

Future of

Britain

2023

A New Direction:
Ideas to Transform
the Future of Britain



What does Britain need to

thrive?



The *Strategic* State

The technological revolution is the single biggest force changing the world today. Yet just as with other big periods of upheaval – not least during the Industrial Revolution – political leaders and government have been slow to adapt.

Most politicians still treat technology as a side issue to be addressed once the “real” political debates have raged. Mainstream politics denies itself the enabling possibilities of technology (leaving the discussion to e-government bureaucrats) and so remains a 20th-century fight at the margins of tax and spend or welfare policy.

This presents concrete dangers. The current path of ever-higher taxes and increasing government costs – particularly when citizens get less in return – is unsustainable.

The real issue is how we harness the power of technology to revolutionise how the state governs.

In the 1990s, the only way to make the state responsive to citizens was through top-down targets and introducing competition where possible to create choice. But those were only proxy mechanisms to empower citizens.

The technologies we have now – including artificial intelligence (AI) and digital identity – are not proxies. They offer a direct way in which we can give and receive information in real time to deliver better, personalised public services and empower citizens.

A new 21st-century “strategic state” would harness these technologies to drive down the cost of public services, while constantly striving to improve outcomes.

A new model of government requires a new politics, shunning the old debates of tax and spend and left versus right for a simple, single-minded, unifying question:

What does Britain need to thrive in the future?

Answering this requires setting a higher bar of political leadership.

The exercise of political authority has not changed: set a strategy that can prioritise challenges, define the policy actions that can solve them and adopt a delivery focus at the highest levels to get things done.

What has changed is the potential for technology to enable that leadership.

For example, data and analytics can build a richer, more accurate representation of the problems for a country to solve when setting strategy.

AI can identify more cost-efficient, higher quality policy interventions. And real-time delivery data monitored at the highest political level can ensure effective deployment of political power to unblock barriers to get things done.

Delivering this requires a new vision and framework including:

- A commitment from the highest political authority to leverage the transformative power of technology for a mid-21st-century version of the state.
- Far deeper state investment in technological and AI-era infrastructure, utilising cloud and modern software.
- A more agile, responsive and targeted state, in which citizens have a digital identity and control their data.
- A new treatment of data as a competitive asset, which can, for example, stimulate innovation in health.
- A greater alignment between the government and private sector to mobilise effectively behind clear purposes, such as around climate.
- A greater appetite for risk and innovation, with greater expertise from the outside informing direction.

Over the long run, a successful state will likely be smaller in scope but more effective in its delivery.

The promise of modernising the state by harnessing the personalised, real-time offer of technology is that government can empower people and put the state – the strategic state – at the service of citizens.



Technology

can empower citizens



A new *revolution* is taking place

A New National Purpose

Science and technology have been the driving force of progress for much of our modern age.

Advances in technology allow us to live longer, healthier lives, to travel across the world and into space, and to generate food and energy at scale.

The United Kingdom has been at the forefront of many of these breakthroughs and was home to one of humanity's great leaps: the Industrial Revolution.

Another revolution is now taking place with developments in AI, a technology with a level of impact akin to the internal combustion engine, electricity and the internet, so incrementalism will not be enough. The state must be reoriented to this challenge.

Our priorities for reform include:

1. Strengthening the Office for Artificial Intelligence so that it provides a better foresight function and better support for government to deal with technological change.
2. Creating Sentinel, a national laboratory effort focused on researching and testing safe AI, with the aim of becoming the "brain" for both a UK and an international AI regulator.
3. Building AI-era infrastructure, including compute capacity, and remodelling data as a public asset with the creation of highly valuable, public-good data sets.
4. Requiring a tiered-access approach to compute provision under which access to larger amounts of compute comes with additional requirements to demonstrate responsible use.
5. Securing multi-decade investment in science-and-technology infrastructure as well as talent and research programmes by reprioritising large amounts of capital expenditure to this task.

Enabling Growth and *Prosperity*

We need to invest in our people, our ideas and our infrastructure to foster a new era of growth and prosperity.

The cost-of-living crisis is just the latest shock to an economy in its second decade of lost prosperity. But decline doesn't have to feel like an inevitability.

We can deliver growth if we rethink our approach to its enablers, including investment, planning and digital identity.

Reform *Pensions* to Invest in Our Future

Despite the UK having the third largest pension market in the world, none of its individual funds rank in the top 40 globally. This lack of scale constrains funds' ability to invest in infrastructure and growing companies.

We can support stronger growth and security while delivering better returns for British savers if the UK consolidates its fragmented pensions market.

Our proposals for reforming pension funds include:

1. Consolidating the country's smallest defined-benefit pension pots into "GB Savings One" – a £400 billion superfund – to give savers access to higher-return investments and free capital to invest in infrastructure and entrepreneurship.
2. Combining the eight local-government pension schemes into one superfund – "GB Savings Two".
3. Incentivising consolidation in the wider pension system.

Reform *Planning* to Build More Critical Infrastructure Faster

Britain's physical and digital infrastructure are largely from a different era. Yet planning has become the epitome of democracy's efficacy problem, with a small number of organised voices halting progress, slowing construction and pushing up costs. Done right, a new model for national-infrastructure planning would cut the time it takes to obtain consent by 80 per cent.

Our proposals for reforming the planning process include:

1. Introducing a national process for consent for national-infrastructure projects.
2. Defining onshore wind and digital connectivity as critical infrastructure.
3. Using the power of AI and digital twins to accelerate consultation, planning and build.

Introduce a *Digital Identity* for a Digital Age

A well-designed digital-identity system would revolutionise how we interact with public services and enable government to move at a pace fit for the 21st century. If implemented well, simple technology could revolutionise education, health, the welfare system and immigration.

