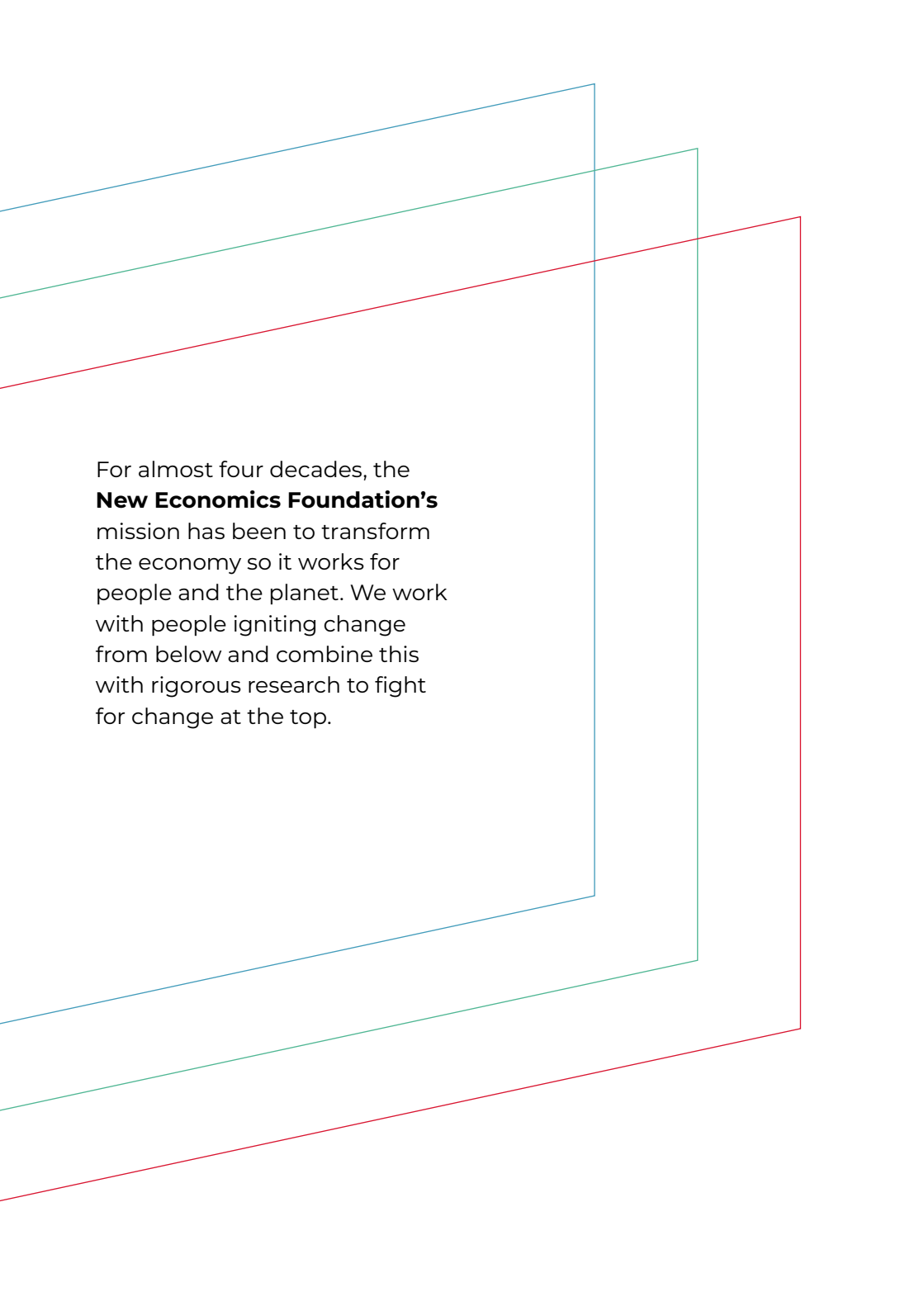


NEW
ECONOMICS
FOUNDATION



NEF REVIEW OF THE YEAR 2025



For almost four decades, the
New Economics Foundation's
mission has been to transform
the economy so it works for
people and the planet. We work
with people igniting change
from below and combine this
with rigorous research to fight
for change at the top.

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MESSAGE FROM NEF'S CHAIR



Adam Sharples CB, Chair

This has been a year of renewal and growing influence for NEF, against a challenging political backdrop. Around the world, democracy and social cohesion are under strain. The far right is gaining ground, inequality is deepening, and the cost of living and climate crises continue to hurt the people least responsible for them.

In January NEF launched a new organisational strategy to meet the challenges and opportunities of these turbulent times. It sets out how we will respond to today's realities through three priorities: economic security for all, a fast and fair transition to a green economy, and empowering people and communities to shape decisions about their lives. With deeper partnerships across the Global South, we are also working towards a more just international economic order.

Our independent, evidence-driven work has earned us places on government advisory panels on transport investment and fuel poverty. Our researchers have given evidence to several MP select committees and been invited to present to the Spanish and German parliaments.

At the same time, we have not hesitated to be vocal in our opposition to harmful policies. NEF's research and media impact has shifted the terms of the debate on airport expansion, exposing the supposed economic benefits as an illusion. Our evidence was fundamental to the successful challenge by backbench government and opposition MPs to the government's proposed disability benefit cuts – protecting people at the sharpest end of the cost of living crisis.

