30 IDEAS FOR 2030

A collection of policies for a better, brighter Britain by the end of this decade

FREE
MARKET
FORUM

Contents

An introduction

As we get beyond Brexit and Covid - issues which have dominated political attention for much of the last decade - future policy direction is one of the most important questions facing parliamentarians today. That is where we come in. The Free Market Forum aims to incubate and promotes ideas and stimulates discussion over how we make Britain economically and socially freer, boosting the economic opportunities for jobs and growth across the nation. This essay collection is the start.

The marketplace of ideas needs competition. It needs different and creative solutions that spark debate on how we solve the challenges facing Britain today. Our authors and supporters don't speak with one voice; each piece is the author's own view. As a result the submissions may contradict or not fit easily together, but they are not supposed to. 30 ideas for 2030 is just dipping our toe in the water, a first glance into the deep well of economically and socially liberal ideas which can, if nourished properly, turbo-charge the UK's recovery from the pandemic, and help us seize the opportunities of leaving the European Union.

From education to taxation, housing to childcare, we hope these ideas will kick-start the conversation about where we go next, and place the Free Market Forum at the forefront of those discussions.

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TURNING THE BBC INTO A SUBSCRIBER-OWNED MUTUAL

Broadcasting today has become like publishing in the late nineteenth century. As incomes grew and technology changed, the state deregulated publishing. There were over 400 publishers in Britain and Ireland in the late 1800s. There was a range of genres delivered in different ways through different platforms responding to different tastes and income levels. As well as books, people could buy individual chapters, pamphlets, magazine, short stories, newspapers and they could borrow through libraries by subscription or on a pay-per-book basis. Much was also provided for free. Great quality literature thrived.

A similar thing has happened in broadcasting in the 21st century. So much great content is available in myriad ways. Yet the vested interests protect what they describe as "public service broadcasting" and come up with increasingly contrived justifications to preserve licence-fee funding of the BBC.

Nobody would suggest that we should have a state-owned publisher funded by a tax on other books. So, why do we have a state-owned television channel funded by a tax on televisions? People should not pay for television services they do not wish to watch, simply because they wish to watch live TV. The BBC should operate in a market in which price signals communicate the value of its output. It should then leverage its excellent overseas reputation to market a wider range of services to the 95 per cent of the world's English-speaking population that lives outside the UK. It should also be funded by subscription at home.

But, if it is funded by subscription, who should own it? Fully commercial ownership may simply not work. In the field of culture and education, mutual, co-operatives and similar forms of ownership are very common. There is a strong case for turning BBC subscribers into owner-members so that the BBC would become a subscriber-owned mutual. Instead of dwindling to irrelevance, it could be rejuvenated and thrive as a genuinely independent organisation accountable to its owner-subscribers.

The case for radical reform of the BBC has been clear since the mid-1980s. The Blair government indicated in 2005 that it should be on its way. However, Conservative governments have stalled and prevaricated. Each charter review seems to come along as a surprise. The government needs to set out a roadmap so that, in the 2027 charter review, the necessary changes can be implemented.

Ben Bradley

Member of Parliament for Mansfield

AMEND OR REPEAL THE EQUALITY ACT

Much has been written about the plight of white working class boys who, unless they are gay, are often thought to have no 'protected characteristics' under the Equality Act. They have fallen well behind girls and most ethnic minorities on things like GCSE grades and university admissions, with predictable consequences for their prospects in adult life. This inequality is increasingly being recognised, whilst a new 'identity politics' has swept the land in recent years. It's not true of course, this idea that they have no protected characteristics. It's a (sometimes deliberate) misunderstanding. An error. Unfortunately, though, it's an error that seems to be so common that people no longer even try to actually understand the law. The Act says that 'sex' is protected. It says that 'race' is protected. That means both sexes and all races.

There are many reasons for the disenchantment of white working class males, all of which are exacerbated by them being told, overtly or covertly, that they are surplus to requirements. The problem can be traced back to the Sex Discrimination (Election Candidates) Act, passed in 2002 to exempt political parties from the Sex Discrimination Act (1975), thereby allowing the Labour Party to introduce all women shortlists. The 1975 Act was repealed altogether in 2010, replaced by the Equality Act, which substituted the socialist vice of equality of outcome for the liberal virtue of equality of opportunity.

Under the Equality Act, positive discrimination remains unlawful but the barely indistinguishable concept of 'positive action' is legal. Quotas are banned but targets are not. Whilst employers cannot refuse to look at job applications from people who they perceive to lack 'protected characteristics', they can instead give a nod and a wink to jobseekers by stating that 'applications are particularly welcome' from BAME, female or LBGTQ+ candidates. They can discriminate privately, and call it something else in public.

In practice, many diversity targets can only be achieved by discrimination against straight white males. In 2016, the BBC pledged that half its workforce and leadership would be female by 2020 despite less than 40 per cent of Britain's full-time workers being women. The BBC has comfortably exceeded its 8 per cent target for LGBT employees, although only 2 per cent of the population identify as such. After achieving its target of having 15 per cent of it employees from a BAME background, it subsequently announced - in the wake of the Black Lives Matter protests - that this target had risen to 20 per cent, despite ethnic minorities making up only 12 per cent of the labour market. The BBC admits that people from 'low and intermediate income households' are under-represented in its workforce, but it has no similar target in place for that demographic. How many working class lads from the North East work at Broadcasting House? If they're to spend £100m on 'diversity', could they look beyond physical characteristics, and instead look for diversity of background and experience? What a novel idea!

The answer is not to set yet more targets but to stop discriminating against anybody. Britain should be a country in which all discrimination on the basis of race, sexuality and gender is illegal. The Equality Act should be amended - or repealed - to make this modest ambition a reality.

Paul Bristow

Member of Parliament for Peterborough

ADDRESS THE NHS STAFFING TIMEBOMB

The Coronavirus pandemic has shown the best of our NHS, while exposing its pinch points. Although most doctors, nurses and auxiliary staff worked tirelessly to deal with the virus, our hospital capacity is finite and each hospital tends to run ‘hot’. Elective procedures suffered accordingly and there is a backlog of millions of appointments to be cleared.

The government is supplying the funding. Yet money alone won’t provide the capacity required, either within the NHS or by paying for private-sector assistance.

In fact, the NHS faces a potential staffing timebomb. According to research from Mark Tovey, published last year by the Institute of Economic Affairs, around 30 per cent of GPs are over 55 years old. The UK ranks in the bottom third of OECD countries for the number of physicians per 100,000 people. We also rely heavily on an inflow of foreign-trained doctors, a group who may choose to practice at home in the coming years.

While the government is rightly investing in more training places for those wishing to become doctors and nurses, these students won’t enter the workforce for some years. Far from all will put their training to use in the NHS and it can take decades to be equipped for some specialisms.

We need to do more. As just one example, we should do more to break down professional protectionism. The NHS is an incredibly complex organisation, with multiple hierarchical layers, clinical and administrative divides, and a seemingly endless collection of similar job titles. Some of this is justified, but institutional inertia and interests don’t lend themselves to sensible reforms.

Clinicians with decades of experience are often left unable to perform simple procedures because they do not have appropriate accreditation. Occupational licencing is needed to protect patients and uphold standards, but shouldn’t prevent competent and qualified staff from helping to pick up the slack.

Structural assumptions should be challenged, particularly when they don’t reflect practice elsewhere. Why are our clinical psychologists made to go through a psychiatrist to prescribe medication to their patients? Psychologists in the United States don’t. They are able to prescribe appropriate medications directly.

