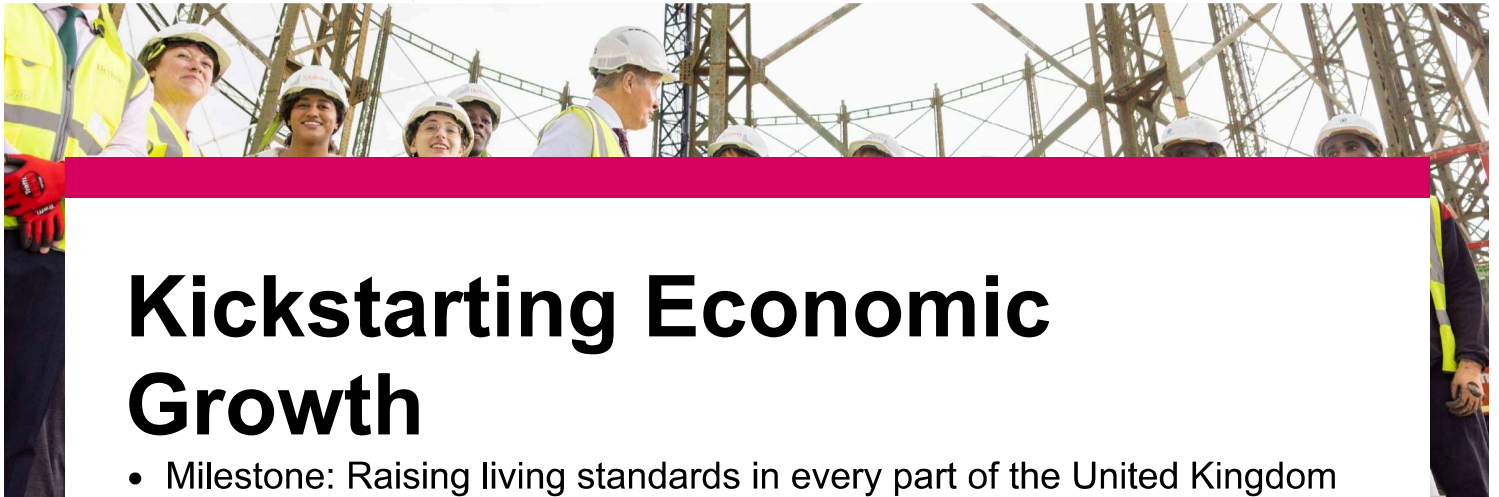


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Kickstarting Economic Growth

- Milestone: Raising living standards in every part of the United Kingdom
- Milestone: Rebuilding Britain

Raising living standards in every part of the United Kingdom

The starting point

The fundamentals of this country are bright: world-class universities and researchers, world-class talent and entrepreneurs, and world-leading tech, service and clean energy industries.

Yet, the last parliament was the worst for living standards in modern history, with incomes squeezed and growth stagnant. This followed more than a decade of poor income growth.

Where growth has occurred, working people have not felt the benefit because little has been done to share the proceeds across the country.

Low levels of public and private investment have led to low productivity and low growth. Our GDP-per-hour-worked has grown by only 0.6% since 2010, while in France, Germany and the US it has grown by around 1% a year.



The UK lags behind every other G7 country when it comes to business investment as a share of our economy. That means the UK has fallen behind in the race for new jobs, new industries, and new technology.

This is already changing under this government. The international business community has put its confidence in the UK's growth potential, committing £63 billion at the recent International Investment Summit.

Our long-term mission

Economic growth is the number one mission of the government. Growth will fund our public services, enable investment in our hospitals and schools, and, most importantly, raise living standards for everyone.

Through our growth mission, this government will aim for the highest sustained growth in the G7 – with more people in good jobs, higher living standards, and productivity growth in every part of the United Kingdom.

As set out at the [Autumn Budget 2024 \(https://www.gov.uk/government/news/what-you-need-to-know-from-the-budget\)](https://www.gov.uk/government/news/what-you-need-to-know-from-the-budget), through the 7 pillars of the growth mission, the government is restoring stability, increasing investment, and reforming the economy to drive up productivity, prosperity and living standards across the UK.

Growth can only be achieved in partnership with businesses, so we will develop and deliver these policies together.

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Sustained economic growth is the only route to the improved prosperity that our country needs and to improve the living standards of working people.

The Rt Hon Rachel Reeves MP, Chancellor of the Exchequer



Our milestone

Through the growth mission, the government will deliver a milestone of higher living standards in every part of the United Kingdom by the end of the Parliament.

