THE RIGHT WAY

FOR THE **ECONOMY** FOR **GOVERNMENT** FOR THE **COUNTRY**

THE RIGHT WAY

Kemi Badenoch

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FOREWORD

In February 2026, the former head of MI6, Sir Alex Younger, addressed the Conservative Parliamentary Party. When I interviewed him on stage, he started with a warning: once you are in government, there is no time to construct first principles. If you have not worked out how you think before the crises arrive, you end up reacting to them one by one.

This is where the last Conservative governments went wrong, before they went wrong about anything else. We do not intend to make this mistake again. The Right Way is our answer to the challenge the now late Sir Alex Younger posed.

Good government enters office knowing how it thinks. A manifesto full of suggested policies for current, visible problems is not enough. Many problems a government ends up dealing with are not known at the time of the election. What is essential for success is a settled way of approaching the problems nobody predicted, how to recognise trade-offs, what government should do itself, what it should leave alone, and how to decide when circumstances, and indeed the world, change.

That is the purpose of this booklet. It is modelled on *The Right Approach*, published by the Conservative Party in October 1976, and *The Right Approach to the Economy* the following year: documents that came before the 1979 manifesto, because the argument had to come before the programme. They set out a diagnosis of what had gone wrong and an approach to governing from which policy could follow. We need to do the same again.

I want to clarify not just what Conservatives propose to do now, but how or why we would decide differently when circumstances change. If someone picks *The Right Way* up in fifty years' time, I want them to understand what we believed had gone wrong with Britain, and how we thought government could put it right.

That means being honest about how we got here. If the tone is harsher on Conservative governments, it is not because I believe Labour knows any better – quite the opposite. Labour goes wrong when it follows its principles; we go wrong when we fail to follow ours. *The Right Way* is not

about Labour. In any case, Britain's problems did not begin with the 2024 Labour Government. Some began under earlier Labour governments and became worse under Conservative ones. Others arose because assumptions shared across the political spectrum went unchallenged for too long. We promised lower immigration without a strategy for delivering it. Net Zero was legislated for before we had an economically feasible route to get there. We left the European Union without the economic plan that should have gone with it. The path to failure was paved with announcements, targets and good intentions.

You do not have to take my word for how corrosive that habit is. You can watch it happening again, in real time, in Downing Street today.

Andy Burnham became Prime Minister in the summer of 2026 with no serious diagnosis of what had gone wrong with the country. His easy manner may have bought him a short-term honeymoon, but an economic storm is brewing alongside a potentially more dangerous one on national security. Yet we have a Prime Minister whose entire theory of politics comes from doing a job with one particular feature. A mayor becomes popular by deciding how to spend a pot of money someone else has raised. A Prime Minister doesn't have that luxury. The resident of 10 Downing Street must raise the money, service the debt, control welfare and actually create the conditions in which growth happens. So far, Burnham has offered the country an agenda predicated on a delusion – that government creates growth. His demand for 'public control' is a euphemism for more state control, more regulation, more politicians and bureaucrats deciding what individuals, families and firms should decide for themselves. I believe the opposite. Government doesn't create growth. People do. Business does. Government must create the conditions for growth and then, more often than not, get out of the way.

Burnham's argument is not new. It resuscitates a model Britain, usually under Labour administrations, has often tried and seen fail: tax the businesses and people he calls 'the rich' harder, nationalise whatever industry is currently out of favour, extend the mythical concept of 'Manchesterism' to an entire country.

This is not the narrow debate of two parties squabbling over the same ground, but two genuinely different explanations of what has gone wrong with this country. Burnham's argument is that enterprise took too much. Ours is that responsibility has been drained away from individuals, families, businesses and communities by a state that grows not because the public

wants it but because fewer and fewer things are expected to happen without it. Those two explanations cannot both be right, and the country cannot afford another decade finding out the hard way that Labour's approach will fail again.

So *The Right Way* begins further upstream of both. Its first purpose is to reset and reclaim the intellectual foundations of the Conservative Party. Faced with almost any problem, the easy answer is to demand government do something. I want to see proper questions asked first. As an engineer, my training forces me to start with the simple ones: such as what is actually causing the problem? What incentives have previous decisions created? How will people change their behaviour in response? What's missing? Which costs are visible and which ones aren't? Is government genuinely the institution best placed to act?

The Right Way's second purpose is to explain the condition Britain is in, not by cataloguing everything wrong with the country, which would produce a very long book and a not very useful one, but by connecting problems that politics usually treats as separate. Britain's economic and cultural malaises are not unrelated; they are two sides of the same coin. This is where *The Right Way* departs significantly from *The Right Approach.* Economies run on more than tax rates and interest rates. They run on trust, social cohesion, personal responsibility, judgement and well-functioning, efficient institutions. When institutions lose the confidence to exercise judgement, they hide behind process and bureaucratic procedure instead. If people stop trusting one another, every transaction needs more oversight, more regulations, more lawyers, and a diversity and inclusion coordinator to check more boxes.

When the economy stops growing, people become less confident about the future and less trusting of those in charge. They turn to populism, which rarely delivers but increases disappointment, which leads to demands for more intervention, more protection, more attempts to eliminate risk, which in turn stops growth. Breaking that cycle is the challenge of our age.

Which is why this is not a manifesto. Policy is critical but it comes last, not first: principle comes first, then a way of governing, then diagnosis, and then policy. Otherwise, a party simply accumulates random promises with no argument linking them together. The tenets we cover in *The Right Way* are common sense. Wealth must be created before it can be distributed. Rules need consequences or they will be flouted. A government should be judged

on what it achieves, not what it intended. It should be strong enough where only the state can act and restrained where people are better placed to decide for themselves.

If we follow that path, we will get the growth we need. Britain has spent too long assuming that because we were once wealthy, growth comes automatically. We've been living off an inheritance built by previous generations. That inheritance is running out. Our country has not lost the capacity to succeed – from talented and industrious people, great universities, formidable businesses to deep capital markets, real scientific and technological strength and institutions that still, mostly, work, we have a lot going for us. The only real question is why we have made success this difficult for ourselves.

The Right Way is an attempt to answer that question, and, more importantly, to work out how we should think about the answer before we are back in government and the challenges and problems are coming at us fast.

The late Sir Alex Younger told us to do that work now.

Here is my answer.

Kemi Badenoch

THE RIGHT WAY FOR THE ECONOMY

THE INVISIBLE HANDBRAKE

'Government does not create growth. It is business that creates growth. Government needs to create the conditions for growth, and sometimes needs to get out of the way.'[1]

We want Britain to be a country where productive work, enterprise and ingenuity bring financial security, and a better quality of life, where a good idea can become a business that gives others employment, and where each generation can reasonably expect to be more prosperous than the last. We want rising wages that come from rising productivity; secure jobs; a savings culture where people put money aside for a rainy day, which in the meantime can finance new British enterprises. We also need a government that can meet its obligations without repeatedly expecting the bill for its profligacy to be paid by the next generation as it creates a mounting debt pile.

That is what economic growth lets us do. Growth is spoken of as an abstract concept, but it is the means by which ordinary life becomes more affordable, giving individuals and families more choice and less anxiety about the future. A growing economy gives the country greater resilience if a crisis comes. Stagnation does the opposite, weakening us and turning politics into a perma-quarrel about how to divide a pie that is barely growing.

There is a logical order to a successful economy:

1. Value, prosperity and wealth must be created before they can be taxed or distributed.
2. Businesses, entrepreneurs, investors, innovators and skilled workers create that value and growth.
3. Government creates the conditions in which those creating the growth can succeed.

Yet for the last few decades, British governments have become confused about this order. They have behaved as if government creates the growth through its decisions and business is solely a conduit for money passing

through the economy to pay for government activity. Andy Burnham's administration is just the latest incarnation of this flawed thinking. Governments of all parties at local and national level have tried to manufacture prosperity. They have taxed, regulated and directed the economy without taking proper account of the unintended consequences of their decisions: the jobs that are never offered or the investment that goes abroad. Businesses decide not to expand, ideas never make it to market, and the result is an economy carrying a heavier tax burden, more debt, more laws, but no growth.

That is the pattern we plan to reverse, but to fix a problem we must first have an accurate understanding of what is causing it.

Problems

Living standards have stalled

Britain needs an economy that becomes more productive year by year. Productivity means producing more value for each hour worked. It is the durable source of higher real wages: not simply paying people more pounds, but enabling those pounds to buy more. When productivity rises, firms can increase their employees' pay without increasing prices or cutting other jobs. When it stalls, workers can put in more and more effort but still feel like they're running to stand still.

To put it bluntly, we have become poorer. Growth in the size of the economy has too often been mistaken for growth in wealth and prosperity. But a larger population can increase total output even when output per person barely changes. In 2024, real GDP grew by 1.1 per cent, but GDP per capita did not grow at all, and that is the number which more accurately reflects whether the people in this country are becoming richer.[2]

There are welcome periods when pay grows faster than prices. In April 2025, median weekly earnings for full-time employees were 1.1 per cent higher in real terms than a year earlier. These are vaunted by government. But one better year does not reverse nearly two decades of weak productivity and repeated pressure on household incomes. The deeper problem is that Britain

has not created enough new value. Without that, every gain is fragile and every shock is harder to absorb.[3]

The longer comparison is starker. Over the twenty years from 1984 to 2004, real median household disposable income rose by three-quarters. Over the next twenty years, it rose by only about a tenth.[4] That explains the anxiety of a generation accustomed to becoming steadily more prosperous and that of new generations who have experienced only stagnation. In the 1980s and 1990s, rising living standards were normal. In the 21st century, uncertainty has become the new normal.

Government should be creating the conditions for success for Britain's world-class businesses, deep capital markets, respected institutions, financial services, science, technology, creative industries and advanced manufacturing. We should not have stagnation here, but too much time, too much talent and far too much capital are diverted or driven elsewhere by the conditions government is creating.

The state is living beyond the country's means

Britain needs public finances strong enough to withstand emergencies, and fair enough not to load today's choices onto tomorrow's taxpayers. Instead, the state has normalised persistent borrowing, high spending and rising taxation. The Office for Budget Responsibility forecast in March 2026 that the tax take would rise from 34.5 per cent of GDP in 2024–25, to 38.5 per cent in 2030–31. It also expected borrowing to remain around 5 per cent of GDP in 2025–26 for the fifth year since the pandemic.[5]

It's easy to gloss over these figures without realising their impacts. Persistent borrowing for present consumption transfers the liability for decisions made by today's politicians to future taxpayers who had no part in making them. High debt leaves less room to respond when a real emergency arrives, and the debt interest consumes resources without improving the country's productive capacity.

The scale of that persistent borrowing is worse than the headline figures suggest. In the year to March 2026, central government spent £97.6 billion on debt interest – that's nearly 80 per cent of the £124.8 billion it borrowed that year.[6] This is a truly extraordinary statistic – frightening even. This isn't borrowing such as one would on a credit card. Imagine having to borrow just to pay off the monthly *interest* on that card. The government may pretend it

is investing in the future, but the opposite is true. We are borrowing not even to stand still but to fall behind, spending vast sums servicing yesterday's debt instead of today's priorities, be they hospitals, schools or defence.

Even that £97.6 billion figure understates the true cost of the state's accumulated liabilities. Unfunded public-sector pensions carry an additional annual interest cost, described in the government's accounts as the 'unwinding of the discount rate'. It is not counted as debt interest, but it is still a cost ultimately borne by taxpayers. In the latest official accounts, it was £65.6 billion a year[7] - a debt invisible in the very figures used to reassure the public that the country's finances are under control. A country that structures its own accounts so it need not see the true size of its interest bill is deceiving itself and the public.

Taxation is necessary to pay for public services, but when the state takes an ever-larger share of our national income, it must be able to explain why. When it continues to borrow as well, it is admitting that it has refused to prioritise spending and make tough choices.

Britain is therefore squandering an inheritance accumulated by previous generations, while depleting the legacy it should pass to the next. Some treat the principle of living within our means as nothing more than a bit of finger-wagging about thrift when it is a moral obligation each generation has to its successor, whether in a family or as a nation.

Britain punishes hiring, investment and enterprise

'I do not think I have ever seen workers so much at the mercy of unscrupulous and uncaring bosses as they are today.'

– Mick Whitley, Labour MP for Birkenhead June 2022[8]

If we want to get Britain hiring, employers need to see a new worker as an opportunity, not a liability. We need international companies to choose Britain when deciding where to invest, and we need our own entrepreneurs to believe that taking a risk here is worth the sacrifice. Yet successive governments have treated profitable businesses and high earners as cash cows to be milked for revenue, while making it more expensive and riskier to employ people by increasing taxes on jobs and introducing legislation that makes it harder to sack poor performers. As a result, wealth creators – i.e. job creators – are driven away.

Taxes change behaviour. Tax hiring and there will be less hiring. Tax investment and there will be less investment. If you make it harder to dismiss someone who is not suitable for a role, an employer will become more cautious about offering the role in the first place. The largest firms can spread compliance costs across specialist departments. A small firm considering its first or fifth employee cannot.

Even in the 2020s, bad employers exist, but we have had good laws for many decades to deal with them. Yet, the rhetoric of left-wing MPs would not be out of place in a Dickens novel. Their employment policy is built around the assumption that exploitation is the normal relationship between employer and employee. They speak of Britain as a nation of Scrooges who would happily starve their staff to save a penny and so legislated for the job-destroying Employment Rights Act 2025. Brought in to address their concerns, it has turned into one of the problems. Its aims – greater security and fair treatment at work – sound benign. But the Government's own economic analysis estimates direct costs to business of about £1 billion a year once the Act is fully implemented. The same analysis argues that the reforms may also produce benefits and models a small positive effect on GDP under its assumptions – this stretches credibility and illustrates how more honest modelling is needed across government, as argued further in this booklet.[9]

An individual tax or rule may appear tolerable, but the cumulative burden of payroll taxes, business taxes, reporting requirements, employment rules and regulatory uncertainty changes behaviour. Investment is postponed or, worse, happens elsewhere. The government then observes weak growth and responds with another scheme intended to encourage the very activity its own policies are discouraging.

Regulation has accumulated faster than anyone can remove it

The British system has developed a one-way ratchet. Individual scandals, crises or lobbying campaigns produce new rules, disclosure requirements and regulators. When failure is visible, ministers are expected to act, but the cost of the response is dispersed across hundreds of thousands of firms and millions of future decisions. It is almost impossible to see the investment that would have happened without the new rule and so the incentive is always towards more and more regulation.

This is not an argument against regulation. Markets cannot work without it. Good regulation ensures the free flow of information and engenders trust.

Fraud, genuine exploitation, and national-security requirements justify government interventions. But government must recognise that the burden of regulation to fix some problems is creating new ones.

New regulation is easy to add and difficult to remove. Each rule acquires a constituency of vested interests. Regulators are criticised for the failure they permit, but seldom for the enterprise they prevent. Ministers can claim credit for action by announcing a new power, while the slow, expensive work of enforcing an existing rule or simplifying a system attracts less attention. Over time, individually defensible interventions form a system that few can navigate and no one really wanted.

The link between savings and growth is broken

Capital markets are not an isolated concern of the City. They are the means by which our pensions, insurance premiums, savings and investments are used to fund businesses that need finance to grow, whether by developing a product, buying equipment, expanding abroad or employing more people.

In 1997, UK pension funds owned 22.1 per cent of British quoted shares. By 2024 they owned 1.6 per cent.[10]

This is a calamitous fall of 93 per cent. With more than £2 trillion held in UK workplace pensions alone, Britain has enormous accumulated savings. There are echoes of *The Rime of the Ancient Mariner.*[11] We are awash with savings, while growing companies remain starved of capital.

Our savings and pension funds barely invest in British companies because a culture of risk aversion was inadvertently built into regulations meant to provide more transparency and protection in the pensions industry.

