000 in the year ending March 2023. The decline results primarily from lower immigration of workers and the family members of international students after the Sunak government introduced a suite of policies to restrict immigration. The Starmer government

maintained these and introduced further restrictions on work visas and refugee family reunion in 2025.

Net migration rose dramatically after Brexit but has since fallen sharply

Net migration to the UK, for selected nationality groups, year ending June 2012 to year ending December 2025.

UK IN A
CHANGING
EUROPE



Source: ONS: Long-term international migration, provisional: YE June 2012 to YE December 2025. Note: estimates come with substantial uncertainty.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

As net migration has fallen, the political conversation on legal migration has shifted from how many people are arriving to the integration of those already here. The Starmer government consulted on [‘earned settlement’](#), a radical approach to permanent residence that would extend the standard qualifying residence period from five to ten years (or longer, for migrants working in middle-skill jobs), adjusted according to earnings, English language proficiency, and method of entry. This would make the UK’s settlement rules one of the most restrictive among advanced economies.

The Conservative Party proposes an even more restrictive approach, and Reform UK has proposed removing permanent settlement from many of those who currently have it, effectively seeking to deport large numbers of long-term settled residents (including EU nationals).

There is now little disagreement between the government and parties to its right that asylum should be restricted; the argument is over how far, and whether it can be done within the European Convention on Human Rights (ECHR). The Starmer government’s approach — [temporary refugee status](#) reviewed every 30 months, a 20-year standard route to settlement, and legislation narrowing how courts apply the right to family life in immigration cases; alongside a controlled expansion of legal routes to asylum — was designed to be deliverable within the Convention. Andy Burnham says he backs the [“broad thrust”](#) of those reforms but has signalled he may soften elements, particularly on settlement. The right-

wing opposition would go much further, opposing any expansion of legal routes and seeking to block most legal challenges to removal.

The Conservatives have [committed](#) to leaving the ECHR and repealing the Human Rights Act, while Reform UK have pledged mass deportations and a five-year ‘[disapplication](#)’ of the [Refugee Convention](#). The Liberal Democrats, by contrast, have proposed joining the [EU’s new migration pact](#), arguing this would allow the UK to return refused asylum seekers to European countries. The impact of rejoining EU asylum arrangements is very hard to predict, as it depends on whether the EU’s new asylum Pact makes it easier to return asylum seekers [than it was](#) when the UK was an EU member state, and whether UK-EU information sharing deterred people who had already been refused in the EU from trying again in the UK.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

Whether the deterrence-based approach to asylum will work is uncertain. The ‘one-in-one-out’ pilot with France remains small, and reviewing the status of every refugee every 30 months will generate substantial new casework for a Home Office already managing large backlogs. Behind the politics of asylum lie two practical constraints.

First, initial decisions on asylum applications can be sped up by hiring caseworkers, but appeals depend on the quality of those initial decisions and judicial capacity, which is harder to scale. The government’s answer — the [Independent Immigration Appeals Authority](#), which would replace the immigration tribunal with adjudicators who need not be legally qualified — will not hear cases until late 2027. The second is what happens after refusal: [under half of refused asylum seekers](#) who applied between 2013 and 2022 had left the UK by early 2026, since some countries resist taking back their nationals and long stays generate new legal claims. [Returns are rising](#), but from a low base, so faster refusals alone may simply increase the number of people living in the UK without status.

The recent, and likely future, falls in legal migration will weaken the government’s fiscal position, because the decline has come from groups that make positive or broadly neutral economic impacts (namely, workers and students). At the same time, the government has not yet resolved how the social care sector will be funded and staffed once the care work route is fully closed in 2028, as well as the future funding of universities, which depends heavily on international student tuition fees. These are trade-offs the new Prime Minister will have to weigh against the desire to keep numbers low.

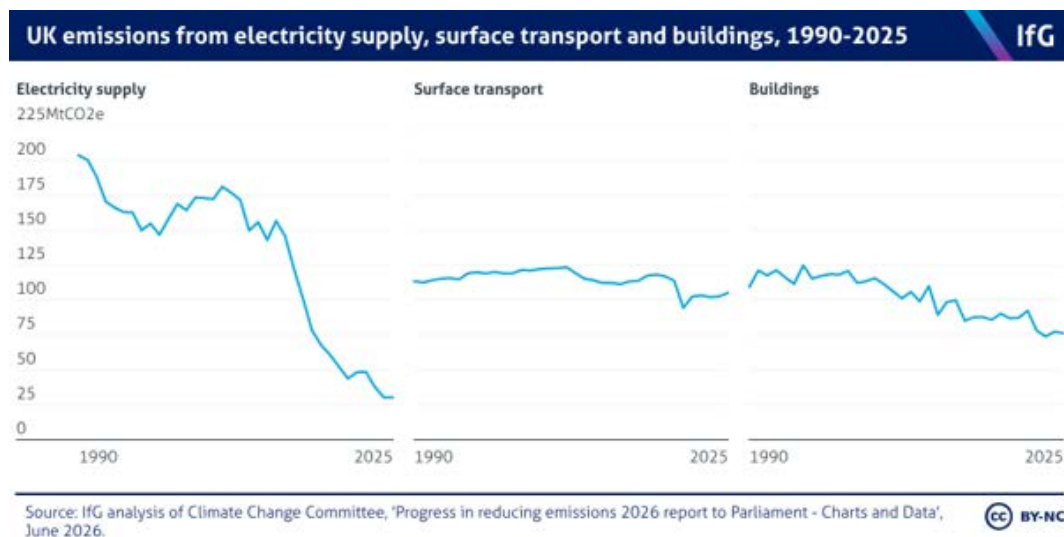
CLIMATE AND ENERGY

Rosa Hodgkin

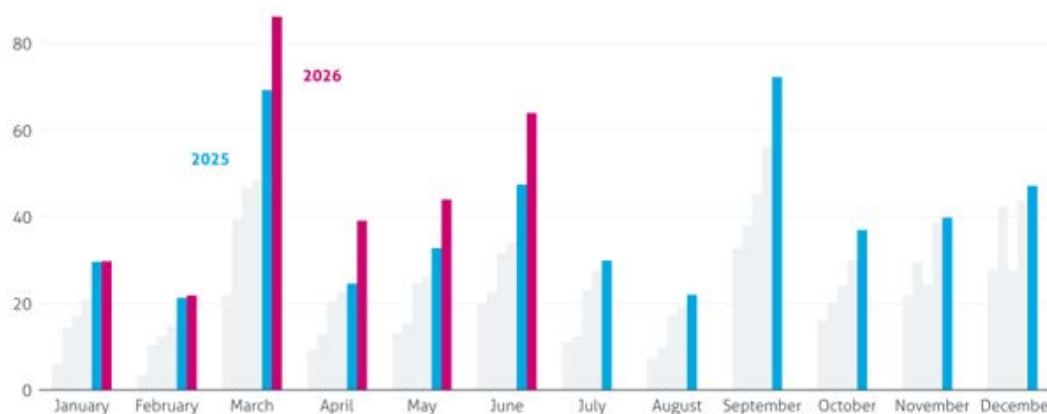
WHAT IS THE SITUATION NOW?

Decarbonising electricity, [one of Labour's five missions](#), was one of the areas that saw most progress under Keir Starmer, aided by an experienced Energy Secretary in Ed Miliband. The government moved quickly, removing some planning barriers and reducing the backlog of projects waiting for a connection to the grid. It also procured [record amounts of renewable generation](#) by offering more generous prices in energy auctions.

Even so, although UK territorial emissions are now around 50% lower than in 1990, projected emissions under the government's current plans would [fall short of achieving the UK's 2030 Nationally Determined Contribution](#) (NDC) of a 68% reduction compared to 1990 levels under the Paris Climate Agreement.



