COMMON SENSE POLICY GROUP

We Cannot Afford Cuts

An alternative to the 2025 Spending Review and welfare reforms using Common Sense Spending Multipliers

COMMONSENSE
POLICYGROUP.COM

Published by The Common Sense Policy Group

Northumbria University, Newcastle upon Tyne, NE1 8ST

www.commonsensepolicygroup.com

DOI: 10.17605/OSF.IO/FX35W

First published: 25 June 2025

About the Common Sense Policy Group

Chair

Matthew Johnson, Professor of Public Policy, Northumbria University, matthew7.johnson@northumbria.ac.uk

Author team

Howard Reed, Economics Lead for the Common Sense Policy Group and Professor (Practice) of Public Policy, Northumbria University, Landman Economics

Anna Thew, Communications Officer for the Common Sense Policy Group and Senior Research Assistant, Northumbria University

Simon Duffy, Director, Citizen Network and Visiting Fellow in Social work, Education and Community Wellbeing, Northumbria University

Graham Stark, Innovation Lead for the Common Sense Policy Group and Senior Research Fellow in Public Policy, Northumbria University and Virtual Worlds

Daniel Nettle, Behavioural Science Lead for the Common Sense Policy Group and Professor of Community Wellbeing, Northumbria University; Research director at Institut Jean Nicod, CNRS, Paris

Kate E. Pickett, Epidemiology Lead for the Common Sense Policy Group and Professor of Epidemiology, University of York

Matthew Johnson, Chair of the Common Sense Policy Group and Professor of Public Policy, Department of Social Work, Education and Community Wellbeing, Northumbria University

Elliott Johnson, Impact Lead for the Common Sense Policy Group and Vice Chancellor's Fellow in Public Policy, Northumbria University

Suggested citation

Common Sense Policy Group (2025) *We Cannot Afford Cuts: An alternative to the 2025 Spending Review and welfare reforms using Common Sense Spending Multipliers*, Newcastle: Northumbria University. DOI: 10.17605/OSF.IO/FX35W.

Contact

For all media enquiries, please contact Anna Thew, Communications Officer for the Common Sense Policy Group at anna.thew@northumbria.ac.uk.

A 5-minute Common Sense Alternative to the Spending Review and welfare reforms

A downward spiral of spending cuts based on erroneous assumptions

Governments since at least 2010 have been driven to pursue a downward spiral of low-investment, spending cuts and disastrous social and economic outcomes by Office for Budget Responsibility (OBR) modelling which uses inappropriate assumptions that fail to recognise enduring productivity improvements from public spending within forecasts based on the Government's Fiscal Rules. The Fiscal Rules themselves have emphasised short-term thinking at the expense of long-term return on investment. The consequence has been a low growth, high dysfunction society bereft of functioning industry, infrastructure and national identity, with traditional Labour heartlands, in particular, cut off from much-needed development.

New Common Sense Spending Multipliers based on real data show large and enduring returns on capital and current spending changes

Our new modelling based on 1996-2019 data from 25 advanced economies including the UK shows that public spending has much larger and longer-term impacts on the economy (as measured by Gross Domestic Product [GDP]) than the OBR assumes. Our Common Sense Spending Multipliers are broken into two elements:

- A change in capital spending (e.g. on infrastructure, research and development, schools and hospitals) has a peak multiplier effect of 2.99 in year 9, with even longer-term benefits likely. This means that every additional £1 results in a peak return of £2.99 for the economy. Assuming an increase in tax receipts based on the existing figure of 40% of GDP, the Government would receive £1.20, making a profit in that year alone.
- A change in current spending (e.g. on public sector salaries, welfare, health and education) has a peak multiplier of 1.35 in year 2 of the projection, before declining to effectively zero by year 6. This means that there is a peak annual return for the economy of £1.35 for every £1 spent on delivering public services and that the costs of delivering those public services in achieving hugely improved social and economic outcomes is much lower than the OBR assumes. Around 54p of each additional £1 should return to the Exchequer in year 2.
- Capital and current spending overlap, as, for example, new hospitals, schools, nuclear power plants or research facilities need healthcare professionals, teachers, engineers and scientists. In year 2, gains from an additional £1 of capital spending (£1.53) would be almost wiped out by losses from a £1 cut to current spending (-£1.35). The economy would gain just 18p and face costs beyond that in paying for dealing with the consequences of worse health, employment and crime outcomes.
- These multipliers work in both directions, so hundreds of billions of pounds of cuts to public spending over the last 15 years have caused devastating and compounding losses for the economy and the tax base. This must end.

The proposed welfare reforms produce minimal savings but maximum economic and social harm. The savings are neither real nor necessary

Based on our Landman Economics Tax-Transfer Model (TTM) projection, the Government's proposed welfare reforms will result in the following average annual household income losses in 2029-30 after housing costs are taken into account:

- A fall of 7.2% for the poorest decile (10%) of households with two or more disabled people. Deciles 2-7 all lose at least £1,000, with deciles 3 and 5 losing almost £2,000.
- Households with no disabled people will receive a negligible increase from the main rate of Universal Credit, but at most 1.9% for Decile 1. Approximately £100 per year for deciles 1-3 is catastrophically outweighed by the potentially devastating losses experienced by households with at least one disabled person.
- Losses are worst in the areas with the highest rates of disability, including 1.1% in Wales, 1.0% in the North East. On the other hand, London loses just 0.2% and the South East 0.3%. This is a transfer of funds away from both the households and the regions who need it most, including in Red Wall constituencies. This is likely to exacerbate the long-term trend of disaffection among traditional Labour voters and undermine faith in Government more broadly.

Increases in capital investment in the Spending Review are both inadequate to rebuild Britain and are offset by the productivity losses and downstream costs resulting from welfare cuts and real-terms spending freezes for almost all departments other than health and defence. The NHS will continue to be a National Hospital Service to deal with a population health crisis that has been created by low economic opportunity and high insecurity.

An *Act Now* programme of national renewal funded by popular tax reform and Common Sense Spending Multipliers is affordable, feasible and popular

Our new multipliers and proposed tax reform to ensure that productive work is rewarded are sufficient to fund a full *Act Now* programme of national renewal to rebuild public services and reduce poverty and inequality to historic lows with £82 billion left over. With the surplus, an even more ambitious programme could be implemented or progress could be made on bringing down the national debt. Importantly, large increases in GDP could bring the debt-to-GDP ratio down significantly depending on which options to cover up-front costs are selected.

As a starting point, the Government should implement our Common Sense Economic Rules (see recommendations below).

With polling currently indicating a Reform UK majority at the next election, the message to the Government is simple: Don't compound the existing problems. Be bold, spend more, and multiply the economic, social and electoral benefits. It's just common sense.