We will measure headline progress against this milestone through higher Real Household Disposable Income per person and GDP per capita by the end of the Parliament. We also believe that growth must be felt by everyone, everywhere, so

we will track GDP per head at both a regional and national level to drive prosperity across the United Kingdom. We know that the main route to higher living standards is through good, productive jobs, stable employment, and a thriving business environment, and we believe that growth must be felt in every nation and region.

How will we achieve this milestone?

We cannot grow the economy and put more money in working people's pockets without economic stability.

Through the Budget, the government has delivered on the first step of restoring economic stability, with tough decisions, strict spending rules and robust institutions.

To deliver an economy that is growing, creating wealth and opportunity for all, our next steps will:

- **Deliver growth by working in partnership with businesses.** We will bring businesses right to the heart of our growth mission, building on the UK's unique sectoral opportunities and creating the right conditions for investment through our 10-year Industrial Strategy.

The government is creating the right environment for business investment, having already established the National Wealth Fund to catalyse over £70 billion of private investment.

And we will reform and expand the Office for Investment, improving government's ability to land transformational investments by originating deals, clearing barriers and working with local leaders to develop investable propositions.

- **Ensure every nation and region realises its full potential.** We are working with the devolved governments and partnering with our mayors to develop local growth plans, giving them the tools they need in areas like adult education, skills and employment support.

We will invest in our great city regions to drive productivity and connect more people to the opportunities they afford. Our work with the devolved governments is part of our wider reset of relationships to support growth across Scotland, Wales and Northern Ireland.

- **Drive innovation, investment and the adoption of technology to seize the opportunities of a future economy, from AI to net zero.** We will capitalise on the UK's excellence in science and innovation to ensure our world-class research translates to commercial success.

To promote innovation and harness the full potential of the UK's science base, we are protecting record funding for research and development.

And our AI Opportunities Action Plan will set out how we will capture the benefits of the fourth industrial revolution which Artificial Intelligence is delivering.

- **Help people get a job, stay in work, and progress in their careers, with good employment opportunities across the country.** We will train the workforce we need – both for now and the industries of the future – through the newly established Skills England and the Industrial Strategy Council, along with a reformed jobs and career service.

We will support the lowest paid workers with job security and improved working conditions through our Plan to Make Work Pay. The government will help more people to seize the opportunities of employment, helping them overcome the challenges of ill-health related inactivity and other barriers to work through the actions set out in the Get Britain Working White Paper.

We will continue to provide security in retirement by maintaining the State Pension Triple Lock for the duration of this Parliament, and we will always support those who cannot support themselves; but those who can work, must work.

Rebuilding Britain

The starting point

Home ownership has become a distant dream for too many working people. The failure over the last 14 years to build the homes the country needs has led to a housing crisis.

Increasing numbers of people have been unable to buy a home of their own; since 1990, homeownership for 19 to 29-year-olds has more than halved. Last year, homebuilding was falling.

The number of homes granted planning permission also fell to the lowest for a decade. These trends have led to the average home costing 8 times the annual earnings of an average worker.

The impacts are felt by renters, too, with private sector tenants spending an average of one-third of their income on housing costs.

At the sharpest end of the housing crisis is a shortage of social housing that has left over 150,000 children, the highest on record, in temporary accommodation, and rough sleeping 27% higher than last year.



The failure of the planning regime has not just left us without the homes we need. Britain also lacks other key infrastructure that we should be able to rely on such as transport and energy, or gigafactories and data centres needed for industries of the future.

It is slower and more costly to build economic infrastructure in England than other major countries like France and Italy. No new reservoir has been built since 1992.

The time it takes to secure planning permission for major economic infrastructure projects has almost doubled in the last decade to more than 4 years. Our growth mission will change this: fast-tracking infrastructure delivery and home building and enabling businesses to invest.

Our long-term mission

The sheer scale of the housing crisis demands a radical response. Through the growth mission, we will rebuild Britain, delivering new homes and the critical infrastructure that underpins economic growth – with investment today driving future productivity growth and higher living standards.

Affordability of housing has fallen drastically as too few houses have been built, particularly in major cities. The government will deliver housing of every tenure in the right places, supporting our towns and cities to grow, and providing the homes people want near to businesses and employment opportunities.

We will make it easier to build vital infrastructure such as roads, railways, broadband connections and laboratories needed for a modern economy to thrive.



Our milestone

We must make the dream of home ownership a reality for people across the country. New homes must be supported with the right infrastructure, from roads to reservoirs. So, through the growth mission, the government has a hugely ambitious milestone of building 1.5 million safe and decent homes in England this Parliament.