And there has been less progress on the (now) highest-emitting sectors: buildings and surface transport. The January 2026 [Warm Homes Plan](#) received a positive reception, and the [Future Homes Standard](#) means low carbon heating and high levels of energy efficiency will be required in new buildings from March 2027. After the Iran crisis pushed up fuel prices, the government also brought in targeted subsidies for households switching from heating oil to heat pumps and introduced [grants for EVs costing under £37,000](#). Yet the Climate Change Committee (CCC)'s [June 2026 report](#) said the government's plan for electrification lacked ambition, with the pace of emissions reduction needing to almost double to attain the 2030 NDC. The conflict in the Middle East may have driven an increase in interest in EVs and heat pumps, however, with [higher EV registrations since March](#) compared to 2025 and [reports from energy companies](#) of higher heat pump and solar panel sales.



Source: IfG analysis of Department for Transport (DfT) and Driver and Vehicle Licensing Agency (DVLA), 'Cars and light goods vehicles registered for the first time by body type and fuel type, United Kingdom from January 2020', July 2026. CC BY-NC

The start of Andy Burnham's premiership coincided with the third heatwave of an exceptionally hot summer following an exceptionally wet winter. As with previous governments, adapting the UK to cope with the impacts of climate change remained [the 'Cinderella' of climate policy](#) (consistently overlooked in favour of mitigation). As of the last week of August, Burnham is yet to explicitly mention adaptation publicly, despite chairing a [Cobra emergency meeting](#) on the heatwaves and [asking the public](#) to refrain from lighting any fires outdoors.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

In contrast to the previous decade, there is currently no political consensus on the need to reach net zero. Reform UK have continued [to attack the net zero target](#) and several Reform-led [councils have scrapped](#) their [climate targets](#) or [pledges](#).

The Conservatives have also [pledged to scrap the Climate Change Act and abandon net zero targets](#), arguing that climate change is real but should be addressed through market-led solutions. Badenoch has gone so far as to say no one who supports net zero would be selected as a candidate. For their part, the Greens have been surprisingly quiet in recent years on climate action, and have [opposed renewable energy infrastructure](#) at a local level, meaning there is little competition on the left for more action on climate.

It is not yet clear how the Burnham government will approach this new political landscape. The appointment of Miatta Fahnbulleh – previously a junior DESNZ minister and before that an [economic adviser to Ed Miliband](#) – as Energy Secretary suggests a level of continuity. Although Burnham has made [numerous statements](#) in support of climate action in the past, there have been few in recent months. Instead, the Prime Minister has focused on affordability issues, where energy costs are a major factor. [The](#) decision to remove VAT from electricity bills from October was described as providing a bit of ['breathing space'](#). But it is not

yet clear whether Burnham wants to do more and, if so, how. One area where he has indicated a potential change of direction is [greater public control of utilities like water and energy](#), but it is unclear what that might mean for the already highly regulated energy industry.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The immediate issue facing the government is whether it will do more to cut energy bills, most likely by removing the remaining policy costs from electricity or through the kind of targeted support which Rachel Reeves [trailed](#) earlier this year (despite resisting immediate action following the war in Iran). Cuts to policy costs and the VAT cut have the advantage of reducing the UK's high electricity-to-gas price ratio, which in turn increases the incentives for households and businesses to electrify.

The decisions about whether to allow drilling at North Sea oil and gas fields Jackdaw and Rosebank are also likely to be on the Energy Secretary's desk soon, as consultations [have closed](#). Burnham is under pressure from unions to slow the decline in North Sea production and stated he had "[something of an open mind](#)" on new drilling in June.

Longer-term, there is the question of building the grid out as quickly and intelligently as possible while keeping costs reasonable. This is needed to use all the renewable generation coming online and reduce the number of times generators are paid to turn off. New pylons have sparked [local opposition in several areas](#) but burying cables significantly increases costs, which have to be paid by all energy consumers.

The government will need to think about [the impact of electricity prices on businesses](#) too. UK industrial electricity prices are [comparatively](#) high because of greater dependence on gas, higher fixed costs and lower integration into the European electricity market. High prices could stand in the way of the new government's aims to 'reindustrialise' and attract AI investment into the UK.

Ensuring continued security of energy supplies will also be a priority, with the Iran conflict acting as a reminder of the UK's vulnerability to fossil fuel shocks alongside accelerating challenges like extreme weather. The government's move towards increasing renewable generation may already be starting to [limit rises in UK energy bills](#), with electricity prices predicted to rise less than gas prices over coming months, while also reducing UK vulnerability to global supply shocks. But it brings new challenges in [keeping the grid stable](#), with a greater proportion of generation that can fluctuate significantly, requiring investment in longer-duration energy storage, and more cooperation with EU countries.

And, finally, with extreme weather across Europe and climate impacts seemingly accelerating, this government may be increasingly pushed to break with its predecessors and start genuinely adapting the UK to climate change

DEFENCE POLICY

Ruth Harris

WHAT IS THE SITUATION NOW?

UK defence policy is undergoing a shift from an [expeditionary](#) military posture towards preparing for high-intensity war with Russia in Europe, including direct threats to the UK homeland. Although the UK remains a key, nuclear-armed member of the NATO Alliance, it faces growing questions around military readiness, the speed and scale of its defence investments, and its ability to help offset a [reducing US contribution](#) to Europe's defence and security.

The government's 2025 [Strategic Defence Review](#) (SDR) argues the security environment is more dangerous than at any time since the Cold War. It treats [Russia](#) as the primary and urgent military threat, while acknowledging threats from China, Iran and North Korea, as well as terrorism. The SDR commits to '[NATO first](#)', meaning that UK forces, procurement and planning should be shaped around the needs of collective defence in the Euro-Atlantic area. This means continuing to prepare the British military to fight alongside European and North American allies if deterrence fails.

Nuclear deterrence remains the [bedrock of UK defence](#). The government's position is that the UK's [nuclear deterrent](#) protects Britain and contributes to NATO's extended deterrence. Policy and doctrine on nuclear weapons have not fundamentally changed. The system is undergoing essential maintenance and modernisation, and the SDR states that this must be the top priority. The UK will also join NATO's nuclear sharing arrangements and field [new aircraft capable of dropping US-made nuclear bombs](#), to augment its maritime capability.

The government is also trying to rebuild conventional military [capability](#). It accepted the SDR's 62 recommendations, including moving towards wartime readiness, improving homeland defence, increasing ammunition production, and investing in air and missile defence, drones, artificial intelligence, autonomous systems, cyber capabilities and modern fighting forces.

[Ukraine](#) remains a major priority, reflecting not just the moral imperative to defend against Russian aggression, but also the direct interest of the UK and NATO. The UK has committed £3bn a year in military support for Ukraine for as long as necessary.

Finally, the SDR calls for a [whole-of-society approach](#). Defence is not a task for the armed forces alone. All of government, industry, public services, infrastructure, communities and individuals must help the country prepare for,

absorb and recover from shocks. These shocks could include cyber-attacks, sabotage, disruption to supply chains, severe weather or pressure on critical national infrastructure.

There is, however, a serious problem of money and capacity. Defence spending is rising slowly relative to many NATO Allies. The UK's [Defence Investment Plan](#) said [NATO-defined](#) defence spending would be 2.6% of GDP in 2026-27 and 2.7% from 2027-28 onwards. By contrast, countries like Poland and the Baltic States are spending around 5% of GDP, and almost a third of the UK's NATO allies will be spending 3% or more in 2026. This potentially weakens the UK's claims to political leadership within the alliance.

The government has also stated an ambition to reach 3% in the next parliament, subject to fiscal and economic conditions. But the UK has also signed up to a NATO target to spend [3.5% of GDP](#) on defence (plus another 1.5% on wider resilience) by 2035, without explaining how it might achieve this.