The original purpose was transparency, not to push pension money out of equities.[12]

First came de-risking. FRS17, introduced from 2001 and mandatory from 2005, put defined benefit (DB) pension deficits and surpluses visibly onto company balance sheets.[13] FRS17 was intended to stop companies obscuring pension liabilities in their accounts and instead show investors and employees what the pension scheme was actually worth at that point in time.

But this accounting regulation did not simply protect pensions; over time it changed the incentives governing capital allocation. The supply of British pension money available to high-growth firms has consequently become a

dribble. Across DB schemes, equities fell from 61.1 per cent of assets in 2006 to around 19.5 per cent in 2022, while bonds rose from 28.3 per cent to 71.5 per cent.[14]

Conservative governments have repeatedly tried to repair the consequences. In 2021, listing rules were liberalised, following Lord Hill's UK Listings Review; the Edinburgh reforms were announced by Jeremy Hunt in 2022. On 29 July 2024, the FCA introduced a new, simplified UK listing regime, which it described as 'the biggest change to the UK listing regime in over three decades.'[15] None of this has amounted to much change in our capital markets. In the first half of 2026 London had seven IPOs raising £577 million, compared with £183 million in the first half of 2025. That is a large increase in money raised, but there were still only seven IPOs.

The more troubling measure is the number of companies actually remaining on the market. FCA data show the number of issuers on the Official List falling from 1,998 in 2021 to 1,739 by March 2026. In 2025, 26 new commercial companies joined the Official List whereas 50 companies delisted.[16]

The FCA reforms removed genuine obstacles to listing, but they have not yet reversed London's structural decline. IPO fundraising has begun to recover, but the number of listed companies continues to fall.

The Labour government's solution has been to demand that pension providers invest more. Labour's Pension Schemes Act 2026 creates a power allowing ministers to mandate asset allocation if voluntary industry commitments fail. None of this will work. Britain has repeatedly tried technical fixes to address the symptoms of weak capital markets. But pension compacts and regulatory reviews will not change anything because the regulatory problems themselves are driven by the surrounding culture. What needs to be addressed is a culture of risk aversion that shapes where capital goes, and a never-ending burden of policy measures that distort the incentives to start and grow a business in the first place.

Financial market regulation shows the wider problem. The response to the global financial crisis had to make banks safer and ensure that failure did not again impose intolerable costs on taxpayers. Stronger capital requirements, credible resolution arrangements and protection for essential deposits were reasonable aims. But safeguards added at different times by different bodies now overlap.

British capital is pushed towards preserving value rather than backing uncertain growth. Investors can place their money in many jurisdictions, and they respond rationally to the tax, regulatory and political conditions they face. If the return is lower or the risk of retrospective change is higher, capital moves.

If we want to improve the allocation of capital, we must solve the problems identified earlier in this section: by having stable fiscal rules, competitive taxation and proportionate regulation.

The Wrong Way

'Economic policies need to be analyzed in terms of the incentives they create, rather than the hopes that inspired them'

- Thomas Sowell, Basic Economics

Britain took the wrong way in the late 1990s when Labour governments came to believe that prosperity could be mandated by ministers. If wages were too low, ministers could mandate them higher and if investment was insufficient, they could direct savings. The budget surplus bequeathed by the Conservative government of John Major eventually disappeared under the ensuing Labour government, which left finances with a deficit of around 10 per cent of GDP and gross government debt at around 70 per cent of GDP in 2010 when they left office. Weak GDP growth was 'solved' with cheaper labour from other countries instead of fixing the productivity problem. Each intervention looked like 'active government', but the combined effect has been to weaken both the incentives and the very institutions on which our prosperity depends.

Labour naturally believes more readily in spending, direction and regulation. Conservatives too often opposed that approach in rhetoric, while preserving or extending it when in office between 2010 and 2024. This is the root of the often-heard criticism 'You had 14 years'. Conservatives were seen as the best option by the electorate for 14 years, which is why we were in office during that period, but the charge which we must accept is that we did little to reverse the structural changes Labour had made which took the country in the wrong direction. The result was that the state grew by stealth. A new priority rarely displaced an old one. Temporary taxes like the Energy Profits Levy (EPL – a tax on the profits of oil and gas companies operating in the UK and on the UK Continental Shelf) became permanent. Introduced by

Conservatives in May 2022 as a temporary 25 per cent levy to sunset at the end of 2025, it was then extended by Labour to 2028, then 2029, then 2030, while its rate rose to 38 per cent. In its 2024 full-year results, the energy company Harbour reported an effective tax rate of 108 per cent due to the EPL.[17] The pattern of good intentions and unintended consequences is repeated across the economy in various ways.

Government always loses its way when it judges interventions by their intentions and dismisses how people would respond. For example, employment regulation is not really a trade-off between workers and employers. Workers need employers who are willing to hire. We also have an insider-outsider effect that improves the security of those who already have jobs while reducing the chances of the person trying to get a job.

Here lies a warning for many Conservatives: intentions are not enough. The 2022 mini-budget demonstrated the danger of treating the intention of growth as enough to announce major tax changes without a credible plan to cut spending and borrowing. The truth is not every tax cut pays for itself. We should be candid about the record of previous Conservative governments in allowing the tax burden to become too high in the first place, such as by freezing tax thresholds while wages and prices rose. Freezing tax thresholds is a stealth tax increase, even if the headline rate remains unchanged. These policies went down badly not because of 'poor comms' as some claim. They were departures from first principles.

Labour has intensified the same mistakes. Its rise in employer National Insurance was a political tactic to avoid breaking a cynical manifesto commitment not to raise the three major taxes on working people. But this was still a tax rise. It was just a tax on jobs which increased the cost of hiring, and which especially hit young people. The link between these examples is the belief that government can manipulate employers, voters and indeed the markets, to behave as ministers wish without changing the incentives they face.

The next wrong turn was to treat growth as an outcome government could announce rather than a process it had to enable. Ministers adopted targets, funds, strategies and sectoral schemes because a minister gets a headline for launching a fund, not for deciding that an existing competitive market should be left alone. Our regulators are set up to demonstrate their efforts through the volume of rules, not through the freedom they give for business to grow and innovate.

The third error is confusing protection from a particular risk with protection from risk itself. After the 2008 financial crisis, tougher rules were necessary. Taxpayers had been exposed to failures they did not cause, and trust in the financial system had collapsed, as shown by the queues outside Northern Rock in 2007, the first run on a British bank in more than a century. Government then allowed an understandable correction to develop into a low-risk governing culture as more and more responsibility moved from firms and individuals towards regulators.

Risk and reward are two sides of an equation. Eliminating productive risk eliminates opportunity and the possibility of innovation and growth. The choice is not between a safe economy and a risky one but between risks people knowingly take with their own resources, and risks imposed through fraud, monopoly, concealment or the increased moral hazard that comes with the expectation that taxpayers will absorb losses one way or another.

Government also goes wrong on the economy when it tries to hide trade-offs by moving costs. A cap, subsidy or mandate does not abolish a cost. It just transfers it, often to someone who won't directly notice - the taxpayer or a customer who has to pay higher prices as taxes push up the price of goods. At the end of the day, somewhere else is always someone else. Good government should make the true loser clear before it acts.

As discussed earlier, government borrowing is the worst example of this. It allows politicians to claim the benefit of spending now while asking future taxpayers to meet part of the cost. There are of course circumstances in which borrowing is justified, such as investment in a long-lived asset where future users will share the benefit. But persistent borrowing for current consumption in the hope that future growth will pay for everything is just an unwillingness to balance the books. Britain's public debt is now £2.986 trillion.[18] Roughly £43,000 for every man, woman and child in the country, or more than £100,000 per household.

The final error was to substitute more labour inputs for higher productivity. Britain used high immigration too often as a quick way to increase the size of the economy, while failing to improve output per person. A country does not become more prosperous by adding more workers while investment, capital and productivity remain weak. As far back as 2008, the House of Lords Economic Affairs Select Committee was showing the gains from large-scale immigration were far smaller than headline increases in GDP suggested.[19] This is despite the Treasury estimating that migration accounted

for 15–20 per cent of total output growth between 2001 and 2006.[20] Immigration brought additional taxpayers, but it also brought dependants and additional demands on public services. Whether the Exchequer gains depends very much on who is coming, where they are coming from, what they are earning and who comes with them. The Conservative objective is a high-growth, low-immigration economy; one that raises output through better use of people, capital and technology rather than permanent reliance on ever more immigration.

The Wrong Way therefore produces predictable cycles such as the 'tax doom loop'. Government makes productive activity harder. Growth disappoints. Ministers spend, subsidise or regulate to compensate, and then taxes and borrowing rise, and then business finds it harder to carry out productive activity. Rinse and repeat. Breaking that cycle will require more than a collection of tax cuts or a list of regulations to repeal. It requires a revolution based on a wholly different understanding of what government is for.

The Right Way

The next Conservative government will have one central principle: business, not government, creates growth. Accordingly, government must create the conditions so Britain is a place where people have the freedom to work, hire, invest and build easily. If our central organising principle is creating growth to improve the standard of living, we should start with improving the main mechanism through which the government creates those conditions for growth, which is tax.

Tax shouldn't penalise productive activity

Taxation, as already noted, is necessary to pay for the legitimate functions of the state, and everyone should pay what the law requires. But the presumption should be that what people earn belongs to them, not to government. Government should have to justify taking people's money; individuals should not have to justify keeping it. Every tax changes the decisions they make. Conservatives know that lower taxes leave people with more freedom over their own lives. The absence of taxes should never be referred to as a tax break, which former Chancellor Rachel Reeves did repeatedly. [21]

Tax policy should therefore be judged not only by how much money it raises, but by what it encourages and discourages. As far as possible, people should

make decisions because they are economically worthwhile, not because the tax system favours one thing over another. This means a good tax system will minimise marginal rates so they do not become so high that additional work isn't worth the effort. Currently, if you get a pay rise from £100,000 to £110,000, the government takes £6,000. That's an effective 60 per cent tax rate, higher than a millionaire would pay on the same incremental increase. This is because the tax-free allowance is taken back above a hundred thousand pounds, with a pound taken back for every two pounds earned. That threshold has been frozen for 16 years. It was meant to capture the wealthy. Today it captures senior nurses, GPs and middle managers. It has multiple unintended consequences, including GPs not wanting to work extra hours, which has an impact on NHS capacity. For parents, it gets worse. Go a pound over £100,000 and all childcare support disappears. This could be up to £15,000 or £20,000 a year for two children. So these parents become worse off in cash terms until they earn about £145,000. The consequences are visible - though perhaps invisible to the government - all over the economy. Promotions get turned down and people choose not to become more productive. It is estimated that nearly 12,000 parents now deliberately keep their income below this threshold, 10 times as many as in 2022. [22]

The tax system should also be comprehensible. Complexity creates compliance costs, provides more opportunities for avoidance and gives advantages to those who can afford specialist advice. As an example, the standard Tolley handbooks used by tax professionals have grown from just 1,626 pages in 1976–77 to more than 23,000 pages today.[23] Simplification of the tax system is our aspiration, as is fairness, which requires proper enforcement. A simpler system in which tax is reliably collected is fairer to honest taxpayers than high nominal rates riddled with exceptions and avoidance opportunities.

Sustainably lower taxes require lower spending. A government that cuts taxes while permanently increasing spending and borrowing is stirring up problems for the future. That is why we have our Golden Economic Rule where, for every pound saved, half should reduce the deficit, while the rest supports tax reductions or defined investment priorities. The objective is not tax-cutting in and of itself. The objective is a system that gives people more freedom over their income, forces the state to be more disciplined in its spending, and is stable enough to support the work and investment on which our future prosperity depends.

Budgets should make choices, not chase forecasts

A budget's first test should be how it stimulates productivity (public sector productivity should be part of this) to increase tax revenue, rather than simply presenting linear tax rises. Its second test should be balancing the books. A good budget should start with a baseline of what the government can afford and which activities it will stop, not with a search for new taxes and borrowing to cover promises already made.

Economic forecasts are important, but they inevitably change. Yet successive Chancellors have allowed small movements in projected 'headroom' to drive tax and spending decisions worth billions of pounds.

Fiscal discipline is not about getting the Budget to scrape through a single forecast test several years in the future. Organisations like the OBR are helpful as an independent check on the Government's arithmetic. However, a Chancellor must build public finances robust enough to withstand the OBR's forecasts being wrong, creating genuine resilience. That requires controlling recurrent spending and reducing borrowing.

Where savings allow taxes to be cut, priority should generally go to taxes that do the most damage to work and investment. Emergencies are different: a temporary tax reduction may sometimes be the right way to protect jobs, investment or demand due to an economic shock.[24] However, emergencies cannot become excuses for a permanently larger deficit. There are always emergencies.

The lesson of the 2022 mini-budget was not *'never cut taxes unless the OBR says you have already paid for them.'* It was that **large permanent tax reductions cannot safely be financed by higher borrowing on an optimistic assumption about future growth** – and that is the reason for the OBR having oversight of governments' budget claims.

Rules and regulations should be well justified and create certainty

On a range of things from investment to retirement, people should not discover that government has changed the impact of those decisions after they were made. Our default view is that there should be proper notice, clear transitional arrangements and no retrospective taxation.

Regulation should have to prove its impact, not merely describe its intention. Whitehall already produces impact assessments for new regulations but

the process is not working as intended. The Regulatory Policy Committee's own figures show only 70 per cent pass on first submission, and more than a quarter are flagged for weak evidence on the case for intervention.[25] Ministers should have to state what would happen without the new law, what specific improvement it is expected to produce, and why enforcing existing law, better information or more competition would not achieve a better result.

The Terrorism (Protection of Premises) Act 2025 was passed after the horror of the Manchester Arena bombing. It was well intentioned: families rightly demanded that lessons be learned from security failings at the event where their loved ones lost their lives, and the threat from terrorism at public venues is real and serious. But the government's own impact assessment did not demonstrate that the proposals would reduce terrorism at smaller venues, or that a new national inspectorate would be more efficient than local enforcement, even as it imposed some £200 million a year in direct business costs.[26] A serious problem does not, on its own, prove a particular solution works.

A new regulation should also be assessed as part of the body of law it joins, not in isolation. A requirement that looks inexpensive on its own may interact with taxes, existing duties, and other regulations, and increase a cost beyond the tolerance of those expected to bear the cost.

The recent problems in the water industry show what happens when that responsibility stays blurred. Four regulators oversee different parts of the system (although the Government has now proposed merging them into a single regulator). They have requirements the Independent Water Commission found 'overlap and are often in tension'.[27] For instance, the Environment Agency could determine the investment the sector needed while Ofwat determined the revenue available to pay for it.

Economic regulators need a clear priority, not simply more duties piled on them by legislators. Parliament should state what a regulator is principally there to achieve, which objectives constrain it and how genuine conflicts between them should be resolved. Ministers should not keep adding individually desirable objectives and leave an independent regulator to decide the political trade-offs between them.

A regulator should be accountable for the outcomes Parliament has asked it to achieve but Parliament has to choose and rank those outcomes first.

No sector raises the stakes of that choice more than finance. Get the boundary between public and private responsibilities wrong there, as we saw in the 2008 financial crisis, and the loss does not stop with the investors who took the risk but spreads to every taxpayer. The purpose of financial regulation is not mainly about deciding who absorbs losses after an investment fails. It is about drawing a predictable boundary between misconduct that government must prevent or punish, and ordinary risk and contractual responsibility that government must allow individuals to bear.

The Financial Ombudsman Service (FOS) shows what happens when the boundaries between risks and responsibilities become blurred. It was created as a quick and inexpensive alternative to the courts, but Parliament required it to decide complaints according to what it considered 'fair and reasonable' in each individual case, rather than simply applying the law. Over time, that allowed an adjudicator to become, in effect, another regulator. Firms did not know from the FCA rulebook what standard would later be applied, individual decisions created no binding precedent, and firms had no ordinary appeal on the merits. The Treasury's own review has now accepted the central problem. It found that the FOS had acted as a quasi-regulator, creating uncertainty for firms and consumers and damaging firms' ability to invest, innovate and grow.[28] The courts had already exposed the constitutional oddity: in the Aviva case in 2017, the High Court confirmed that the Ombudsman had to consider the law but was entitled to depart from it when deciding what was fair and reasonable.[29] This created a wholly unintended and perverse outcome, where a system intended to resolve disputes had acquired the ability to change, case by case, the practical meaning of the rules it was meant to apply.

