

The Alternative Budget 2025, Part 7: The politics of ca...

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Rachel Reeves will be presenting her Budget on November 26, [if the Labour government of which she is a part lasts that long](#).

I will be commenting on that Budget on the day on BBC Radio 2, and elsewhere afterwards, but what is already clear is that whatever Reeves has to say, she will miss the required mark by a very long way. Being aware of that, I thought it appropriate to offer an alternative Budget speech ahead of the time when she offers her own. Given the significance of this issue, it will be addressed in parts over the next week or so, leading up to Budget Day.

This seventh part addresses a key issue in the UK economy, which is the need for a new policy of care, practically expressed through a programme of support for those who require it. We will restore and expand the social security system of this country in a way that one of the largest countries in the world can not only do, but also afford.

Caring for Those Who Have Been Left Behind

Tony Benn once said that the virtue of a society can be judged by how it treats the most vulnerable. That sentiment matters now more than ever.

For more than a decade, Britain has been run on the premise that those with the least should pay the highest price, while those with the most can look after themselves.

It is not an accident that poverty rates have risen, that foodbank use has soared, that disability support has been stripped back, and that young people with profound potential find themselves excluded from work and education by systems designed to value uniformity over contribution.

This Budget cannot fix all of that at once. But it can, and will, set a direction of travel. And that direction is clear: we will end performative cruelty, rebuild security, and treat

every person as of equal worth.

Ending poverty created by design

We will begin by ending the two-child benefit cap. Nothing about a child's worth or needs changes because of their birth order. But policy has pretended otherwise, pushing families into poverty and placing children at risk. From next year, benefit claims will no longer be reduced when a family has more than two children. Every child in this country is of worth. It is a scandal that has been denied for too long.

We will also end the so-called bedroom tax. The policy has punished disabled people, families whose circumstances have changed, and those with no viable housing alternatives. In its place, we will consider positive incentives that help people move if they wish to do so, but coercion has no place in a civilised social security system that respects the fact that people need long-term homes to live well in communities they know and trust. People come first in our policies. We care.

At the same time, we will reform disability benefits from top to bottom. The details of the programme of reforms will be announced by my colleagues, but there will be:

- * No more repeated assessments for irreversible conditions
- * No more years-long waits
- * No more systems designed to deter rather than support
- * No requirement, as there almost always is now, to resort to appeals to win basic entitlements

A new process, grounded in respect and the presumption that people know their own lives, will replace the current punitive regime, and the small additional funding required to transform our system into one of care, not punishment and victimisation, is something our new Treasury team will willingly provide.

Creating opportunity where it has been blocked

But we will not stop at removing harm. Opportunity must be created as well as defended.

First, we recognise the growing number of young people living with conditions such as autism and ADHD, as well as those with mental health conditions such as severe anxiety and depressive disorders. Autism and ADHD are not temporary conditions. They are not reversible. Nor are they deficits. They reflect different ways of processing the world, and some of our most outstanding innovators and thinkers have those conditions. Despite that, young people face a lack of understanding, education systems that do not meet their needs from nursery through to university, and employment

systems built for uniformity that they cannot always comply with. Unsurprisingly, they find getting work hard, just as those with mental health conditions do.

So, we will extend mental health and neurodiversity support through schools, colleges and universities. We will make neurodiverse conditions into protected characteristics for the purposes of discrimination law. And we will create a new lifelong support programme, so that help does not abruptly cease at the age of sixteen or eighteen. Employers will be encouraged and, where appropriate, required to make reasonable adjustments for those with needs to manage all these conditions, not as an act of charity but as a recognition of the value these individuals bring. If we were to promote a single programme to tackle low productivity and a lack of engagement amongst young people in the workplace, I suggest this is it.

Reducing insecurity and rebuilding employment

Poverty is inseparable from economic insecurity. And insecurity is inseparable from the design of our labour markets. Britain has some of the lowest employment protections in Europe, some of the highest rates of low pay, and an entire generation stuck in unstable work that delivers neither dignity nor predictability.