Our Common Sense Recommendations

Replace fiscal rules with Common Sense Economic Rules to break through short-term thinking, failed orthodoxy and minimal, misplaced growth

1. Poverty as well as income and wealth inequality (nationally, within and between nations and regions) must be falling by the third year of the forecast until returned to historic lows through capital spending and current spending investment as well as fair and efficient taxation. A social policy programme aligned with *Act Now* should be enacted to address problems with the existing welfare system, remove disincentives for social, physical and economic activity, and ensure improved outcomes for all, including workers.
2. Public Sector Net Worth must increase by the fifth year of the forecast.
3. Public Sector Net Financial Liabilities, incorporating Common Sense Spending Multipliers, must reduce sustainably and predictably by the tenth year of the forecast by insulating the nation from international price spikes and economic crises via:
   a) large-scale, public-sector driven investment in secure, low-cost and plentiful renewable energy.
   b) re-establishment of local manufacturing capabilities for products essential to national security, including commodities like steel, and medicines, vaccines and personal protective equipment crucial to defending against future pandemics.

Reform institutions to drive economic success, growth and long-term debt-reduction.

4. Operate the National Wealth Fund as a National Investment Bank with sufficient capital to make largescale investment in infrastructure and R&D projects that are essential to meeting the Common Sense Economic Rules.
5. Recognise that the Bank of England is a political vehicle and take back democratic control over its policies. Fiscal and monetary policy are inextricably linked and the Bank's independence is so narrowly defined as to be meaningless. When crises hit, the Government should be able to use monetary levers directly, subject to democratic oversight. Monetary policy should be used to achieve national economic success.
6. Review the Office for Budget Responsibility and its ability to model accurate and meaningful long-term outcomes. Common Sense Spending Multipliers that acknowledge supply and demand over the longer-term must be adopted.

Return to public investment for the public good

7. Take our house back. Renting essential services and utilities from companies that obtained them through the public asset stripping of the 1980s and 1990s cannot be allowed to continue. It is baffling to rent services we require forever. We need an updated Treasury Green Book approach, and a clear set of criteria for National Wealth Fund investments regarding impact on climate change, health and social outcomes.

8. Address the weaknesses in our economy though capital investment in infrastructure, including gaining control over utilities and public transport, to drive productivity, growth, inter- and intra-regional inequality and a broad, sustainable, fair tax-base.
9. Deliver current spending investment to drive growth and bring debt down in the long-term through the Common Sense Spending Multiplier of £1.35 for the economy per £1 spent, as well as exponential savings for the public purse downstream. It is just common sense to borrow to fund public health interventions that cost £3,800 per year in good health gained and support reactive services that cost £13,500 to move beyond crisis and bring down costs is commonsense.

Reform taxation to close the fairness gap, streamline the system and shift the burden from productive, socially beneficial work to passive wealth and environmentally harmful activity (figures are *Act Now* calculations).

10. Roll regressive employee National Insurance Contributions into Income Tax, raise rates by 3 points and equalise tax rates for dividends with those for earnings and other forms of income to raise £58 billion per year. This is a hugely popular approach with the public. Some could be used to reverse the recent increase to employer National Insurance Contributions, which has driven increased unemployment.
11. Institute a progressive annual Wealth Tax on household wealth above £2 million beginning at 2%, with an additional tax on large financial transactions out of the country to deal with capital flight, to raise £43 billion after allowance for avoidance. Wealth sitting in the UK that distorts the housing and other markets, is enjoyed elsewhere or not spent or taxed at all is of no benefit to the nation.
12. Establish a carbon tax of around £55 to £60 per tonne in 2024 as well as a permanent excess tax on fossil fuel companies and a redirection of current subsidies to fossil fuel producers, to raise around £13 billion in current prices.
13. Introduce a tax on frequent flyers and on private jets departing from the UK, the latter set at £780 per passenger per flight, to raise a further £4.5 billion per year.
14. Reverse fuel duty freezes since 2010 (accompanied by investment in making public transport more affordable than driving) to raise almost £20 billion per year.
15. Replace the outdated and regressive Council Tax with a Proportional Property Tax (PPT) similar to that in Northern Ireland at a rate of 0.7% for primary residences (double for second homes and empty properties) in Scotland, 0.9% in Wales and 0.95% in England, while compensating any low-to-middle income households that lose out. This would raise approximately £9 billion per year.
16. Remove 40 of the largest unnecessary or badly targeted tax reliefs and allowances that enable the wealthy to avoid paying tax through avoidance schemes, which should raise just under £74 billion.

A Common Sense Alternative to the Spending Review and welfare reforms

Building on the 2024 Autumn Budget and 2025 Spring Statement, the Government appeared to approach the June 2025 Spending Review[1] with an overriding concern for appearing 'fiscally responsible'. This is not unreasonable, as most governments around the world fear 'Bond Vigilantes' – investors who are believed actively to constrain which policies are deemed feasible by selling bonds and causing government borrowing rates to spike.[2] Unfortunately, given manifesto commitments not to raise any of the most straightforward and fair forms of tax, this means that the Government's primary message has been that while some additional investment spending is needed, cuts to current spending are essential to bring down the deficit. This is institutionally embedded through the Government's 'stability' Fiscal Rule which stipulates that the current budget must be in surplus from the third year of the rolling forecast period.[3] This gives the Government very little 'wiggle room' when, for example, there is an international economic downturn. The result is a seemingly never-ending return to day-to-day fiscal constraint and spending cuts, particularly related to welfare. This approach is now so unpopular that Reform UK, usually staunch proponents of public spending cuts,[4] led the charge on pressuring the Government to reverse its Winter Fuel Payment reforms as well as removing the two-child benefits cap.[5]

The Government's negative 'doom loop' is a consequence of its self-imposed manifesto handcuffs and it must free itself from Treasury orthodoxy to prioritise public investment. Surveys show repeatedly that the public is not opposed to taxation that is fair and delivers effective public services,[6] nor is it opposed to an effective social safety net that benefits everyone.[7] Straightforward, fair and effective taxation on passive wealth, carbon production, luxury consumption and corporate profit is feasible, affordable and popular. Indeed, a late-May 2025 YouGov poll for *The Times* found that just 23% would prefer to see spending cuts to deal with current issues relating to the public finances compared with 19% for borrowing more money and 31% for increasing taxes.[8]

A poorer, less well-educated, badly housed and sicker population is only going to reduce the potential for future productivity and economic growth. This is the ultimate public policy downward spiral. Crucially, though, governments have been very poor at articulating a compelling vision of how increasing public spending can benefit everyone, from workers to business. Instead, any increases are framed as essential to avoid collapse. Who would support spending and borrowing more if the result is not improved outcomes, just delayed disaster?