On behalf of the board of trustees, I would like to thank the brilliant NEF team for their achievements this year. And a massive thank you to all of you who have supported our work – none of this would be possible without you.

MESSAGE FROM NEF'S CEO



Danny Sriskandarajah,
CEO

It's hard not to feel the strain of the times we're living through. The cost of living crisis continues to bite, far-right movements are gaining ground, and the reality of climate breakdown grows starker by the day – meanwhile the capacity and confidence of the institutions designed to address these challenges feel weaker than ever. Most of us feel uncertain about what the future holds.

Although I would radically disagree with him on most things, I often come back to something the godfather of neoliberalism Milton Friedman once wrote:

"Only a crisis - actual or perceived - produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around."

That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable."

At NEF that has always been our role: to make sure the ideas lying around are the right ones - ideas that put people and planet first, and are ready to be picked up when change becomes possible.

"THE ROAD AHEAD WILL NOT BE EASY. BUT MOMENTS OF UPHEAVAL CAN ALSO CREATE OPENINGS FOR BOLD IDEAS AND ORGANISED HOPE. THAT'S WHY NEF EXISTS: TO DEVELOP THE ALTERNATIVES, BUILD THE POWER TO DELIVER THEM, AND ENSURE THAT WHEN THE POLITICALLY IMPOSSIBLE BECOMES THE POLITICALLY INEVITABLE, WE ARE READY ."

Our new strategy sets out the three areas where we are focusing our attention: achieving economic security for all, driving a fast and fair transition to a green economy, and shifting power to people and communities. These goals capture both the urgency of the challenges ahead and the optimism that comes from knowing what can be achieved when people work together.

Across the UK, we're helping to build power and possibility from the ground up. From community-led pilots in Greater Manchester to regional partnerships reimagining local economies in South Yorkshire, the North East and the West Midlands, our work shows what a fairer economy looks like in practice. NEF is also once again working on the global dimensions of the issues we care about, forging alliances with campaigners, local leaders and thinkers across the world to make sure that fairness and sustainability are at the heart of economic transformation everywhere.

The road ahead will not be easy. But moments of upheaval can also create openings for bold ideas and organised hope.

That's why NEF exists: to develop the alternatives, build the power to deliver them, and ensure that when the politically impossible becomes the politically inevitable, we are ready.

To all our funders, partners and supporters - thank you. And a special thanks to the hundreds of individuals and the grantmakers who supported us with valuable unrestricted funding, including the Friends Provident Foundation, Global Fund for a New Economy, John Ellerman Foundation, Guy Lipman, Joyce Pountain, and Quadrature Climate Foundation. Your belief in this work makes everything we do possible. Together, we're keeping alive the ideas that will build a fairer, greener future.

IN MEMORIAM

DAVID BOYLE

In June, we lost one of NEF's most influential figures with the passing of David Boyle, aged just 67. From our earliest days in the 1980s, David was at the heart of NEF's work for nearly three decades. A pioneer of new localism, he championed human-scale institutions over centralised systems and helped to bring ideas such as co-production and time banking to the UK. Yet David was much more than a visionary thinker. He was a warm, generous, and endlessly curious colleague - a true friend to so many across the new economy movement. His passing leaves a huge void, but his ideas and his kindness will continue to inspire us. We extend our deepest condolences to his family and his many friends.



1. ECONOMIC SECURITY FOR ALL



Members of the GMLI coalition

When we have access to affordable housing, good quality childcare and decent, well-paid jobs we are able to thrive. But, following decades of underinvestment, our public services are crumbling and too many of us cannot afford life's essentials. The economy has been designed to push wealth upwards at the expense of ordinary people. The state needs to be modernised so that it supports everyone in an era of growing inequality, increasing insecurity and rapid technological change.

NEF is challenging the failed economics of austerity. We are redesigning public

services and social security for the 21st century economy. Working alongside people fighting to improve their lives, we are showing how everyone can have the security and foundations they need to thrive.

LIFTING CHILDREN OUT OF POVERTY

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After years of campaigning, the chancellor finally announced an end to the two child limit in November's budget. This change, which we've been calling for with lots of other charities and campaigners, will lift hundreds of

thousands of children out of poverty. Previous NEF analysis also highlighted the economic benefits of scrapping the two child limit - it will reduce the economic cost of child poverty by £3.2bn a year by the end of this parliament. Well done to everyone who made this happen!

CURBING THE POWER OF THE SUPER RICH

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Extreme wealth does not happen by accident. It is the product of an economic system designed to enable the super rich to extract wealth and exploit resources, dodge taxation and wield outsized influence over our politics and media. They have the power to bend the rules in their favour and lifestyles that accelerate environmental breakdown. Inequality on this scale undermines democracy and tears at the social fabric that holds communities together.

Decades ago, economists introduced a poverty line to define the minimum standard of living society should guarantee. NEF and our partners,

including Patriotic Millionaires and researchers at LSE, are developing an equivalent concept for the top of the scale: the Extreme Wealth Line. It identifies the threshold at which riches become socially corrosive and economically indefensible. A clear benchmark like this will strengthen campaigns for fair taxation, democratic safeguards and environmental policy that holds the ultra-rich to account.