The government and the NHS should bring the professional bodies together and explore how this kind of ostensible protectionism can be overcome. That’s a relatively easy step. Getting changes agreed is harder, but the prize is shortening the waiting list backlog and easing the staffing challenges ahead.

Some straightforward improvements would be of real benefit to clinicians and patients alike.

FREE MARKET FORUM

Brendan Clarke-Smith

Member of Parliament for Bassetlaw

RESTORE THE LINK BETWEEN TAX AND HOUSEHOLD INCOME

Independent taxation was introduced in 1990 and since then all individuals have been assessed for tax separately. Under the previous system that had existed for nearly a couple of hundred years, a married woman's income had been seen as a part of her husband's. Of course, attitudes towards women's careers have changed significantly since then, as well as the move to the individual system. However, the debate over the merits of individual taxation have raged on.

For example, the Centre for Social Justice looked at the current 'couple penalty' back as in 2007, and David Cameron also welcomed the idea of transferable allowances in principle.

More recently, in September 2020, a number of organisations submitted evidence to the Treasury Select Committee. Tax and the Family, Mothers at Home Matter (MAHM) and Christian Action Research and Education (CARE) pointed out that an individual's income tax liability did not reflect their ability to pay, and that taxation of individuals took little or no account of dependents. The UK, apart from Mexico, is the only OECD nation to apply tax on an individual's income with little or no spousal allowances or allowing only a small amount of a personal allowance to be transferable.

In their submission, MAHM argued that "two incomes are better than one, even where that one income is more than the two combined (gross). Two incomes benefit from two £12,500 personal tax allowances, they can earn twice as much before facing the 40% tax rate, and can earn double the amount of a SIF (up to £100,000 rather than £50,000) before losing their child benefit."

They also mention a UNICEF report from September 2020 which ranked the UK at 27th out of 41 nations for child wellbeing, pointing out the potential negative impact of long hours of childcare: "[c]onsistent and sensitive caregiving in the first three years of life predicts an individual's social competence and academic achievement .... Not only during childhood and adolescence, but into adulthood."

Effective Marginal Tax Rates (EMTR) are also a major consideration, since taxpayers will wonder at what point does the tax penalty make a potential promotion or extra hours not worth the hassle?

CARE argues that "[f]or most high earners (with taxable income over £150,000) the top EMTR is 47 per cent, but for many low-income families on legacy benefits it is likely to be at least 80 per cent. Where a family is in rented accommodation, the EMTR may well be over 90 per cent – almost twice as high as that of the highest earners."

From a social policy perspective, restoring the link between tax and household income would allow parents to spend more time with their children, as well as allowing them to keep more of their income.

There are a number of ways this could be implemented depending on policy goals. The system could be targeted at couples with young children or restructured to promote, or at least not disincentivise, co-habiting couples.

Sam Collins

Free Market Forum Marketing and Outreach Director

CUT REGULATION TO ENCOURAGE COOPERATIVES

The past half century has seen a significant uptick in the amount of regulation that governs how businesses interact with their stakeholders, whether customers, employees or shareholders. Rules like deposit insurance and minimum wages have created uniform requirements for companies.

I would argue that many of these rules have led to significant and harmful unintended consequences. Deposit insurance has incentivised investing in risky banks and financial companies – why put your money in a sleepy, low-risk bank when you will have your deposit reimbursed by the state either way? Better to chase the opportunity for high returns in a more risky enterprise. Minimum wages are arbitrarily set centrally for the entire country, without taking into account the economic conditions. The decision to increase the 'living wage' by 6 per cent in the middle of the biggest economic catastrophe in 200 years is indicative of this.

These regulations have been brought in, in many cases, to compel all businesses to act in a certain way. However, prior to these regulations being enforced there was already a vibrant range of businesses that took different routes to solving the issues that these regulations were ostensibly created to fix.

One of the great comparative advantages of models such as mutuals and cooperatives was that they could reduce the conflicts of interest between business owners and other stakeholder groups (employees in cooperatives and customers in mutuals) thanks to these groups having a stake in the company. We still see these benefits in miniature, such as additional benefits offered to workers at John Lewis and Waitrose.

But with standardised regulation, the opportunity for these companies to really take an alternative approach is lost. All must play by the same rules anyway, so why not use the model that maximises the returns to those providing the capital to start a business – a private shareholder model?

There are many reasons to look at reducing the overregulation in our economy post-Covid. But one that is rarely explored is the opportunity alternative business models such as mutuals and cooperatives would offer.

Dehenna Davison

Member of Parliament for Bishop Auckland & FMF co-chair

MAKE BRITAIN THE BEST PLACE TO START AND GROW A BUSINESS

Moving into 2030, we need to turbocharge growth. Growth isn't just abstract numbers bandied around by economists and politicians. It means tangible opportunities through more people in work, more people spending in local communities. Growth means fewer people on the breadline, healthier, happier, more independent people, and more.

We have to remember that growth is not generated by governments, but by entrepreneurs. It is the Government's role to create an environment where businesses can thrive, then to get out of the way and leave them to it. As we move into 2030, politicians must ensure our economy has all the tools it needs to be productive, dynamic, and innovative.

One of the best growth drivers in recent years is the Super Deduction, whereby businesses investing in capital can claim 130 per cent capital allowances against their Corporation Tax bills. This was introduced in the 2021 Budget to address the UK's "historically low levels of business investment compared to our peers". Put simply, it creates an incentive for businesses to invest in things like machinery and vehicles, helping to improve their productivity and supporting their suppliers. And the Treasury's own costings document found, long term, it will be a huge boost to Treasury coffers.

The Super Deduction also represents a major simplification versus the previous tax-saving methods of using tools like Annual Investment Allowance and Write Down Allowances. Tax simplification should always be a priority for Government, reducing the cost of administration for the taxpayer and the cost of compliance for businesses.

But the Super Deduction is due to end in 2023, the same time at which the Treasury plans to raise Corporation Tax to 25 per cent. We need to reduce the burden on businesses to encourage growth, not raise their taxes and increase costs.

If we are to truly go for growth in 2030, we need a rethink:

1. Scrap the planned corporation tax increase and keep our rate globally competitive.
2. Extend the Super Deduction indefinitely to encourage ongoing business investment.
3. Use the extension of the "Super Deduction" as a springboard to simplify corporation tax.

In 2019, the Prime Minister said he wanted to make the UK "the best place in the world to start, run and build a business". By implementing the measures above, we can make this a reality not just for 2030, but for the years to come.

Annabel Denham

IEA Director of Communications

GET THE STATE OUT OF CHILDCARE

Our childcare sector is an unholy mess. Years of creeping state interference have led to high costs, average quality, and widespread nursery closures.

Over the past three decades, government has increasingly pumped-up demand through subsidies while limiting supply with formalisation and regulation. The success of its interventions is difficult to evaluate because policymakers are trying to reconcile conflicting aims: to increase female labour market participation, improve quality and boost the life chances of children from disadvantaged backgrounds, while also ensuring provision is cheap and available to all.

State involvement in childcare costs the taxpayer around £6bn per year – but there isn't much to show for it. Nurseries are expensive by international standards, with high out-of-pocket costs to parents despite increasing levels of state subsidy.