Meanwhile, the security environment is becoming more demanding. [Royal Navy](#) operations to monitor Russian activity in UK waters and the North Atlantic were up 25% across the first seven months of the year compared with 2025. UK military forces are currently deployed to Cyprus and the Middle East to help regional partners address missile and drone threats from Iran, and the UK is also planning for possible major deployments to help de-mine and patrol the Strait of Hormuz or to monitor any future ceasefire in Ukraine. Such operational activity places pressure on falling fleet sizes, overstretched workforces, and maintenance cycles for ageing equipment.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

There is broad cross-party support for NATO membership, assisting Ukraine and for increasing defence spending. Some critics argue that the plans are simply not enough to meet the [scale and urgency](#) of the threat or address decades of [reduced investment](#). The government is facing charges of '[corrosive complacency](#)' over their lack of action to deliver on the SDR.

The Conservatives criticise Labour for moving [too slowly](#). They argue that readiness, stockpiles and equipment need faster investment. Before leaving office, the Conservatives had pledged to reach 2.5% of GDP by 2030. [They now press Labour to go further and faster](#).

The Liberal Democrats have called for [defence bonds](#) to raise up to £20bn and reach the offer of 3% of GDP by 2030. The party supports the nuclear deterrent, while keeping a commitment to multilateral disarmament.

The Green Party wants the UK to sign the [UN Treaty on the Prohibition of Nuclear Weapons](#). It would cancel Trident and move spending towards development, investment in diplomacy, climate security and cyber resilience.

Reform UK focus on sovereignty and homeland security. They argue for [increasing defence spending at a fast rate](#). The wider critique is that the UK state has become weak and overstretched.

The debate is not about whether defence matters. It is about how much to spend and how fast to spend it, and for some is it about what security the UK should prioritise.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The UK must decide how quickly to rebuild munitions stocks, improve training, maintain equipment and strengthen air, missile, cyber and maritime defences. It must also sustain support for Ukraine while ensuring that its own inventories and underlying supply chains are not overstretched. Personnel pressures are another immediate concern. Modern forces depend on skilled people as much as equipment. Recruitment, retention, housing, pay, training and technical skills all affect readiness. The SDR places personnel at the centre of reform, but the effect will depend on sustained delivery over several years.

The UK must simultaneously fund nuclear renewal, ships, combat aircraft, air defence, space, cyber and digital systems. It must also adapt to cheaper and faster technologies, including AI-enabled systems. Defence industry will need predictable demand, access to finance, skilled workers and faster procurement processes to increase production and innovate at speed. At the same time, the UK must balance its stated goal to '[buy British](#)' with the need for speed, access to the best technologies, and interoperability with NATO allies.

The central challenge, then, is alignment. Policy, budgets, industry, personnel and public resilience must move together. If one element lags, the whole programme becomes harder to deliver. The UK has set a clearer direction than in recent years. The test now is whether the seriousness of funding, procurement and implementation can match the stated ambition and the scale and speed of the threat.

UK-EU RELATIONS

Anand Menon

WHAT IS THE SITUATION NOW?

Brexit has become a subject of renewed debate, not least because a broad consensus has emerged about its significant [impact](#) on the UK economy. At a time of growing fiscal pressure and a desperate search for growth, a 3-5% hit to GDP – with goods trade particularly badly affected – cannot easily be ignored.

The Starmer government undertook a ‘reset’ of relations with the EU aiming to deepen trade and security cooperation while respecting its manifesto ‘red lines’ of no return to a customs union, the single market or free movement of people. Its positive tone was welcomed in European capitals, and relations have warmed significantly since 2024. Yet, while Starmer oversaw the signing of a Security and Defence Pact, and agreement on issues such as UK participation in the Erasmus+ exchange scheme, negotiations on the main economic priorities of the ‘reset’ were still ongoing when he resigned as Prime Minister.

Concluding the talks has proven tricky, not least because they are contingent on the agreement of a youth mobility scheme. Here, [disagreements remain](#) over whether numbers should be capped and whether EU nationals should be entitled to much lower ‘domestic’ tuition fee rates (something which would either hit UK universities’ funding, or require a UK government-funded top-up). Should negotiations be completed, they will not be economically revolutionary: adding [only a fraction of a percent](#) to UK GDP over the next fifteen years.

As for prospects under the new government, much will hinge on Prime Minister Burnham’s approach. Although [on the record](#) as supporting the UK rejoining the EU, he has moderated this stance significantly since standing for election in the Leave-voting seat of Makerfield: barely mentioning the topic at all other than a [vague ambition](#) to “consolidate the progress” of existing negotiations.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Brexit is no longer anywhere near as salient as it was when the UK was negotiating its exit. That being said, the Starmer government showed signs of being interested in weaponising the issue to attack the Conservatives and Reform UK, and towards its end, there was a growing debate within the Labour Party about whether the red lines from the 2024 manifesto should be respected.

In contrast, both [Reform UK](#) and the [Conservatives](#) have stated that they will resist any new arrangements negotiated by Labour with the EU, emphasising in particular their opposition to new arrangements for food that involve the UK

‘[dynamically aligning](#)’ with EU rules over which it has no formal say. In addition, [both parties](#) have signalled their intention to take the UK out of the European Convention on Human Rights which, as we [have argued](#), would ‘likely lead to the suspension of the UK-EU Trade and Cooperation Agreement: adding major costs to UK trade with the EU and necessitating the renegotiation of the Belfast/Good Friday Agreement’. Reform UK have also [proposed](#) banning foreigners – including EU citizens with settled status – from claiming benefits: a move that would require a renegotiation of the Withdrawal Agreement and would likely spark EU retaliation, affecting British people living in the EU.

The Liberal Democrats and Green Party, for their part, have argued for a more ambitious reset. The latter are in favour of ultimately rejoining, supporting a customs union and freedom of movement immediately. The Liberal Democrats back UK entry into the single market and customs union. The Europe question, then, is far from eliciting the kind of broad cross-party consensus that characterises, say, attitudes towards the war in Ukraine.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

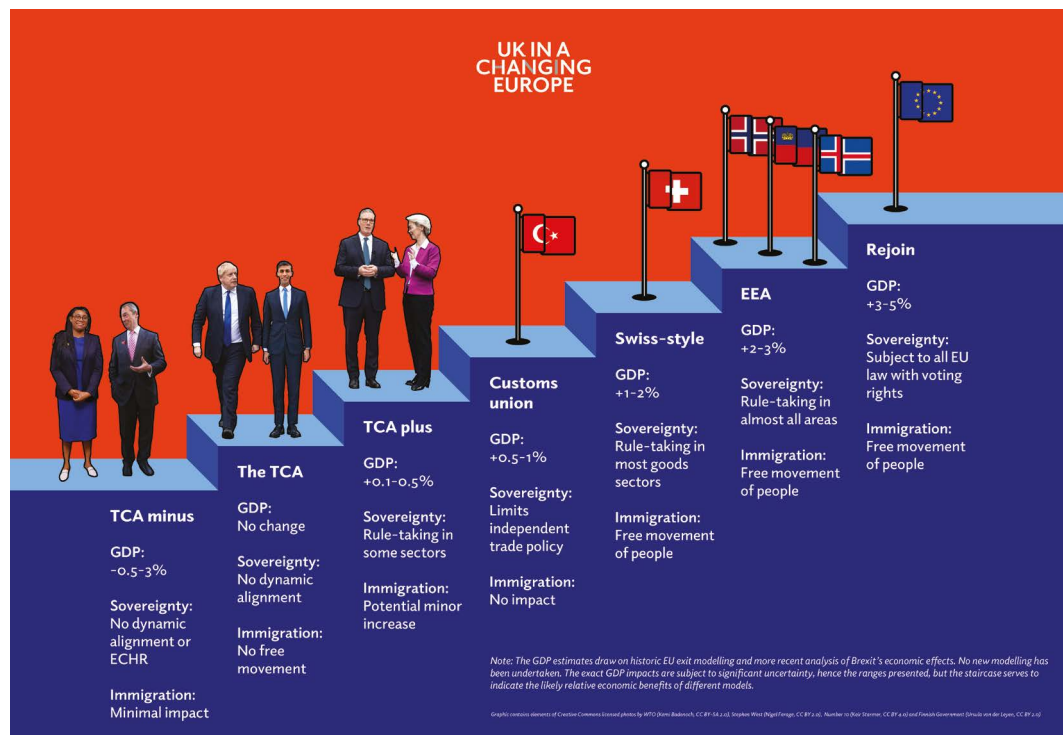
The immediate priority for the government will be to reschedule the UK-EU summit and attempt to get ongoing negotiations – on an agricultural deal, linkage of carbon pricing systems, and youth mobility – over the line beforehand.