This work is already reshaping the conversation as part of our efforts to help push wealth taxes up the political agenda. Our polling and media campaigning showed that even most millionaires believe extreme wealth damages society. We briefed MPs in Parliament, spoke at Labour and Liberal Democrat conferences, and have had productive meetings with the Treasury and HMRC about our research on the practicalities of different wealth taxes.

NEF is also helping to build global pressure for change. Working with partners in the USA, Brazil and South Africa, we are coordinating around G20 meetings to keep wealth taxes on the international agenda.

ILL AND DISABLED PEOPLE SHOULDN'T PAY THE PRICE OF FISCAL RULES

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Most of us want to live in a society that supports people when they are too ill or disabled to work – but this vision has been undermined by successive governments who have placed the blame for big societal and economic problems at the feet of individual disabled people.



This year, NEF played a central role in stopping this government's plans to cut support for ill and disabled people. Ministers tried to claim that rising spending on Personal Independence Payment was the result of people wrongly receiving support.

Our research showed the truth. The increase reflects more disability in the wake of the pandemic, alongside worsening financial insecurity forcing eligible people who had previously not claimed to apply for their entitlement. We exposed that the scale of the proposed cuts was even bigger for ill and disabled people than the government was suggesting. We made the case that cuts were a political choice to meet the chancellor's self-imposed fiscal rules at the expense of people already facing hardship.

Ahead of the pivotal Commons debate, NEF briefed more than 50 MPs and leading disability organisations. Our analysis shaped media coverage and informed arguments across Parliament, including Diane Abbott's debate-opening remarks. Head of social policy Tom Pollard was named Peston's "Geek of the Week" for the impact of his analysis.

The government retreated once it became clear the plans would not pass, with a much watered down version of the cuts eventually voted through.

With a review due later next year, NEF will keep working alongside disability rights groups to ensure that investment in a fair social security system is recognised as essential to tackling hardship and building a thriving economy.

"It was vital to have NEF's quick-response briefing to build understanding and awareness with fellow colleagues about a policy that none of us had the expertise to fully scrutinise" - Labour MP following the government's climbdown.

SUPPORTING PEOPLE BACK TO WORK WITHOUT FEAR

Almost 2.7 million people are classified as having Limited Capability for Work Related Activity and only around 4% of this group move into work each year. The Department for Work and Pensions has had little success in improving these outcomes or building evidence on what might help to engage more people in employment support. Between March and May, NEF partnered with Camden Council on a pioneering "test and learn" pilot to improve support for people out of work due to disability and ill health. Instead of relying on sanctions and pressure, the project focused on what genuinely drives voluntary engagement with employment services. A multidisciplinary team worked directly with residents, using rapid feedback, behavioural insights and frontline expertise to tailor support in real time.

Even at this early stage, the results were highly promising. More than

40% of participants connected with employment support and many others took meaningful first steps toward better health and confidence, such as joining exercise groups. We found that positive, non-judgmental conversations helped to build trust and that people's readiness to engage can fluctuate. Support systems need to allow individuals to reconnect when they are able, without fear of penalties. We have developed a proposal for a new Engagement Innovation Unit within the DWP to bake in the "test and learn" approach, rather than commissioning rigid trials of pre-designed programmes.

Our work is already influencing thinking across Whitehall and local government. With the number of people unable to work due to long-term illness rising up the political agenda, NEF is helping shape future employment programmes that are more effective precisely because they are more supportive.

SAFE, SUSTAINABLE AND AFFORDABLE HOUSING FOR EVERYONE

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The Renters Reform Bill finally became law in October, a landmark victory after years of pressure from the housing movement, including NEF and the Homes for Us Alliance. Ending no-fault evictions, limiting rent hikes and extending minimum health standards to the private rented sector means more people will be able to have a safe and secure home.

The government also boosted the Affordable Homes Programme and pledged that at least 60% of new homes will be social housing. This shift reflects

NEF's research on the economic benefits of social housing and our campaigning with Homes for Us. Although welcome, it still falls far short of the 90,000 new social homes a year we need.



NEF continues to expose the human cost of a broken housing system, and propose solutions to change it. Our *Nowhere to Grow* report revealed the shocking reality that every primary school in Southwark has the equivalent of a full class of children growing up homeless. We set out a bold alternative in *Good Green Homes for All*: treating secure, warm housing as a universal basic service. This report called for public investment and concerted government action to bring vacant and underused buildings back into use and make more homes available for social rent.



Mayor Andy Burnham speaks at the GMLI campaign launch

We will ensure that delivering secure, affordable, accessible homes stays at the top of the political agenda. With rents still rising much faster than inflation and a third of renters now transferring more than half their income to landlords, the Homes for Us Alliance is campaigning for rent controls. The campaign is gathering pace, with interest from large housing charities, MPs, London Assembly Members and mayoral combined authorities.

A LIVING INCOME FOR GREATER MANCHESTER

The Greater Manchester Living Income coalition has had a breakthrough year. This partnership of local community groups – Mama Health, Middleton Cooperating and Our Agency – plus NEF, is campaigning for a new foundation for economic security: a Living Income. The Living Income sets a guaranteed income floor, based on the Minimum Income Standard which is

used to calculate the Real Living Wage, that would ensure no one falls below what they need to live with dignity, whether they are in or out of work.