The 15 "free" hours of childcare provision for the over-threes brings deadweight costs: parents who would pay anyway are being handed £3,000 per year. Because government pays below the market rate, nurseries are forced to cross-subsidise with non-subsidy children, hiking up costs for parents of children under the age of three, or who require wraparound care.

Many regulations – restrictions on class size, qualification requirements, the Early Years Foundation Stage (EYFS) and strict teacher to child ratios – are unnecessary and damaging. Staff retention is a perennial challenge. Childminder registration, extensive training, Ofsted inspections and more have driven many lower-cost providers out of the sector.

Though politicians seem aware of the scale of the problem, the solutions offered are typically "more funding," "full nationalisation," or "extending the 'free' hours provision". Instead, we need to fundamentally overhaul its objectives – under the guiding principle of allowing parents to make free choices about the types and quality of care they want for their children.

Already, pupils in Britain begin primary school younger than across the continent. There is no need for them to be assessed (via the EYFS) – or parented – by the state any sooner. We should unwind this misguided experiment by scrapping all state involvement, rather than doubling down with yet more subsidies that will further strip pluralism from the market and allow costs to spiral out of control.

Jonathan Djanogly

Member of Parliament for Huntingdon

REINVIGORATING OUR SHAREHOLDER DEMOCRACY

Worker share ownership expansion is important both to broaden the base of capitalism and to engage people more closely with their employers and corporate objectives.

For 40 years, Save As You Earn (SAYE) and Share Incentive Plans (SIPs) have enabled millions of people to invest in the companies they work for. In so doing, they have enhanced company productivity, encouraged long-term savings and, crucially, shared the proceeds of growth and corporate success with employees at all levels – a vital component of good workforce engagement and responsible corporate governance.

But these schemes are now facing a crisis point: established in the days before mobile share trading apps were widely available, designed for a world before the gig economy and at a time when people moved jobs much less frequently, SIP and SAYE need to be modernised to appeal to staff in the 21st century workplace.

The problem? Employer and employee participation in employee shared ownership is dramatically falling. What's more, the initial value of shares offered is also on a worrying downward trajectory.

Of particular concern is the need to attract younger workers towards ownership of and engagement in their employing companies, where the problem is not the principle of share ownership, nor a missing appetite for risk. Rather, what we see is an inadequate offering to cater for the needs of today's younger generation.

Ideas include recommending shorter scheme lengths. Also, the inclusion of gig economy workers and a review of the tax and accounting treatment of SAYE share plans, to remove disincentives.

Managers of smaller companies often complain that the schemes are too complicated. Rules need to be revised to encourage simple formation and participation. Education of companies and employees is required to explain benefits for all parties.

It's in all of our interests that we have a real shake-up of Employee Share Ownership schemes as part of our reinvigoration of a share owning democracy.

Simon Fell

Member of Parliament for Barrow and Furness

LETTING THE BIG SOCIETY FLOURISH

The Big Society was a great idea mired by its association with austerity. But we shouldn't give up on it. It is a concept which Conservatives should embrace and attach rocket boosters to.

During the pandemic, time and again, civil society stepped up to help those most in need in our communities.

That response highlighted a few crucial things - the importance of local knowledge, and of flexibility. Local teams threw their time and goodwill into hyper-local, tailored support that often differed street-by-street, person-to-person. We have a deep bench of people who simply want to help.

We see this outside of the pandemic, too.

I have an amazing community interest company in Barrow, The Well Communities, who help those suffering from addiction. "We love people until they learn to love themselves," their founder Dave Higham told me once. Their results speak for themselves. Where other services fail, they reap dividends for the people they support, and for the statutory bodies whose loads they lighten.

But they are constantly under the cosh. The nature of their funding means that they cannot guarantee consistency - existing hand-to-mouth between applications. Planning becomes impossible, and it ultimately hurts the people they were set up to help.

We should be doing everything we can to put power to their elbow. Instead of permitting a system that seems designed to choke them off at every turn, we must gear it to help them.

The first challenge is helping these organisations better measure their impact and demonstrate it to funders. I propose setting up a Civil Society Empowerment Agency (CSEA) to do just this.

The CSEA will create an index of third sector and civil society organisations, creating a bank of good practice so that they can learn from each other, and helping them measure their impact.

Enabling this will be two crucial commitments from Government. First, to open up the commissioning of public services, meaning that local organisations are able to bid to run services which are currently delivered by the public sector. Second, it will share more of the data it holds to assist measurement and help them prove themselves.

These measures would give community-led bodies the power to define their own solutions to problems, rather than operating on an unreliable shoestring around the fringes of statutory services.

The Big Society has helped us all through the pandemic - it's time to grease the wheels and help it flourish.

Dr James Forder

IEA Academic and Research Director

HELPING TENANTS BECOME OWNER-OCCUPIERS

The growth of the buy-to-let market has turned many people into small-time landlords. They are people with one or two rental properties. They make a reasonable, though not exceptional, return on their investment in terms of rent. But meanwhile, house prices have increased a great deal.

The result of the increase in house prices is that these landlords have large, unrealised capital gains. Whilst they have certainly done well, the obligation to pay Capital Gains Tax if they sell their rental property prevents many from doing so. The result is that the tax system induces them to remain small-scale landlords even when they might prefer to sell up to liquidate cash, or invest elsewhere.

That is one source of illiquidity of the housing market. One particular disadvantage of the arrangement is that tenants who would like to buy the property they are renting will in practice be unable to do so. From the landlord's point of view, if the capital is to be preserved, the sale price would have to be higher than the market price. In other words, in effect, the tenant would have to be the one paying the Capital Gains Tax.

The situation is different for anyone who invested in stocks and shares – even if not taking advantage of ISAs or tax-advantaged pension plans. Those people, if they are lucky enough to make capital gains, can liquidate their investment little-by-little, taking advantage of their capital gains allowance each year. The fact that a house has to be sold 'all at once' makes that impossible for the landlord.

A simple solution to the particular problem of tenants who would like to buy the place they live is to exempt those sales from CGT. The cost to the Treasury will be practically nothing, since few sales of this kind currently occur. The selling-up landlords will do well, but they have made a good investment. The small advantage of the scheme is that it allows those people to stop being landlords without paying to do so. The much larger advantage is that it makes it easier for people to stop being tenants and instead become owner-occupiers.

Richard Fuller

Member of Parliament for North East Bedfordshire

LETTING SCHOOLS THINK AND LEARN DIFFERENTLY

A great policy success of the last decade has been the free school revolution in the education sector enabling parents to choose between schools, finding the one best suited for their children and strengthening standards across the sector.

For all the many policies that impact educational attainment, the greatest influence on students come from the teachers they have – I am sure we can all recall a particular teacher who bolstered our interest in a subject or spurred us on to learn.

What if we went further and gave parents more choice over the teachers that educate their children?

What if we reformed education to give all children access to the best performing teachers?

In the next decade, careful application of machine learning and AI offer significant potential for improvements in access to quality public services at lower cost and with greater sensitivity to individual needs.

International examples show that an increasing use of technology and the ability to learn remotely provide opportunities to monitor learning engagement and progress, to provide earlier and more comprehensive diagnostics on learning challenges and to provide insight on the skills of teachers in aspects of class tuition.

Why not use these emerging insights to harness the skills of the best teachers to improve the education of children across multiple schools?

Give schools the ability to identify the best performing teachers and offer access to timeslots and lesson plans of these excellent teachers. Give teachers time and incentives to open their winning approaches to education to the classes of others, and give parents clear analysis of the educational impact such access is having on their child's development.