There was a small shift in the Autumn Budget, which we supported in *Spend to Save Britain*, when Chancellor Rachel Reeves redefined debt in the Government's fiscal rules to enable more borrowing to spend on capital (infrastructure) investment. But much more is needed. In our Beveridge-style domestic policy report, *Act Now: A Vision for a Better Future and New Social Contract*, we highlighted that a transformative whole-of-government approach could be funded through two key mechanisms. First, we proposed shifting the tax burden away from productive employment and working people and onto passive wealth. However, we also used established 'economic multiplier effects', effectively how much economic growth (in Gross Domestic Product [GDP]) could be expected from the additional capital (e.g. on infrastructure, research and development [R&D], schools and hospitals) and current (e.g. on public sector salaries, welfare, health and education) spending, based on existing analysis of European countries by Deleidi et al.[9]

We indicated that each £1 of capital spending results in £2.74 for the economy, through productivity gains from things like improved transport, energy, R&D and public buildings. For current spending, we conservatively assumed a return of 90p for the economy, approximately a third of the infrastructure investment, based on, for example, improved workforce health and education, and therefore productivity. Together, and with assumed tax receipts of 40% in line with the current overall tax take, this unlocked potentially hundreds of billions of pounds for investment in fully funded and expanded NHS and social care provision, housebuilding, the net zero transition, education, transport, and even a Basic Income for all citizens at halfway to Minimum Income Standard (MIS).[10] This is Joseph Rowntree Foundation's benchmark based on what the public believe people need to have a reasonable standard of living and engagement with society.

Based on our groundbreaking new analysis of 1996-2019 data from 25 advanced economies (including the UK), we find that our current spending multiplier assumption in *Act Now* was likely very conservative, while even the capital spending multiplier assumption may have been lower than the reality. Compared with our new analysis, Deleidi et al. used 1970-2016 data from 11 nations now in the Eurozone. A full methodology is available at the end of this report. We also undertook analysis on a dataset covering 1996-2023 but found that pandemic spending and sharp changes in GDP had an unrepresentative and distortionary effect. However, it should be noted that the multipliers still totalled significantly higher tax receipts than forecast in *Act Now*.

Our Common Sense Spending Multipliers are broken into two elements:

- A change in capital spending has a peak multiplier effect of 2.99 in year 9 of the projection, building from around 1.5 in years 2-4, 1.82 in year 5, and increasing sharply from year 7. Even if we look at a three-year projection, the economic returns would be £1.48 in year 3. This is a large stimulus for the economy and remains so for at least a decade with even longer-term benefits likely. It means that every additional £1 results in £2.99 for the economy in year 9 alone. Assuming an increase in tax receipts based on the existing figure of 40% of GDP, the Government would receive £1.20 in year 9.
- A change in current spending has a peak multiplier of 1.35 in year 2 of the projection, up from 1.32 in year 1, before declining to effectively zero by year 6. This means that not only is there a return for the economy of £1.35 for every £1 spent in year 2, but also that the cost of delivering public services and the hugely improved social and economic outcomes they provide is much lower than previously

perceived. We project that around 54p of each additional £1 should return to the Exchequer in year 2 alone through increased tax receipts.

These findings make intuitive sense. Capital spending creates a long-term resource that remains available for many years into the future. Current spending provides a 'Keynesian' stimulus, which can both guide the economy through tough times and bring the nation, especially the population, to a higher level of productivity that must be maintained through continued investment. Some spending will result in immediate benefits, such as operations that return people to being able to work. Others will bear fruit well into the future, for example education and training, or public health interventions and childcare that support the productivity of subsequent generations when they enter the workforce.

These multipliers also work in both directions, so hundreds of billions of pounds of cuts to public spending since the Global Financial Crisis of the late-2000s have caused devastating and compounding losses for the economy and the tax base.[11] Also, capital and current spending cannot operate in isolation, so a cut to one may seriously harm or eliminate the productivity gains of the other. New hospitals, schools, nuclear power plants or research facilities need healthcare professionals, teachers, engineers and scientists. In year 2 of our projection, the gains from an additional £1 of capital spending (£1.53) would be almost wiped out by the losses from a £1 cut to current spending (-£1.35). The economy would gain just 18p.

Using these multipliers, we now estimate that an additional £56.1 billion in tax receipts would be generated by our *Act Now* policies compared to our previous estimates. Alongside our reprogramming of the tax system to ensure that productive work is rewarded, these multiplier effects more than cover a full programme of national renewal to rebuild public services and reduce poverty and inequality to historic lows with £82 billion left over. With the surplus, an even more ambitious programme could be implemented or progress could be made on bringing down the national debt. Importantly, large increases in GDP could bring the debt-to-GDP ratio down significantly depending on which options to cover up-front costs are selected.

Unfortunately, the Government's plans in the Spending Review are, as all have been since its establishment by then Chancellor George Osborne in 2010 as part of an austerity agenda, informed by modelling by the Office for Budget Responsibility (OBR). The OBR has been criticised from both ends of the political spectrum[12–14] for inaccurate forecasting and assumptions that constrain the policies available to governments. The New Economics Foundation has criticised its multiplier effects assumptions in projections examining adherence to the Government's Fiscal Rules being based primarily on increased demand (for example from businesses and households having more money to spend on goods and services) rather than the increased output that would also result from productivity gains. Further, they assume that the multipliers taper to zero by year 5, as a longer period of additional demand, they argue, would simply be inflationary and cancelled out by actions such as, for example, the Bank of England raising interest rates to counteract the inflation.[14] On the contrary, our modelling shows that the largest multiplier for capital investment is in year 9, and increases dramatically in the years leading up to it.

It is simply common sense that public spending on greatly improved transport or advanced manufacturing capabilities or improving health and education, will result in the ability to produce more, and the Government's Fiscal Rules and official assessments relating to them must account for that appropriately. Further, our modelling is based on real data over a long period and including a large number of comparable countries. So not only is the OBR artificially projecting limiting the impacts to five years, it is also using multipliers that are very likely to be too low. Such modelling is the worst of all worlds: excessively complex in an attempt to project very specific outcomes from very specific policies and utterly unreliable. Economic theory should never be used to underpin assumptions when it runs counter to empirical reality. However, data should not be needed to understand that the benefits of a new windfarm do not simply evaporate after five years.

The Government framed the Spending Review as a programme of largescale capital investment, with 'tough decisions' on current spending.[15] In reality, the vast majority (90%) of the increase in current spending is going to health, while defence is getting the lion's share of capital spending. With population increases, pay rises and expected service improvements to account for, most departments are facing effective budget cuts, whether capital or current.

Instead of pursuing a high-investment, high-productivity, high-growth approach to achieve national renewal, we instead see the Government encouraged through inaccurate modelling assumptions to make cuts, most prominently through the welfare system. The Government's *Universal Credit and Personal Independence Payment Bill*[16] is intended to do just that, while being promoted as a means of supporting disabled people into work.[17] Using the Landman Economics Tax-Transfer Model (TTM), we simulated the effects of the Government's proposed cuts to the health element of Universal Credit and Personal Independence Payment (PIP) as well as the knock-on effects on carers who are no longer eligible for Carer's Allowance when the person they care for loses eligibility for PIP. We also incorporate the increase to the main single/couple element of Universal Credit.

Full tables of results and the methodology are available at the end of this report, but the headline result of the reforms is that, after housing costs (AHC) are taken into account, proportional losses to average household income fall most heavily on the poorest decile, especially in households with two or more disabled people face where the drop is 7.2%. However, other low- to middle-income households are also hit hard. Deciles 2-7 of households with two or more disabled people all lose at least £1,000 per year, with deciles 3 and 5 losing almost £2,000. On the other hand, households with no disabled people are set to receive a small increase, but at most 1.9% for the poorest decile. In reality, the approximately £100 per year for deciles 1-3 is catastrophically outweighed by the potentially devastating losses experienced by households with at least one disabled person.