Over the past year, we have invested in leadership skills, storytelling and organising to grow a powerful, community-led campaign. Bringing together people with lived experience of the system, the campaign achieved its first major goal when Mayor Andy Burnham publicly committing to piloting a Living Income.

The announcement came at our joyful campaign launch in a packed Friends Meeting House, where over 300 people gathered for speeches, music and celebration. Andy Burnham told the room:

“Greater Manchester is going to change things again... I want us to bring forward the country's first Living Income pilot.”

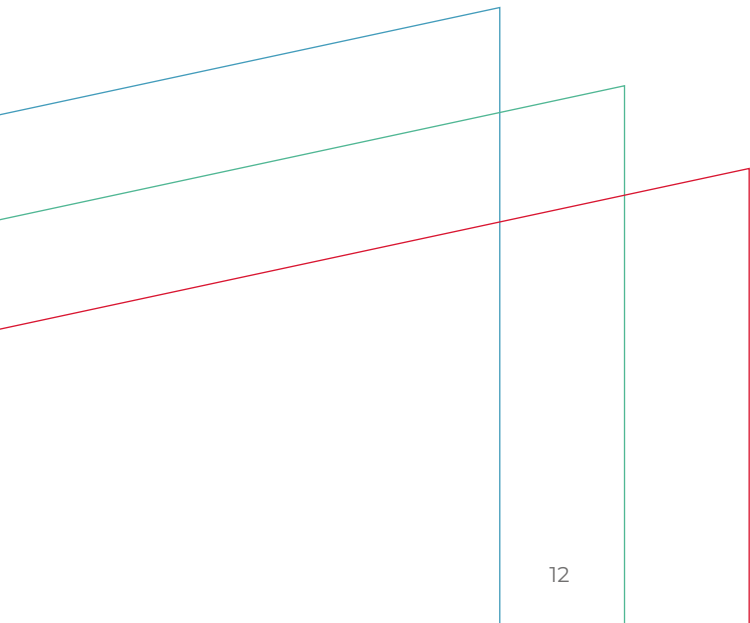
We are now working with the Combined Authority to design and secure funding for that pilot. There's lots of work ahead, but Greater Manchester is proving what's possible when communities lead the fight for a fair economy.

CHILDCARE AS A UNIVERSAL BASIC SERVICE

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Childcare costs are a huge burden for low and middle-income families. NEF analysis showed the richest households are eight times more likely to benefit from the current entitlement to free childcare than the poorest. Requirements that both parents work at least 16 hours a week and patchy availability in poorer areas deny support to precisely the families who would benefit most. Enabling low incomes families to access childcare would also produce the greatest economic benefit.

In *The Universal Family Childcare Promise*, we proposed a clearer, fairer system to support families and boost access to high-quality childcare, developed in collaboration with Pregnant Then Screwed and the Joseph Rowntree Foundation. We called for a universal 15-hour entitlement for all children aged nine months to four years, plus a cap on additional childcare costs for working families which would be set at 5% of earnings. Our modelling shows this would ease the burden on low- and middle-income households, increase access and simplify a fragmented, inequitable system.



2. FAST AND FAIR TRANSITION



We all want to live on a healthy planet, but our economy is currently designed to pursue profit from activities that accelerate climate breakdown. We are at the cusp of several tipping points in nature and climate, and are already facing the devastating consequences for our economy and society. But, with decisive action, we can avoid the worst impacts of climate breakdown and build more equal, happier societies.

NEF is pioneering new approaches to managing the economy. By rethinking fiscal and monetary policy, we can help to deliver the low-carbon economy

and support people with the cost of living. We demonstrate that flagship projects like airport expansion don't just wreck the environment – their claimed economic benefits are an illusion and they serve the richest, rather than the average person. Our groundbreaking industrial policies would create good jobs in green industries and the everyday economy. We're showing that tackling climate change and tackling inequality can – and must – go hand in hand.

AUSTERITY IS UNDERMINING DEMOCRACY

The government's fiscal policy – public spending, borrowing and taxation – is fundamental to achieving progressive changes. The results of 15 years of austerity are all around us, from crumbling schools where teachers are giving their lunches to hungry pupils, to overstretched doctors and nurses desperately trying to keep the NHS afloat. The recent autumn budget was yet another demonstration of how this government's own agenda is undermined by its adherence to outdated and arbitrary fiscal rules that prevent the spending we need to get the economy moving and raise living standards. Decimated public services have further eroded trust in public institutions, fuelling the rise of anti-democratic sentiment. Our innovative research has won plaudits from economists and policy makers alike, and been cited by politicians in the UK and the EU.

TRANSFORMING THE OBR FOR MORE DEMOCRATIC ACCOUNTABILITY

With the Chancellor's cast-iron commitment to her self-imposed fiscal rules, politicians and the media have become obsessed with concepts like "fiscal headroom" and supposed "black holes" in the public finances. But these terms bear little resemblance to the reality of how government spending and borrowing actually work. The fiscal rules hinge so heavily on Office for Budget Responsibility (OBR) forecasts, the OBR now exerts extraordinary influence over the direction of economic policy.