Beyond that, there is the question of what ambitions, if any, the new government has for building on these measures. The new Minister for Europe, Hamish Falconer, [has indicated](#) that he intends to move faster and be more ambitious in securing closer ties with the EU, but there is as yet little to suggest that there is a credible plan for doing so.

To take one example: Falconer has stated that he thinks there is scope for progress on trade in services, including in the area of mutual recognition of professional qualifications. Yet, while this was a key ask of the Starmer government, which could imply significant benefits for UK-based lawyers and architects among others, there has [never been much EU interest](#) in negotiating what is seen by many in Brussels as a privilege of participation in the single market. There is a risk that this government repeats the mistakes of its predecessor in assuming that the EU is more willing to give concessions to a friendly UK government than is actually the case.

More broadly, Falconer has spoken about applying the ‘Makerfield test’ to EU negotiations, ensuing they deliver tangible change to ordinary people struggling with the cost of living. The kinds of agreements currently being negotiated will not significantly move the dial when it comes to people’s experience of the everyday economy.

Indeed, it is [difficult to identify](#) further areas of cooperation that would not involve the crossing of the 2024 manifesto red lines. Greater economic benefits necessarily imply larger trade-offs when it comes to conceding decision-making autonomy and accepting free movement of people.



Beyond the formal negotiations with the EU, the government must also come up with a way to react to recent EU initiatives that pose significant challenges to UK businesses. The ‘Made in Europe’ local content rules due to take effect via the Industrial Accelerator Act currently under negotiation could have significant negative implications for the participation of UK firms in EU supply chains should the government fail to persuade the EU otherwise.

Looking further ahead, the government will need to start considering how it might approach the issue of the EU at the next election. There are some in the Labour Party who have argued that the red lines should be watered down, if not removed entirely, with some MPs pressing for the party to adopt a position of rejoining, not least as a way of crystallising the division between the ‘progressive’ left and the parties on the right.

Ultimately, the government will have to decide whether the ‘Makerfield test’ means genuinely seeking substantive improvements to the everyday lives of British people or respecting the political sensitivities of Leave voters.

FOREIGN POLICY

Anand Menon

WHAT IS THE SITUATION NOW?

Keir Starmer was generally thought to have handled foreign policy well, albeit ‘never here Keir’ was criticised for devoting too much time to international matters. In his defence, his premiership coincided with a period of profound international instability and a succession of challenges, including the need to deal with an unpredictable American President (who at one point seemed to threaten the territorial integrity of a NATO ally); to respond to crises in the Middle East and the Gulf; to rebuild relations with European partners; and to figure out how best to manage relations with China, both a major trading partner and a potential security risk.

But although Starmer proved relatively adept at reacting to, and managing, crises, what he signally failed to do was address the difficult choices increasingly confronting the UK: relating its key relationships and the challenges confronting a medium-sized power in a world dominated by competition between continental-sized economies.

We currently know very little about the intentions of his successor. Andy Burnham has no track record when it comes to foreign policy, and has been keen to stress that his focus will be on domestic issues.

New Foreign Secretary Ed Miliband has [stated](#) he intends to put the climate crisis and international development at the heart of his foreign policy (under Keir Starmer, aid spending was [reduced](#) from 0.5% of GNI to 0.3%, with a large proportion of that devoured by domestic spending on refugees). In his inaugural remarks to Foreign Office staff, he [emphasised](#) values and international law as much as he did UK national interests.

What is less clear is whether the new Prime Minister shares these liberal internationalists values, and whether, if he does, a focus on law, climate and development is feasible in an international environment increasingly [characterised](#), as John Bew has argued, by raw power.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Foreign policy is not a decisive issue in UK politics. Under Starmer, there were occasional political spats over specific issues such as the deal ceding control over the Chagos Islands (relations with the EU, where there is genuine disagreement, is covered in a [different section](#)). There has been more sustained debate over

his attempts to foster close relations with the Trump administration. The Liberal Democrats have [called for](#) the UK nuclear deterrent to become entirely independent of US technology, have introduced [proposals](#) to block US interference in UK politics, and have demanded that the UK withdraw consent for the US to use military airbases in the conflict with Iran.

On the other side of the political spectrum, Nigel Farage has, as I noted in [this report last year](#), had to row back somewhat on his earlier enthusiasm for emphasising his close relationship with the US President, while early attempts by the Conservatives and Reform UK to attack Keir Starmer over his failure to support the US war with Iran proved short-lived (and ill-judged).

The Green Party had seen its membership numbers surge, partly because of dissatisfaction with the Starmer government's approach to the occupation of Gaza. Yet the party is struggling to define foreign policies to attract floating voters and withstand the more intense scrutiny to which it is being subjected. There is the [prospect](#) of bitter fights at its autumn conference as members seek to update positions on issues such as defence spending and NATO.

Both the Conservatives and Reform UK have been critical of what they see as insufficient progress towards raising defence spending, with Kemi Badenoch offering to work with Starmer or his successor to [legislate for](#) welfare cuts to fund higher spending.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The immediate issues confronting the government centre on the trade-offs necessary to meet its defence spending commitments, and the need to consider whether and when to reschedule the UK-EU summit that was postponed in July, while beginning to plan for the UK's Presidency of the G20 in 2027.

Longer term, reconciling means and ends will continue to be a challenge in a time of heightened fiscal pressures. Meeting existing pledges on defence spending will necessitate some compelling arguments as to why scarce resources should be spent on international as opposed to domestic priorities. Former Foreign Secretary Yvette Cooper had begun to [argue](#) that “effective foreign policy is domestic policy”, but a more concerted effort to emphasise the importance of foreign policy will be required should the government be serious about attaining the target of spending 3% of GDP on defence during the next parliament.

Development assistance will also be subject to fiscal pressure, not least given the rhetorical emphasis placed on this by the new Foreign Secretary. Initial [indications](#) are hardly encouraging for Mr Miliband. The new Prime Minister

funded his £2 cap on bus fares by changing international climate donations – largely intended for the poorest countries – into repayable loans. It has also been revealed that Kirsty McNeill, aid minister, will not attend cabinet as her immediate predecessors did.

The government will also face pressure to formulate a more strategic response to a rapidly shifting international environment. Outside the European Union, Mr Burnham will have to calibrate his approaches towards the US, EU and China, conscious not only of the need to avoid excessive dependence (on China for critical minerals and on the US and China for key technologies), but also of the ways in which policies towards one might impact on the attitudes of the others.

There are clear dangers for the UK in excessive dependence on a less than reliable United States. President Trump's unpredictability has sparked conversation among European allies about how they might compensate for a less reliable US security guarantee – conversations the UK will need to work harder to participate in fully as a non-member state. At the same time, growing tensions between the EU and the US might force the UK into the kind of choice between the two that post-war British foreign policy has attempted for so long to avoid.

“Our purpose is to shape the world, not to be shaped by it” declared Yvette Cooper in a speech at Chatham House. This is all the more important when the domestic impact of ‘international’ events such as the wars in Ukraine in the Gulf are more apparent than ever. The ultimate danger, however, is that, in a world increasingly shaped by the interactions of continental-sized blocs, and in which the post-Second World War liberal international order seems to be under increasing strain, even a relatively influential middle power such as the UK risks being unable to do so.

DEVOLUTION IN ENGLAND

Andrew Carter

WHAT IS THE SITUATION NOW?