In addition, losses in average household income are worst in the areas with the highest rates of disability, including -1.1% in Wales, and -1.0% in the North East. On the other hand, London loses just 0.2% and the South East 0.3%. This is a transfer of funds away from both the households and the regions who need it most, including in Red Wall constituencies. This will only worsen health inequalities and severely damage the capacity of those areas to improve their economic chances. This approach may be in line with the Government's stated aim of avoiding financially incentivising ill-health and inactivity, but its narrative of increasing incomes among other Universal Credit claimants through the main rate is not borne out in the modelling. £100 per year will make little difference to households struggling to heat and eat.

In addition, the revised approach is not even targeted: all new disabled claimants of Universal Credit – including those with the most profound impairments that preclude pursuit of any paid work – will receive the lower rate. In a system in which the main disability-related benefit, Personal Independence Payment (PIP), were sufficient to meet additional costs, this may be a reasonable approach. However, Scope's *Disability Price Tag 2024* study found that, on average, disabled households need an additional £1,010 a month to have the same standard of living as non-disabled households.[18]

Given the Common Sense Current Spending Multiplier outlined above, the result is likely to be hugely detrimental to population wellbeing, the public purse and the economy more broadly. Indeed, such financial insecurity means that people have even fewer resources (including money, time, cognitive bandwidth) to be able to purse the kind of work that might support their securing improved outcomes.[19] Even if the Government's total forecast saving of £4.8 billion by 2029-30 were to be achieved (and the evidence suggest it will not), this will effectively have no impact on the deficit. International events will change forecasts almost immediately and, in the scheme of public spending, the sum is almost a rounding error. The reality is that much greater costs will be shifted downstream in health, crime and other negative outcomes, and people lives will be severely damaged.

Welfare benefits are upstream of health, not the other way round, and it is essential to treat security of income, reduction in inequality, and elimination of poverty as the key means of improving outcomes. Our Common Sense Approach indicates that this can be provided while also eliminating the perverse incentives to be economically, physically and socially inactive that the Government speaks of by implementing a more universal system.[19] But there are many ways of improving the benefit system, including by removing the two-child limit on benefits, increasing the rate of benefits like Universal Credit, and by giving the benefit of the doubt to recipients who engage with work. On this point, the Government's plan to enshrine the 'right to try' work without having to reapply and be reassessed for health and disability related benefits[20] is a real step forward, and its focus on supporting rather than forcing disabled people into employment should be applauded. But those who cannot work, including at a sufficient level, or who cannot find work must be protected through benefits that lift them beyond the 'desperation threshold' below which outcomes are disastrously worse. Unfortunately, the effects outlined above demonstrate that precisely the opposite will result from the Government's main reforms.

The Department for Work and Pensions' own, likely very conservative, assessment of the benefit changes accompanying the Spring Statement[21] estimated that the cuts to Personal Independence Payment and Universal Credit support for disabled people will increase relative poverty by around 50,000 children and 250,000 adults. In 2023, research by Professor Donald Hirsch and colleagues for the Joseph Rowntree Foundation found that the cost of child poverty was around £39 billion per year in terms of lost earnings potential and increased expenditure on public services. This amounts to a 'poverty cost' of around £9,300 per person.[22]

Uprating these figures to 2025 price levels and using the DWP's estimate of increased poverty, if the cost of poverty per adult were the same as the cost of poverty per child, the increase in poverty as a result of the disability benefit cuts could result in additional costs of at least £2.7 billion per year. This would wipe out around half the additional savings on the welfare bill by 2028-29 based on the OBR's policy costings of the Spring Statement.[23]

With regard to capital spending allocated in the Spending Review, the change to the definition of debt meant that there was approximately £100 billion in potential additional spending over the course of the parliamentary term. Specific allocations included the following:

- A total capital spending increase in 2029-30 of £33 billion compared with the plans of the previous Conservative Government.
- While defence received a £7.3 billion per year real terms increase in capital spending, across all other departments, there was a £3.6 billion per year cut. And this is only if the Government is able to sustain its planned overall increase over the next five years as it comes under pressure from international economic events. If the defence investment is overwhelmingly spent domestically, in line with its 'military Keynesianism' framing, then there is the opportunity to secure a decent multiplier effect. However, a large proportion may be spent overseas, since many large and prominent manufacturers are based in the United States and in several European nations.
- £86 billion for R&D over the next three years until 2029-30, an annual increase of just £2.1 billion in the final year compared with existing plans. Given that the Government is projecting a multiplier effect of £7 for every £1 spent on R&D, the case for a much larger increase in spending should seem clear. For example, in *Act Now*, we make the case for largescale investment in a National Pharmaceutical Service to manufacture generics and ensure security of supply for future public health emergencies.
- £14.2 billion for the Sizewell C nuclear power station, of which the Government owns 83.5% (with EDF owning the other 16.5%) after the stake of the Chinese former majority owner was previously bought out. It has also committed £2.5 billion to build Small Modular Reactors. Given that the latter is a reallocation in full from Great British Energy's budget,[24] the Government's abandoned commitment when in opposition of £28 billion per year[25] for Green Energy, and the urgency of the net zero transitions, this is wholly inadequate.

The Government's current spending plans included the following:

- Real terms per-person cuts of 1.3% on average for all departments except health, defence and education between 2025-26 and 2028-29, with the largest cuts for foreign aid and transport, including 5.4% per year for the latter as post-Covid rail subsidies reduce. Given the productivity and environmental benefits of public transport, this is tremendously shortsighted.
- NHS England annual day-to-day budget increased by £17.2 billion between 2025-26 and 2028-29, equal to 90% of the total £19.2 billion increase across all departmental budgets. This annualised real-terms increase of 2.8% is still below the average since 1949. Capital spending for the NHS is flat, which may have severe consequences given the state of its infrastructure.
- 1.3% education spending increase in real terms per pupil (£1.8 billion between 2025-26 and 2028-29). But this includes extending free school meals to children of all Universal Credit recipients (rather than families with net income of less than £7,400, excluding income from benefits) and covering staff pay increases, and compares with an annual budget of £63.7 billion.
- Winter Fuel Payment eligibility will be expanded to all pensioners with income below £35,000, after its significant reduction in the Autumn Budget, meaning that the cut compared with universal entitlement is now just £450 million with around half of that cancelled out by the increase in uptake of Pension Credit following the Government's previous restriction of eligibility to only those receiving the benefit.
- Overall, this amounts to real current departmental spending per person returning to roughly where it was in 2009-10, although below that level as a share of GDP.