Its modelling systematically underestimates the returns that well-targeted public investment delivers, while downplaying the damage caused by cuts. That bias shapes government agenda, as starkly demonstrated by this government's ill-fated attempt to make deep cuts to disability benefits after an OBR forecast revision shifted the numbers on a spreadsheet.

NEF has been ahead of the curve in exposing how this system places an effective veto in the hands of unelected fiscal forecasters. Our work has shown that the OBR's methodology is not neutral and simple methodological changes could lead to forecasts that recognise the economic value of strong public services, a fair social safety net and green investment. This year our report, *Forecasting for a Better Future*, demonstrated precisely how those improvements could be made.

We set out a more wholesale reform with *A Democratic Fiscal Framework*, which reimagines how the UK's fiscal architecture could deliver both long-term economic strength and democratic accountability. The *Times* hailed it as "*a refreshing and bold attempt to devise a new fiscal framework that goes further than most interventions.*"

REIMAGINING THE RELATIONSHIP BETWEEN THE GOVERNMENT AND CENTRAL BANKS

NEF is challenging decades of outdated economic orthodoxy to show how the levers at the disposal of policy makers can and must be used to support

people through the cost of living crisis and deliver a just transition to a green economy. Monetary policy – controlling inflation, primarily via interest rates – is the responsibility of the independent Bank of England. One might imagine that a government and its central bank would work together to ensure that their actions complement each other. In practice, monetary and fiscal policy often pull in opposite directions.

The UK and EU's policies of keeping monetary and fiscal policy in strict silos are holding back their ability to address the key challenges we face. Raising interest rates has proved ineffective at bringing down inflation caused by increasing climate disruption and geopolitical instability. It has succeeded in pushing up borrowing costs. Combined with overly tight fiscal rules, this leaves governments with less capacity to protect living standards, strengthen public services and invest in climate-resilient infrastructure.

This year, NEF published groundbreaking research showing how the government and the Bank of England can take a new, coordinated approach. We mapped out the full range of tools at policymakers' disposal and demonstrated how they can be deployed to serve people and planet, rather than outdated economic dogma. From the climate emergency to the energy crisis, the scale and urgency of the challenges ahead demand smarter policy making. This includes practical changes with immediate benefits, such as reforming the Bank of England's quantitative easing indemnity to bring it into line with US and EU practice. A simple shift like this could save the public purse around £20bn every year.



Our thinking is already influencing policy makers. In November the new governor of the Dutch central bank kicked off their Annual Research Conference by calling for greater monetary-fiscal coordination.

THE EU'S FISCAL RULES FORCE CUTS TO ENVIRONMENTAL AND SOCIAL PROGRAMMES

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In 2025, the EU's revised fiscal rules came into force, prompting many member states to implement spending cuts. Yet, while social budgets are squeezed, significant fiscal space has been carved out for defence and industrial subsidies – often without safeguards to ensure social or environmental benefit. If public funds disproportionately benefit wealthy corporations and individuals, with little tangible impact for ordinary people, there's a huge risk of deepening public disillusionment.



NEF gives evidence to the Transport Select Committee.

NEF, working with the Fiscal Matters Coalition, is leading the call for a more progressive and sustainable approach to EU fiscal policy. Our flagship conference, EU Macroeconomic Policy in an Age of Shocks, held in Brussels, brought together leading academics, policymakers, and journalists to explore how fiscal and monetary coordination can better serve people and planet. Speakers included Professor Swati Dhingra of the Bank of England's Monetary Policy Committee, alongside representatives from the World Bank and the European Commission.

In January, NEF co-authored and coordinated the *Stability Through Sustainability* manifesto, signed by 41 EU civil society organisations. The manifesto urged the European Central Bank (ECB) to embed climate and nature action in its 2025 strategy review. This unified civil society voice helped prevent the ECB from backsliding on its climate commitments, even as political momentum waned. Notably, "nature degradation" was

included in the ECB's strategy statement for the first time. In July, the ECB announced the introduction of a "climate factor" in its collateral framework - a major step forward in aligning monetary policy with environmental goals.

DO WE REALLY NEED BIGGER AIRPORTS?

Since taking office, the government has waved through expansions at Gatwick, London City, Luton and Heathrow. Ministers have tied themselves in knots to argue that these projects are compatible with climate commitments. Yet their core justification – that expansion boosts economic growth – simply does not stand up to scrutiny. NEF has shown that despite soaring passenger numbers, business travel has flatlined for two decades. The real rise has come from UK residents flying abroad: three times as many Brits travel overseas as international tourists come here. That imbalance drained £46bn

from the UK economy last year alone. Is it any wonder that Britain's domestic tourism industry has returned to the stagnation it briefly left during the pandemic?

As a result of NEF's analysis, more politicians and journalists are now asking a basic question: how can expanding a multibillion-pound tourism deficit be a growth strategy?

Our impact stretches far beyond the UK. NEF research revealed there was no economic gain from airport expansion across large parts of northern and western Europe and has sparked debate internationally. Alex has been invited to present our findings to lawmakers in Spain and Germany.