English devolution has expanded considerably over the last decade, albeit from a highly centralised starting point, and with national conditions still limiting local autonomy. In particular, after an initial focus on creating mayoral authorities for the big cities, there are now [14 Mayoral Strategic Authorities \(MSAs\), covering around 52% of England's population.](#)

The [English Devolution and Community Empowerment Act 2026](#) established Strategic Authorities in law and expanded their responsibilities through a tiered framework. The framework represents a move towards greater standardisation after a decade in which devolution developed largely through individual deals, although differences between places remain. It also formalised a 'Right to Request', allowing Mayoral Strategic Authorities to ask government for additional powers on an ongoing basis, with government required to consider and respond to those requests.

Mayors' primary responsibilities concern the local economy. They join up their responsibilities in Local Growth Plans, which set out a long-term strategy for economic growth across transport, business support, innovation, skills, housing and regeneration. In addition, mayors also have some responsibilities related to environment and net zero, health, wellbeing and public service reform, public safety, and culture.

Seven MSAs currently have [Integrated Settlements, with nearly £16bn committed between 2025-26 and 2029-30.](#) These combine more than 30 funding pots from eight government departments, although departments remain heavily involved in determining how the money is spent.

The Burnham government's '[Rewiring the State](#)' programme, published in July 2026, proposes to go considerably further than the incremental deal-making approach that characterised earlier phases of English devolution. It commits every part of England to being covered by, or establishing, a Strategic Authority by the end of 2027, with full coverage by the end of 2028. Areas will not have to adopt mayors, although mayoral areas will continue to receive greater powers and funding. No10 North has assumed responsibility for devolution strategy from MHCLG and local economic growth policy from the Treasury, while mayors have been brought into national economic policymaking through the National Economic Council.

Significantly, Burnham has set out an important change to how MSAs will be funded. From 2028, mayors are expected to be given a share of income tax generated in their areas in place of some of the grants they receive from central government, alongside greater retention of business rates. Strategic Authorities will also be able to introduce an ‘overnight visitor levy’. This reflects the fact that [just 4.8% of national taxation is collected sub-nationally](#), the lowest share in the G7. [Centre for Cities analysis](#) suggests that replacing existing economy-related Integrated Settlement funding would require roughly 7% of locally raised income tax revenues in mayoral areas in the North and Midlands, and less than 2% in London.

Initially, income tax sharing will change how existing spending is funded, but over time it will create a more direct relationship between local economic performance and the revenues available to mayors, increasing their flexibility and ability to borrow to invest in local priorities. The precise design of the tax-sharing arrangement and the additional mayoral powers will be set out in a white paper scheduled for autumn 2026.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

The new Prime Minister, himself a former metro mayor, has made devolution central to his political and policy project, arguing that it will improve growth, public services and living standards. This has disrupted the relatively stable cross-party consensus of the past decade. There remains broad political support for moving decisions out of Whitehall but there is less agreement over the scale, form and objectives of devolution.

The Conservatives, once the pace-setters for devolution, have become more sceptical, arguing that more devolution is not itself an answer to weak growth, and criticising No10 North as a gimmick. Reform UK, despite having two mayors, has criticised expansion of the mayoral model as an additional layer of bureaucracy. The Liberal Democrats and Greens remain supportive of devolution, but argue that the government is too focused on big cities and larger mayoral authorities.

The debate is likely to focus on what kind of devolution England should have: how powerful mayors should be; whether economic and fiscal powers should accompany responsibility for public services; and how powers should be divided between central government, mayors and local authorities.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

The immediate challenge is implementation. England is simultaneously expanding the number of Strategic Authorities and giving them more responsibilities, and reorganising local government into a single-tier system. Many mayoral authorities lack the staff, expertise and administrative capacity needed to exercise their expanding powers. The government has acknowledged this challenge and has committed to transferring additional resources alongside any additional functions, and to transferring civil servants from Whitehall.

This expansion is taking place against a very difficult financial backdrop for local government. Strategic Authorities depend on functioning councils to deliver many services, yet 35 councils were budgeted to receive £1.5bn of Exceptional Financial Support in 2026-27. Devolving strategic responsibility will not resolve these financial problems, and councils struggling to maintain statutory services or balance their budgets will constrain the wider devolution agenda.

In the medium term, fiscal devolution will become a core issue. Tax sharing will strengthen the relationship between local economic growth and the resources available to mayors. But tax bases differ substantially between places. A system that allows areas to retain more of the proceeds of economic growth will also need to reconcile incentives for local growth with redistribution between places with different economic strengths.

Meanwhile, larger budgets and broader powers will increase the need for effective scrutiny and clarity over which institutions voters should hold responsible for what outcomes.

Finally, there is the question of impact. Burnham's political case for devolution is ambitious. But devolution is a change in the machinery of government, not an outcome in itself, and its effects on growth and spatial inequality are not automatic. Greater local control will improve coordination and allow policy to reflect local circumstances, but outcomes will also depend on resources, institutional capacity, national economic policy and differences between places.

The next phase of devolution will be judged not by how many powers leave Whitehall, but by whether mayoral authorities use them to improve outcomes.

DEVOLUTION IN THE UK

Nicola McEwen

WHAT IS THE SITUATION NOW?

Prime Minister Andy Burnham has made it his [mission](#) to “take power out of Westminster and carry it into every postcode in the country”. But it is not clear the ‘devolution revolution’ will extend beyond England’s borders.

Of course, one might think there is less need to progress devolution to Scotland, Wales and Northern Ireland, because they already have far more autonomy from Westminster than [English regions](#). But Scotland and Wales are nations, not regions. And following the elections in May, the Prime Minister must now face three First Ministers from nationalist parties whose ultimate goal is political independence or, in the case of Sinn Féin’s Michelle O’Neill (whose responsibilities in office are shared with the DUP’s Deputy First Minister), to secure Irish unity.

Both the [SNP](#) and [Plaid Cymru](#) were elected on manifesto commitments to increase self-government. Both emerged triumphant in contests that witnessed Labour’s continued decline in Scotland and its decimation in Wales. Ignoring their calls for further powers whilst championing devolution in England risks destabilising the Union itself.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

There have been long-standing calls, including from successive independent [constitutional commissions](#), to devolve further competences to the Senedd, most notably over policing and justice. Plaid Cymru’s [manifesto](#) reiterated these calls, alongside the devolution of powers over the Crown Estate, rail, port regulation, Air Passenger Duty, social security and some aspects of energy policy.

The SNP manifesto called for the devolution of energy policy, employment law, further fiscal autonomy, a Scottish visa scheme, and legislative competence for an independence referendum. These calls have the backing of the Scottish Green Party, whose 15 MSPs join the 57 SNP MSPs in the largest pro-independence majority to date in the Scottish Parliament.

But the Westminster parliament is the legal custodian of the Scotland and Wales Acts and of the future of the Union. The Prime Minister has already [informally rejected](#) a second independence referendum. Neither he nor the Secretary of State for Scotland, Douglas Alexander - whose relationship with the Scottish Government can best be described as grim - have responded positively to the

other devolution demands. Secretary of State for Wales, Stephen Kinnock, [professed](#) himself unconvinced of the need for further devolution, [suggesting](#) that devolution could destabilise policing and the Crown Estate.

Both the SNP and Plaid Cymru focused on the cost-of-living crisis in the May elections, reflecting voter priorities. Constitutional battles may thus be seen as an unwelcome distraction by an electorate who want their governments to work together to get things done. Nonetheless, championing devolution in England while snubbing calls for devolution in Scotland and Wales does not bode well for intergovernmental relations.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

Labour entered office in 2024 with a commitment to respect devolution and ‘reset’ the UK government’s relationship with the devolved governments, following a deterioration of intergovernmental relations under the Conservatives against the backdrop of Brexit.