This is not in any way special pleading for financial firms. Far from it. Our claim is not that firms should win more disputes, but that the rules and standards governing everybody should be knowable before transactions occur.

The Right Way is to protect consumers through clear rules and rigorous enforcement, not retrospective uncertainty. Consumers and small businesses still need a free and accessible route to redress; forcing every dispute through the courts would favour the party with the deepest pockets.

Financial regulators should be judged on whether they enforce clear rules rigorously and punish bad actors and bad conduct, thus ensuring breaches have consequences. This places the emphasis of their role in the right place:

containing threats to the wider system, not ensuring that every individual investment or transaction is successful.

Risks and trade-offs

We should not create expectations that taxpayers will cover private losses. Given that, investors must be free to take risks whose rewards justify the possibility of failure.

Pension savings belong to savers, not ministers, and trustees should invest them in their scheme members' interests. Government should remove the obstacles that make productive British investments unattractive, whether tax, regulation, planning, energy costs or the structure of the pensions market. That is why we opposed Labour's attempt to take powers to mandate the investments of auto-enrolment pension funds. There may be genuine failures in the pensions market, but the answer is to correct those distortions, not replace people's choices with political direction.

Subsidies, guarantees and direct public investment, on the other hand, can be justified where there is a clearly identified public benefit that private investors cannot capture, for example, maintaining a critical defence capability where dependence on an unreliable supplier creates a genuine security risk. But ministers must state what public benefit is being bought and why the market will not provide it. Simply labelling these investments as 'strategic' is not enough. There should also be clarity on taxpayer exposure and when the support will end. Help to an individual firm should be exceptional and, where possible, temporary. This is a long-standing principle. In *The Right Approach* in 1976, Conservatives argued that where government assistance was necessary, '*it must be seen as exceptional, and be subjected to the closest scrutiny*'[30]. Fifty years later, we still agree.

Nationalisation is an even more extreme method of intervening with taxpayers' money because government takes both control of the enterprise and responsibility for its risks. Labour believes gains emerge from the act of nationalisation itself. On Great British Railways, the Prime Minister said it would bring 'faster, more effective decisions'[31] while the then Transport Secretary said public ownership would 'strip out inefficiency and waste'[32]. Changing the owner does not by itself repair an asset, improve management or make an organisation more effective though. If that were the case, the Civil Service would be the exemplar of effective decisions and stripping out inefficiencies. It most certainly is not.

Our presumption is private ownership and competition within a free market overseen by light-touch regulation.

Risk cannot be eliminated. It can only be transferred to another party, often the taxpayer, or hidden, which is the worst of all worlds. The essence of the Right Way for the Economy is being transparent about risks and trade-offs. A new regulation may provide a real protection but impose an excessive cost. A tax cut may encourage investment but is not affordable. A project may strengthen national resilience while operating at a loss. Whatever the activity, be it personal investing, taxation and especially nationalisation, government must be honest that there are no perfect solutions. We believe *The Right Way* is not a promise to remove every risk or cost but an approach that puts responsibility in the right place and lets productive people get on with creating value.

What the Conservatives propose: The economic revolution

In June 2026 we launched our plan for an economic revolution, listing five changes we would make to the conditions affecting every part of the economy:

1. **Cut the cost of energy.** Energy is an input into almost everything Britain produces. Cutting its cost is the single biggest measure that will have an immediate impact on every sector and business, large or small. We have committed to scrap the Energy Profits Levy and the Carbon Tax, and to restore domestic North Sea production.

2. **Get Britain working and restore flexible labour markets.** We will remove the job-destroying measures in Labour's Employment Rights Act and reform welfare so that people who can work have every reason and opportunity to do so. Further work on labour-market and welfare reform will follow, in particular new measures to help young people find employment.

3. **Cut the right taxes to grow the economy.** We have already committed to abolish Stamp Duty on people's homes, remove business rates for small businesses on the high street and reverse the APR and BPR changes, Labour's taxes on family farms and family businesses, and introduce VAT-free shopping for tourists to stimulate our retail and hospitality

sectors. We want to go further on taxes that limit hiring, investment and enterprise, but permanent reductions must be funded. We have identified billions of savings, and our Golden Economic Rule requires at least half of every pound saved to reduce the deficit.

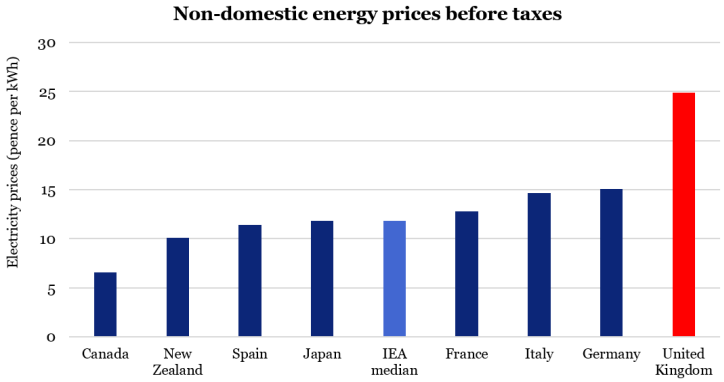
4. **Clear away regulation that prevents growth more than it protects.** We have started with specific cases: ending bank ring-fencing, bringing capital requirements back towards international competitors and replacing the Financial Ombudsman Service with an adjudicator applying clear law. We will repeal the damaging Net Zero legislation that is deindustrialising the United Kingdom.

5. **Champion business and make Britain a place investors want to back.** Tax and regulatory reform will not work if government still treats business as a problem to be managed or a vehicle to extract revenue from. The Conservative Party is the party of business, big and small. Our new Conservative Economic Unit works directly with businesses, investors and entrepreneurs, learning what is holding them back. That work has already shaped our policy, including the City reforms on ring-fencing and capital requirements. The Unit is now looking at problems in individual sectors, particularly infrastructure and the planning system.

THE RIGHT WAY FOR ENERGY

POWERLESS

'Net Zero by 2050 is impossible. I don't say that with pleasure – I want a better environment for my children too. But after twenty years of politics substituting slogans for delivery plans, Britain's energy system needs the truth before it needs another target.'[33]



Energy is growth. Britain should have energy that is cheap, abundant and secure. Instead, we have built a system that makes an essential ingredient of our prosperity scarce and expensive. Abundant resources are no match for bad policy. When energy is cheap and abundant, living standards rise. When it is not, firms, factories and family budgets all come under strain. Britain has spent twenty years turning cheap, abundant energy into something scarce and expensive, and we've largely done this to ourselves.

In 2024, British industrial electricity prices were the highest in the International Energy Agency data of comparable countries.[34] Net Zero taxes, subsidies and system costs are estimated to make up around 40 per cent of the cost of generating electricity in Britain, roughly £22 billion a year.[35] The Carbon Tax alone adds heavily to the cost of gas-fired power generation and because gas often sets the wholesale electricity price as the marginal price setter, that higher price influences the electricity market. These are costs

created by the way the system has been designed and not, as some would have us believe, 'international energy prices'. Meanwhile, both per capita and total electricity consumption are around a fifth lower than they were in 2005[36]. In an ordinary market, weaker demand would put downward pressure on prices. Here, many fixed system costs are spread across fewer units sold. Demand falls, yet unit costs remain high. The system is the problem.

How we got here

In 2019 Parliament legislated for Net Zero by 2050 through a statutory instrument. Incredibly, the most significant piece of legislation impacting our economy in decades was approved without a vote after a 90-minute debate. Speaking in that debate, I asked 'What steps will the Minister take to ensure that the plan will be achievable and affordable?'[37] The point was not about whether cutting emissions was desirable but how a thirty-year commitment touching almost every part of national life would actually be delivered and what it would cost. The detailed strategy came more than two years later. The 'plan' did not make clear where the true cost would fall, made extraordinarily optimistic assumptions about the required advances in technology, over-promised on what could be delivered given the timeline, and did not explain to people the risks such as the deindustrialisation of the United Kingdom or make plans to deal with the consequences.

Yet despite the scale of the strategy and ambition, this was not enough for environmental groups, which successfully challenged the government in court over whether it contained enough information to show how the targets would be met.

Before the 2019 legislation, Labour's Climate Change Act of 2008 had already set the direction of travel. The carbon budgets it mandated forced a route of decarbonisation that was already far higher than we could cope with. The practical detail claiming to answer what steps would make the plan achievable and affordable emerged piecemeal. Packages of more regulation, subsidy and mandates which were in fact neither achievable nor affordable. The Zero Emission Vehicles (ZEV) mandate, for example, requires manufacturers to sell a rising share of electric vehicles whether or not consumers want to buy them. The Renewables Obligation, introduced in 2002, moved the cost of supporting renewable generation onto electricity suppliers and therefore into bills, removing the visibility and accumulation

of system costs.

Since 2008, the official estimates have varied enormously. In 2020, the Climate Change Committee estimated that its route to Net Zero would cost £478 billion.[38]

In 2025, it put the cost of its new route at £108 billion.[39] The Office for Budget Responsibility has produced another estimate of £803 billion for the cost to the public finances by 2050–51.[40] These are not directly comparable measures, but the figures are wildly different and the scale of the revisions should make any government cautious.

The sophistication of modelling is not the point. Irrespective of their results, models are not substitutes for political judgement. When assumptions can move an answer by hundreds of billions of pounds, ministers need to know what is driving these results and what the risks are, not accept the legislation as a *fait accompli*.

As Business and Trade Secretary, I asked officials in my department to provide their analysis of the economic effects of the Net Zero transition. It was not a comfortable read. It warned that the transition could cause unemployment and leave workers with the wrong skills, with knock-on effects on growth and productivity. It also warned of higher government debt and pressure on poorer households, who might simply be unable to afford the changes being asked of them. Where I had some control over policy, I was able to push things in a better direction but the ratchet effect of both the Climate Change Act and the Net Zero by 2050 legislation made it much harder to change course.[41]

One of the reasons that overoptimistic assumptions have been able to gain traction is the intuition that wind and solar power should be cheap because they are provided by nature. In reality though, the advertised price of power from a wind farm is quite different from what the cost of supply would be if it were always windy; i.e. it's not the true cost of keeping the lights on because wind and solar do not always produce electricity when people need it. So Britain also has to pay for new grid connections, moving electricity around the country and making sure other power is available when output falls. Those extra system costs ultimately have to be paid through bills or taxes.

Modelling by Onward and Transira Energy estimates that a system

dominated by wind and solar would cost around £320 billion more by 2050 than an alternative that would still produce about 80 per cent clean electricity. They put the difference at roughly £540 per household each year for two decades.[42] The exact figure depends on the underlying assumptions, but the principle is simple: we should judge an energy system by the full cost of keeping homes and businesses supplied with power, not just the headline price quoted for one wind farm contract.

Two further policy decisions are crippling Britain when it comes to energy. The Energy Profits Levy was introduced by Conservatives when oil and gas prices spiked after Russia invaded Ukraine. Leaving aside the wisdom of bringing in this 'windfall' tax, keeping it after the windfall has expired is unjustifiable. Labour has extended it well beyond its useful lifespan.

At the same time, Labour is restricting new licences to drill for oil in the North Sea, as if this abolishes Britain's demand for oil and gas. No other country is shutting down its own domestic energy supplies. Combined, they are devastating the industry. Thousands of jobs have been lost, directly linked to the fiscal regime. At the same time, restricting new North Sea licences while our demand for oil and gas continues means we are importing it from countries that drill in a dirtier fashion than we do in Britain, perversely increasing the very carbon emissions the policy is designed to eliminate while destroying jobs and allowing other countries to collect the revenue.

The Right Way

'Once a measure becomes a target, people start finding ways to hit the target rather than achieve the thing it was supposed to measure.'

- Goodhart's Law

Net Zero scepticism is not climate-change scepticism. The case is harder to prosecute as long as people believe they are the same thing. Climate change is real. Net Zero by 2050 is a badly designed political programme to tackle it. We have outlined three tests we believe will help improve UK energy policy: the global impact of emissions, not just domestic; deliverability; and security of our supply.

First, we must judge policies by their real-world consequences, not by the metric they were designed to improve. The UK has cut its territorial emissions by more than half since 1990 and now accounts for less than

one per cent of the global total. A policy that closes a British factory only for its output to be replaced by higher-carbon imports has failed the test of improving the environment.

Next, we should ask whether the proposals are deliverable before putting the destination into law. Power stations, grid connections, heat pumps, charging networks and factories have to exist in the real world, not in government reports. The Climate Change Committee itself has admitted heat-pump deployment remains below the level required by its pathway.[43] The 2021 target was 600,000 heat-pump installations a year by 2028, including both retrofits and new-build homes. We are nowhere near that. In 2024, just 98,000 were installed, and rates of installations in existing homes were still falling in 2026.[44]

Third, we must price energy security as well as its short-term availability. That means thinking about where our energy comes from, not just how clean or cheap it is. For instance, China makes around 85 per cent of the world's solar panels and around 80 per cent of its lithium-ion batteries.[45] Replacing our dependence on foreign oil and gas with a dependence on Chinese technology does not make us energy secure.

We should have an energy mix that uses all available supply. Renewables should expand where they make power cheaper and more secure; nuclear energy should be treated as a strategic asset rather than a perennial planning problem, and gas as essential even if just for reliability while the system changes. The objective is not to maximise any one of wind, gas, solar or nuclear. It is to build electricity that is cheap, clean, abundant and secure. That means pricing the whole system and using markets and competition wherever they can discover cheaper solutions. Government should intervene where national security, monopoly or genuine external costs require it. But setting a target does not settle the argument on the approach.

Britain's electricity generation has already decarbonised much faster than most of the rest of the economy. In 2024 our electricity supply sector accounted for about a tenth of UK territorial greenhouse-gas emissions.[46] Most of the remaining challenge lies elsewhere, including transport and buildings. To move cars, vans and homes away from using oil and gas, low-carbon electricity will need to be cheap enough that people and businesses *choose* to use more of it. Cheap electricity makes electric cars, heating, data centres and industrial investment more attractive without requiring government to force people through law, as the ZEV mandate and the ban

on petrol and diesel cars seek to do. Environmental policy will work best when the cleaner choice is also the cheaper and more reliable one, and that's what we are aiming for.

What the Conservatives propose

We have said that Net Zero by 2050 is not deliverable on the current plan. We will repeal and replace the Climate Change Act, scrap the Energy Profits Levy and reverse the ban on new North Sea licences, giving the North Sea Authority a mandate to maximise extraction rather than manage decline. We will also remove unnecessary barriers to new nuclear generation.

Our Cheap Power Plan would axe the Carbon Tax and remove the Renewables Obligation. It would abolish VAT on household electricity for three years. Our proposal makes the tax cut part of a wider reform of the electricity system, rather than a short-term, stand-alone cost-of-living measure which is what the present government's removal of VAT on household electricity from 1 October 2026 to March 2027 only amounts to.

We will scrap the ZEV mandate and end Labour's ban on new petrol and diesel cars and vans. We will make it faster for industry and data centres to connect to the grid, and easier for large users to build power where they need it.

THE RIGHT WAY FOR GOVERNMENT

TOO BIG TO STEER

'Since Brexit and Covid the size of the Civil Service has swollen by over a third. Is government working a third better for you? I don't think so.'[47]

We want Britain to have a government that can do its job well. It should be able to defend the country, control the borders, maintain order, uphold the law, build essential infrastructure and ensure public institutions work properly.