So, we will also:

- * Maintain and raise as appropriate the minimum wage to a real living wage that reflects the actual cost of living.
- * Ban zero-hours contracts unless genuinely requested by employees.
- * Give all workers full employment rights from day one.
- * Reinforce the right of employees to be represented by trade unions.
- * Restore access to Industrial Tribunals when it has been callously denied to too many.
- * Reform Universal Credit so that whilst work will always pay, sanctions that have for too long been used as an instrument of fear are replaced with genuine support.
- * Strengthen collective bargaining, even when trade union representation is absent, because workers cannot achieve security in isolation.
- * Provide long-term training support, including by recreating Industrial Training Boards, since the private sector has shown itself unable to deliver this, despite the availability of funding to assist them in doing so. Statutory entitlements to time off for training will be made available to ensure that these facilities are accessible to all.

Good employment is the best anti-poverty policy a society can have. But it must be **good** employment, not precarious employment.

Supporting families, children and care

We cannot address insecurity without addressing care. Families are breaking under the pressure of unaffordable childcare and overstretched social care systems. Both are essential infrastructure, every bit as critical as roads or railways.

We will:

- * Expand universal childcare, beginning with free provision for all children from the age of two, and working toward a universal entitlement from one.
- * Fund local authorities to rebuild social care capacity, starting with fair pay for carers and the restoration of training budgets.
- * Guarantee respite support for families caring for disabled children and adults.

This is not welfare. It is an investment in social and economic capacity.

Rebuilding mental health support for all

Mental health provision in Britain is now so degraded that early intervention is almost impossible. Waiting lists are measured in years. Crisis services are overwhelmed. And the human and economic cost is immeasurable.

We will commit to a ten-year mental health rebuilding plan that includes:

- * A national network of walk-in centres offering rapid access to early support.
- * Guaranteed access to talking therapies within reasonable time limits.
- * Restored funding for community mental health teams.
- * Establishing workplace mental health standards that employers must meet, with a particular focus on young workers and those returning after illness.

This is not optional. An economy cannot function when millions are unable to access the basic support that would allow them to work, care and contribute.

Guaranteeing dignity for older people

Finally, we recognise the growing insecurity felt by pensioners, particularly because of frozen personal allowances and the erosion of pension value. No one should fear taxation simply because their pension has risen with inflation while allowances have not.

We will restore fairness by uprating allowances and undertaking a full review of pension taxation to ensure predictability and equity.

There is another issue that I should mention here, because it appears to have the most

relevance to pensioners, although it affects every potential taxpayer in the UK as well.

Since 2011, under laws introduced by my then predecessor in this post, HM Revenue and Customs was granted not just the power, but the obligation, to impose penalties upon people who did not submit a tax return on time, even if they had no tax liability and were unaware of their responsibility to make such a return. The result has been that some people have accumulated substantial penalty bills, and by no means all of them have had the resources to make a successful appeal, with the consequence that they have faced significant financial stress for no good reason, imposed upon them by an uncaring state and a tax system that has not reflected the proper relationship between taxpayers and the country in which they live.

I can confirm now that this law will be changed. No one will now owe a penalty if they do not submit a tax return in a year when they have no tax liability, and the penalties for failing to submit returns will never, in any circumstance, exceed 10 per cent of any tax owing if the liability due for a year is less than £1,000, which will be true in the vast majority of cases. No tax system can be considered to deliver justice or fairness if it imposes unfair penalties on those with the least capacity to pay tax or no obligation to do so.

The principle behind it all

The overarching aim of these proposals is simple. Poverty is not natural. Insecurity is not inevitable. Exclusion is not a personal failure. All are products of political choice. And for fifteen years, those choices have been wrong.

This government makes a different choice: to end performative cruelty, to build a society that values contribution in all its forms, and to invest in the people who have been left behind for too long.

If Britain is to renew itself, it will not be through punishing weakness. It will be through recognising the strength and potential that exists in every person and building the systems that allow that potential to be realised.

Other posts in this series:

- * [**The Alternative Budget 2025 - The Background**](#)
- * [**The Alternative Budget 2025, Part 2: Understanding tax and 'borrowing'**](#)
- * [**The Alternative Budget 2025, Part 3: Creating a new fiscal framework**](#)
- * [**The Alternative Budget 2025, Part 4: Renationalisation**](#)
- * [**The Alternative Budget 2025, Part 5: Reforming the UK's Savings System**](#)

* [**The Alternative Budget 2025, Part 6: Addressing issues in housing**](#)

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [**here.**](#)

One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.

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