This included bringing forward a [statutory review](#) of the 2020 UK Internal Market Act, legislation [enacted](#) despite considerable opposition from, and without the consent of, the devolved legislatures. The Act was intended to facilitate frictionless trade across the UK after Brexit. Exclusions from its ‘Market Access Principles’ can be sought, without guarantee of being granted, bringing complexity and uncertainty to the legislative process. Without such exclusions, some rules drawn up by devolved governments would not apply to goods and services from other parts of the UK, making it more difficult to realise policy goals. The Act also allowed the UK government to spend directly in devolved policy areas, bypassing the established system of territorial finance and often bypassing the devolved governments. The statutory review committed to environmental and public health benefits being evaluated alongside the economic costs of regulatory divergence in weighing up exclusion requests. But this is [unfinished business](#) for the devolved institutions, and there remains a lack of clarity about how, and by whom, these additional criteria will be considered.

The Labour government also promised to restore the Sewel Convention - the process of securing consent from the devolved legislatures before enacting legislation in the Westminster Parliament on devolved matters. Long a pragmatic tool for coordinating legislation across governments, this was an important symbol of the authority of the devolved institutions within a constitutional framework otherwise founded upon the undiluted sovereignty of the Westminster parliament. But that symbolism was somewhat undermined during the Brexit process when withheld consent was largely ignored by the UK parliament. It

was further undermined when the UK Supreme Court confirmed that the Sewel Convention, which was written into the Scotland and Wales Acts, has no legal effect.

These outstanding issues should be in the Prime Minister's in-tray. If not, he will surely confront them in intergovernmental forums. Meaningful discussions over further devolution to Scotland and Wales may also be hard to dismiss while championing devolution in England. Such discussions may come with pressure on devolved governments to devolve powers to Scottish and Welsh regions, but devolution within Scotland, Wales or indeed Northern Ireland would ultimately be a matter for the devolved institutions themselves. Over the longer term, simply rejecting calls for an independence referendum may not be enough, especially if support for independence increases. There is an opportunity now to consider, dispassionately, what would constitute and trigger a legitimate process for determining the future of these islands.

The Prime Minister is undoubtedly committed to devolution. He may well prove to have a transformative impact on the governance of England. But to be an effective Prime Minister of the United Kingdom requires understanding and carefully managing the complex set of territorial relationships and identities between the nations of these islands.

TRUST IN POLITICS

Will Jennings

WHAT IS THE SITUATION NOW?

Some say we have always distrusted politicians, but [studies](#) suggest that political trust has declined across the democratic world in recent decades. Britain is a particularly acute case: when the British Institute for Public Opinion polled Brits in 1944, 35% said British politicians were ‘out for themselves’ (while 36% said they were ‘out for their country’). When the same question was asked by [YouGov in August 2025](#), 67% now viewed politicians as self-serving. [Studies](#) drawing upon volunteer diaries from Mass Observation suggest voters are more cynical and pejorative about politicians today compared to the past – even if there was no golden age of trust in British politics.

A variety of structural factors and shocks have combined to exacerbate this decline, including episodes of parliamentary sleaze and scandal (perhaps most prominently over parliamentary expenses and Partygate). More recently, Keir Starmer discovered what Tony Blair had meant when he declared that government must be ‘purer than pure’ when gifts of relatively small financial value became a focus of controversy soon after taking office.

Divides over Brexit and the emergence of new political ‘tribes’ have contributed to suspicion of Britain’s ruling class, while two decades of stagnating real wages and a loss of confidence in the state to handle issues ranging from immigration to climate change has further eroded trust. Increasingly, societal division appears to be being intensified by the fragmented, hate-promoting and segregated information environments that we inhabit – leaving extremism, misinformation and calls for civil unrest to circulate unchecked.

Across Britain, rising distrust is often linked to public resentment about the concentration of economic and political power in the capital – for example a [recent survey](#) of the English public revealed widespread belief that ‘politicians in Westminster don’t really care about my region’ (+50 net agreement with this statement).

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Successive Prime Ministers have come to power pledging to restore political trust. Tony Blair’s commitment to transparency led him to pledge to lead “a government that seeks to restore trust in politics in this country”; Boris Johnson promised to “repay the trust” of voters who had backed the Conservatives for the first time in 2019; soon after taking office Keir Starmer said that he would “restore honesty

and integrity to government”. No doubt each meant it, yet each failed to deliver. What is it, then, about British politics that makes it so hard to restore trust?

One reason is that while there may be a collective, system-wide interest in rebuilding trust, individual actors have incentives to engage in short-term behaviours and tactics that erode it. The opposition and media are focused on scrutinising government failings, while populists in particular claim that the political establishment can’t be trusted, with some going so far as to claim the political mainstream have ‘suicidal’ tendencies. Campaign groups are primarily focused on getting their favoured issues on the political agenda. Even politicians in government adopt language that suggests people and places have been failed by an out-of-touch ruling class. Interviews with former politicians and advisers [suggest that](#) those in power often accept low levels of political trust as a given.

There is also a concerning sense of fear or inaction in today’s politicians when faced with the power of tech barons. A platform like X has been used to fuel civil unrest, egged on by its owner, and yet ministers have been largely passive in response to this serious threat to national security. The spread of hate and misinformation on social media, and the slow and weak response of regulators, has created an environment in which citizens frequently encounter information that sows distrust in democratic politics, and which ultimately undermines the ability of Britain’s politicians to govern. Yet many seem unwilling to directly challenge the status quo, while others quietly stand back and hope to benefit from an environment in which voters lack trust in government.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

There is an intrinsic tension in the trust debate between deliverism, ethics and empathy. The first school of thought suggests that government must simply deliver improved living standards and policy outcomes so that people experience a better life. A government that presides over rising wages and improving public services will be trusted more. There is something to this, but it is clearly not enough when people feel disrespected and disregarded by those in power.

A second school of thought suggests that governments must be seen to keep promises, act honestly and adhere to a strict formal code of conduct. While avoiding scandal and breaking pledges is a way to avoid further erosions of trust, [it seems unlikely](#) that trust could be significantly rebuilt this way soon. Distrusters are likely to remain distrusters when change focuses on institutional processes and conduct.

The third school of thought argues that people must feel that government cares about them and will reliably protect their interests. Re-wiring the state

and changing the institutional balance of power in Britain, as Andy Burnham has promised to do, might for some people foster a sense that government is to be trusted. But place-based grievances require more than formal reforms. Political communication needs to speak to concerns about material conditions. Government needs to be able to tell a story about delivering both material and symbolic improvements for people and places that shows it understands and cares about them.

The announcement of the creation of No10 North suggests that the Burnham government gets this, but it still needs to deliver real change in how things are done. The degree to which the British government can address these challenges in a context of wildly unregulated information while being buffeted by global economic uncertainties remains to be seen. Any failure to take trust seriously risks, however, facing an even more discontented and disgruntled public at the next election.

FRAGMENTED POLITICS

Rob Ford

WHAT IS THE SITUATION NOW?

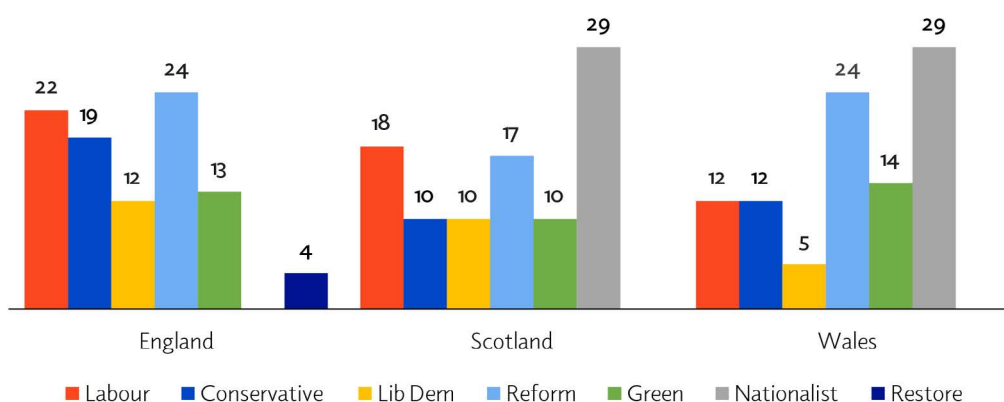
British politics has been fragmenting for decades, but this trend has dramatically accelerated in recent years. In all three nations of mainland Great Britain, at least five parties are now above 10% in recent polls, with no party topping 30% (see figure below), while Northern Ireland [has its own, also fragmenting, party system](#).