That requires a strong state, not a hyperactive one that tries to do everything but does nothing well. People quite reasonably want problems solved. When something goes wrong, they will often ask government to do something about it. But the public have been known to punish governments for giving them what they asked for when the consequences turn out badly. People often ask for a specific policy when it is a wider principle they are after. Henry Ford is supposed to have said that, if he had asked people what they wanted, they would have asked for a faster horse. Government still has to judge whether an intervention will work and what it will cost. What people ultimately want is a government competent enough to solve the problems for which it takes responsibility.

Elections give governments authority, but a system that repeatedly proves unable to carry its decisions into effect will eventually lose public confidence. This is what Sir Alex Younger referred to as performance legitimacy, distinct from democratic legitimacy. Most people do not lie awake worrying about devolution or local government reform. They ask why nothing seems to be working. A government that cannot answer that question honestly, distracting the public with wheezes, will keep losing their trust.

The British state has grown larger without any noticeable improvement in the core functions people rely on. The Civil Service is more than a third bigger than it was at the time of the Brexit referendum, growing from around 384,000 staff in 2016 to 524,000 in 2026.[48] Yet by 2024, every public service tracked by the Institute for Government was performing worse than before the pandemic.[49]

In 2016, there were 463 arm's-length public bodies employing 266,137 staff. By 2023, the number of bodies had fallen to 304, but the number of staff had risen to 397,003.[50]

The state is taking up more of the economy too. Public spending was around 39 per cent of GDP in 2016-17. This year it is forecast to be almost 45 per cent, or £1.4 trillion.[51]

The Right Way for Government starts with the distinction that a bigger state is not necessarily a stronger state. Strength is the ability to decide, act and deliver where government must. This is one of the fundamental ways we are different from Labour and every other party in Parliament. They all want a bigger state, as long as it is directed to their own ends. We seek a stronger state, focused on the tasks only government can perform. That requires incredible discipline as the pressure to absorb responsibilities that others outside the state can reasonably carry themselves can be overwhelming.

Problems

'The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics.'

- Thomas Sowell, Is Reality Optional?

Government is asking institutions to do jobs they were not built for

The hard part of governing is saying no. There are tens of thousands of people identifying worthy things for the state to do, including almost all the legislators in Parliament. There will always be genuine problems and reasonable demands for intervention. But priorities are not priorities unless government is prepared to decide which worthy things it will *not* do.

Police forces in England and Wales spend about 2.2 million hours a year on incidents linked to mental health, including almost 1.6 million hours on calls involving no crime and no immediate threat to safety. Officers spend a further 800,000 hours waiting with patients after detention until a health professional is free to take over.[52] The police have become the first and last

line of defence because they are often the only ones that answer the phone at three in the morning (and turn up), and each call takes them away from the one job only they can do, i.e. catching criminals and keeping the public safe.

The state has made it too difficult to build

There is no better example to illustrate the bureaucratic paralysis of the state than the sorry tale of the Lower Thames Crossing. First proposed in 2009, it took sixteen years and cost more than £1.2 billion before a single spade went into the ground.[53] Development consent came only in March 2025, after 375 days of formal consultation, over 95,000 responses and an application running to 359,866 pages across 2,383 documents. Construction began in March 2026, and the crossing is not expected to open until around 2032.[54]

For some perspective, Denmark and Sweden agreed the Øresund fixed link in 1991 and opened it in 2000. A 16 km road-and-rail connection, consisting of a 4 km immersed tunnel, a 4 km artificial island and an 8 km bridge. Øresund arguably involved many more complications than the Lower Thames Crossing: it crossed an international border, required agreement between two sovereign governments, carried both motorway and railway traffic, involved a major bridge, an artificial island and an undersea tunnel, and required associated road and rail works in two countries. The contrast with Britain is stark. Delay is not the only cost. Procedural complexity can itself create ballooning costs, as HS2 shows. When HS2 was first proposed in 2012, the London to West Midlands section was expected to cost about £20 billion. By the time construction was approved in 2020, that had roughly doubled to as much as £45 billion. The latest estimate is as high as £82 billion. In other words, the expected cost roughly doubled before construction began and has almost doubled again since.[55]

Complexity of this kind does not stop mistakes; it certainly increases costs, though and is a particularly good example of the hyperactive but impotent state in action.

The state lacks the capacity to carry out its own decisions

The problem is visible across government, from court backlogs and failed immigration removals to infrastructure delivery. Today it is starkest in the strain of overcrowded prisons because Parliament can change sentencing policy much faster than government can build cells.

At the end of June 2026 there were about 86,000 people in prison in England

and Wales. The estate's certified normal accommodation was about 82,000. Men's prisons are operating close to full capacity. A programme to add 20,000 prison places has slipped by around five years and its expected cost has risen by at least £4.2 billion.[56]

Conservative governments planned but failed to build enough cells for reasons ranging from the pandemic to planning delays. The result was a last resort of limited emergency measures and early release of low-level criminals who had served most of their sentence to relieve pressure. Labour as usual made the failure worse. Its 2026 arrangements initially lowered the threshold for the minimum amount of sentences to be served and made some very serious offenders, including rapists, killers and paedophiles, eligible for earlier release, including two men convicted in the killing of PC Andrew Harper. Thankfully, public anger forced the Prime Minister to reverse that decision and exclude unlawful killing from the scheme.[57]

Government creates costs and then creates new political problems

Government decisions create costs outside the department or institution making them. Those costs then reappear as new political problems which the same government tries to fix with another intervention.

Energy and climate policy left British steel producers facing electricity costs well above continental competitors let alone global ones. Since 2016–17, UK steelmakers have paid about £845 million more for power than French competitors and £721 million more than German competitors.[58] British Steel has now been nationalised to save it from closure. No private company can make it viable and clearly neither can this government. It remains structurally unprofitable and is consuming around £1.3 million of taxpayers' money every day.[59]

Government creates a problem then tries to deal with the consequences through subsidies, nationalisation or other piecemeal interventions. The policy which raises the underlying cost and the policy which tries to save the affected industry are treated as separate decisions, even though they are part of the same system.

In 2025, Labour increased employer National Insurance, raising the cost of employing people. The Bank of England later found that 44 per cent of surveyed firms had reduced employee numbers in response.[60] The Government then introduced its Jobs Guarantee, under which taxpayers cover the full cost of employing eligible long-term unemployed young

people for six months, including their wages and employer National Insurance.[61]

The Wrong Way

We find recurring themes on the wrong way of doing things everywhere we look. On the economy, immigration, energy or even defence, announcing a destination without working out how to get there, making promises without providing the capacity to fulfil them, and pretending a cost has disappeared because it has been shifted to somebody else, regulatory capture, and the assumption that intentions are enough to justify interventions: these are some of the repeated mistakes we see crop up again and again in our analysis and they are dealt with in other sections.

I have taken the liberty of using this section to outline my own reflections from my five years as a serving minister, including two years in Cabinet between 2022 and 2024 as a Secretary of State. I present them through the prism of my engineering background, explaining what I think is genuinely wrong with government beyond the usual gripes about its failures and the problems outlined in the preceding section. Here I will make my own observations about the reasons why government takes the wrong way and some of the hidden patterns within them, which we need to tackle.

Credentials are not capability or merit

Notionally, the Civil Service recruits on merit. It has to. The law requires a fair and open competition. But recruiting on merit does not guarantee that the expected performance continues after recruitment.

Most people think of merit when looking at who gets promoted. An interesting way of knowing whether the Civil Service is a meritocracy is looking at what it does with those who do not perform well. Apparently, not much. The National Audit Office found in 2023 that three of the 16 main Civil Service departments it examined could not identify how many underperforming staff they had in 2022. Between 2022 and 2025, the Department of Health and Social Care sacked just five permanent civil servants for poor performance.[62]

And how are we defining merit? Government can mistake the things it can easily measure for the things it actually needs. The National Audit Office has found persistent gaps in specialist skills and a workforce-planning system

that traditionally focused on the number of people in posts rather than the capabilities government had or needed.[63]

A good government would not just recruit on merit, it would only retain on merit too. The mark of success for the Civil Service is not whether it can follow its own internal processes. The mark of success is whether it can deliver quickly and effectively on the government's policies.

Requiring the right degree or setting rigorous entrance exams doesn't guarantee a meritocracy without effective performance management. Policing gives a practical example of how using degrees to judge capability can deliver the wrong outcomes. In 2019, the government launched a drive to recruit 20,000 additional police officers in England and Wales. But almost 4,500 officers left within their first two years during the recruitment programme.

The largest number, 1,381, came through the Police Constable Degree Apprenticeship, which required new officers to combine police work with studying for a degree. Donna Jones, then chair of the Association of Police and Crime Commissioners, said in November 2023 that officers were studying on days off and annual leave to keep up with the academic work. She argued that policing needed people with common sense, strong people skills and the ability to defuse difficult situations, whether or not they wanted to study for a degree.[64] In a welcome recognition of this experience, from April 2024, forces were given a new two-year entry route which does not require a degree.[65]

Since I left government, officials have described directly to me a more insidious problem. A civil servant who carries out difficult ministerial decisions will likely still be there long after the minister has moved on. Several have told me about facing hostility and harassment after an election (or sometimes a reshuffle).

The Civil Service needs to add neutrality as a capability, not just a creed. This is something ministers often complain about but few see the impact on officials themselves.

The incentives are clear. Ministers come and go. Your colleagues, managers, unions and departmental processes remain. If carrying out a controversial decision can damage your career long after the minister responsible has left, while resisting or watering it down carries little personal cost, why bother?

Officials who carry out ministerial decisions should know that they will be supported, but those who refuse to carry them out should know there will be consequences. A system where obstruction is safer than delivery undermines the democratic mandate of government.

Making everything a priority, so nothing is

Over the past five years, the police have been given national priorities for homicide, serious violence, neighbourhood crime, drugs, cybercrime and domestic abuse; national threat responsibilities for terrorism, organised crime, child sexual abuse, public disorder, civil emergencies, and violence against women and girls; and further commitments on burglary, fraud, shoplifting, antisocial behaviour, knife crime, phone theft, stalking, spiking and much more. Every one of these demands is reasonable, but they cannot all be priorities.

A serving response officer put it to me simply: 'Everything is a priority, so nothing is.'

Keir Starmer tried to run government in much the same way. He came into office with five national missions and immediately added six 'First Steps'. A new Mission Delivery Unit was created in the Cabinet Office to deliver all these. By December 2024 the Plan for Change had added six milestones and three 'foundations', while promising 'relentless prioritisation'.[66] Less than a year later Downing Street announced another 'next phase', this time organised around three priorities: growth people feel in their pockets, secure borders and getting the NHS back on its feet. A reformed Delivery Unit was moved into Downing Street to drive them.[67] The five missions had not gone away. In May 2026 the King's Speech added prioritisation around economic, energy and national security.[68] Then, on 13 June, Downing Street said national security would remain the Government's 'top priority'. Five days later Rachel Reeves said growth was 'this government's top priority'.[69] Starmer announced his resignation four days after that.

But prioritisation itself does not stop mission creep. One idea was that police would keep a record of incidents that were not crimes, in case they were a warning that serious criminal behaviour might follow. In recent years police forces were recording around 13,000 non-crime hate incidents per year.[70] They included a nine-year-old who called another child a name and two secondary-school pupils who said another pupil 'smelt like fish'.[71]

No crime had been committed. Yet, the police were involved and these incidents were being recorded.

In 2021, the Court of Appeal ruled that the recording rules went too far and interfered with freedom of speech. Conservative ministers tightened the rules to tell police not to record trivial or malicious complaints, and Labour has now committed to abolish non-crime hate incidents entirely. But the phenomenon stands as a warning of how institutions and individuals can be attracted to this kind of performative bureaucracy if the state does not firmly maintain boundaries for where it should rightly intervene.

Every added interface creates a cost

Some of the astronomical costs of HS2 can be blamed on what happens when one job is divided between lots of different organisations. Its trains, stations, tunnels and railway systems are delivered through different contracts. But all those pieces still have to fit together. HS2 ended up putting 10 rail-systems contracts into an alliance simply to coordinate the work, manage access and logistics, and sort out conflicts between contractors.[72] When the pieces arrived in the wrong order, the costs increased exponentially. Crossrail had already shown what could go wrong when systems installation started before the construction work was ready.[73] In 2026, the government changed the HS2 programme so contractors installing railway systems would wait until the main civil engineering was finished.

There is a Whitehall version of a similar problem. I remember a conversation with one of our senior diplomats who complained that small, nimble expert Foreign Office teams had been replaced and missions increasingly needed large support functions around them. They had to deal with the risk of judicial review, consultations, correspondence and all the paperwork needed to prove that the correct procedures had been followed. There was no trust in officials and more processes were brought in to fix this, which themselves undermined trust in human judgement. Issues that could have been sorted out quickly with a phone call now needed large amounts of bureaucracy for auditing purposes.

When trust is low, we add approvals, paperwork and reviews at each of those points. HS2 ended up with layers of oversight that were themselves causing duplication and delay.[74] In Whitehall, officials spend more time managing the process around a decision. The individual safeguards may each make sense but enough of them together and they can stop the whole

system working. Government has created a systems problem for itself. Over time, it has tied itself up in laws and rules, from the ECHR and much of environmental law to its own HR procedures, making policy increasingly difficult to implement and leaving ministers preoccupied with the risk of challenge.

Expansive human rights law has prevented governments from doing things the vast majority of voters would like to see done. If, for example, a government wants to deport a foreign child sex offender, it should be able to. If the law says it cannot, Parliament should be able to change the law. Ministers should be able to make decisions. If people don't like those decisions, there are elections. Treasury micromanagement adds another level of control, constraining departments' ability to act yet somehow also failing to prevent government from overspending on a vast scale.

Devolution as solution

Devolution is often treated as an answer before anyone has established the problem that moving the power is supposed to solve. Devolution is a process, not a solution. Whom you devolve to matters as much as whether or not you devolve. If you devolve to competent people with strong plans, devolution can work. If you devolve to incompetent people with poor accountability, it fails.

In theory, local leaders should often know their own areas better than Whitehall does. On the other hand, giving a mayor or local council responsibility to solve a problem does not necessarily give them control over what is causing that problem. Creating different local schemes cannot substitute for changing national policy where national laws, taxes and regulations are the problem.

Prime Minister Andy Burnham declared that 'growth cannot be ordered from the top down. Instead, it can only be nurtured from the bottom up.' Tellingly, when Ben Houchen proposed using the Government's new fiscal devolution settlement to give Tees Valley residents a tax rebate, the Government claimed the system would not allow it. It appears that local control only goes as far as those localities doing as they are told.

And we can see from the PISA education rankings that devolution did not help children in Scotland and Wales when it came to their education. Scotland and Wales were given their devolved governments in 1999.

Since devolution, England has pulled ahead of Scotland and Wales in the international PISA tests. In 2025, England scored higher than both in maths and science, while Scotland and Wales have fallen back from some of their earlier results.[75] If devolving education was itself a route to better education, we should have seen that in the results. We haven't.

Doing more, delivering less

Unless we get government right, we will never deliver better public services. Too often, reforms tinker at the margins while leaving the fundamental problems untouched.

For most people, schools and hospitals are the clearest test of whether the state is working well. Their purposes are clear: schools exist to educate children, hospitals to make people better. Welfare serves a different purpose: to provide a basic level of security for those who cannot look after themselves and a safety net for those in temporary difficulty, helping them back into work where they can work.

The clue to whom public services exist for is in the name: the public. Their success should be measured by how well they serve the people who depend upon them.

The wrong way to judge these services is by the targets met, laws passed and money spent, instead of whether lives are improved. When that happens, processes become ends in themselves, providers put their own interests first, and decisions are centralised despite different local needs. The system grows, and the people it exists to serve are expected to fit around it.

The NHS is the perfect case study of the cost of confusing spending and activity with improvement. Record sums have been committed to the NHS in England.[76] However, that money has not been matched by the reform needed to deliver better care for patients. Evidence suggests that the increase in resources has not been matched with an increase in productivity.[77]

Generations of health ministers including, sadly, Conservative ministers, have reached for more reorganisation, which creates the appearance of action, but disrupts service provision. Instead, the priority should be improving how the existing organisation works, learning from its strongest performers and judging success by the care patients receive and the outcomes they achieve.