When combined, current and capital departmental spending will grow by 1.5% per year in real terms over Spending Review period, and 2.3% over the course of the parliament which is effectively unchanged as a share of national income at 20%. While more significant increases were already made in the one-year 2024 Spending Review, the Government has failed to take advantage of an opportunity to fully reset public spending and invest in national renewal, with real-terms spending per person in many departments, such as Education and Housing and Communities, still greatly below pre-austerity levels.[26]

Even the NHS' budget increases will be cannibalised by the increased pressure on services from the harm of the health-related benefits cuts. Our research has highlighted that mitigation by reactive services of the disastrous life-long consequences of poverty and inequality for both population wellbeing and the public purse can never be as effectively and efficiently as they can by addressing the cause.[27] We spend £13,500 per additional year in good health gained through reactive healthcare services.[28] This is more than the total average income of the poorest 10% of households before housing costs are taken into account.

But, as a result of our new modelling of spending multipliers, another way is now possible that can satisfy people of all political persuasions. We have demonstrated that public spending produces not only transformed population wellbeing, but also a greatly improved productivity that drives economic growth and improved public finances. It is also a lesson that cuts simply leave much greater economic returns, including tax receipts, on the table. Some other nations still understand this, particularly in Scandinavia, while the United States' growth in the aftermath of Covid through massive public spending initiatives like the Inflation Reduction Act[29] should not be overlooked. On the contrary, our seemingly endless and demonstrably failed commitment to short-term deficit reduction at the expense of long-term economic and social wellbeing, is underpinned by debunked research. There is no way out of our increasing crises through the same, failed approaches of the last four decades.

Conclusion

We have previously shown that our Common Sense Approach to budgets has an average approval rating of 73/100 nationally, and 60/100 among 2019 Red Wall Conservative voters.[30] UK voters no longer endorse the economic approach of 2010 and there is no benefit to the Government pursuing it. Increasingly, doing so is recognised as economically as well as politically irresponsible. There are clear associations between risk of destitution and various other socioeconomic characteristics, health status and political preferences, and the very small number of policy 'haters' can be persuaded with effective narrative justification. Instead of attempting to justify an economic approach that the public see as harmful, the Government needs to grasp the nettle, support public investment and demonstrate that is on the side of traditional Labour voters. Insecurity and inequality are only worsening, and spending to renew Britain is the only way in which to achieve electoral success.

With polling currently indicating a Reform UK majority at the next election,[31] the message to the Government is simple: Don't compound the existing problems. Be bold, spend more, and multiply the economic, social and electoral benefits. It's just common sense.

Methods and detailed results

Government's welfare reform proposals

Methods

Our analysis of the impact of the welfare benefit changes announced in the Government's *Universal Credit and Personal Independence Payment Bill* uses the Landman Economics Tax-Transfer Model (TTM), a microsimulation model of the UK tax-benefit system. The analysis uses data from the UK Family Resources Survey (FRS) for 2023/24.[32] We simulated the effects of the Government's proposed cuts to the health element of Universal Credit and Personal Independence Payment (PIP) as well as the knock-on effects on carers who are no longer eligible for Carer's Allowance as the person they care for loses eligibility for PIP. We also incorporate the increase to the main single/couple element of Universal Credit.

Changes to PIP eligibility

According to the Department for Work and Pensions, 88% of claimants entitled to the standard daily living award score fewer than 4 points in all activities, while 12% of claimants entitled to the enhanced daily living award score fewer than 4 points in all activities.[33] FRS data shows us which adults are in receipt of PIP daily living component at standard and enhanced rates. Initially, in response to a Freedom of Information request, the Government stated that the respective figures were 87% and 13%. As a result, we model the impact of the changes to PIP by randomly removing eligibility to PIP daily living element for 87% of standard daily living claimants and 13% of enhanced daily living claimants in the FRS dataset. We do not anticipate a significant change to overall average changes based on those one percentage point differences. Note that some of the claimants affected remain eligible for PIP at a reduced rate because they also claim the mobility component of PIP which is unaffected by the changes.

The Office for Budget Responsibility (OBR) has indicated that it believes a smaller number will be affected by the changes than the percentages above would indicate due to recipients challenging scores more in order to score above 4 points. However, the claimant support website *Benefits and Work* has argued that there are few daily living activities within the assessment in which four points are awarded by assessors at a significant rate.[34] While some claimants may well challenge scores, this is not quantifiable at this stage and speaks to the very substantial challenges to wellbeing introduced by a system that is assumed by official modellers to be subject to large-scale assessment error. OBR modelling, including with regard to the replacement of Disability Living Allowance (DLA) with Personal Independence Payment (PIP), has proven to be extremely inaccurate. It should not make assumptions based on information that is not yet available or predictable. As such, using the figures above is the most reasonable and responsible modelling approach which enables policymakers to understand the full prospective impact of the changes.

Changes to Universal Credit health element (aka Limited Capability for Work / Work Related Activity element)

The UC health element is frozen in cash at £97 per week until 2029/30 for existing recipients. Given current inflation forecasts this amounts to a cut of around 9% in real terms. For new recipients the UC health element is reduced to £50 per week and frozen until 2029/30. The Landman Economics Tax-Transfer Model uses the data on which benefit units receive Universal Credit, combined with information about the disability status of adults in each benefit unit, to identify adults who are eligible for the health element in their claim. To model reduction of Universal Credit health element to £50 for new claimants, we used the Department for Work and Pensions' Stat/Xplore[35] data, which indicated that, as of March 2025, approximately 51% of Universal Credit claimants had claim durations of 3 years or fewer. We use this proportion as an estimate of the proportion of disabled UC claimants who will be affected by the reduction in the UC health element to £50 per week by the 2029/30 tax year, three years after the policy is scheduled to be introduced in April 2026.

Increase in the Universal Credit main adult rate

We model the impact of an above-inflation increase in the Universal Credit main rate for single and couple claimants. This is forecast to increase by around 5% above inflation by 2029/30.

Losses in Carers Allowance as a result of PIP eligibility changes

Carer's Allowance (CA) is paid to adults who care for other adults claiming PIP. As a result of the PIP changes, we predict that around 150,000 adults who currently claim Carers Allowance will no longer be eligible. We model this by assuming that CA claimants lose eligibility if they are caring for an adult who no longer receives PIP after the reforms and they do not care for any other PIP or DLA claimants in the household who remain eligible.