NEF will continue to push back on false economic narratives, build public and political opposition to damaging expansions and hold the government to its climate and economic promises. We are making sure that the real costs to communities, especially in our left-behind coastal towns, cannot be ignored.

LOWER ENERGY BILLS, LOWER CARBON EMISSIONS

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Making the UK's homes energy efficient and retrofitting them with low-carbon heating is an immense challenge. Published at the start of this year, *A blueprint for warmer homes* set out how to deliver what is often described as the biggest infrastructural undertaking of the 21st century.

Launched by Energy Minister Miatta Fahnbulleh, our report argued that instead of relying on competitive bidding by



big private companies, a programme of this scale requires long-term predictable financial support based on local need and is therefore best led by local authorities.

We assessed that an estimated £315bn would be required to retrofit the UK's housing stock by 2050. This is an enormous challenge but we set out how the National Wealth Fund (NWF) could make it possible. Our proposal was to use the NWF to install insulation, heat pumps and solar panels through interest-free loans for middle-income households, and targeted support for the 2.6m homes in fuel poverty.

This will produce a triple benefit – lower energy bills, lower carbon emissions, and economic growth. We projected that every £1 of public money invested would generate £4.60 in private investment and £6.90 in broader economic activity.

3. POWER TO PEOPLE AND COMMUNITIES



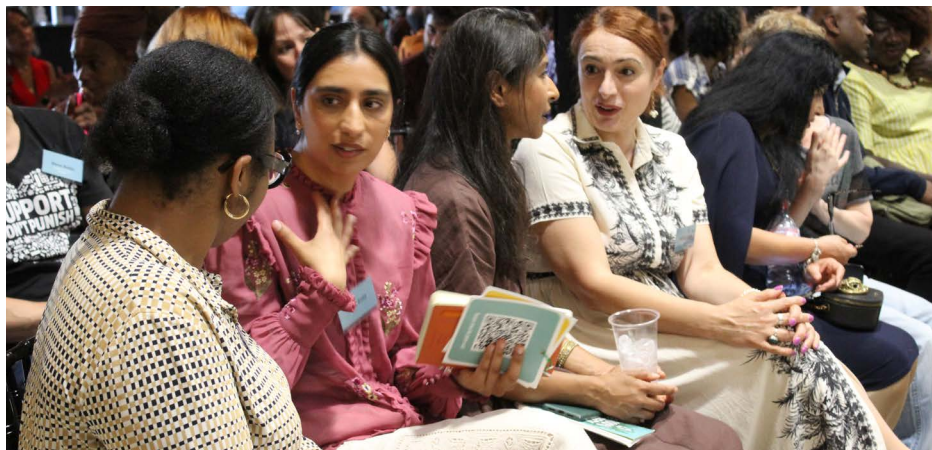
Homes for Us Summit

In a time of spiralling inequality and declining public services, people feel they have little control over their lives and are losing faith in our political institutions.

From fixing local government funding issues and investing in people and their communities to ensure places are not stripped of their wealth, to engaging people in real decision-making, NEF is helping communities up and down the UK to take back power and thrive.

Across the country, our organisers and community wealth building experts are supporting communities and local

leaders to work together to not only influence policy making, but also set priorities. Through grant programmes, we have enabled dozens of grassroots organisations to develop campaigns, and build their own capacity and assets. Our relationship with groups delivering support with families with neurodiverse and disabled children and young people has blossomed into a coalition of grassroots groups and parent/carers campaigning for improved public services. Through research, organising, and hands-on partnerships, NEF shows how spreading economic and political



Homes for Us Summit

power builds resilient communities and revitalises democracy.

GIVING PEOPLE THE TOOLS AND CONFIDENCE TO SHAPE THE ECONOMY

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Our flagship Reclaiming Our Regional Economies (RORE) programme has gone from strength to strength. The partnership between NEF, Centre for Local Economic Strategies, Co-operatives UK and the Centre for Thriving Places is working with mayoral teams in South Yorkshire, the North East and the West Midlands to show how local economies can be reshaped around the needs of local people.

In South Yorkshire, intensive outreach has created *Powerful South Yorkshire* — a new channel for grassroots groups to influence regional priorities. Working alongside the combined authority, participants have developed the confidence and skills to lead sessions,

gather community input and present testimony. Their priorities for the region include protecting community assets in planning decisions, creating a regional investment bank, prioritising insourcing for local contracts, and the resocialisation of private rented homes owned by rogue landlords. They are also co-developing a community-led retrofit strategy, drawing on NEF's *Blueprint for Warmer Homes*.

In the North East, we supported the combined authority to establish a *Community Engagement Network* linking engagement leads across all local councils. We've hosted events with community groups to explore their vision for a fairer regional economy and identify the barriers they face. This has led to a new strategy for regional organising and plans for a community-owned organisation to strengthen 'by-and-for' groups across the North East.

In the West Midlands, communities have prioritised reforming special educational needs and disability

(SEND) provision. In Birmingham, NEF supported parents to launch a co-operative, SEND Seen, for mutual care and to campaign for better support. We helped them secure a meeting with School Standards Minister Georgia Gould. We exposed how profit-driven private companies are extracting wealth from SEND services and proposed a co-operative alternative that could ease pressure on local authority budgets. SEND Seen founder Leanne Gregory – also a Homes For Us member – has since been shortlisted for Sense’s Campaigner of the Year award.