Education, on the other hand, shows what reform can achieve when it puts its primary purpose front and centre: giving children a great education. The Conservatives in government built on the academy reforms begun under New Labour, gave school leaders greater freedom and maintained a relentless focus on academic standards.

By 2025, England stood approximately 10th in maths and joint 9th in reading in the international PISA rankings, compared with 27th and 25th respectively in 2009.[78] We drove up school standards across the country with 90 per cent of schools now rated good or outstanding.[79] We recruited over 27,000 extra teachers and provided high-quality teacher training so every child can benefit from a world-class education.[80]

Faced with a clear record of success, Labour has chosen to ignore evidence and reverse the progress of the past 15 years. Current Labour plans are forcing perfectly good schools to close, putting further pressure on state schools and denying parents a choice over their children's education. Despite the extra 20 per cent levied on school fees through VAT, no additional money has reached the state school system and the promised increase in teacher numbers has also failed to materialise. There are, in fact, fewer teachers.

After 2016, Brexit and then Covid absorbed much of the government's attention, leaving too little momentum behind public service reform. This goes some way to explaining why so many services, from the courts and policing, to welfare and, most urgently, the NHS, now need fundamental change. Labour has offered no meaningful answer, instead falling back on the familiar response of pouring more money into the system without fixing how it functions.

There is a much more ambitious agenda available to a Prime Minister willing to take on trade union power and public sector vested interests. A smaller state but with greater choice for the public, more freedom for those who deliver services, competition that rewards success and rigorous inspection to hold providers to account properly.

We have seen what real reform can achieve. The welfare and employment reforms of Conservative-led governments helped hundreds of thousands more parents into work. Between 2010 and 2019, the number of children living in workless households fell by approximately 700,000.[81] We need to do it again. On current Department for Work and Pensions forecasts, from

the 2024 election until 2030, Labour will have increased working-age benefit spending by a further £51.6 billion a year.[82] A vast sum of taxpayers' money poured away, and a generation of wasted talent left to rot.

The Right Way

Decide what government should do

The first question should not be what Whitehall can do about a problem but whether the problem requires government intervention at all.

Government should be formidable where the unique authority of the state is required: defence, borders, public order, the rule of law and essential infrastructure. It should not spread itself thinly across responsibilities that others can carry, where adults, families, communities and businesses should be free to make decisions they can reasonably make for themselves.

This is how government is supposed to approach policy in theory. The Treasury's Green Book requires officials to establish why government needs to act, what happens if it does nothing and what other options are available before settling on an intervention.[83] The difficulty is that the political pressure is to announce action, while the benefit of deciding not to intervene is much less visible. Once a policy has been promised, the incentive is to build a case for it rather than reopen the question of whether it should happen at all. The appraisal can become a way of justifying a decision already taken, rather than informing it.

Smaller government does not mean crudely cutting a service and hoping that families or charities absorb the gap. We have to consider the dependency it has created and how people will respond when government changes course. Too often reducing government has meant doing the same things with fewer people. Cutting the numbers in the Civil Service (which we intend to do) is not a silver bullet. Doing this properly and fairly means deciding what government should no longer do.

Build capability alongside the commitment

Our ad nauseam warnings that policies without a plan are merely announcements are falling on deaf ears with the current government. Not every prison cell, piece of infrastructure or member of personnel must already exist before a government can make a commitment. However, ministers need to know what the commitment requires and how the missing

capability will be created before declaring aspirations as a done deal.

If sentencing policy requires more prison places, then cells must be part of the policy. If a law creates an enforcement duty, the people needed to enforce it are part of the policy. If an infrastructure programme depends on planning decisions, specialist skills or new technology, these cannot be left for some other entity to worry about later.

The guidelines for doing this already exist. Treasury guidance says policy, analytical, commercial, financial and project-delivery staff should work together from the outset, while major government business cases are expected to identify costs, milestones, dependencies, governance and risks.[84] That only helps if these people can shape the commitment before it is made. If the announcement comes first, delivery teams are left trying to make the promise work within a timetable and budget they did not set. Following the process on paper cannot resolve that problem.

Put power, money and responsibility together

The relationship between ministers and officials is already clear in principle. Ministers are required to give proper weight to informed and impartial Civil Service advice. Civil servants are required to give advice based on the evidence, present the options honestly and then implement lawful decisions once ministers have made them.[85]

This requires accountability on both sides. Ministers should set clear priorities, make timely decisions and answer for whether their departments deliver. Officials should be free to give frank advice, challenge assumptions and raise legal concerns. Once a lawful decision has been made, however, they are responsible for putting it into effect. The Prime Minister must be prepared to remove ministers who fail, and ministers must have the authority to remove officials who refuse to carry out lawful instructions or persistently fail to deliver.

Ministers do not need to pretend to be epidemiologists, engineers or economists. They do need to make political decisions after being given advice. Giving power to an expert body or regulator can protect technical judgement and independence, but it cannot make a political trade-off cease to be political. And besides, experts have tunnel vision when it comes to their specialisms.

The same applies to devolution: accountability must follow the devolved

powers; otherwise central government still gets the blame for everything. Wherever possible, the person with the discretion should also control the resources needed to exercise it and face the consequences of the decision. If nobody can work out who is actually responsible, the structure is wrong.

Plan for the forecast to be wrong

A serious policy should have a failsafe. Government policy is full of forecasts. Costs, demand, technology, behaviour and the economy itself are projected years into the future, long after the original decision-makers have run their estimates.

Optimism bias is ever-present and the Green Book explicitly warns about it. But a realistic estimate can make a favoured project look unaffordable or push its completion beyond the political timetable. Unless ministers are prepared to accept that answer, the pressure to produce a more convenient forecast remains. Costs and delivery times tend to be underestimated while benefits are overestimated. Where uncertainty is high, the Green Book recommends preserving flexibility so decisions can change as better information emerges.[86] Good policy makes clear which assumptions are most important and gives ministers good indicators if they are about to fail and what to do if they fail. Sometimes that means piloting before scaling. Sometimes it means maintaining reserve capacity. Sometimes it simply means refusing to make irreversible commitments on the basis of heroic forecasts.

Recruit people willing to say 'no' more often

Many of the observations made here are common sense, certainly common to the experiences of anyone who has worked in government, either as an official or a minister. What is really missing from politics and government today is people prepared to say no. Political parties now need to recruit those who have the stomach to say no to good causes when the resources simply are not there to do everything.

Inboxes full of angry emails, protests outside offices, petitions and even the occasional aggressive heckler can intimidate. But this era of politics requires people who are willing to stand their ground in the face of never-ending requests for support. Without that influx of good people we will keep going the wrong way.

What the Conservatives propose

Making Whitehall work better means deciding what government should stop doing, removing processes that get in the way of people's judgement to apply the concepts discussed in this section. We also need politicians prepared to make difficult choices. We have outlined throughout this booklet legislation we will repeal and activities we will stop. Some examples of how we will go about this are:

1. **Reduce the Civil Service to its 2016 size.** We have already committed to this as part of our wider savings programme. But simply giving the same amount of work to fewer civil servants will not fix anything. Crude cuts to the Civil Service always result in hiring sprees later as resource and talent shortages need resolving. Government has to decide which jobs it will stop doing, then concentrate people and money on the responsibilities that remain alongside better performance management of officials. This must be matched by clear objectives for ministers and officials, regular scrutiny of delivery and the power to remove those who fail to fulfil their responsibilities.

2. **Remove rules that encourage process over judgement.** We have already announced that we will repeal the Public Sector Equality Duty which encouraged box-ticking exercises not just in Whitehall but across the country in every public body at local and national level. Public bodies should apply the law equally and concentrate on the job they exist to do, rather than building more processes around demographic categories.

3. **Recruit people who are prepared to say no.** We are making parliamentary assessment tougher and looking beyond professional politics for candidates who have run or helped run organisations, created jobs and understand the complexities of delivering services in and outside government. Government has limited money, time and capacity. We need people who understand that governing means turning down reasonable demands when the resources are not there.

4. **Make sure our parliamentary candidates are prepared to carry out the promises we make.** Candidates should argue their case while policy is being decided. Once the Party has agreed its core programme, those standing under its banner will be expected to campaign for it and support it in Parliament. Our candidates will all be required to agree to this transparently before they can stand as Conservatives.

THE RIGHT WAY FOR THE COUNTRY

HOME TRUTHS

'Our country is not a dormitory for people just here to make money, or a hotel for those passing through. It is our home – and no one else will look after it.'[87]

Britain should be a country to which we want to belong, which we want to defend and pass on to our children.

It should be a safe country. Free from threats, internal and external, and where the state protects its citizens. We should be confident in who we are. British citizenship means more than a passport and access to rights from the state. This nation should be a place where people, no matter their background or ethnicity, can belong to the same shared culture and values; where the same rules apply to everyone and where each generation strives to leave a stronger country than it inherited.

The economy determines whether we can become prosperous again. Government determines whether the state can do the things we can legitimately ask of it. But our country is more than an economy and a government. It is also a people, a place and an inheritance that depends on an understanding of who belongs, what we owe one another, what our norms and customs are and what we believe is worth defending to pass on to the next generation.

Britain is not broken but there are many problems we need to confront.

Problems

Our country is changing as the world around us becomes more dangerous. At home, high migration, declining trust, weaker institutions and identity politics have put greater strain on our social fabric. Abroad, a more dangerous world is creating threats we did not face a generation ago, while exposing the greater weakness of Britain's ability to protect itself.

There are too few consequences for breaking the rules

Over time, Britain has convinced itself that crime, idleness and bad behaviour are ills to be explained away rather than clamped down upon. The

result is a culture in which many people think they can do whatever they like without sanction. All too often, they are right. It's not as if there's a shortage of rules in Britain, after all. It's the failure to apply them that's the problem. Rules do exist, yet the people breaking them do not fear prompt, unpleasant consequences. Crime and disorder are not always a cry for help. Sometimes they are laughter in the face of authority.

We appear to have forgotten the simple truth that more people will commit crimes if they believe they can get away with it. Government analysis found that nine per cent of the offending population accounted for 52 per cent of convictions between 2000 and 2021.[88] Police recorded 530,643 shoplifting offences in the year to March 2025,[89] while 55.3 per cent of those cases were closed without a suspect being identified.[90] We see the same lack of consequences when it comes to those who enter Britain illegally. Between 2018 and the end of 2025, only 7,612 people who had arrived by small boat had subsequently been returned, equivalent to four per cent of total small-boat arrivals over the period.[91] If people enter this country illegally, they must be removed. If they are not, more will come.

Crime is not, like bad weather, inevitable. People make choices, and in a serious society bad choices must carry consequences. When wrongdoing goes unpunished, the cost does not simply vanish in a puff of smoke. The shopkeeper pays. The commuter pays. The taxpayer pays. The law-abiding majority pay. Actions have consequences, and those consequences help make a free country work.

Welfare dependency is another facet of the same problem. If people believe there are no adverse consequences for not working, their behaviour changes accordingly.

Citizenship has lost its meaning

Anyone, whatever their background, can become a British citizen. But becoming British must mean committing to our country, our culture and our values. It is not simply acquiring a legal status.

There is a natural tension between those who are native born and have no links to elsewhere and more recent arrivals who have ancestry, a different

cultural heritage and loyalties to other places. Britain has never had a static set of rules about who should be allowed to come here, stay here and ultimately become British. The legacy of the British Empire and the Commonwealth, our relationship with the Republic of Ireland, and in more recent times the European Union, have all meant that many people have acquired different forms of status. Citizenship, right of abode, indefinite leave to remain and settled status are legally distinct categories but are mostly muddled in public understanding. The Windrush scandal happened because new generations of policymakers and enforcers were unfamiliar with the changing landscape of immigration and citizenship status.

Many acquire British citizenship more as a convenient international travel document than a recognition of reciprocal commitments. A British passport is one of the most sought-after passports of convenience, opening doors to entry into many countries in Europe and across the Atlantic with few questions asked, and affording protection there if things go wrong.

In previous eras, it was harder for immigrants to keep ties with their country of origin. When they left a country, it tended to be for good. Travel was expensive. International communications were difficult and not readily available even in the UK, let alone in poorer countries.

Integration happened naturally. Small numbers of people coming over long periods of time were very easily absorbed into the host population, and assimilation was easy.

In an age when people acquire not just dual, but multiple passports of convenience, with relatively cheap international travel, an ability to pay smugglers to deliver you to English shores, virtually free communications using mobile technology and the internet providing all the information one would need to know about a country and access entitlements, we need a wholly different approach.

Because we now have people who are very happy being in the United Kingdom but don't want to be part of the British community. They prefer to create miniature versions of the countries they came from. This is a recipe for disaster. Countries that have multiple cultures sitting side by side have to work so much harder to keep the peace, even when people look alike or share an ethnic heritage.

Just as we have an unspoken contract to improve our society for the next

generation, we cannot assume that simply coming here to make money and contribute to our economy is enough. People need to help build and rebuild our social fabric as well, not pull it apart in different directions.

What is the contract that new entrants to our country who wish to become citizens are making with those of us already here? We have to ask ourselves some difficult questions about what kind of country we want to be and whether the rules we have now make sense.

In many cases, they don't. A qualifying Commonwealth citizen who is lawfully resident in Britain can vote in a UK general election without being a British citizen. A French, German or Italian citizen can have lived in Britain for decades and hold settled status, but cannot vote in a UK general election unless they naturalise. [92] History and the political backdrop when laws have been written have led to an untidy patchwork. It is time to start rationalising our laws for a new age.

The case of Alaa Abd el-Fattah brings many of these contradictions together. Born and resident in Egypt, he acquired British citizenship in 2021 while in prison there for anti-government activism. He qualified through his British mother, under provisions designed to correct historic discrimination against women in nationality law. That route does not require the residence, language, life in the UK or good-character tests normally associated with naturalisation: in law, the premise is that qualifying applicants should effectively have been British already. Once Abd el-Fattah acquired citizenship, however, successive British governments treated his imprisonment as a responsibility of the British state and expended considerable diplomatic effort securing his release. His family has said that they had not explored their entitlement to British citizenship until 2019, when they began looking for 'some way out' of their predicament.

This exposes a deeper incoherence about what citizenship is for. Conservative writer and commentator Ed West has written compellingly on how 'a social contract should distinguish between citizens and foreigners.'[93] Yet British citizenship can sometimes be acquired on the basis of an inherited legal entitlement requiring little prior relationship with Britain, while immediately creating substantial rights for the citizen and obligations for the British state. The el-Fattah case shows our nationality laws do not embody a coherent idea of what becoming British means.

Our country is our home; it is not a hotel. People who choose to make their

lives here should become part of Britain, rather than Britain becoming a collection of groups that happen to occupy the same territory. If you join a country, you should *join* the country.

We are seeing increasing separatism[94] because our country stopped being sufficiently clear about what being British meant. Citizenship must mean more than holding a piece of paper or a passport.

If people who are British by birth, heritage and ancestry see the term applied to those who show no attachment to Britain, no respect for its culture and no sense of obligation to it, they will understandably feel that their own identity is being treated with contempt. Things have become a mess because too many politicians across the political spectrum, whose job it is to confront such issues, are uncomfortable doing so. But we owe it to our children to bequeath them a strengthened social fabric, not one that is being undermined.

Trust between citizens has weakened

Society works because people voluntarily accept rules and obligations. We obey laws even when nobody is watching. We pay taxes towards services used by people we will never meet. We accept election results we dislike and tolerate views with which we profoundly disagree. All of this depends on high levels of social trust. Reciprocity means people from all walks of life respect each other's freedom and property and even contribute towards the care of strangers because those strangers are also fellow citizens.