This policy is based on choice to teachers, schools and parents with no compulsion to take part in a super teacher scheme, but with Covid's challenge to the life chances of those in school now, we need radical proposals to think, and learn, differently.

Jo Gideon

Member of Parliament for Stoke-on-Trent Central

CREATE A KICKSTART ENTERPRISE SCHEME

Enterprise is the biggest leveller, and this government's levelling up agenda has not yet fully embraced the opportunities for stimulating the next generation of success stories. Whilst it is tempting to focus investment on high growth businesses, we should not neglect those at the start of the journey.

The pipeline for future economic growth has been negatively impacted by a global pandemic, forcing many budding entrepreneurs to fail before they have had the opportunity to establish a solid baseline for their business. At the same time, a large number of employees have re-evaluated their career options after a year of furlough or following redundancy. There is a gap in the market for an effective support package to encourage future entrepreneurs who are exploring self-employment and developing a business.

The importance of local businesses with a connection to their community can be seen very clearly in Stoke-on-Trent. Bet365, founded in 2000, is the largest online sports betting company worldwide, with over 63m customers globally, but they have a commitment to keep its HQ in its home city, providing 4,500 well paid jobs. Owners Denise and John Coates explain how the senior management team include people they went to school with. What started as a family business of traditional high street betting shops is now a global success that provides great employment opportunities in a city that historically offered only "pits or pots" – mining or ceramics - as choices.

The Department for Work and Pensions (DWP) has rolled out the 'Kickstart Scheme' to address youth unemployment, and 'Restart' for the long term unemployed. There is a significant gap in the market for a Kickstart Enterprise scheme to provide the same level of financial support for individuals, a training element offered by local providers such as Chambers of Commerce for guidance and mentoring and a local business community network, including a supportive Community Development Financial Institutions Fund or Business Bank scheme to increase the chances of funding success.

Ideally, funding would be available from local entrepreneurs and local networks, but where this is not possible, the government should look to extend the Kickstart Enterprise scheme to unemployed entrepreneurs from disadvantaged backgrounds. This group has suffered from the reality that the enterprise agenda for start-ups falls between DWP and the Department for Business, Energy & Industrial Strategy responsibilities and has not been fully developed as a result.

This would increase the enterprise pipeline as well as increasing the success rates for new business start-ups. It could also provide those who are not embedded in their community with contacts to a local business network. Staffordshire Chamber of Commerce have run a successful scheme with refugee business start-ups – where the participants had prior business experience but lacked local knowledge and access to finance. By helping a broad range of start-ups, we not only kickstart our economy, we strengthen our local communities in every part of the country, providing equal access and opportunity for budding entrepreneurs. That is what I call levelling up.

Jonathan Gullis

Member of Parliament for Stoke-on-Trent North

SHORTER HOLIDAYS, LONGER SCHOOL DAYS

The pandemic has had a serious impact on education for all children and young people but it also offers an opportunity. While so much attention is rightly focused on helping catch up on lost learning, we should seek to push beyond merely regaining lost ground and seek innovation and radical change to push the UK's education system up international rankings.

Others in this publication have touched on how we can seize the opportunities of remote learning and better technology in the classroom to boost learning, but we need to also consider the fundamentals of the school term. As a former teacher, I know it is important for teachers and students to have a break from school but it is well documented that extended time away from school can send kids backwards. Sadly, it is the most disadvantaged children who are the most likely to fall behind during the long summer holidays, widening the gap between them and their wealthier peers.

But if we extend term time by a week either side of the summer break, we can boost pupil attainment for those who need the most help and save the average family £266 in childcare costs.

Now would be a perfect time to consider reforming the school year to enable smoother, year-round education which avoids the pitfalls of a long break.

The school day is also ripe for reform. A longer school day would reduce the burden on parents who struggle to find childcare between the end of school and the end of their working day. It could also reduce the need for homework, something the Education Select Committee has recognised as a vector for inequality. For many children, supervised individual learning at school would be much more productive than trying to study at home. Disadvantaged families where parents have low educational attainment struggle to support their children with home learning, something which applies as much to homework as it did during the extended periods without in-person classes.

The Secretary of State for Education has signalled his willingness to look at these changes but we need to push forward and act decisively in the best interests of the nation's students.

Alexander C. R. Hammond

Initiative for African Trade and Propersity

ABOLISH CORPORATION TAX

Corporate income taxes have the most negative impact on economic growth among consumption taxes, property taxes, and income taxes. As such, corporation taxes, which even the Organisation for Economic Co-operation and Development have called "the most harmful for growth", should be scrapped to ensure a more prosperous Britain by 2030 and beyond.

Economic growth is largely underpinned by productivity improvements and the expansion of businesses. However, by reducing the funds available to companies to carry out these activities, corporation taxes discourage and limit businesses carrying out the activities that are most important to growth. In essence, corporation taxes deter investment by reducing retained profits that may otherwise be spent on investment.

Fundamentally, corporation taxes not only ensure that there is a bias against equity capital and in favour of debt capital, but they distort spending patterns in favour of current expenditure (which is tax-deductible) and against capital expenditure (which is not fully tax-deductible). Another significant problem with these taxes is that they distort and weaken the signal to reallocate capital and resources from low-value activities into higher-value ones, both between different companies and within the same organisation.

Although there has been much discontent among the public and certain media outlets toward large companies that only pay a small amount of tax, this is primarily a consequence of the difficulty associated with defining profit and correctly attributing the right amount of profit to various jurisdictions. However, the economic truism that costs associated with corporation taxes are borne only by consumers, labour, or capital (all of which are already taxed), or some combination of the three, is not widely understood.

The UK tax code is the longest in the world and, at more than 10 million words, it is more than 48 times the length of Hong Kong's tax code, which is regularly considered the world's most efficient by tax lawyers. The complexity of the corporation tax adds further convolutions, loopholes, offsets, and economic distortions to a tax code that former Chancellor George Osborne dubbed 'one of the most complex and opaque' on earth.

The abolition of corporation tax would encourage greater foreign direct investment (which, among other things, would create more jobs), remove the provisions that create tax advantages for economic activities that may not be the most productive for future growth, and remove the distortion caused by the differential tax treatment of various assets.

Victoria Hewson

IEA Head of Regulatory Affairs

PHASE OUT TARIFFS ON GOODS WE DON'T PRODUCE

Why does the UK keep tariffs in place on goods we don't produce? The post-Brexit UK General Tariff includes tariffs on staples that feature in every family's shopping list: bananas, lemons, coffee, avocados.

In practice, most of these goods are in fact imported tariff free because they come from poor countries that benefit from preferential trade, with zero tariffs on their exports to the UK. But this does not mean that there is no cost to the consumers of those products. Better value goods from countries that do not benefit from these preferences might be available but are rendered uncompetitive because of the tariffs we apply to them. Producers in the countries that do qualify for the preferences are less incentivised to invest in improving price and quality because they have this edge over other countries guaranteed to them.

This is not just bad for British consumers. The economies of the developing countries as a whole come to rely too much on the market advantage they have in these goods rather than investing in sectors that might bring greater prosperity. Often the producers of these goods are not small farmers but large companies and state-owned enterprises. They have huge vested interests in retaining their preferences, rather than innovating and investing elsewhere.