SUPPORTING COMMUNITIES TO OVERTURN SYSTEMIC POVERTY

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Black and minority ethnic communities, single parent families and households with a disabled member have always been exposed to disproportionate levels of poverty and debt. This translates into housing precarity, food insecurity and fuel poverty. In the second year of Power to Prosper, our partnership with the Runnymede Trust, we have focused on building the collective power of those worst impacted by these issues

Over the past year, our journey with community leaders and hubs across Nottingham, Manchester, Lambeth and Newham has shown what grassroots organising can look like in practice. We’ve funded 20 organisations to develop campaigns, and build their capacity. We engaged over 350 people through workshops to identify local issues and held hundreds of one-to-ones to build relationships and trust. Using tools like power mapping and public

narrative, communities are beginning to see their collective power and take action on what matters most to them.

We have built a structured learning pathway to develop community organisers and strengthen the long-term leadership of local groups. Through workshops and training, 350 people have explored the root causes of the challenges in their neighbourhoods and learned how to use relational power to achieve systemic change. Together, they have identified the issues that matter most and linked them to the wider structures that drive inequality.

We have also supported communities to build new alliances with local authorities, anchoring institutions and grassroots leaders so their voices carry further. One highlight is incubating of the Nottingham Race Network, a coalition of Black and Brown led organisations working together for structural change. Power to Prosper is helping create the relationships, skills and assets needed for communities to take on the systems that hold them back.

A NATIONAL GRASSROOTS HOUSING MOVEMENT

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Homes for Us is a new kind of campaign bringing together grassroots groups fighting the housing crisis in different ways into a national movement for reform. Through participatory regranting, the campaign directs resources to where they are most needed and where traditional funders struggle to reach. Vital support has gone to anti-demolition efforts, disability housing justice, trans-led mutual aid,

and grassroots tenant organising in underfunded regions like South Yorkshire, Glasgow and the North East.

More than 100 housing activists have taken part in training and coaching programmes covering strategy, storytelling, negotiations, and policy. All of it is rooted in real-life struggles - from fighting forced relocations and opposing displacement to pushing for safe, warm homes through retrofit. Strategy days, regular regional meet ups and online sessions convene disparate parts of the housing movement to make it stronger than the sum of its parts.



Homes for Us is fighting for more social housing - the most effective route to secure, affordable, accessible homes for all. Alongside that long-term goal, the movement has already notched major victories. Members of Big Power for Little London featured in a BBC Panorama investigation into damp homes. The campaign helped win the extension of Awaab's law covering social housing to private renters, named for two-year-old Awaab Ishak who tragically died from exposure to mould.

The campaign's focus has now turned to rent controls. Homes for Us members are commissioning research, lobbying politicians and taking to the streets — including a major protest outside the housing sector's flagship conference,

Housing 2025, which drew significant attention in the housing world.

SUPPORTING THOSE WHO SUPPORT THEIR COMMUNITIES

People have always organised to solve problems in their communities. Whether rooted in place, identity or shared experience, these groups give their time and resources for the common good. They run services, manage community assets and campaign for change when those in power fall short.

In recent years, as public services have been stripped back, by-and-for organisations have become even more essential. Formed and led by the communities they serve, they stepped up during the pandemic and again during the racist riots of 2024, responding quickly and with a deep understanding of local needs. They are increasingly the backbone of civil society. Yet their contribution, and the barriers they face, remain poorly understood and undervalued.

NEF partnered with the Lloyds Bank Foundation, the Legal Education Foundation and peer researchers to change that. Our major new study demonstrated the unique value that by-and-for organisations create, and sets out what policymakers and funders should do differently so these groups can thrive, not just survive. We have already presented our recommendations to more than 100 funders, helping shift resources and power to the organisations best placed to support their communities.

A YEAR AT NEF

JANUARY

Energy Minister Miatta Fahnbulleh launched *A blueprint for warmer homes*, setting out how a national retrofit programme could be delivered. Led by local authorities to respond to local need, the National Wealth Fund would provide funding for targeted investment and support for low and middle-income households.

NEF leapt into action following the chancellor's surprise announcement of Heathrow's third runway. Our analysis showing the negative economic and environmental impacts dominated the airwaves and newspaper pages, was cited by MPs inside and outside the Commons, and numerous others speaking out against the decision, including George Monbiot, Faiza Shaheen on *Question Time* and Dale Vince on *Today*.

Chief economist Lydia Prieg used her platform in the *Financial Times*' outlook for the UK in 2025 to call for the chancellor to be upfront about the need for taxation to pay for increases to day-to-day spending and to raise living standards by scrapping the two-child limit.

The *Stability Through Sustainability* manifesto, co-ordinated by NEF was signed by 41 EU civil society organisations gained media coverage across the EU, successfully preventing the European Central Bank from going back on its climate commitments.

As the super rich mingled with world leaders at Davos, NEF, Patriotic Millionaires and LSE introduced the

Extreme Wealth Line: a new concept to reign in the growing power of the ultra wealthy. To begin establishing the Line our report drew on interviews with politicians, policy experts, and millionaires from Brazil, France, Italy, South Africa, the UK, and the USA, to provide insights into the potential impact, challenges, and opportunities.