In a high-trust society, people will accept rules when they believe the rules apply equally and there is little expectation that others are acting as free-riders or cheating the system. A free country should not need a policeman or government official watching over every citizen.

Unfortunately, identity politics has encouraged institutions to see citizens less as individuals and more as members of competing demographic groups. Equality under the law has too often been replaced by attempts to engineer outcomes between those groups. The result is that the same behaviour gets interpreted differently depending on the race, religion or sex of the person involved. This is breeding a less trustful and more suspicious society.

Freedom of speech has also been weakened. Lawful disagreement increasingly risks organised attempts to punish the speaker rather than answer the argument. Institutions become frightened of controversy and

begin policing opinion. The unwillingness or inability of some to speak their minds makes us worse at solving problems. A country afraid to describe uncomfortable facts will eventually make policy using comfortable falsehoods.

On 22 March 2021, a religious studies teacher at Batley Grammar School taught a Year 9 lesson about blasphemy and free speech. The material included images of the Prophet Muhammad, the Pope and Jesus Christ. The lesson had been taught in the two preceding years, formed part of the school curriculum and had been signed off by its senior leadership.

For some reason though, on this occasion protests followed outside the school. The teacher began receiving threatening messages, while his name and photograph were circulated online. Fearing for his family's safety, he left his home on the first day of the protests and went into hiding. The school suspended the teachers involved and publicly apologised while an independent investigation into the lesson was still under way.

That investigation concluded in May 2021 that the lesson had been in line with national guidance and local authority agreements. It found that the image had been used for an educational purpose and that the teacher involved had not intended to cause offence. The teacher was cleared of wrongdoing. Dame Sara Khan's independent review later found he was suffering from post-traumatic stress disorder, had felt totally isolated and abandoned by the authorities, and had at one stage felt suicidal, but this had made no difference to the support he was given, or rather was not given.

Dame Sara's conclusions were damning. Kirklees Council, West Yorkshire Police and Batley Multi Academy Trust had failed to provide sufficient leadership or make clear that threats, harassment and abuse would not be tolerated. Instead, the review found a disproportionate concern for not causing offence to the religious sensibilities of those engaged in intimidation and harassment, while appeasing the protesters at the expense of the teacher appeared to be the priority.[95]

This was a truly extraordinary case where neither national nor local government could stop a teacher being driven into hiding, a situation which is believed to persist to this day. This is a national disgrace and an example of new, frightening intimidation on the basis of religion.

Trust in institutions also depends on rules being enforced consistently. Rules

lose their authority when breaking them appears to carry little consequence. This is particularly true of crime and antisocial behaviour, fraud and abuse of an immigration system where someone enters the country illegally and effectively gets fast-tracked to settled status, while others follow the lawful route with no guarantees at the end of it. The underlying principle is the same: consequences should be predictable, proportionate and, most important, enforced. Their purpose is not simply punishment. Enforcement protects victims, deters wrongdoing and shows people who follow the rules that doing the right thing is what's expected.

Britain has weakened the sovereignty she needs to protect her interests

Sovereignty requires more than a flag, and a Parliament to pass laws. A sovereign Britain should be able to protect her territory and determine her own political direction. To withstand attempts by other countries to coerce her, a sovereign Britain needs a strong economy and the capability to use that economic strength to provide security for her citizens.

After the Second World War, most of Europe spent decades under an extraordinarily benign security settlement backed in theory by NATO but in reality underwritten by American capability. When the Cold War ended, defence of the realm became even less urgent as international trade expanded with supply chains stretched around the world. The world has changed.

Over the last decade and a half, China has risen. Russia has returned to the sort of imperial war Europe thought was consigned to history. At the same time, Iran and other hostile states have been more willing to attack Western interests directly and indirectly using new methods and old. A hostile state no longer needs to land on our shores because cyber warfare can target critical infrastructure from thousands of miles away.[96] Drones have allowed cheap, rapidly changing weapons to threaten military bases, ships and expensive military equipment that costs over 100 times more. Smaller countries opportunistically demand reparations for claimed past wrongs at international summits.

Decades of relying on 'soft power' to promote our values have now been exposed as wishful thinking. There is no such thing as soft power without the hard power that backs it up.

Over several decades, elected politicians of all parties have been treating

international law, courts and treaties not just as valuable instruments for cooperation, but as the be-all and end-all of political and legal choices. This approach, which we refer to as lawfare or legalism, has done the most to undermine our sovereignty. These international agreements may once have advanced British interests, especially in areas of trade and cooperation. But more recently, agreements such as the European Convention on Human Rights have been used to block decisions on a range of issues from deportation to housebuilding.

Labour's attempted surrender of the Chagos Islands is the most extraordinary recent example, where we have seen the Labour government negotiating to give away British territory and paying up to £35 billion over decades for the leaseback. All of this was because of an advisory opinion from the International Court of Justice.

But a legal opinion alone should not override democratic political judgment. The rule of law is one of our core principles but rule by *lawyers* is not the same thing.

Critical decisions on running our country are repeatedly presented as if politicians have no choice. This learned helplessness then creates dissatisfaction in the electorate who turn to parties that offer simpler, more populist answers to resolve issues the public believe the government does not want to fix. They see a country that cannot defend herself or control her own territory and it looks like, and is, weakness.

Britain is no longer renewing itself

Our generation inherited a wealthy country, strong alliances, trusted institutions, military capability, a common culture and unusually high levels of personal freedom. Each generation should aim to leave Britain stronger than it found it. Instead, too much of modern politics has taken for granted what previous generations built. A complacency set in gradually over the many years of peace after the Second World War. The end of the Cold War, and rising prosperity, saw us begin to treat what earlier generations had built as naturally occurring permanent features inherent in our country. 'Britain is a rich country' became an argument for taking on more obligations, rather than a difficult achievement that had to be maintained and renewed. In July 2021, as leader of the opposition, Sir Keir Starmer argued in the Commons that 'as the sixth richest country in the world, Britain has a moral obligation to help the world's poorest'[97]. He was opposing the then Conservative

government's reduction of aid spending from 0.7 per cent to 0.5 per cent of national income. As Prime Minister, in February 2025, he announced that aid spending would fall to 0.3 per cent. It was a classic example of Labour governments being mugged by fiscal reality.

Nostalgia helps us remember what we liked most about our past and what we value, but we cannot live in the past. People hark back to an age where families didn't just raise children but cared for elderly and other relatives, where neighbours all knew each other and helped one another. Churches, clubs and voluntary organisations meant more to people than the government or state did. However, we cannot recreate the past exactly as it was. Government cannot manufacture these things when they disappear.

Demography makes that reality particularly stark. We can already see the consequences in the shape of our population. In 2025, women in England and Wales had an average of just 1.39 children.[98] From around 2026, more people are expected to die each year than are born. That means fewer workers supporting more pensioners, paying for more healthcare and carrying a growing share of the tax burden. We cannot simply assume that a smaller working population will be able to finance ever more spending while enjoying the same standard of living themselves or maintaining the same assumptions about tax, welfare, pensions and public services.

But the problem is not just about economic replacement. Human beings are more than units of production. Strong families are how a society reproduces itself. They raise the next generation, instil values and take responsibility for one another in ways the state simply cannot replicate.

The same is true of our national self-belief, which has been eroded. This is not just a feeling. In 2025, only 41 per cent of young Britons said they were proud to be British, compared with 80 per cent of young people in a comparable survey twenty years earlier. Half described Britain as a racist country and only 15 per cent thought it was united.[99]

Patriotism does not require pretending Britain has never done anything wrong. No serious country needs fairy tales about its history. We must be realistic about our failures so we stop repeating them. But there is a difference between learning from the past and teaching each generation to regard its inheritance principally as something to dismantle or apologise for.

We have become too busy critiquing and deconstructing what previous

generations built, rather than making sure that the very best of our inheritance is left intact for the next generation. National confidence and self-belief are not a 'nice to have'. A country cannot be successful if its people do not believe in it. People will not defend institutions they have learned to distrust or preserve traditions they are taught to despise, or make sacrifices for a society they then feel offers them little worth preserving.

A confident country knows the difference between criticism and contempt. It can acknowledge failure without losing sight of achievement. It can recognise the faults in its institutions while understanding why democracy, equality before the law, free speech, free enterprise and the rule of law are worth defending. The danger is not honest criticism of our inheritance. It is losing confidence in it altogether.

The Wrong Way

Britain stopped insisting on the terms of her own citizenship, at home and abroad. We became less willing to defend common standards, less confident about making political decisions.

There are similarities with the mistakes we made on the economy. We have been living off capital as if it were income, consuming the wealth and economic resilience built by earlier generations while passing debts on to the next. We have also been depleting our social capital of which trust in society and strong institutions are a key part, but not replenishing it. Social trust and national strength require constant reinforcing and we have taken them for granted, forgetting the sacrifices, responsibilities and compromises that gave us the post-war peace dividend that lasted decades.

Liberal interpretations meant that laws could be stretched well beyond their original meaning because nobody imagined large numbers of people would deliberately exploit their loopholes. Cultural confidence seemed unnecessary because British identity appeared secure enough to take care of itself. These assumptions have turned out to be quite dangerous.

Mistaking weakness for tolerance

Freedom and tolerance are two of our society's greatest strengths. But tolerance without confidence just produces double standards. Nowhere is this clearer than when it comes to identity politics. Institutions designed to treat citizens equally began dividing them into groups and then attempting

to equalise outcomes between those groups or remove supposed unfairness in outcomes. Individual judgment was replaced with theories about collective advantage and disadvantage and this has had a devastating impact across society.

Between 1997 and 2013, children in Rotherham were subjected to organised sexual exploitation on a horrifying scale. Professor Alexis Jay's independent inquiry estimated that at least 1,400 children were sexually exploited during the period. Victims were raped, trafficked to other towns and cities, abducted, beaten and intimidated. Some were threatened with guns or doused in petrol and threatened with being set alight.

Reports produced in 2002, 2003 and 2006 described the scale of child sexual exploitation and its links to drugs, guns and other criminality. Professor Jay found that the first report was effectively suppressed after senior officers disputed its data. The other two were ignored and no action was taken on the problems they identified.

By far the majority of perpetrators were described by victims as Asian, and the majority of known perpetrators in Rotherham were of Pakistani heritage. Yet several staff described being nervous about identifying perpetrators' ethnicity for fear of being thought racist, while others recalled managers directing them not to do so. The inquiry also identified concern that acknowledging the ethnic dimension could damage Rotherham's reputation.

These are devastating findings (now known, to our horror, to have been replicated in towns across Britain, with many more victims) that showed the authorities' moral failure, focusing on the optics of how they might be perceived rather than doing the right thing for thousands of children and women.[100]

Reducing integration to an administrative exercise

This is what happens when integration is treated as a managerial exercise rather than a moral one. Authorities became happier funding 'community' initiatives[101] than saying plainly what newcomers were expected to join.

At the 2024 general election, several pro-Gaza independent candidates won where Labour's vote fell by an average of around 10 percentage points in constituencies with relatively high Muslim populations.[102] Earlier that year, during the Commons debate on a Gaza ceasefire, Speaker Lindsay Hoyle departed from the conventional handling of amendments, later

explaining that threats to MPs over their position on this foreign conflict had influenced his decision.[103] In Leicester in 2022, there was widespread disorder after the India-Pakistan cricket match on 28 August. This continued for over a fortnight, principally involving members of Muslim and Hindu communities.[104]

Separate political identities are hardening as society becomes more polarised and imported disputes are becoming commonplace.

None of this began because society or politicians wanted separatism or discrimination – quite the opposite. They wanted tolerance, inclusion and protection from prejudice.

This is where we draw a distinction between conservatism and what many believe a liberal society is: a hyper-individualistic view of society as millions of individuals doing whatever they like until somebody complains. Our way of life also contains shared norms, enforced fairly and passed on deliberately. Conservatism means having the nerve to defend these norms.

Treating resilience as inefficiency

Government should care about efficiency. Consumers benefit enormously when businesses can source goods cheaply from around the world. Allies become stronger when they specialise and co-operate. Public spending should never be defended merely because it sounds strategically important.

But efficiency is not the only value a country has to protect.

For years, governments became increasingly good at calculating the immediate cost of resilience and increasingly bad at calculating the cost of not having it.

In peacetime, spare capacity can be and certainly looks wasteful. Stockpiles sit unused; domestic production costs more than cheaper imports. A second supplier looks unnecessary if you already have a reliable one. Maintaining military capability that we hope never to use is then attacked as wasted money that could be spent somewhere else. When serious disruption seems unlikely, dependence on foreign supply chains looks very efficient. That is, until the unlikely happens.

Rough, a depleted North Sea gas field, once provided around 70 per cent of the UK's gas-storage capacity. But by 2017 the facility was ageing and required substantial investment. Centrica, its operator, concluded that

repairing or rebuilding it would not be economic and closed it as a storage facility.

The decision reflected assumptions about how Britain could secure its energy without maintaining so much domestic storage. When the Government later explained the decision to Parliament, it said analysis at the time had concluded that closing Rough would have limited to no impact on security of supply or the price of gas.[105]

Britain could instead draw on a diverse international market, with domestic North Sea production supplemented by Norwegian pipelines, LNG terminals and connections with continental Europe.

Less than nine months after Rough closed, the Beast from the East brought exceptionally cold weather to Britain. On 1 March 2018, National Grid issued a gas deficit warning as surging demand coincided with supply outages. Wholesale gas prices spiked and National Grid warned that, without a response from the market, there might not be enough gas to meet demand. Alarming headlines appeared during a cold snap warning that Britain's gas supplies were running out. [106]

However, international supplies were still plentiful and warnings of blackouts never materialised. Then Russia invaded Ukraine. Although less than 4 per cent of UK gas supply came directly from Russia in 2021,[107] Britain was still exposed to prices set in an international market severely disrupted by Russia's restriction of supplies to Europe.

The Treasury subsequently described Britain as particularly exposed as a net energy importer with a high dependence on gas and oil as UK energy expenditure rose from the equivalent of around 2 per cent of GDP before the pandemic to around eight per cent in 2022.[108] In October 2022, Rough reopened as a gas-storage facility. Even operating initially at only a fraction of its former capacity, its return increased Britain's gas-storage capacity by approximately 50 per cent.[109]

It took a war for us to grasp reality and get our act together.

We made similar choices elsewhere. Successive governments allowed Britain to become more dependent on foreign countries for energy, strategic technologies and important supply chains because the cheaper option in normal times appeared to be the efficient one. Some of those dependencies are on countries whose interests may one day be opposed to ours.

We rarely include the cost of losing institutional memory or the skills to make something ourselves. Who factors in the time required to rebuild a factory once it has closed?

The late Sir Alex Younger made the trade-off unusually clear in evidence to Parliament in 2025. Building resilience, he argued, means paying for redundancy in infrastructure and supply chains. 'We cannot pretend that this comes without a cost; it emphatically does.'[110]

The Wrong Way has therefore been a politics of running down our resilience and social capital for false economies and to keep up appearances. The world has become too dangerous, and our domestic problems too serious, to continue.

The Right Way

Britain must act with the confidence of a country that knows what it stands for. The Right Way begins by rebuilding a high-trust society: to defend our borders, punish law-breaking, control citizenship, uphold common rules, protect our interests for the long term and as we have said throughout this booklet, leave a stronger inheritance for the next generation.

That begins with control over who comes to Britain and who stays. Immigration should be something that happens at a level and pace the country can absorb successfully. That does not mean zero immigration. Britain has benefited enormously from people who came here legally, contributed to our economy and society, raised families and became British. It does mean distinguishing between those who follow the rules and those who deliberately circumvent them, and recognising that the effects of immigration cannot be measured solely on the basis of GDP. Housing, infrastructure, public services and the capacity of places to absorb new entrants without significant changes or impact on cohesion or the social fabric must be factored in as well.