In 2020 the Government consulted on 'removing tariffs on goods where there is zero or limited domestic production with the aim of benefiting UK consumers by lowering the cost of these imports'. This would have meant that producers in developing countries who already benefit from 0 tariffs would have had to compete with producers in countries like Brazil and the United States. This is known as 'preference erosion'. To avoid this the Government decided to retain some tariffs to 'protect the value of preferential access to the UK market for developing countries' under their preferential trade agreements. It did reduce tariffs across a range of affected goods though, so some preference erosion has already happened .

A truly sustainable solution, in the interest of both British consumers and people in developing countries, would be to phase out all of these retained tariffs. With notice and, where appropriate, support from UK Overseas Development Assistance, farmers in those countries could invest to be able to compete, or re-orient to sectors where they have a genuine comparative advantage – which will ultimately deliver greater prosperity than reliance on artificial trade distortions.

Mark Jenkinson

Member of Parliament for Workington

A NEW APPROACH TO DEVOLUTION

The Conservative Government has undertaken excellent work over the past decade moving power from Westminster to local communities. This has resulted in both more powers being granted to devolved parts of Britain, as well as new regional deals devolving money and powers to new local elected mayors.

Despite this strong start, Britain remains the most centralised country in the G7. It is my opinion that more power should be devolved to regions, but it is imperative that with a devolution of powers must come a commensurate devolution of taxation powers. If local authorities and devolved administrations want the ability to have a serious role in policy making, they must also have to make the hard choices about how to pay for it.

Therefore, real power should be given to local communities to both impact policy locally, and then reap the rewards of taking prudent pro-growth decisions.

An often-mentioned solution is to give councils more powers to set economic policy (such as localising minimum wages and other labour relations rules or, if we wished to be truly radical, localising immigration rules) and devolve more direct tax-raising powers (or receive a share of income and corporation taxes raised within their council area). These are excellent ideas and can be part of devolution deals.

However, what is often forgotten is how we can go further and devolve powers from local councils to individuals and communities of interest.

Parish councils potentially have a huge role to play in this at a hyper-local level. Giving parish councils the power to swap Green Belt land that is considered unattractive or necessary for housing with equal amounts of other land would both allow for more development in areas people need it, and likely increase the natural beauty of Green Belt land.

Street-level planning decision-making would encourage local development policies that reflect the will of the local community. A recent paper from London YIMBY and the Adam Smith Institute estimated that 5 million homes could be built in London with this reform.

Whether it is improving local policy outcomes or simply involving local communities with the decisions that will impact them, the time has come to seriously take up devolution again.

Lord Kamall

Conservative peer and FMF advisory board member

RE-INJECT DYNAMISM INTO OUR RAILWAYS

Some commentators give the impression that today's rail network was built by the state and privatised in the late 1990s. In fact, most of today's rail network was built by the private sector in the late 19th century. The private sector entrepreneurs developed the Victorian railways quickly decided that vertical integration, with the same firm owning the track and operating the trains, provided the most efficient and profitable model in order to reinvest in the network. As the railways faced more competition from road and air transport, the government intervened more and eventually nationalised the railways, which suffered hugely during the war years.

When the railways were returned to the private sector in the late 1990s, the government ignored the lessons of the market discovery process and created a highly fragmented structure with one national infrastructure company (Railtrack), 25 train-operating companies (TOCs), three freight operating companies, three rolling-stock leasing companies, 13 infrastructure service companies and other support organisations. The Office of Passenger Rail Franchising was tasked with selling franchises to the TOCs, while the Office of the Rail Regulator regulated the infrastructure. This artificial and fragmented structure was designed to give the impression of competition.

Subsequent governments have not learned the lesson and we are still left with the legacy of the botched privatisation. This problem has been exacerbated with the drop in passenger numbers, and hence revenue, due to Covid.

The government has recently set up the 'Restoring Your Railway Fund', inviting bids to reopen axed local services and to restore closed stations. This seems a good opportunity to learn from both the entrepreneurs who built our railways and the experience of heritage railways to pilot vertical integration, with the same enterprise, whether profit or non-profit, owning track and stations and operating trains. Not all schemes will succeed, but by piloting the market discovery process it would allow many stakeholders to try new approaches and re-inject dynamism into our railway system, with ideas that could be spread across the UK rail network.

Andrew Lewer

Member of Parliament for Northampton South

MAKE RHETORIC A REALITY

Back when I knew everything, as a sixth-former, I looked rather patronisingly at my grandparents' generation and their tolerance of identity cards and rationing many years after the end of the Second World War. Surely, I thought, the British people now would never accept such strictures. But the public's adherence to Covid rules has proven me wrong. My rhetorical predisposition was assaulted by reality. Without strong voices and strong forces pushing back against officiousness, it very easily becomes fixed in place.

Few would argue that, like the Second World War, the government wasn't right to step in at the start of the pandemic to ensure the safety of our citizens. But Covid-driven infringements on our liberties are at risk of outstaying their welcome. A diminished ability to assess personal risk will lead to a diminished society.

Pandemic restrictions are not the only contributing factor to this malaise. I have been deeply troubled by the takeover of the Conservative Party by so-called public health experts who believe the state ought to police our diets.

Already, it has imposed taxes on sugary drinks and a pointless food reformulation scheme. Now, it wants to ban people from seeing pictures of beefburgers in online advertisements, and dictate where supermarkets place certain foods. These limit our freedom, yet will do nothing to reduce our waistlines.

My "idea" is that voters will no longer yearn for the positive, life-enhancing rhetoric of the Conservative Party to become reality in 2030, because it will have been delivered. Is it too much to ask, given it has only been achieved during one decade in eight since the 1940s? The odds stack towards Roger Daltrey and The Who, throwing up one's hands and saying "Won't Get Fooled Again". Instead, like all good Tories, I seek inspiration from Johnson – Samuel Johnson that is - and look to "the triumph of hope over experience."

Mark Littlewood

IEA Director General

REMOVE BARRIERS TO SELF-EMPLOYMENT

It is not the government's role to interfere with the labour market to encourage one form of employment over another, but if current labour market policy is inhibiting workers pursuing their careers as they wish to, there is a strong case for altering the law.

The striking trend in working habits other recent years has been the growth of those in self-employment. Although this took a knock during the pandemic, over 4m people are self-employed and as we return to normality, that figure may well start to grow again. If it returns to trend then we may see the total number of self-employed workers surpass that of public sector workers in just a few years' time.

Technological innovation may even see self-employment becoming the norm. The gig economy facilitates flexible working in which workers can dial their number of hours up and down at will – and across a range of different platforms. Over 2m British workers already operate a "side hustle" in addition to their main employment. Portfolio careers are set to be much more common.

However, the rules governing what constitutes self-employment are overly complex. To encourage a greater entrepreneurial culture, the state should allow companies to engage a certain number of self-employed workers on a "no questions asked" basis. The number could be fixed – at say, six or 10 – or could be related to company turnover.

The effect would be particularly beneficial for start-ups. Although the rate of company formation is robust in the UK, many new enterprises never move beyond sole trader status. There's nothing inherently wrong with that, but it may point to the risks and costs of taking on your first employee as being prohibitive. Additionally, new companies have often yet to discover the ideal mix of their workforce. Allowing them to engage workers who are self-employed would facilitate more experimentation.

More flexible and diverse working, whereby we break up our working week and are paid by a wide range of different enterprises, is rapidly replacing the "job for life" approach. The state should remove barriers which are preventing it from happening at the speed workers desire.