A boost in new homes must deliver for aspiring owners and renters, and provide secure, affordable and quality housing.

We will do this while delivering the infrastructure the country needs – not simply through investment, but by reforming planning rules and fast-tracking 150 planning decisions on major infrastructure by the end of this Parliament – more than double the number decided in the previous Parliament.

In building 1.5 million homes, we will measure progress through the number of net additional dwellings built in England over the course of this Parliament.

How will we achieve this milestone?

This is an ambitious milestone for change. It will require a rate of housebuilding and infrastructure construction not seen in over 50 years. In all these areas, we

are taking swift action – but it will take time before that translates into delivery.

Lead times in planning, infrastructure and construction mean we are already constrained by the decisions we have inherited, but we expect the number of new homes to start rising significantly in the third year of the Parliament once our reforms take effect.

This means we must do things differently. We must deliver a step change in investment, radically reform the planning system and provide long-term policy certainty.

That is why we will publish ten-year strategies for housing and infrastructure next spring, with clear priorities, plans to deliver, and a pipeline of projects for investors and supply chains. These will reflect our next steps – reform, investment, supply. We will:

- **Reform the planning system so that it is pro-growth and pro-infrastructure.** We will publish a new National Planning Policy Framework by the end of 2024 and update all relevant National Policy Statements by next summer. We will make improvements to planning at a local level, modernising planning committees and increasing local planning capacity.

We will use the Planning and Infrastructure Bill to create a win-win for development and nature; and streamline processes for critical infrastructure.

For the first time we will strategically join up decisions on housing, business growth and infrastructure at both a national and local level, with the Westminster government's industrial, housing and infrastructure strategies aligning with the local growth plans and strategic development plans led by mayors. Only by delivering these reforms will we unlock investment and delivery.

- **Work in partnership with local leaders, housebuilders and infrastructure developers to deliver investment into these sectors** and diversify the housebuilding system so that it has the necessary range of providers, business models, workforce, technology, and innovation to deliver 1.5 million new homes.

We will also begin building the next generation of new towns, including delivering major urban extensions and unblocking development where it has stalled. To do this we will work with training providers, industry and local government to expand the building workforce with the right skills, fit for the future.

Our housebuilding drive will present significant opportunities throughout the supply chain for businesses of all sizes, while our infrastructure reforms will underpin greater business and investor confidence.

- **Increase supply and deliver the biggest boost to social and affordable housing in a generation**, ensuring the benefits of housebuilding are felt by

those on lower incomes. As set out at the Budget, we are injecting an additional £500 million in the Affordable Homes Programme, taking its annual budget to £3.1 billion next year.

We are also providing the sector with long-term rent certainty with the ambition to grow the number of new social rent homes at a consistent rate.

Putting affordable housing at the heart of our plan to deliver 1.5 million homes will ensure that homes go to people who need them, as well as helping to reduce record homelessness levels.

These actions will help us to deliver the biggest boost to new social and affordable homes for a generation.

Latest Updates

New funding for regulators to cut red tape, like speeding up clinical trials through AI and trialling drones for medical emergencies

[\(/government/news/new-funding-for-regulators-to-cut-red-tape-like-speeding-up-clinical-trials-through-ai-and-trialling-drones-for-medical-emergencies\)](/government/news/new-funding-for-regulators-to-cut-red-tape-like-speeding-up-clinical-trials-through-ai-and-trialling-drones-for-medical-emergencies)

22 May 2025 Press release

£1 billion BioNTech investment sets way for jobs, growth, breakthroughs

[\(/government/news/1-billion-biontech-investment-sets-way-for-jobs-growth-breakthroughs\)](/government/news/1-billion-biontech-investment-sets-way-for-jobs-growth-breakthroughs)

20 May 2025 Press release

Government to set new ten-year budgets for R&D funding

[\(/government/news/government-to-set-new-ten-year-budgets-for-rd-funding\)](/government/news/government-to-set-new-ten-year-budgets-for-rd-funding)

19 May 2025 Press release

UK Soft Power Council, April 2025: minutes

[\(/government/publications/uk-soft-power-council-april-2025-minutes\)](/government/publications/uk-soft-power-council-april-2025-minutes)

16 May 2025 Policy paper

New Second Permanent Secretary to the Treasury appointed

[\(/government/news/new-second-permanent-secretary-to-the-treasury-appointed--2\)](/government/news/new-second-permanent-secretary-to-the-treasury-appointed--2)

14 May 2025 News story

Our social media profiles



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