Citizenship must also mean more than legal status. People who make Britain their permanent home should embrace our culture. This is not an ethnicity test, and the right way is not, as we have seen in certain quarters, debating endlessly who ethnically counts as British. Especially within our nations of the United Kingdom, identity can be a spectrum and is often very personal. Assimilation does not require people to erase their family history, religion or private traditions. It does require common allegiance and common

rules. This is why we say, if you join a country, you *join* the country. The law must come before communal pressure as we saw disgracefully in Batley; individual freedom before demands for religious or cultural conformity. Loyalty to Britain and her culture and traditions, as well as a rejection of imported sectarian conflicts, must come before all else.

A successful multi-racial country needs confidence in the culture into which people are being asked to integrate. We cannot ask newcomers to become part of Britain while our own institutions appear embarrassed by the idea of our country being special or unique. Of course, difference and diversity can flourish within our shared British identity, but they cannot become a substitute for it.

Michaela Community School in Brent, north London, is a secular state school with a strict behavioural regime and an explicit ethos of encouraging integration between pupils from different religious and ethnic backgrounds. In March 2023, groups of Muslim pupils began conducting prayer rituals in the playground.

The school became concerned that this was changing relationships between pupils. Evidence later put before the High Court included reports that a pupil who had not previously worn a headscarf had been pressured to do so; a Muslim pupil had left the school choir after being told by other pupils that singing was *haram*; pupils who were not fasting had experienced intimidation; and some had been told they were bad Muslims if they did not pray. Headteacher Katharine Birbalsingh also told the court that a division was developing in the playground, with Muslim pupils congregating in one area and non-Muslim pupils in another.

On 27 March, Birbalsingh introduced an interim policy prohibiting prayer rituals at the school. A Muslim pupil challenged the policy in the High Court, arguing that it unlawfully interfered with her freedom to manifest her religion and was discriminatory.

The High Court dismissed the challenge in April 2024. Mr Justice Linden found that the governing body was entitled to take account of the school's aim of fostering friendships across religious and ethnic boundaries, avoiding segregation and preserving its team ethos.[111]

Given what we saw in Batley and Rotherham, it is safe to say that few headteachers would have been as brave as Katharine Birbalsingh to stand

firm once the accusation of discrimination and a High Court challenge began.

She set an example for what following the Right Way looks like, when faced with aggressive and intimidating behaviour by some groups trying to push people away from a shared culture and shared way of life, using hacks in our own existing laws, such as in this case where religious tolerance was being exploited to harass and bully others.

Ms Birbalsingh had self-belief and confidence in Britain, its culture and way of life. If we do not have individuals, families and people from all walks of life in our communities prepared to stand up for these beliefs and our shared culture, then we will lose them.

The Right Way is not to wait for a government to intervene every single time. The Right Way is for people to have the courage of their convictions. We want to reassure them that a Conservative government following the Right Way will always back them.

Every citizen should stand before public institutions as an individual. Race, religion, sex and ancestry should not determine the standard by which somebody is judged. Equality under the law means one rulebook – not a different one for every group. This requires rejecting identity politics from the right as well as the left. Replacing a politics that divides people into minority groups with one that divides, but in support of majority groups, produces the mirror image of the same problem. Ideas, institutions, religions and cultures can be criticised but individuals should be judged on their own actions. We welcome people to our country from all ethnicities and cultures provided they become citizens legally and contribute to our society. But they must accept and practise our values and engage in our way of life.

The social contract becomes harder to sustain when people who obey the rules repeatedly see others gain from breaking them. Important rules should therefore carry predictable and proportionate consequences. This is where strong government and limited government meet.

Britain is a trading nation and our alliances are enormous assets. Trying to manufacture everything at home would make us poorer and, in many cases, less secure. Free trade should remain the presumption but the cheapest supplier in normal times is not necessarily the lowest-cost choice once the risk of coercion or disruption is taken into account. Where a dependency

is genuinely critical to national security, resilience has a value of its own. Britain should therefore aim to be difficult to coerce, and valuable to its allies. We should bring capabilities to our partnerships rather than assume that somebody else will always provide what we need. The wider principle applies across technology, energy and strategic industry: interdependence is a strength when it is reciprocal, but vulnerability disguised as efficiency is not.

People are more likely to believe in their country when its borders are controlled, its rules are fair, its institutions work, its streets are safe, it can defend itself and its children can reasonably expect a better future.

The Right Way is to conserve what makes Britain work, to work together to repair what has failed and to build what the future requires. Our task is to leave Britain safer, freer, stronger and more confident than we found it.

What the Conservatives propose

The matters covered in this chapter are by their very nature expansive, but there are two related areas that focus more on required policy in greater detail because they demand the government's urgent attention, and every day we fail to act brings us closer to peril. They are *The Right Way on Defence* and *The Right Way on Borders and Immigration*, which are covered in other sections of this booklet.

In addition to that, we will restore confidence in law and order by giving the police the powers, people and direction they need to prevent crime, catch offenders and protect the public:

1. **Put more police on the streets.** We will recruit 10,000 additional police officers, including 2,000 officers specialising in crime hotspots. We will also return police officers currently working on equality, diversity and inclusion initiatives to frontline policing.

2. **Give the police the tools to catch criminals.** We will expand live facial recognition to identify wanted criminals and triple the use of stop and search to take knives and drugs off the streets and make more arrests.

3. **Make sure crimes are properly investigated.** We will set mandatory policing standards requiring forces in England and Wales to pursue specified lines of inquiry before closing cases. Basic investigative work should be done before the police decide that a crime cannot be solved.

4. **Get police officers policing, not doing paperwork.** We will make disclosure requirements proportionate, end unnecessary redaction in cases that are never charged, automate administrative and crime-detection tasks, raise the threshold for use-of-force forms and end the double-counting of behavioural crimes.

5. **Make sentencing accountable to the public.** We will abolish the Sentencing Council and make the Lord Chancellor accountable for sentencing policy. Decisions about the punishment of criminals are ultimately political decisions, and responsibility for them should rest with elected politicians who can be held accountable by voters.

6. **Make benefits support rehabilitation, not offending.** We will introduce 'turnaround cards' for offenders receiving benefits, restricting how public money can be spent as part of changing offending behaviour.

As well as these measures that focus on crime and policing, we will **restore equality under the law** across the entire public sector**.** We will repeal the Public Sector Equality Duty. Public bodies should treat people as individuals and apply the law equally, rather than organising decisions around demographic categories, which has been the practical effect of this New Labour law.

THE RIGHT WAY FOR DEFENCE

PUNCHING ABOVE OUR WEIGHT

'Our enemies are not deterred by speeches. They are deterred by ships in the water, jets in the air, munitions in stock, and allies who know we will turn up.'[112]

Britain should be a country no enemy can intimidate, disable or take for granted.

Russia's war in Ukraine has been a rude awakening to a complacency that has settled across Western Europe. We can no longer coast along believing that the age of war and territorial conquest is over. Ukraine has shown how quickly drones, electronic warfare and software can change the way wars are fought and that conventional military forces are still essential.

Meanwhile, Europe is already dealing with attacks that fall short of conventional war. In August 2026, an explosives-carrying drone was discovered at Leipzig/Halle Airport, a major German cargo hub.[113] Germany formally blamed Russia and described it as a hybrid attack.[114] A month earlier, Britain and the EU attributed an attempted cyber-attack on Poland's energy system to Russia's FSB.[115] The attack failed, but the British Government said it could have left 500,000 people without electricity in the middle of winter.[116] Russia is also probing NATO much more routinely. In just one week in June, NATO fighters policing the Baltic states were scrambled seven times, repeatedly intercepting Russian military aircraft flying without flight plans, radio contact or working transponders.[117]

Britain is already having to devote ships and aircraft almost constantly to watching Russian vessels around our shores. By the end of June, the Royal Navy had maintained what it called an 'unbroken watch' for nearly three months, tracking Russian warships and intelligence-gathering vessels through the Channel and around British and Irish waters.[118] In May, the Russian frigate *Admiral Grigorovich* even fired warning shots at a civilian yacht in the Channel before going on to escort a shadow-fleet tanker, forcing HMS *Tyne* to check that the yacht's crew were safe.[119]

Russia is not the only threat. In July 2026, a cyber-attack, widely suspected to have been carried out by Iranian-linked attackers, forced a small British

electricity generator to shut down for four days.[120] And not all attacks come from hostile states. The capability of significant disruptors is increasingly available to criminals and malicious actors.

In 2025, a cyber-attack on Jaguar Land Rover stopped production for weeks, affected more than 5,000 British organisations and was estimated to have cost the economy £1.9 billion.[121] The disruption was so severe that it knocked 0.17 percentage points off GDP in September 2025 alone.[122]

The Wrong Way

At Prime Minister's Questions on 9 September 2026, in response to my question, Andy Burnham rose to the despatch box, looked across at me and said: 'we do everything to support our national security, but it cannot come at the expense of social security.'[123] I could scarcely believe what I had heard. It was an extraordinary thing for a Prime Minister to say.

Nothing better exemplifies the post-Cold War complacency this section is describing than that statement.

Britain has been living off the peace dividend for decades. For much of the period after the Cold War across Europe, defence spending was squeezed by demands for ever more public spending.

At the end of the Cold War, about one pound in ten of public spending went on defence.[124] Today it is closer to one pound in twenty. Over the same period, health and social security have grown from roughly one in every three pounds of public spending to almost one in every two pounds.[125]

For years, we've treated spare capacity and stockpiles as waste simply because they were not being used and cost money. We often chose cheaper foreign suppliers over maintaining our own industrial capability at home.

We also assumed that relying on America was safe because America had always been a dependable ally, its security guarantee providing a comfortable backstop for European defence. Successive governments of all colours, not just in the UK but across much of Europe, did not rebuild readiness and resilience early enough as the world became more dangerous.

In March 2025, Donald Trump was asked whether the United States would defend NATO members that were not spending enough on defence.[126] His answer was blunt: 'If they don't pay, I'm not going to defend them.'[127] A few

weeks earlier, US Defence Secretary Pete Hegseth had given Europe a similar warning, saying that 'you can't make an assumption that America's presence will last forever.'[128]

We have a system in which more is promised than can be afforded and equipment takes so long to arrive that the world has changed by the time it does. The Public Accounts Committee has said that defence equipment arrives 'many years late and significantly over-budget, with depressing regularity'.[129] Ajax is a good example. The programme began in 2010 and the vehicle was originally supposed to enter service in 2017. Full operating capability is now only expected at the end of 2029, nineteen years after the programme began, at an estimated cost of £6.2 billion.[130] During that time, reconnaissance itself has been transformed by drones, autonomous systems and much cheaper sensors. Armoured reconnaissance vehicles are still important, but it does raise the obvious question: are we still buying the best way to achieve the military effect we need, or simply completing the programmes we decided to buy years ago?

That is why the political debate has to be much broader than percentages of GDP. We know we need to spend substantially more on defence. But spending alone is not a strategy. Pouring extra money into a system that cannot distinguish immediate war-fighting need from institutional preferences can turn 'spend more' into 'waste more'.

The time horizons of government and likely warfare are miles apart. The government's own intelligence assessment says that there could be an attack on a NATO country by 2030.[131] A weapons programme producing capability in ten or fifteen years is of little comfort if we're at war before then. Conversely, buying only what is useful today would leave the country unprepared for threats that take years to build against. A serious defence strategy requires us to do both.

A culture of managed decline is rampant and pervades the national consciousness and political debate. Despite these headwinds, there is a political opportunity to change the mood by reasserting the UK's status as a great power and the benefits and responsibilities that flow from that. Conservatives want to seize this opportunity.

The Right Way

The United Kingdom *should* aspire to be a great power. The Canadian Prime Minister Mark Carney recently argued that today's world is multipolar, with 'middle powers' all enjoying a good deal of agency and influence. I am not so sure.

The era of American hegemony is changing and is looking more like a bipolar world with two AI superpowers. China is the world's second-largest economy and, by some margin, its largest manufacturer. It has demonstrated that technology, trade, espionage and control of supply chains can become instruments of state power, creating huge security challenges and economic disruption. But a world dominated by two superpowers does not mean every other country is condemned to irrelevance. Britain does not need to be one of the two largest powers in the world to remain a great power.

Great powers possess sufficient capability and autonomy to participate in determining the international system rather than merely adapting themselves to decisions made by others. What matters is the ability to convert our resources into lasting influence, turning our wealth and capability into geopolitical strength.

Our foreign policy should be understood as progressing this - not in acquiring superficial diplomatic prestige. As Prime Minister, Keir Starmer seemed to treat our presence at international summits as proof of British influence.

The UK still has latent great power attributes by inheritance and by our potential. This is not wishful thinking. The attributes that lend us this potential - nuclear weapons, sophisticated (even if reduced) conventional forces, world-class intelligence capabilities and a major defence, industrial and technological base as well as our financial power and historical resilience - cannot and should not be dismissed.

But if we allow these to decay far enough the declinism that we see in current establishment thinking is reinforced and our inheritance will be lost. We must reinforce these attributes so we can shape events as a sovereign power rather than just being buffeted by them as we have been for the last couple of decades.

So our starting point is that the post-Cold War model of national security

has failed. It is now time for us to articulate how we become a country capable not just of fielding small but excellent armed forces, but of mobilising our national power and increasing our resilience and preparation to sustain a major war. That also reinforces deterrence. It means not just our armed forces and intelligence agencies, but also industry, technology, finance, infrastructure, reserves, and society. This is the beginning of a genuinely distinctive conservative national security doctrine, which we will elaborate on in more detail in the future.

We need the entire UK population to understand the threat and their role in countering it, and consequently to have a sense of agency and purpose. I do not believe our population understand the current threat levels because they seem remote. The public have largely not felt any impact of unconventional warfare.

It's time to regenerate the tradition of technological and tactical innovation that gave us radar and the Harrier jet in the 20th century. This means releasing the genius of private enterprise, but also bringing civilian innovators close to the frontline users the way Ukraine has done effectively, cutting out process, embracing risk and ceding control.

We need a different relationship with technology companies and smaller defence firms, and we need to dismantle the current procurement morass. Technology is changing over weeks and months while our traditional procurement processes are taking years.

Often we are not pushing the limits of our technological capability because tools for achieving legitimate ends make decision-makers risk-averse. Value for money in defence cannot just mean getting through the procurement process at the lowest apparent cost. If a programme takes so long that the technology has moved on by the time it arrives, or if we end up using an expensive missile to destroy a cheap drone, that is poor value however carefully the rules were followed.

In 2024, when the current Shadow Defence Secretary, James Cartlidge, was Defence Procurement Minister, HMS Diamond was in the Red Sea facing Houthi drones and ballistic missiles. Our Type 45 destroyer was using expensive missiles to shoot down much cheaper drones, when those missiles needed to be conserved for more sophisticated threats. Cartlidge asked his team what else they had that could bring the drones down without burning through missiles. The answer was DragonFire, a laser weapon, which he was

told was not due to come into service for eight years.

He gave the team authority to expedite the process and move as fast as they could. DragonFire was brought forward to 2027 using what became known as a 'minimum deployable capability', i.e. getting something useful onto a ship quickly and improving it afterwards, once it was already in service - as is standard practice in Ukraine.

Even when there was a strong desire to act, institutional inertia remained and it required political leadership to make the right decision. Someone had to decide which risk mattered more. As Cartlidge put it, the choice was between the military risk, including losing a ship and sailors' lives, and the health and safety, certification and other procedural safeguards to mitigate 'civilian risks', processes that would have slowed things down by an additional five years.

We do not have all of the answers yet. Ukraine and the Middle East have shown how exposed military bases, national infrastructure and cities and towns are to mass, cheap drones. And this opens up a significant air and missile defence policy question. What we do know is that going to 3 per cent of GDP by 2030 is a milestone, not the destination to enact this strategy. Our full structure should be driven by NATO plans and capability targets with a critical path to 3.5 per cent. And then finally, we need to ask ourselves: what stocks do we need? At what rate would we consume them? And how quickly can British and allied industry replace them? We should treat industrial capacity, munitions production and national resilience as components of deterrence in their own right.