Marco Longhi

Member of Parliament for Dudley North

A NEW APPROACH TO TRADE

Trade is the best mechanism for all countries, but especially developing countries, to increase their wealth, to create new jobs and to make existing jobs more secure.

The UK has historically excelled as a trading nation, building a global reputation with British products and services being highly sought after globally. The UK as a 'brand' is very well regarded in South America and deepening our relationship with the continent over the coming years could deliver significant benefits for both sides.

Depending on one's perspective, Brexit has enabled the unleashing of the UK's entrepreneurial business spirit while inducing a renewed enthusiasm towards the UK from several South American countries, whose approach to economic growth is increasingly more liberal and less protectionist. Brazil is one such country. Brexit is acting as a catalyst to improve trading relations across the South American continent, and the Department for International Trade has been proactively pursuing improved continuity and new Free Trade Agreements across the planet.

However, it must be said that the UK in recent decades has not performed well in terms of trade compared to our European counterparts, lagging well behind France, Germany and Spain who have done much better on a bilateral basis i.e. without an EU trade agreement negotiated. The UK has traded at approximately 50 per cent of these countries, with the US far outperforming all. More recently, the Chinese have targeted South America and its advance proves beyond doubt that it is possible to enter new markets notwithstanding high market access barriers ('MAB'), protectionist attitudes and significant cultural differences.

With the correct targeted long-term approach, breakthroughs can be achieved and immediate competitive advantages can be realised as other nations and businesses are confronted with overcoming the same MABs. Conversely, this also means that the longer we are absent, the harder it is to break into these markets, as competitors become more entrenched.

But there are clear opportunities for the UK in a country as large as Brazil, with many individual states, such as Minas Gerais (which has a GDP that would individually place it amongst the G20).

Clean energy, infrastructure, fintech, pharma and education are all areas where UK plc has significant strengths that mirror gaps in Brazilian and other South American markets.

Arguments are increasingly made to approach these markets on a 'step by step basis' and achieving an FTA with individual countries or indeed with Mercosur would be very desirable. But relying on this outcome almost as a condition for trading would be a missed opportunity, and place us at an increasing disadvantage. A large mountain may be climbed one hill at a time. The author's contention is that a new approach to these markets, one that combines less prescriptive positioning, but a more subtle, humble but resolutely competitively astute stance, will yield longer term benefits.

Policies and politics can create improved business environments; but it is up to businesses to create and sustain trade. In the absence of FTAs, ad hoc, hill-climbing approaches made in conjunction with business will serve far better in making trade happen. FTAs may then follow where business and astute politics have led.

Robin Millar

Member of Parliament for Aberconwy

ENABLING PEOPLE IN PUBLIC SERVICES

Despite best efforts, public services are proving neither affordable nor effective in delivering the post-World War II settlement between citizen and state; a promise of cradle to grave support.

Our public services do important work but they are inherently inflexible, self-perpetuating and resistant to reform. New problems emerge through the cracks – mental health, loneliness – and are stubbornly resistant. Billions of pounds are absorbed without achieving reform, failing to deliver value for money for taxpayers today and saddling future generations with debt accrued for our own comfort.

An inadequate framing of the individual by the state – as an economic unit, a tax payer and consumer of goods and services – has perpetuated this. In particular it has diminished our valuation of life and impoverished our conception of relationships.

To move beyond this starts with understanding that people are more than just problems to be fixed. Rewired public services must enable potential and promote human flourishing – not just find, fix and fund problems.

Too often, public services have become transactional, fulfilling "contracts" with "customers". Though well intentioned, the existing social contract has unwittingly moved the debate to resource and entitlement, away from nurture and mutual interest; to keeping score, not keeping faith.

Consider healthcare, where the doctor assumes responsibility for diagnosis, cure and treatment. But the patient is passive. A more human approach can be seen in reforms such as social prescribing. Focused on the wellbeing of the whole person and engaging them in their treatment activates their own agency, rather than just passively accepting care.

Universal Credit works on a similar principle, engaging the benefit claimant in a journey into work, giving opportunities for learning, development and recovering dignity.

Our system of higher education encourages institutions to care more about numbers of students passing through than who they are, what they learn and where they go afterwards. This covenantal approach – What else can I do? – moves beyond contract – What must I do? It is a regard for the other first, not self.

It will mean developing measures for understanding connections with others – or in more human terms, "relationships". That paves a way to questions of responsibility, not just rights.

These are profound shifts and we should not underestimate the challenge or objection. But people have always been more than what they produce or consume. The Nobel winning work by Sen on welfare economics is sound. The ONS measures of national wellbeing are just one of many points on a trajectory we must continue to trace.

Dr Kristian Niemietz

IEA Head of Political Economy

RELEASE GREEN BELT LAND FOR HOUSING

Release green belt land which isn't otherwise protected, and which is located within a 10-minute-walk (a radius of 800m) from a commuter station which offers fast access to a city centre, for development. The additional infrastrucutre requirements, often something cited in objection to new developments, could be funded by taxing the uplift in the value of the land.

According to the Centre for Cities, if this were done for five major cities (London, Birmingham, Bristol, Manchester and Newcastle), it would increase Britain's total housing stock by 7-9 per cent, depending on the density of the new development.

It would mean the loss of just under 2 per cent of the current green belt area. But very little of this would be scenically attractive or environmentally beneficial land, because land that has an additional layer of protection (Areas of Outstanding Natural Beauty, National Parks, Country Parks, Sites of Special Scientific Interest, National Trust land, Historic England land, historic battlefields or cemeteries) would remain protected. Green belt land that is only protected qua green belt isn't worth protecting anyway.

It need not stop there. This could be expanded to more cities, the radius could be extended, or the criteria for what counts as a "commuter station" could be broadened.

This would, of course, be controversial. But there are no non-controversial solutions in this area, and inaction is the worst option. The housing crisis is Britain's most pressing social and economic problem. It is not just a problem for those directly affected. It makes the country as a whole poorer by preventing people from relocating from low-productivity to high-productivity areas. It leads to higher public spending, especially on Housing Benefit (or now the housing component in Universal Credit), and therefore, higher taxes. And it undermines political and social stability. Britain's housing crisis has created fertile ground for socialist demagogues. According to the IEA's very own polling, four out of five Millennials (people born 1981-1996) and Zoomers (people born after 1996) blame Britain's housing crisis on capitalism. Many of them do not simply conclude that the housing market has failed them, they conclude that capitalism as a whole has failed them.

Prioritising NIMBY interests is easier in the short term, but it is an extremely short-sighted strategy, which risks even greater economic damage and political polarisation in the near-future.

John Penrose

Member of Parliament for Weston-Super-Mare

TAX SIMPLIFICATION

At the moment, the tax rates paid by people who work for a living are much higher than taxes paid by the very rich who have large unearned incomes from things like dividends on investments, or rents from property portfolios. Workers pay income tax at 20 per cent, 40 per cent or 45 per cent, but the rich pay just 7.5 per cent, 32.5 per cent and 38.1 per cent on dividends, 10 per cent and 20 per cent on capital gains, and 18 per cent and 28 per cent on gains from property excluding first homes.

The situation is even worse for the least well-off families in Britain, who pay even higher rates because their benefits are reduced for every pound they earn, on top of the taxes they pay. This combined rate can easily rise above 75 per cent.

This isn't remotely fair, and means Britain taxes income in a thoroughly regressive way by systematically giving a better deal to the rich at the expense of the poor. The 'haves' are being subsidised by the 'have-nots'.