This splintering of voting reflects changes on both the supply and demand sides. On the supply side, voters almost everywhere now have more options on their ballot papers in local, devolved and general elections, as smaller parties have become more organised and capable of fielding candidates. This in turn reflects, and helps to organise and express, changes on the demand side, as loyalties to the traditional governing parties have eroded, and new dividing lines – over age and education, identity and values – have splintered the electorate.

Multi-party politics has become the norm across Great Britain

Current levels of electoral support for the leading political parties in England, Scotland and Wales.

UK IN A
CHANGING
EUROPE



Source: England – YouGov poll 16–17 August 2026; Scotland FindOutNow poll 4–10 August 2026; Wales YouGov poll 12–19 March 2026.

Fragmentation has also magnified the impact of the first-past-the-post electoral system, where modest variations in support can produce wild variations in outcomes. At the last general election, Labour won nearly two-thirds of seats with little over one third of the vote, [the most disproportional outcome ever](#). At local elections since 2024, Reform UK have [won majorities](#) on some councils with around 30% of the vote, while on others a similar vote share left them well short. These distortionary effects also apply in individual contests, where many candidates are [now elected](#) despite a large majority of local voters backing someone else.

Fragmentation is also interacting with devolution and nationalism. Nationalist parties with no presence in England, and often antagonistic relations with Westminster, are now the strongest forces in all three devolved nations, while the party which has led in English polling and local elections since mid-2025 – Reform UK – has a strong English nationalist streak.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Fragmentation is already changing the political conversation at all levels. [Nearly half](#) the English councils which held elections in May 2026 are now in no overall control, including 31 of the 64 councils which began with a single-party majority.

Decades of Labour dominance ended this year in Wales, which is now governed for the first time by Plaid Cymru alone; the SNP are in their weakest position in the Scottish Parliament since 2007 after major gains for Reform UK and the Greens; while in Northern Ireland growing fragmentation on both sides of the unionist-nationalist divide could make governance even more complicated after elections due next May.

Fragmentation is also changing the political debate at Westminster. A more complex and volatile polling environment, with voters divided across multiple parties within two ‘blocs’ – progressive-left and nationalist-right – complicates the task of party strategists. If they aim for the centre ground, they risk losing ground to populists on their radical flanks. But proposals which imitate radical leaders and please radical voters may risk lending credibility to ideas which are extreme in principle and undeliverable in practice.

The dilemma is deepest for the governing Labour Party, which dominates the current House of Commons. They have already paid a heavy price in the polls for disappointing voter expectations, and a more fragmented environment deepens internal tensions: MPs facing re-election in an area where Reform UK are surging will have very different priorities to those representing a patch where the Greens are on the march.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

Accommodating fragmentation is a live and ongoing issue for local governments in England, where the changes have been largest and most abrupt. Many areas where one party has governed with a majority for years or decades are now having to adjust to multi-party cooperation. Some changes are extreme – for example Birmingham City Council went from 14 years of Labour majority rule to a council chamber with six large groups. It took a month to agree a new council leadership, with the Liberal Democrats (the fifth largest party) heading up a minority

coalition with the Greens and independents. Fractious coalition politics may make it harder for some councils to respond to escalating financial pressures and rising demand for social care and other services.

Fragmentation will also complicate the current government's plans to expand the scope and remit of combined authorities, often with directly elected Mayors. This could produce growing tensions between the political priorities of a Labour-dominated central government, and those of combined authorities headed up by other parties. Real devolution requires empowering not just friendly local leaders to chart their own course but also those from rival parties, and the cultural change this requires from the centre will likely become a growing issue.

Nothing can be taken for granted in a volatile context where large and rapid polling shifts have become the norm, but the next general election looks likely to deliver a more fragmented outcome than 2024, which was already the most fragmented ever in terms of votes, if not seats. Voters and parties will have to navigate a landscape in which both cooperation among allies and division among rivals could prove crucial in determining many constituency results. Parties and their leaders also need to decide where and how they might work together in a hung Parliament, an outcome which looks highly plausible on current polling.

The most obvious longer-term challenge from fragmentation is to the viability of the first-past-the-post electoral system currently used for Westminster elections UK-wide and local elections in England and Wales. There is a growing acceptance across much of the political spectrum that fragmentation is here to stay [and that first-past-the-post is ill equipped to accommodate it](#). If local elections and the next general election continue to follow that pattern, there will be growing pressure for reform of the electoral system, and with the new Prime Minister [in favour](#), the reform debate may progress quickly in the rest of the Parliament.

But, as with devolution, reform of the institutional rules is just the starting point. Genuinely accommodating the political diversity of a fragmented electorate will require a shift in political culture away from the model which has existed for generations, in which all political debates are framed in terms of a contest between government and opposition. Changing such a mindset will be hard. It has been baked into the norms and structure of Westminster, including the House of Commons itself. But if fragmentation is here to stay, then politics will have to adapt.

ELECTORAL REFORM

David Klemperer

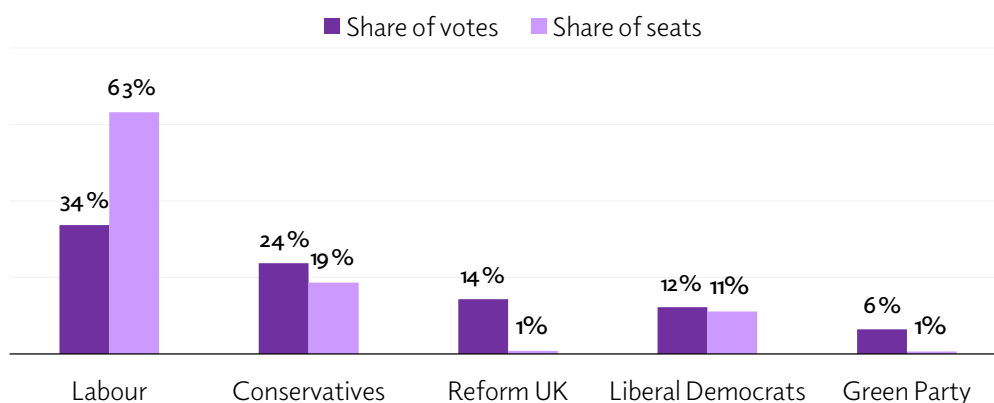
WHAT IS THE SITUATION NOW?

The July 2024 general election produced the most disproportionate result in British history: Labour won more than 63% of seats despite winning less than 34% of the vote; Reform UK and the Greens won less than 2% of seats between them despite together winning over 20% of the vote.

The last UK general election produced the most disproportionate result in British history

Proportion of votes and seats won, by the largest parties in England, at the 2024 UK general election.

UK IN A
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EUROPE



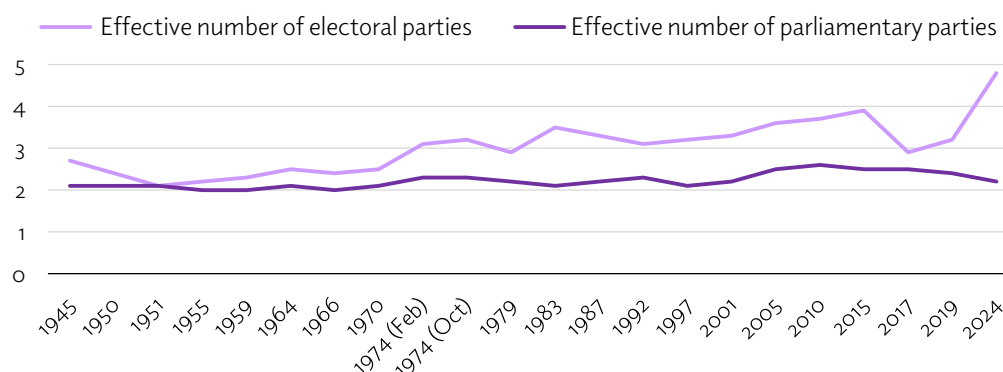
Source: UK Parliament: Results for the UK general election on 4 July 2024.