Detailed results

Table 1. All households – Changes in average annual net equivalised household income by income decile due to proposed welfare from 2029-30 (in 2029-30 cash prices)

Decile	Average income	PIP		UC health element		UC main payment		CA		Total	
	£	£	%	£	%	£	%	£	%	£	%
1	5,395	-146	-2.7	-50	-0.9	103	1.9	-19	-0.4	-113	-2.1
2	18,943	-218	-1.2	-117	-0.6	145	0.8	-20	-0.1	-210	-1.1
3	23,740	-347	-1.5	-157	-0.7	118	0.5	-50	-0.2	-436	-1.8
4	29,609	-369	-1.2	-161	-0.5	95	0.3	-55	-0.2	-490	-1.7
5	35,641	-352	-1.0	-120	-0.3	65	0.2	-48	-0.1	-456	-1.3
6	39,986	-257	-0.6	-86	-0.2	35	0.1	-20	-0.1	-328	-0.8
7	46,438	-203	-0.4	-45	-0.1	24	0.1	-25	-0.1	-250	-0.5
8	56,428	-142	-0.3	-25	0.0	11	0.0	-8	0.0	-164	-0.3
9	68,212	-84	-0.1	-5	0.0	7	0.0	-4	0.0	-85	-0.1
10	121,416	-35	0.0	-1	0.0	3	0.0	0	0.0	-33	0.0

Table 2. Households with at least one disabled adult – Changes in average annual net equivalised household income by income decile due to proposed welfare from 2029-30 (in 2029-30 cash prices)

Decile	Average income	PIP		UC health element		UC main payment		CA		Total	
	£	£	%	£	%	£	%	£	%	£	%
1	6,293	-315	-5.0	-113	-1.8	118	1.9	-37	-0.6	-347	-5.5
2	18,481	-458	-2.5	-245	-1.3	177	1.0	-41	-0.2	-566	-3.1
3	23,969	-680	-2.8	-303	-1.3	144	0.6	-99	-0.4	-938	-3.9
4	29,933	-738	-2.5	-318	-1.1	126	0.4	-111	-0.4	-1,041	-3.5
5	35,365	-705	-2.0	-249	-0.7	96	0.3	-97	-0.3	-955	-2.7
6	39,951	-541	-1.4	-189	-0.5	55	0.1	-45	-0.1	-720	-1.8
7	45,597	-433	-0.9	-88	-0.2	35	0.1	-58	-0.1	-544	-1.2
8	56,785	-374	-0.7	-65	-0.1	14	0.0	-22	0.0	-447	-0.8
9	68,852	-260	-0.4	-16	0.0	12	0.0	-5	0.0	-268	-0.4
10	119,102	-127	-0.1	-5	0.0	7	0.0	0	0.0	-125	-0.1

Table 3. Households with at least two disabled adults – Changes in average annual net equivalised household income by income decile due to proposed welfare from 2029-30 (in 2029-30 cash prices)

Decile	Average income	PIP		UC health element		UC main payment		CA		Total	
	£	£	%	£	%	£	%	£	%	£	%
1	10,188	-672	-6.6	-75	-0.7	165	1.6	-147	-1.4	-730	-7.2
2	23,123	-970	-4.2	-415	-1.8	282	1.2	-47	-0.2	-1,150	-5.0
3	30,854	-1,155	-3.7	-729	-2.4	253	0.8	-342	-1.1	-1,974	-6.4
4	35,322	-1,089	-3.1	-601	-1.7	189	0.5	-114	-0.3	-1,616	-4.6
5	43,840	-1,281	-2.9	-464	-1.1	134	0.3	-344	-0.8	-1,956	-4.5
6	46,669	-891	-1.9	-238	-0.5	89	0.2	-151	-0.3	-1,191	-2.6
7	57,943	-968	-1.7	-280	-0.5	71	0.1	-178	-0.3	-1,355	-2.3
8	69,005	-581	-0.8	-55	-0.1	11	0.0	-71	-0.1	-696	-1.0
9	78,182	-801	-1.0	-8	0.0	34	0.0	0	0.0	-775	-1.0
10	113,809	-139	-0.1	0	0.0	2	0.0	0	0.0	-137	-0.1

Table 4. Households with no disabled adults – Changes in average annual net equivalised household income by income decile due to proposed welfare from 2029-30 (in 2029-30 cash prices)

Decile	Average income	PIP		UC health element		UC main payment		CA		Total	
	£	£	%	£	%	£	%	£	%	£	%
1	4,660	0	0.0	0	0.0	90	1.9	-37	0.0	90	1.9
2	19,405	0	0.0	0	0.0	115	0.6	-41	0.0	115	0.6
3	23,513	0	0.0	0	0.0	90	0.4	-99	0.0	90	0.4
4	29,226	0	0.0	0	0.0	63	0.2	-111	0.0	63	0.2
5	36,005	0	0.0	0	0.0	37	0.1	-97	0.0	37	0.1
6	40,049	0	0.0	0	0.0	18	0.0	-45	0.0	18	0.0
7	47,168	0	0.0	0	0.0	16	0.0	-58	0.0	16	0.0
8	56,239	0	0.0	0	0.0	10	0.0	-22	0.0	10	0.0
9	67,911	0	0.0	0	0.0	4	0.0	-5	0.0	4	0.0
10	122,216	0	0.0	0	0.0	2	0.0	0	0.0	2	0.0

Table 5. All households – Changes in average annual net equivalised household income by region due to proposed welfare from 2029-30 (in 2029-30 cash prices)

Region or nation	Average income	PIP		UC health element		UC main payment		CA		Total	
	£	£	%	£	%	£	%	£	%	£	%
Wales	41,471	-377	-0.9	-90	-0.2	68	0.2	-47	-0.1	-447	-1.1
North East	39,293	-301	-0.8	-105	-0.3	82	0.2	-87	-0.2	-411	-1.0
North West	40,753	-264	-0.6	-101	-0.2	68	0.2	-21	-0.1	-318	-0.8
West Midlands	41,478	-272	-0.7	-84	-0.2	75	0.2	-40	-0.1	-321	-0.8
Yorkshire & Humber	39,274	-227	-0.6	-93	-0.2	73	0.2	-16	0.0	-262	-0.7
South West	46,155	-238	-0.5	-87	-0.2	43	0.1	-24	-0.1	-306	-0.7
East Midlands	40,888	-204	-0.5	-75	-0.2	61	0.2	-11	0.0	-229	-0.6
East of England	45,621	-154	-0.3	-94	-0.2	57	0.1	-27	-0.1	-217	-0.5
South East	52,319	-143	-0.3	-46	-0.1	41	0.1	-14	0.0	-162	-0.3
London	53,512	-113	-0.2	-40	-0.1	68	0.1	-8	0.0	-93	-0.2

Common Sense Spending Multipliers

Methods

We estimate multipliers on capital and current spending using a slightly amended and augmented version of the model in Deleidi, Iafrate and Levrero (2020).[9]

Our preferred empirical specification is as follows:

- Regression model: OLS on cross-country panel
- Duration: 24 years (1996 through 2019 inclusive).
- 25 Nations: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Slovakia, South Korea, Spain, Sweden, Switzerland, UK, USA.
- Equation:

$$\Delta y_{i,t+h} = \alpha_i^h + \sum_{s=1}^{T} \delta_s^h + \beta^h \Delta I_{i,t} + \gamma^h \Delta G_{i,t} + \lambda^h \Delta y_{i,t-1} + \theta^h \Delta I_{i,t-1} + \mu^h \Delta G_{i,t-1} + \varepsilon_{t+h}$$

- Dependent variable: $\Delta y_{i,t+h}$ Change in log real GDP between time t-1 and time t+h.
- Regressors (those in bold produce the multiplier effects):
    - α_i^h: Country fixed effects (dummy for each country).
    - δ_s^h: Time dummies (dummy for each year s).
    - $\Delta I_{i,t}$: Change in log real public capital spending between time t-1 and time t.
    - $\Delta G_{i,t}$: Change in log real public current spending between time t-1 and time t.
    - $\Delta y_{i,t-1}$: Lagged GDP growth rate (change in log real GDP between time t-2 and time t-1).
    - $\Delta I_{i,t-1}$: Lagged public capital spending growth rate (change in log real public capital spending between time t-2 and time t-1).
    - $\Delta G_{i,t-1}$: Lagged public current spending growth rate (change in log real public current spending between time t-2 and time t-1).
    - ε_{t+h}: is an error term.
- 10 versions of the regression are estimated – for h = 1,2,...,10. This allows us to produce "local projection functions" for the impact of changes in current or capital spending at time t on GDP at time t+1, t+2,... out to t+10.