We used to tax earned and unearned income (although not benefits) equally, when Nigel Lawson was Chancellor. Lawson argued that taxing different types of income at different rates was nothing more than political favouritism; a taxpayer-funded subsidy for whichever side has the best Westminster lobbyists, which usually means rich people.

He also pointed out that very high tax rates have a terrible effect on work incentives, and cut our highest rates of tax from over 90 per cent to 40 per cent to fix it. But if high rates harm work incentives for well-paid people, why not lower-paid workers too? And because there are so many more low earners than high ones, the economic damage caused by stunting their work incentives is much bigger too. Worse still, it's concentrated in already-deprived areas where low-paid work makes up a higher proportion of the local economy. Levelling up, it ain't.

So why not just tax all income the same, whether it comes from benefits, work or wealth? Taxes would be simpler and harder to dodge. We would stop subsidising the rich at the expense of the poor. It would create clearer, stronger work incentives, improving social mobility and social justice by giving less well-off families a better chance of moving up the income ladder. It would reduce in-work poverty, because less well-off families would keep more of any extra money they earnt. And it would raise Britain's productivity and rate of growth because investment and jobs would flow to wherever they could be deployed most productively, without distortions from the tax system. What's to dislike?

Sir John Redwood

Member of Parliament for Wokingham

INCREASE ENERGY SECURITY AND SUPPLY

The UK needs more energy. Long gone are the days of success after privatisation when the UK had a buffer of capacity against demand surges, and when the merit order called up power from power stations as needed, drawing from the cheapest first. A torrent of investment was unleashed by privatisation in combined cycle gas which was so much more efficient than coal stations, delivering cheaper and greener power. The cheapest power stations ran on baseload. Practically all our power was reliable. Whilst there was management of the system, the successful aim was to unleash plenty of private capital and for competition to keep suppliers honest and prices low.

The advent of a cat's cradle of market interventions, subsidies and penalties has severely damaged this position, so the UK is now short of power and becoming increasingly dependent on interconnectors for imports. Combined cycle gas stations no longer run on baseload, so their power is now dearer as it has become interruptible. Wind and solar is given priority when it is available and is said to be cheap, but of course you should also need to account for the backup power required for when the sun does not shine and the wind does not blow. The world's most successful industrial economies, China and Germany, thrive on cheap power, with coal still used to fuel power stations and gas also prominent. The UK no longer has cheap power declining in price with plenty of private capital. Government supplies capital and guarantees to try to get some more capacity.

The UK should commission more power for its own use from domestic sources by encouraging private capital and allowing the cheapest and best suppliers to sell their power as we used to do. This should enable the industry to produce 10 per cent more than any past peak requirement, and the interconnectors should primarily be there for export when our own renewables are flourishing. Choice of new power provision should be based primarily on cost, with a reliability factor in the calculation. It should be power from competing private sector companies. It seems likely we will need some new combined cycle gas stations, and could add an additional pump storage scheme and some water barrier schemes to the mix to provide more reliable renewable power assuming they make the cut on price and private capital. The plans need to encompass realistic targets for electricity demand growth based on wider adoption of electric heating and electric vehicles, and should aim to reduce the future cost of power to promote industrial recovery and expansion.

The system of evaluating power costs needs an overhaul to reflect the underlying realities of cost and to allow for back up costs and for variable delivery costs. It needs to be market driven as before, with an honest appraisal of the true costs of provision, a new enthusiasm to drive cost down, and a refusal to use public subsidy to distort and damage the market.

Emma Revell

Head of the Free Market Forum

CONSIDER THE ENVIRONMENTAL BENEFITS OF ROAD PRICING

Road pricing is an idea which generates an above-average amount of consensus from economists across the political spectrum and has been on the UK's political agenda since the Smeed Report in 1964.

Charging motorists for the cost of road use according to miles driven and the vehicle's carbon emissions would eliminate the need to ban petrol and diesel vehicles from our roads, allowing drivers to make the choice for themselves rather than reply on hasty government intervention.

Road pricing should replace, not add to, the taxes already levied on drivers, which would also mean we were able to scrap the unpopular and unfair system of fuel duty.

Benefits include reduced congestion, as price-sensitive drivers switch to travelling in quieter periods and an overall decrease in journey times, as well as give a price signal to local and national government and private enterprise about the areas which would benefit most from additional infrastructure, new roads, and so on.

Motor vehicles are responsible for a quarter of the UK's emissions of carbon dioxide, meaning road pricing could well contribute to a decline in CO2 and an improvement in air quality and noise pollution, especially in high traffic areas.

Lee Rowley

Member of Parliament for North East Derbyshire

DELIVERING ACCOUNTABILITY FOR GOVERNMENT PROJECTS

Getting things done in government is hard. Getting ideas from mere thoughts to actually changing things has historically been the most overlooked, and under-focused on, challenge within government for a generation. Initiatives do not automatically deliver. Plans are not guaranteed to be realised. And for many decades, government has just not been that good at turning words into deeds.

For those who believe in the principle that states should be measured by their effectiveness rather than their size, the best way to address this perennial challenge is to firstly steer away from overly grandiose plans and large bureaucracies where they aren't required. Yet, at times, they are. And, irrespective of ideology, the one area that most people tend to agree on is that the state has responsibility in building infrastructure; the very epitome of large and complicated endeavours which have the greatest tendency to run into difficulties.

So, in launching those necessarily large projects, there is a long-term need to better skill, equip and focus government on how to ensure better project delivery. Back in the 2017 Parliament, I sat on the Public Accounts Committee and watched a carnival of large projects paraded in front of us weekly which were late, over-budget and, often, lacking in clear deliverables. A review of just nine of those projects at the time found £7.5bn effectively written off and a combined 34 years of project delays. In more recent years, there has been a renewed focus again from the Cabinet Office, who are doing heroic work in this area, but, at least in this area of government, there is still much to be done.

First, we could make departmental Permanent Secretaries fully accountable for project delivery, including actually having their career prospects affected when projects go wrong. Second, we should look at linking senior civil service remuneration to project delivery in their own departments. Third, we need to build a better project management capability within the civil service – something which is problem in many countries and many sectors – but which won't be improved by not even attempting change. Fourth, the structures could be looked at again – how do we improve consistency and clarity across multiple elements of the civil service who find the dreaming up policy just much more interesting than the dull grind of delivery?

This work certainly isn't sexy but, if done properly, could unlock billions of pounds in money which could be returned to the taxpayer. And we could build upon the good progress already made by government to ensure that, when the UK says it is going to build something, it stands a better chance of being delivered on time, to budget and on spec.

Professor Len Shackleton

IEA Editorial and Research Fellow

REDUCING THE BURDEN OF OCCUPATIONAL REGULATION

One in five workers in the UK are now subject to occupational regulation, typically requiring particular academic and professional qualifications, work experience, tests of competence and commitments to continuing professional development and codes of practice.

Such regulation assumes that the public is uninformed and in need of protection from incompetent or unscrupulous practitioners. This case is perhaps strongest in medicine and related fields, however, these account for only a fraction of regulated occupations.

Despite access to information having expanded rapidly and many online rating apps and websites being available to aid consumer choice, government regulation has recently spread to new groups such as estate agents, private investigators, train drivers, childminders and security guards. Nursing, social work and the police have been obliged to move to becoming all-graduate professions.