We should also deliberately concentrate on a small number of technologies where we have a realistic chance of achieving global importance and that means a more joined-up approach between universities, private investment and even government procurement so they can reinforce those areas of comparative advantage.

We should identify the small number of dependencies such as critical minerals, defence components, and other strategic technologies whose loss could seriously restrict our ability to act, and build alternative sources or domestic capacity. With countries like China, we should contest espionage and hostile activity and remove dependencies that could be weaponised against us. Britain must maintain an independent, credible nuclear deterrent and preserve the non-proliferation system from which we benefit.

Resilience means us all knowing which systems must keep working, providing redundancy where failure would be catastrophic and recovering quickly when an attack succeeds.
When it comes to working with others, NATO remains the foundation of European security. Five Eyes, the intelligence-sharing alliance with the United States, Canada, Australia and New Zealand, is an extraordinary asset to Britain.

America must remain our closest security partner, but Europe must be capable of carrying much more of the burden of its own defence. Britain should help make that happen by encouraging stronger European conventional forces, greater defence-industrial capacity and practical cooperation between those countries prepared to act.

What the Conservatives propose

We have committed to spending 3 per cent of GDP on defence by 2030, funded through difficult choices elsewhere in government rather than additional borrowing. We have proposed restoring the two-child benefit cap and using the savings to increase the Armed Forces by 6,000 regular personnel and 14,000 reservists.

We have also proposed a Sovereign Defence Fund of up to £50 billion to accelerate investment in next-generation military technology and help British firms develop and supply equipment at the speed modern warfare requires.-

The next stage of our policy programme will be applying the same doctrine beyond the Armed Forces to strategic technology and the dependencies on which Britain's freedom to act increasingly rests.

THE RIGHT WAY FOR BORDERS AND IMMIGRATION

BY INVITATION

***'We shall only succeed in maintaining and securing our traditional tolerance and fairness in this country if we cut the number of immigrants coming in now' -* Margaret Thatcher[132]**

Migration affects all of our lives in different ways. I was born in Britain, but lived overseas as a child. And as someone with an immigrant background myself, I am happy to speak about it without fear. I believe our country is a beacon of light that shines all over the world - a place of security, opportunity, and prosperity, where people are treated equally. Millions want to come here, but we as politicians have to do right by the citizens of this country, before anyone else.

If the pace and scale of immigration is too great, there is no integration. The ties that bind us start to fray. If people come here they must buy into the values, customs, and institutions that created the conditions that attracted them here in the first place.

And perhaps most importantly, most British citizens don't want to change what's good about our country. Even those who have recently arrived don't want to change these things. Most came here because of what our country is - a prosperous, safe and free society. Most people want to preserve that.

How we got here

The previous Conservative administration promised to bring numbers down but did not deliver that promise. It ended free movement of people with the EU and EEA, but the system that replaced it did not work and is not working. To understand how it has gone wrong, we should look at where the problem first started.

Immigration accelerated sharply under Labour after 1997. Net immigration, which had been roughly 50,000 a year in the mid-1990s, rose to around 185,000 a year between 1997 and 2003, and then climbed again after the 2004 enlargement of the EU, reaching 273,000 in 2007.[133134]

Labour deliberately opened more routes for workers and students from abroad. The Highly Skilled Migrant Programme was introduced in 2002 and the points-based system followed in 2008. When eight Central and Eastern European countries joined the EU in 2004, incredibly, Labour chose not to impose the temporary restrictions used by most other existing member states which meant by early 2011, around 629,000 workers from those countries were employed in Britain, an unprecedented influx of new immigration.[135]

The Labour Government badly underestimated the numbers. Home Office-commissioned research forecast average annual net immigration of about 13,000 up to 2010. The actual labour-market response was on a completely different scale. Around 555,000 A8[136] workers were approved under the Worker Registration Scheme between May 2004 and December 2006 alone, a lesson about trusting forecasts many in government have failed to learn.

The Coalition tightened the system after 2010. Some visa routes were capped or closed, student and family rules were tightened, and net immigration fell from about 256,000 in 2010 to around 177,000 in 2012. But employer sponsorship and the points-based system introduced under Labour remained in place. Free movement of workers as a treaty obligation in the EU also meant Conservative governments could not impose the same controls on EU migration before Brexit.[137]

The political effect was huge. The number of EU-born people living in Britain rose from around 1.5 million in 2004 to 3.5 million by 2016. Immigration, which had barely registered as a major public concern in the 1990s, became a political hot potato in the country during the 2000s and 2010s directly because of the 2004 enlargement and Britain's decision not to apply transitional controls on EU migrants.[138][139]

By 2013 David Cameron was already arguing that the rules on free movement needed to change. By 2016 he had negotiated limits on access to benefits for newly arrived EU workers, but Britain still could not simply impose its own numerical cap on EU migration while remaining inside the free-movement system. This failure to control free movement was a trigger for the 2016 referendum, directly resulting in Britain's eventual exit from the European Union.[140]

Brexit gave Britain the chance to design a different immigration system. Instead, the 2021 changes widened eligibility. Under the new points-based

system, more medium-skilled jobs became eligible, salary requirements were lowered, the resident labour-market test was abolished and the annual cap on skilled workers disappeared.[141] New visa routes were created for post-study work and social care.

The combined effect of the new points-based system, the social care visa and the post study work visa was to significantly increase immigration.

As Home Secretary, James Cleverly then tightened the rules that had made the post-Brexit system much more open. From spring 2024, overseas care workers could no longer bring dependants, and care providers sponsoring them had to be regulated by the Care Quality Commission. The main salary threshold for Skilled Worker visas rose from £26,200 to £38,700, and employers could no longer routinely pay migrant workers 20 per cent below the normal rate simply because a job was on the shortage list. These changes came on top of separate restrictions on students' dependants.

The numbers then fell sharply, with Health and Care Worker visas dropping by 81 per cent. Net immigration also fell substantially, to 171,000 in the year to December 2025, thanks to Cleverly's reforms, but as they happened after he left office the incoming Labour Government claimed credit for changes they had not made.[142]

In Government there's little detailed analysis about the impact of mass immigration on housing and public services. There has been a long-standing squeamishness about discussing the negative aspects of immigration which Conservatives will no longer indulge.

When it comes to illegal immigration, the facts are clearer. The asylum system now costs taxpayers more than £4.3 billion a year. At the end of June 2026, nearly 100,000 people were living in asylum hotels or dispersal accommodation, including more than 32,000 in hotels.[143]

And the problem does not end with people arriving illegally. The system struggles to remove those whose immigration claims have failed but it also struggles to remove foreign nationals who have committed serious crimes. At the end of June 2025, 10,772 foreign nationals were in prison, around 12 per cent of the prison population, while 21,294 foreign national offenders subject to deportation were in fact out in the community.[144]

Horrific cases abound. Yaqub Ahmed was convicted in 2008 for taking part in the gang rape of a 16-year-old girl, but only after years of legal challenges

was he finally deported to Somalia in 2023.[145] Two of the Rochdale grooming gang ringleaders, Adil Khan and Qari Abdul Rauf, fought deportation by claiming their 'right to a family life' under Article 8 of the European Convention on Human Rights. Rauf even gave up his Pakistani citizenship, just to make sure we couldn't send him back. He lost his appeals and yet he's still in Rochdale living among the lives he destroyed.[146]

The Right Way

The right way is to control our borders and control who comes into our country.

A new approach is needed, which will mean that young people can build their lives in a country which does not have these pressures on housing and public services.

Our plans will cover all immigration routes – family, study, asylum, and work – and all the ways people can enter the UK. They will address the access of immigrants and dependants to welfare and public services. As part of this, the data and economic modelling that decision-makers rely on will need to improve.

Many people who have come to our country, or whose parents, grandparents and great-grandparents came to this country, followed the rules and arrived legally. They were genuine asylum seekers, in the way that most people would understand the term, fleeing war and persecution by the Nazis, for example. Or they were economic migrants who waited in the queue until they were given a visa. They are furious at being lumped in with those who break the rules.

The public view the current immigration situation as a free-for-all. This is bad for integration and bad for social cohesion.

I have outlined most of our philosophy in The Right Way for the Country chapter. If we are to rebuild trust with the public after 30 years of failure and disappointment, we need to show our working. The Right Way is to have a plan that ends illegal immigration and dramatically and sustainably lowers legal immigration.

A new robust system is needed to admit strictly controlled numbers of those in genuine need - with Parliament having the final say not just on the criteria but the exact numbers coming in. We need to deter those who arrive

on our shores illegally from coming at all, by being able to return them to their homes or a third country. We are unable to do this while we are still in the ECHR. We must leave the ECHR and repeal the Human Rights Act. The rights of British people will be better protected in our national laws, without the oversight of a foreign court. Leaving the Convention is a necessary step, but not enough on its own to achieve our goals. However, it is the only way to end spurious legal claims from immigrants with dubious stories and excuses. This is the only way to allow a British Government, the next Conservative Government, to deliver our BORDERS plan published in 2025,[147] in full.

What the Conservatives propose

Under our BORDERS plan, Britain will leave the ECHR and repeal the Human Rights Act in a responsible and carefully planned way.

Asylum and removal

Under the new system, no one who has entered illegally will ever be granted asylum or make any other protection claim in this country. Their claims will simply not be heard. This will therefore apply to all small boat arrivals. They will be immediately deported to their home country if possible, or to a safe third country such as Rwanda if not.

Britain will also exit the Council of Europe Convention on Action against Trafficking in Human Beings (ECAT), which allows illegal immigrants and, in some cases even criminals, to stay in the UK on the basis of flimsy claims. Domestic modern slavery laws will be amended so that modern slavery claims no longer prevent removal of those with no right to be here, while continuing to criminalise trafficking and protect domestic victims.

The plan does not propose in the first instance to leave the Refugee Convention. Domestic legislation will instead be amended substantially to raise the threshold for an asylum claim to be successful. Parliament, not a European or British court, will set out the interpretation of the Convention. This will include a requirement for objective and verifiable evidence (not just a plausible-sounding assertion).

But if activist judges attempt to override Parliament and use the Convention as an obstacle to this plan, Britain will also leave the Refugee Convention. This situation will be kept under continuous and careful monitoring.

After illegal immigration has been ended, very limited discretionary non-asylum humanitarian schemes could be established, with parliamentary approval, like the Ukraine scheme, which the last Conservative government created.

Enforcement

An enhanced Removals Force will be created and funded, with the objective of removing all illegal arrivals, all foreign criminals and those already here illegally. This will replace the current Immigration Enforcement entity in the Home Office, and will have a relentless focus on removing those with no right to be here.

The Removals Force will have double the budget of the current Immigration Enforcement directorate and Border Force (costing an extra £820 million a year, or £1.6 billion in total). This will be funded from closing the asylum hotels and the wider costs of the out-of-control asylum system.

Removing the legal barriers, and doubling the resources available, should lead to a roughly five-fold increase in the number of removals from 34,000 to around 150,000 per year.

We have also committed to remove new illegal entrants within a week. In the first instance, detention and processing capacity will be achieved by expanding existing facilities, funded as above from savings across the asylum system.

Foreign criminals should be deported and never allowed to return. The criminal threshold for automatic deportation will therefore be lowered to any criminal conviction (with exceptions only for the most trivial penalties such as parking or minor speeding offences). Foreign criminals must be deported directly from prison as soon as they become eligible, and must not be released onto British streets to pose a danger to the British public.

Decisions and safeguards

The Immigration Tribunal will be abolished in its entirety, returning to the system of the postwar decades in which all immigration decisions were decided within the Home Office.

This will include decisions concerning asylum, accommodation, visa issuance, age assessment, removal, deportation and all other decisions relating to immigration. The leadership of this team will be appointed by the

Home Secretary and be open to external candidates. There will be a short internal appeal process for applicants who feel that an initial decision was mistaken. The Home Secretary will be held accountable by Parliament and to the public for the decisions that are made.

The only grounds for judicial review will be that the Home Secretary has acted without proper statutory authority, i.e. *ultra vires*, strictly and narrowly defined. Judicial review would not include review of a decision on the grounds of unreasonableness, legitimate expectation, failure to consult, the merits of a particular case, or proportionality.

Legal aid for all immigration matters will be abolished.

In exceptional cases, where the new rules would lead to manifest injustice or lead to a person being in grave danger, the Home Secretary would be able to exercise a discretion to grant leave to remain (akin to Leave Outside the Rules). This would be a power not an obligation, and decisions on this matter would not be judicially reviewable or otherwise subject to court interference. It would be for the Home Secretary to account to Parliament and the public for their use (or not) of the power. Regular information should be published about the use of this power.

Returns agreements

Returns agreements will be sought with most countries where illegal immigrants and foreign criminals come from. Foreign aid will be removed and visas will not be issued to nationals of countries that will not agree to take back their own citizens who break our laws. The UK accepts its own nationals back and under international law, countries must take back their own citizens who have no right to be elsewhere.

Illegal immigration is a problem faced by Britain's European allies too. Britain must work closely with them to stop illegal immigration to Europe. UK assets, including intelligence, police and maritime resources, will be deployed to help allies enforce their borders and prevent people entering Europe.

Legal immigration and citizenship

We will introduce a Rights and Responsibilities of Citizenship Bill. This Bill will legislate for a legally binding annual cap on immigration, giving power over immigration back to Parliament. This cap would ensure that the levels

of immigration are determined by the British people.[148]

The Bill will double the period of time you have to be in this country before you can claim Indefinite Leave to Remain from five to ten years. New conditions would also be added: the individual must not have claimed benefits or used social housing during the entire qualification period, must be a net contributor, and must not have any criminal record.

The Bill will extend the time to apply for British citizenship from 12 months to five years after obtaining ILR.

The Bill will introduce new rules to bring an end to the era of mass low-skilled migration, including a higher salary threshold. Spousal visas will be strictly limited. This includes implementing a higher salary threshold for the UK-based partner, mandating that both partners be over the age of 23 to combat forced marriages, mandating that no spousal visas will be issued to first cousins, and creating an overall annual cap on family visas (within the overall cap) to specify that no one country's nationals can take up more than seven per cent of the total allocation.

The Bill will make provision for any individual who is found to have obtained ILR or citizenship on the basis of false information to have their status revoked.

CONCLUSION

The hardest part of writing *The Right Way* was deciding what had to be left out. There are so many examples, stories and anecdotes of what has been going wrong in our country. This is only Part One. As we continue to analyse what has gone wrong and the solutions required, there will be more to write.

The analysis and approach I have outlined are only the start. In the nearly two years I have had the honour to lead the Conservative Party, my colleagues and I have been thinking deeply about how we improve the opportunities, standard of living and security of the people of the United Kingdom.

The challenge before us is daunting. Only those who think in superficial soundbites would imagine otherwise. The problems we need to solve and the difficulties we need to overcome are profound. But with the right approach they can be fixed.

Some of these problems are legacies of the Blair and Brown Labour administrations. Others originated under more recent Conservative rule. Many are not unique to the UK, but reflect a broader malaise in Western democracies. Most have been greatly aggravated since Labour came into office in 2024.

We also face a turbulent international situation. The origins of that are beyond our control. Our capability for dealing with it, and for protecting our people and our national interests against it, is emphatically not.

The Prime Minister has appeared to rule out a general election before 2029. We shall see. We shall also have to see how much further our country will have deteriorated during that time, and what even more radical measures may be necessary to put things right.

The measures I have outlined here are by no means our last word on the restoration of the strong, safe, prosperous and happy Britain that we all want for ourselves and our families. The Conservative Party under my leadership will continually strive to achieve these aims, and transform our country for the better.

This is our opening bid. There will be more.

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CORRECTION SLIP

The version of The Right Way published on 5 October 2026 cited a Net Zero cost estimate of £957 billion, taken from an Institute of Economic Affairs briefing (*The Cost of Net Zero*, 13 January 2026). That figure counted the Climate Change Committee's £478 billion estimate twice. The current version corrects this on page 27, and footnote 38 has been updated.

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