Detailed results

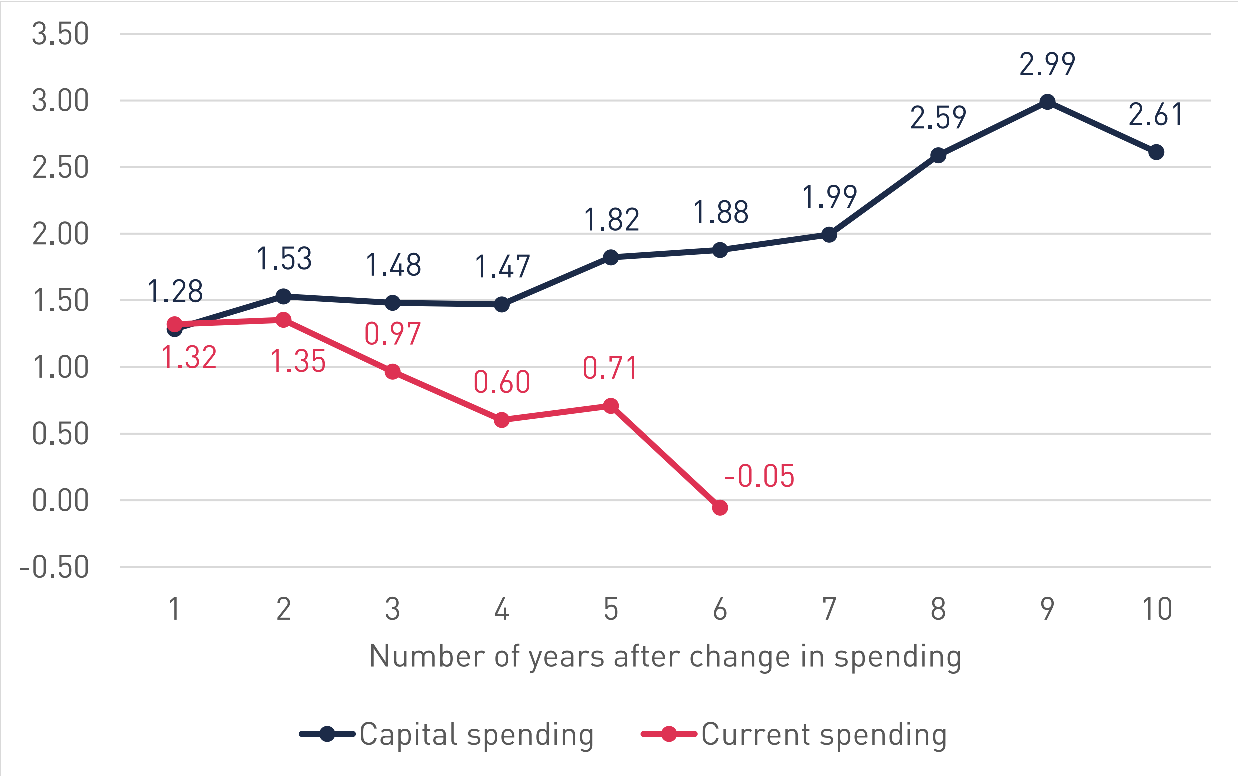

Figure 1. Predicted multiplier effect from changes in capital spending and current spending based on regression using dataset covering 25 countries from 1996-2019. Source: Family Resources Survey.[36]

References

1. HM Treasury. Spending Review 2025 [Internet]. GOV.UK. 2025 [cited 2025 Jun 24]. Available from: https://www.gov.uk/government/publications/spending-review-2025-document/spending-review-2025-html
2. Scaggs A. An apology to the bond vigilantes. Financial Times [Internet]. 2025 Apr 9 [cited 2025 Jun 24]; Available from: https://www.ft.com/content/905ca7f1-837c-49c7-ac2b-daef1e1309b4
3. HM Treasury. A strong fiscal framework: Explaining the government's new fiscal framework and rules [Internet]. London: The Stationery Office; 2024 Oct [cited 2025 Jun 12]. Available from: https://assets.publishing.service.gov.uk/media/67211bf34da1c0d41942a8bf/A_strong_fiscal_framework.pdf
4. Emmerson C, Joyce R, Miller H. Reform UK manifesto: a reaction [Internet]. Institute for Fiscal Studies. 2024 [cited 2025 Jun 24]. Available from: https://ifs.org.uk/articles/reform-uk-manifesto-reaction
5. Earle S. Ready to 'enjoy a few beers' with Nigel Farage, leftwing hero? This is what Labour has left us with. The Guardian [Internet]. 2025 Jun 1 [cited 2025 Jun 24]; Available from: https://www.theguardian.com/commentisfree/2025/jun/01/nigel-farage-leftwing-labour-reform-keir-starmer
6. Latest attitudes data shows little sign of public reaction against tax rises [Internet]. National Centre for Social Research. 2025 [cited 2025 Mar 24]. Available from: https://natcen.ac.uk/news/latest-attitudes-data-shows-little-sign-public-reaction-against-tax-rises
7. BSA 40: Poverty | National Centre for Social Research [Internet]. [cited 2025 Mar 24]. Available from: https://natcen.ac.uk/publications/bsa-40-poverty
8. YouGov. British Politics | YouGov / The Times Survey Results 250529 [Internet]. London: YouGov; 2025 Jun [cited 2025 Jun 24]. Available from: https://d3nkl3psvxxpe9.cloudfront.net/documents/TheTimes_Results_250529_w.pdf
9. Deleidi M, Iafrate F, Levrero ES. Public investment fiscal multipliers: An empirical assessment for European countries. Structural Change and Economic Dynamics. 2020 Mar;52:354–65.
10. Padley M, Stone J. A Minimum Income Standard for the United Kingdom in 2023 [Internet]. York: JRF; 2023 Sep [cited 2023 Nov 9]. Available from: https://www.jrf.org.uk/report/minimum-income-standard-uk-2023
11. Calvert Jump R, Michell J, Meadway J, Nascimento N. The Macroeconomics of Austerity [Internet]. London: Progressive Economy Forum; 2023 Mar [cited 2024 Oct 28]. Available from: https://progressiveeconomyforum.com/publications/the-macroeconomics-of-austerity
12. Lynch D. Liz Truss warns against Government plans to give OBR more powers [Internet]. The Standard. 2024 [cited 2025 Jun 24]. Available from: https://www.standard.co.uk/business/business-news/liz-truss-warns-against-government-plans-to-give-obr-more-powers-b1173612.html