The government should deliver a single digital identity:

1. Giving users visibility of and control over when and how their data are accessed and used.
2. Utilising a decentralised model, without creating a new central database that could be vulnerable to leaks or hacking.
3. Allowing people to use their digital identity to access commercial goods and services as well as government services.

Britain deserves a bold agenda for a brighter future

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Public services need

modernisation



Transforming Public Services

Public services in the UK don't require reform. They need transformation.

In a world in which we can set up a bank account in minutes or pay for our shopping with the tap of a phone, the era of slow and cumbersome government services must come to an end.

The UK needs to harness the power of new technologies to create a streamlined, strategic state to revolutionise the delivery of public services by putting people and their communities first.

An NHS Focused on **Health** Not Just Illness

In recent years, a global pandemic, rising obesity, and chronic understaffing and underfunding of public health have brought the NHS to the brink of collapse. The British people are spending more and more to receive less and less. Life expectancy is falling, with patients paying the price.

Our proposals for reforming the NHS include:

1. Giving each person their own Personal Health Account, delivered through the NHS App and owned by the individual. It will store health data, operate across the health system and enable access to services.
2. Developing a new NHS cloud infrastructure with all health data held centrally and interoperable with existing systems. With consent, anonymised data will be used as a collective national asset to help our life-science sector to be world-leading.
3. Turning the Genomic Medicine Service into a fully fledged part of the health system, providing whole-genome sequencing to all patients and supporting the move to prevention, wellbeing and personalised care.

4. Encouraging new providers to enter the system, particularly for high-volume, low-complexity services, many of which can now be provided digitally or through pharmacies, by employers, in gyms and in supermarkets.
5. Overhauling the NHS workforce to bring in new skills and to make sense of what technology can do to support good health.
6. Giving the proposed Integrated Care Systems multi-year budgets so they can redeploy efficiency savings, use private providers freely and allow patient choice across GP practices and hospitals in their region.

A Quality *Education* for All, Powered by Tech

UK schools currently offer an industrial-scale “one-size-fits-all” approach, propped up by a static curriculum and an assessment system that tests an alarmingly narrow range of competencies.

But today we have the power to personalise education, allowing students to learn in the way most effective for them.

Our proposals for reforming education include:

1. Establishing a digital learner ID that would contain all educational information, enabling a personalised education for every child.
2. Increasing parent choice and access to quality education by giving schools the freedom to provide hybrid lessons and parents the right to request online classes delivered by other schools, incentivising schools to improve performance.
3. Overhauling Ofsted so that accountability is based on real-time insights and geared towards continuous improvement of standards.

Safer *Communities*

The world in which the police are operating has changed dramatically from a decade ago. The Crime Severity Score, which measures the relative harm of crimes (as opposed to their volume), has increased by 70 per cent since 2013. Crime is more complex and much of it now occurs online. There is now a crisis of public confidence and trust in policing – standing still is no longer an option.

Our proposals for reforming policing include:

1. Putting prevention at the heart of policing, with a new neighbourhood-policing guarantee, underpinned by legislation.
2. Developing a modern and flexible workforce, with multiple new entry routes into policing to encourage new skills.
3. Embedding a new focus on professional standards and responsiveness. Forces judged by HM Inspectorate to be failing would be subject to intervention from the centre, and new ways for the public to drive action on issues of local concern, such as anti-social behaviour, would be introduced.
4. Establishing a new national force to tackle threats that cross force boundaries and require a strategic response, encompassing counterterrorism, serious organised crime and cyber-crime.
5. Using technology more intelligently to prevent criminality, including digital identity to tackle online fraud and an expansion of facial-recognition technology.

A Decade of *Electrification*

Britain needs an economic and societal transformation not seen since the Industrial Revolution to meet its own net-zero goals, secure low-cost, abundant energy supply for everyone, and reap the economic rewards of the new global clean-tech economy.

By developing technologies and unlocking green finance, the UK will be able to lead the global transition to net zero while enhancing its energy security through the use of domestically sourced electricity to power homes, transport and industry.

Our proposals for reform include:

1. Accelerating the construction of crucial infrastructure, including more grid connections and wind farms, through reforming the planning process and reorienting Ofgem to focus on long-term priorities.
2. Attracting investment through the strategic use of public funds and policy signals such as national strategies for key sectors.
3. Boosting consumer and business confidence in climate-conscious technologies by creating financial incentives for using clean technologies, putting some decisions in the hands of local authorities and facilitating the creation and maintenance of transparent markets.
4. Unleashing innovation by reforming regulatory regimes to incentivise technological development and investing in R&D.

A Better *Relationship* With the EU

Seven years after the vote to leave the EU and more than three years since the formal withdrawal, the UK needs a new debate on its future relationship with the EU.

Our priorities for a new relationship include:

1. Committing to voluntary alignment with EU regulations on goods and regulatory equivalence of sanitary and phytosanitary measures.
2. Establishing a new EU-UK Trade and Regulatory Cooperation Council to facilitate cooperation on regulatory divergence, for example on new technologies.
3. Agreeing new arrangements on improved mobility for business professionals and for young people.
4. Linking the UK and EU emissions-trading systems to reduce costs and avoid any future carbon border taxes.
5. Committing to maintaining standards on food, the environment and workers' rights.
6. Deepening the existing security partnership on law enforcement, criminal justice and illegal migration.
7. Establishing a new "strategic pillar" on foreign policy, defence and security within the EU-UK Trade and Cooperation Agreement (TCA).
8. Committing to consultation with UK businesses on the effectiveness of the TCA ahead of the 2026 review.
9. Developing new landmark legislation to set a clear direction for the UK's regulatory model following on from Brexit.
10. Engaging with the EU on the need to improve the relationship.

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