These requirements have often been the result of lobbying by unions and professional associations rather than consumers. Regulation is a means of restricting competition, boosting pay and enhancing members' prestige rather than the ostensible reason of protecting the public.

Occupational regulation raises prices, reduces market entry and lowers employment - but shows no clear evidence of improving quality of services. Productivity would be significantly enhanced by liberalising occupational rules. This would also open up individual opportunities, not least to disadvantaged minorities, and make new business models possible.

We should make it possible for graduates to teach in state schools without undergoing government-sanctioned teacher training (as in private schools), or for nurses to train without having to take a degree, or people to become social workers without being a graduate in social work, or become lawyers without going through pupillages, or become estate agents or childcare workers without formal qualifications.

A review of occupational regulation should be instituted with the aim of opening up jobs to as wide a range of applicants as possible. Where regulation is necessary, it should be directed to the output of businesses and other organisations, rather than the input of employees. Employers, not government departments, should be responsible for the quality of services their employees provide.

We should reverse the drift to occupational licensing by setting a 'sunset' date for all government restrictions on occupational entry in three years time, unless occupations can justify continuing government restrictions according to clear criteria including substantial dangers to public health or wellbeing (an obvious example being the exclusion of convicted child abusers from working in schools), the absence of alternative ways of protecting the public, and the existence of similar rules in all comparable developed countries.

Greg Smith

Member of Parliament for Buckingham and FMF co-chair

SCRAPPING STAMP DUTY LAND TAX

The Stamp Duty Land Tax should be scrapped because it does horrible damage to the aspirations of hard working families who want to get on the property ladder. The alternative proposal of using policy to encourage more house building threatens to introduce yet more distortions to the market. We probably would not even need more houses if there were no Stamp Duty.

The reason is that Stamp Duty enormously raises the cost of downsizing. A report by SAGAs found that 25 per cent of over 50s are struggling to afford the tax. It is no wonder when prices are so high in some areas that a pensioner moving from a £900,000 home to a £600,000 property, would be hit with a £20,000 bill. Because of this, there are thousands of pensioners living in houses that are too large for them. Because of that, the supply of family-sized homes is restricted. Scrapping the tax would help pensioners move out of these houses, and families move in.

The tax also creates prohibitive barriers for first time buyers. In London in 2021, HM Land Registry reports than average house prices have passed £500,000. The Halifax Bank has research showing the average deposit put down by a first time buyer in 2020 was £57,000. But the Stamp Duty is additional to the deposit and cannot be borrowed as part of a mortgage. That creates a huge obstacle for first time buyers.

What about government revenue? Scrapping Stamp Duty would increase turnover in the housing market, and so also increase spending on house renovations by thousands of additional home movers. That will create both jobs and increase VAT revenues for the government, so even losses of government revenue would be slight.

If the government is serious about getting more people on the property ladder and solving the housing crisis, it should stop intervening in ways that make those things much more difficult.

Christopher Snowdon

IEA Head of Lifestyle Economics

ENCOURAGING LOW-RISK ALTERNATIVES TO SMOKING

The government has a target of making Britain 'smoke-free' by 2030, with 'smoke-free' defined as fewer than 5 per cent of the population smoking tobacco. Since the current smoking rate is 14 per cent and the government is surely not foolish enough to experiment with prohibition, this will require five million people kicking the habit and nobody taking it up.

It is a big ask and the only way it can be achieved is by presenting nicotine-users with appealing, low-risk alternatives to the combustible cigarette. We have proof of concept in Sweden which is the only country in Europe to have got close to the five per cent target thanks to the use of 'snus', a Scandinavian smokeless tobacco product which is associated with minimal health risks. Norway has also seen a significant shift from cigarettes to snus in recent years.

The UK already has 3.6m vapers, of whom two-thirds are ex-smokers, but 30 per cent of smokers have never tried an e-cigarette and 51 per cent of those who have tried them did not switch permanently.

British health authorities have been generally positive about e-cigarettes, but scare stories in the press have had a negative impact on consumer perceptions. Six per cent of vapers stopped using e-cigarettes in 2020 because of concerns about their safety and 32 per cent of smokers wrongly believe that vaping is as dangerous as smoking or more so.

By 2030, e-cigarettes will have been mass market consumer goods for two decades. That is plenty of time for myths about vaping to be debunked and for safer nicotine products to become the norm, but it will require three actions from government.

First, the new Office for Health Promotion should lead a campaign to correct misinformation, such as the belief that nicotine causes cancer, e-cigarettes cause 'popcorn lung', and vaping is a 'gateway' to smoking.

Second, EU legislation which deters smokers from switching to safer products should be repealed. This includes the ban on snus as well as unnecessary limits on nicotine in e-cigarette fluid, bottle sizes and advertising.

Third, a regulatory environment must be created which embraces new innovations and gives them the upper hand over combustible cigarettes. Subject to scientific evidence, safer nicotine products should be untaxed and should not be made less appealing through cigarette-style restrictions on marketing and packaging.

Alexander Stafford

Member of Parliament for Rother Valley

DELIVER EDUCATION IN MARKETS AND SHARES

I advance the 'Capitalist Enfranchisement Fund' (the CEF), a pro-commerce policy which would guarantee every single Briton 'green' shares in private companies or fund investments. Despite first impressions, this proposal is not in any way similar to the Labour government's failed Child Trust Fund (CTF), which operated between 2002 and 2011.

Crucially, the CEF is concerned with education about markets and shares, rather than with creating a financial nest egg. The core weakness of Labour's scheme was that the Labour government in the vast majority of cases simply placed £250 in cash in an account upon the birth of a child, and no further action was taken. This glorified cash ISA resulted in 'free' money being given to individuals upon reaching the age of majority, with no lessons learnt and no overarching goals achieved.

I want the CEF to be entwined with education in markets and be part of every year of secondary school, likely delivered in personal, social, health and economic classes or citizenship lessons. This education about the CEF is paramount – it is wrong that the virtually unknown Labour scheme has left £9bn locked in accounts because most parents and children do not know they even exist.

My CEF takes the form of shares and fund investments – not cash – in a tax-free ISA. Importantly, share purchases or fund investments must be green and ESG compliant. Unlike the Labour scheme, HM Treasury would not deposit a one-time cash lump sum but would instead pay for £100 worth of shares every school year from age 11 to age 18, totalling £700 over the course of their studies, and top-up contributions would not be allowed. Recipients continue to manage their CEF portfolio until age 25 when the money can finally be withdrawn. Each September, children would be issued with £100 of shares in conjunction with their work in lessons – they can choose what to invest in and they can monitor and manage their investments over the course of the year.

Quite simply, the CEF is not about the money available at the scheme's end. Although this will act as an incentive, it is very much a secondary benefit. The CEF is all about teaching the value of companies and the value of investing in companies. I contend that a share in a company is a share in society, and the Capitalist Enfranchisement Fund is the transformative policy which will deliver the change we so desperately need.

The Free Market Forum is an initiative promoting a freer economy and a freer society. It is an independent body, but supported operationally and administratively by the IEA Forum and Institute of Economic Affairs.

The FMF is co-chaired by Conservative MPs Dehenna Davison and Greg Smith. The project is also supported by an Advisory Board which includes campaigner and policy entrepreneur Matthew Elliott, businesspeople Jon Moynihan OBE and Barbara Yerolemou, Conservative peers Lord Borwick and Lord Kamall, and former FEG and FREER leaders Ruth Porter, Luke Graham, and Lee Rowley MP.

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