13. Caddick D. The OBR's fiscal powers need a rethink [Internet]. New Economics Foundation. 2024 [cited 2025 Jun 11]. Available from: https://neweconomics.org/2024/10/the-obrs-fiscal-powers-need-a-rethink
14. Caddick D, Kumar C. Forecasting a better future [Internet]. New Economics Foundation. [cited 2025 Mar 25]. Available from: https://neweconomics.org/2025/01/forecasting-a-better-future
15. Reeves R. Spending Review 2025 speech [Internet]. GOV.UK. 2025 [cited 2025 Jun 24]. Available from: https://www.gov.uk/government/speeches/spending-review-2025-speech
16. HC. Universal Credit and Personal Independence Payment Bill [Internet]. UK, 267 Jun 18, 2025. Available from: https://publications.parliament.uk/pa/bills/cbill/59-01/0267/240267.pdf
17. Department for Work and Pensions. Welfare bill will protect the most vulnerable and help households with income boost [Internet]. GOV.UK. 2025 [cited 2025 Jun 21]. Available from: https://www.gov.uk/government/news/welfare-bill-will-protect-the-most-vulnerable-and-help-households-with-income-boost
18. Wright S, Field S, Moss C, Frounks A, Veruete-McKay L. Disability Price Tag 2024: Living with the extra cost of disability [Internet]. London: Scope; 2024 Sep [cited 2020 Feb 19]. Available from: https://www.scope.org.uk/campaigns/disability-price-tag
19. Johnson M. Basic Income: The Policy That Changes Everything. 1st ed. Bristol: Policy Press; 2025. 1 p.
20. Department for Work and Pensions. Pathways to Work: Reforming Benefits and Support to Get Britain Working Green Paper [Internet]. London: The Stationery Office; 2025 Mar [cited 2025 May 2]. Report No.: CP 1297. Available from: https://www.gov.uk/government/consultations/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper
21. Spring Statement 2025 health and disability benefit reforms - Impacts [Internet]. Department for Work & Pensions; Available from: https://assets.publishing.service.gov.uk/media/67e3fa664038ca2e94411fef/spring-statement-2025-health-and-disability-benefit-reforms-impacts.pdf
22. Hirsch D. The Cost of Child Poverty in 2023 [Internet]. Child Poverty Action Group; Available from: https://cpag.org.uk/sites/default/files/2023-10/Cost_of_child_poverty_2023.pdf
23. Economic and fiscal outlook – March 2025 [Internet]. Office for Budget Responsibility. [cited 2025 Mar 27]. Available from: https://obr.uk/efo/economic-and-fiscal-outlook-march-2025/
24. Pratley N. Great British Energy's budget has been nuked. The Guardian [Internet]. 2025 Jun 11 [cited 2025 Jun 24]; Available from: https://www.theguardian.com/business/nils-pratley-on-finance/2025/jun/11/great-british-energys-budget-has-been-nuked
25. Johnson M, Reed H, Johnson E. 'Labour Must Revisit £28 billion Green Pledge: It's Affordable, Profitable, Crucial for Net Zero and will Create Jobs' [Internet]. Byline Times. 2024 [cited 2024 Oct 28]. Available from: https://bylinetimes.com/2024/06/12/labour-must-revisit-28-billion-green-pledge-its-affordable-profitable-crucial-for-net-zero-and-will-create-jobs/

26. Aref-Adib C, Brewer M, Clark T, Clegg A, Corlett A, Curtice R, et al. A healthy state? Putting the 2025 Spending Review into context [Internet]. London: Resolution Foundation; 2025 Jun [cited 2025 Jun 12]. Available from: https://www.resolutionfoundation.org/publications/healthy-state/
27. Johnson E, Reed H, Nettle D, Stark G, Chrisp J, Howard N, et al. Treating causes not symptoms: Basic Income as a public health measure [Internet]. London: Basic Income Conversation, Autonomy & Compass; 2023 Jul [cited 2023 Jul 24]. Available from: https://autonomy.work/portfolio/treating-causes/
28. Finch D, Vriend M. Public health grant: What it is and why greater investment is needed [Internet]. The Health Foundation. 2023 [cited 2023 Dec 22]. Available from: https://www.health.org.uk/news-and-comment/charts-and-infographics/public-health-grant-what-it-is-and-why-greater-investment-is-needed
29. Despite Global Inflation, the U.S. Economic Recovery Is Among the Strongest of G-7 Nations [Internet]. Center for American Progress. 2022 [cited 2025 Mar 24]. Available from: https://www.americanprogress.org/article/despite-global-inflation-the-u-s-economic-recovery-is-among-the-strongest-of-g-7-nations/
30. Common Sense Policy Group. Act Now: A vision for a better future and a new social contract. Manchester: Manchester University Press; 2024.
31. Barker-Singh S. Latest polling says if an election was held tomorrow Reform UK would win a majority [Internet]. Sky News. 2025 [cited 2025 Jun 24]. Available from: https://news.sky.com/story/latest-polling-says-if-an-election-was-held-tomorrow-reform-uk-would-win-a-majority-13386754
32. Department for Work and Pensions. Family Resources Survey, 2023-2024 [Internet]. UK Data Service; 2025 [cited 2025 Jun 21]. Available from: https://beta.ukdataservice.ac.uk/datacatalogue/doi/?id=9367#0
33. Department for Work and Pensions. Pathways to Work: Evidence pack: Chapter 2 reforming the structure [Internet]. GOV.UK. 2025 [cited 2025 Jun 21]. Available from: https://www.gov.uk/government/consultations/pathways-to-work-reforming-benefits-and-support-to-get-britain-working-green-paper/pathways-to-work-evidence-pack-chapter-2-reforming-the-structure
34. Benefits and Work. The two PIP activities that provide most PIP 4-point scores [Internet]. Benefits and Work. 2025 [cited 2025 Jun 23]. Available from: https://benefitsandwork.co.uk/news/the-two-pip-activities-that-provide-most-pip-4-point-scores?page_comment=1
35. Department for Work and Pensions. Stat-Xplore - Log in [Internet]. https://stat-xplore.dwp.gov.uk/. 2025 [cited 2025 Jun 21]. Available from: https://stat-xplore.dwp.gov.uk/webapi/jsf/login.xhtml
36. Department For Work And Pensions, NatCen Social Research. Family Resources Survey [Internet]. UK Data Service; 2023 [cited 2025 Jun 23]. Available from: https://beta.ukdataservice.ac.uk/datacatalogue/series/doi/?id=200017

COMMON SENSE
POLICY GROUP

Northumbria University,
Newcastle upon Tyne, NE1
8ST

COMMONSENSE
POLICYGROUP.COM