This result was the product of the interaction between the UK's first-past-the-post (FPTP) electoral system – whose winner-take-all-logic and single-member constituencies disproportionately reward large parties and those with geographically concentrated support – and the electoral reality of [increasing political fragmentation](#), with voters no longer content to confine themselves to choosing between two main parties.

Voters are increasingly unwilling to choose between the two main parties at general elections

UK IN A
CHANGING
EUROPE

Effective number of parties standing for election and effective number of parties elected to parliament, at UK general elections, 1945-2024.



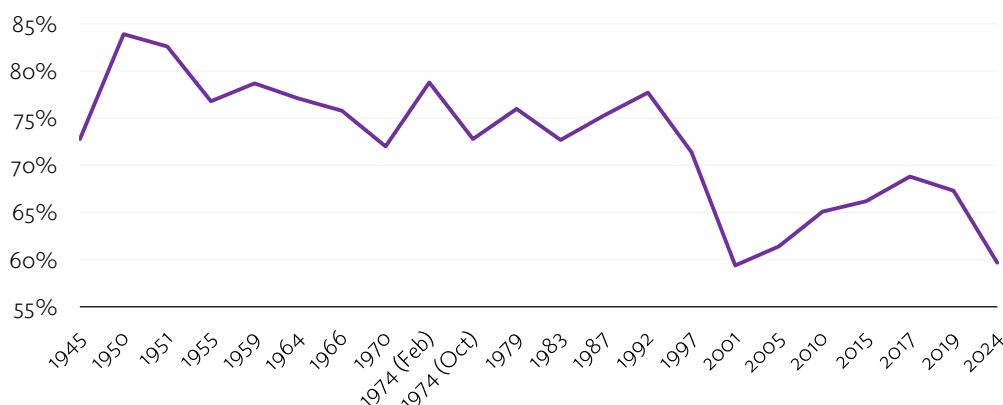
Source: University of Nottingham: the database of WHO governs in Europe and beyond. Effective Number of Electoral Parties (ENEP) and Effective Number of Parliamentary Parties (ENPP) are established indices used by political scientists to measure how many parties (weighted according to size) are in a party system following a given election, amongst the electorate and in Parliament respectively. The respective formulae are $ENEP = 1/\sum v_i^2$ and $ENPP = 1/\sum s_i^2$, where v_i/s_i is the proportion of votes/seats of the i th party.

This election also saw turnout – already low by international standards – fall to its second lowest level since universal suffrage was introduced. Less than 60% of registered voters (and [barely more than 50% of eligible voters](#)) cast a ballot. Non-voting was [particularly concentrated](#) amongst younger, poorer, and more economically insecure demographics.

Turnout at the 2024 general election was close to the lowest-ever level since universal suffrage

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Turnout among registered voters at UK general elections, from 1945-2024.



Source: CLOSER, Turnout at UK general elections.

The combined effect of low turnout, political fragmentation, and FPTP is that election results are increasingly volatile, and governments can be elected on extremely narrow bases of support. Meanwhile, differential turnout rates and FPTP's premium on geographical concentration of support both distort incentives for political parties – pushing them to focus on some voters more than others. This has all sparked renewed interest in the idea of electoral reform for Westminster elections.

Things already operate differently at the devolved level in Scotland, Wales, and Northern Ireland, where legislatures are elected using voting systems based on the principle of Proportional Representation (PR) – the idea that the share of seats won by each party should roughly match its share of the vote.

WHAT IS THE STATE OF THE POLITICAL DEBATE?

Defenders of the current set-up argue that FPTP has historically served to prevent political fragmentation, produce strong single-party governments, and provide clarity and direct accountability for voters at both the constituency and the national level. In countries which use PR electoral systems, generally no single party wins enough seats to form a government alone, making multi-party coalition governments the norm. For supporters of FPTP, such coalitions undermine accountability and limit the ability of voters to choose between alternative governments.

However, the UK has a long-standing electoral reform movement that campaigns for the replacement of FPTP with a PR system. Electoral reformers present PR as inherently fairer and more democratic, and contest the idea that single-party majority governments are necessarily superior to coalitions. They also argue that whatever advantages FPTP may once have had no longer apply. The rise of [five-party politics](#) shows that it is demonstrably failing to prevent [political fragmentation](#): under multi-party conditions it risks creating confusing tactical situations for voters at the constituency level, and producing extreme and even seemingly perverse or random results at the national level.

New campaigns have also emerged aiming to change who votes – by expanding the franchise through [granting the vote to all legal UK residents](#), or by ensuring near-universal turnout through [Australian-style compulsory voting](#). These campaigns argue that who votes is just as important as how we vote, and that a wider and more representative electorate would improve incentives for politicians.

Polling suggests the public is open to electoral reform, with majorities now favouring both [replacing FPTP](#) and [introducing compulsory voting](#). Amongst politicians, PR has historically been backed by smaller parties, such as the Liberal Democrats and the Greens, that have been disadvantaged by FPTP (Reform UK were strong proponents until recently, but have become notably quieter on the issue since they began to lead in the polls). Today, it also has increasing support within the Labour Party, whose annual conference voted in favour of PR in September 2022. While Labour has historically benefitted from FPTP, the increasing fragmentation of its vote means it may soon find itself disadvantaged by it.

Although the [Elections Bill](#) introduced under Starmer included only very limited measures of electoral reform (such as automatic voter registration and lowering the voting age to 16), there is appetite within the House of Commons for more extensive changes. Multiple amendments have been put down in support of [franchise expansion](#) and [compulsory voting](#), while over 200 MPs (including over a quarter of the Parliamentary Labour Party) have backed [an amendment](#) to establish a National Commission on Electoral Reform. The new government led by Andy Burnham may be open to such proposals: Burnham himself is a convert to electoral reform, and has [repeatedly expressed](#) support for PR.

WHAT ARE THE IMMEDIATE AND LONG-TERM ISSUES THAT NEED TO BE CONFRONTED?

Should the government choose to pursue electoral reform, the most immediate issues relate to timings and process. Electoral reform would be difficult to implement within a short timeframe, meaning it would likely have to wait until after the next general election. Even then, many would argue that for a change of this magnitude to be legitimate would require more than just an Act of Parliament.

One option would be a referendum. However, the experience of the 2011 referendum on the Alternative Vote (AV – a proposed non-PR alternative to FPTP), which saw electoral reform rejected by over two thirds of voters, and of the 2016 Brexit referendum, is likely to incline many against. An alternative option, which appears to be gaining ground, is for the government to convene an independent [National Commission on Electoral Reform](#), with a deliberative democratic element, to propose a new electoral system for Westminster. This commission could be convened in the near term so as to issue its report before the next election. This would give supportive parties the opportunity to make implementing its recommendations a manifesto promise.

There is also the question of which electoral system would replace FPTP, since there are many different PR systems to choose from: Regional List PR – used for the Welsh Parliament – has voters choose between parties in multi-member constituencies, with candidates then elected from party lists in proportion to each party's vote share; the Single Transferable Vote (STV) – used for the Northern Ireland Assembly – lets voters choose both within and across parties, by ranking individual candidates in order of preference within multi-member constituencies; the Additional Member System (AMS) – used for the Scottish Parliament – combines local representatives elected in single-member constituencies with regional 'top-up' seats designed to ensure overall proportionality.

Each of these systems has its own advantages and drawbacks. The government would need to choose which system it prefers – or alternatively hand the choice to a commission. The government (or a commission) would also have to decide if a new voting system should be accompanied by changes in who votes, through franchise expansion or compulsory voting.

UK in a Changing Europe promotes rigorous, high-quality and independent research into the complex and ever changing relationship between the UK and the EU. It is based at King's College London.

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