Forecasting a better future took an in depth look at OBR methodology, showing the extent to which the institution's approach restricts the government of the day's ability to address critical issues such as climate change and economic resilience. NEF economists showed how a 'bucket approach' to fiscal multipliers, inspired by the International Monetary Fund, could better account for the economic gains likely to be generated by activities including government expenditure, investment in domestic supply chains and encouraging private investment. This would give governments more fiscal space and end the OBR's inbuilt bias towards austerity.

FEBRUARY

Senior economist Alex Chapman's scoop that Rachel Reeves' figures on airport expansion had come from a Heathrow-funded report using methodology the Department of Transport had already dismissed as unreliable made the front page of the *Guardian*. Alex appeared before the Transport Select Committee to discuss Heathrow airport expansion. His analysis was quoted by the *Financial Times* and *Independent*, and cited by committee chair Ruth Cadbury in the commons.

Our figures showing the Treasury is to give the Bank of England £130bn over the next five years to cover its losses were featured in the *Times*. This money could be saved through tiered reserves, slowing quantitative tightening or changing George Osborne's indemnity policy to be in line with international comparators.

NEF wrapped up another fantastic series of the New Economics podcast – guests this series included Ash Sakar, David Edgerton, Grace Blakely and Kate Bell.

MARCH

NEF's contribution to the debate around the National Wealth Fund showed how the institution could be set up to help meet pressing needs. *Firing up the fund* had three core recommended principles for driving the transition to net zero, regional growth and industrial strategy effectively: (i) a pro-active investment approach; (ii) a fair risk-reward balance with strategic conditionalities; and (ii) built in flexibility for future increase in ambition.

Our groundbreaking *How do you solve a problem like inflation?* made the case for monetary-fiscal co-ordination. The traditional silos between the Bank of England's interest rates and government spending are failing to deal with the realities of our world. Geopolitical instability and climate change are driving inflation and the government action necessary to deal with them is hamstrung by the high cost of borrowing.

We presented our Extreme Wealth Line findings to MPs at the Liberal Democrats Spring Conference in Harrogate

Our researchers were all over the media in response to proposed cuts to disability benefits, explaining the real reason

behind rising numbers of claimants (covid and the cost of living crisis), dispelling claims that cuts would lead to economic growth, and firmly establishing the real reason for the cuts - meeting the chancellor's fiscal rules.

NEF exposed that the government was understating the cuts by £2bn—on top of the reported £4.8bn that would push 250,000 people, including 50,000 children, into poverty. Our researchers uncovered the government's sleight of hand - claiming it was spending £1.6bn by not going ahead with Conservative cuts it had already abandoned.

Unmasking the true impact helped cement the opposition that forced ministers to abandon the plans.

Power to Prosper formally launched community hubs in Nottingham, Greater Manchester, Lambeth and Newham. Through the hubs, the Power to Prosper team of organisers support local organisations and communities to organise, lead, and mobilise for change to systems that produce deep inequality.

Our policy experts produced a briefing for South Yorkshire Mayoral Combined Authority and Rotherham Metropolitan Borough Council outlining the policy levers and laws they could use to purchase poor quality homes from landlords and bring them into council housing stock. This was in support of the Big Power for Little London residents group in Maltby, who we have been working with for several years, and could serve as a pilot for councils all over the country.

APRIL

As NEF research revealed spending on domestic holidays in Britain has fallen by more than one fifth, leaving some of

the most deprived parts of the country facing a huge shortfall in income, Transport Secretary Heidi Alexander approved Luton Airport's expansion. NEF once again spearheaded opposition to the move. Alex Chapman told the Guardian:

"Expansion at Luton will see another 8 million UK residents taking their money overseas on holiday instead of spending it on UK high streets. If this government is so desperate for growth, it should focus on investing properly in the vital public services upon which the health of our economy really depends."

MAY

Flying Fair set out an urgently needed package of aviation tax reforms to reflect climate costs, including higher air passenger duty bands, a new ultra-frequent-flyer levy, and a £20 discount on everyone's first flight each year to protect the family holiday. This new suite of policy ideas will provide the basis of campaigns by NEF and others in the coming months and years.

The Polish Presidency of the EU Council referenced our EU Frequent Flyer study in a document for finance ministers. It is highly unusual for progressive think tanks to be recognised in Council documents, demonstrating the momentum that this idea is gaining.

The development model in practice took a deep dive into the Brownfield Housing Fund through a North East case study. While brownfield developments often held up as a silver bullet for the housing crisis while protecting the greenbelt, we uncovered significant issues with

the financing and delivery of housing on these sites that mean a model reliant on private developers will fail to deliver affordable housing.



With Reform UK leading in the polls and dominating the political agenda, we investigated the economic impact of its proposals to scrap the government's net zero target and impose new taxes on renewable energy. We calculated this would wipe 3% of UK GDP and lose 60,000 jobs in the wind and solar sectors alone.

Professor Swati Dhingra, member of the Bank of England's Monetary Policy Committee, was keynote speaker at our flagship Brussels policy conference, EU macroeconomic policy in an age of shocks. Other speakers included the Chief Economist of Triodos Bank Hans Stegemen, FT economics correspondent Paola Tamma, and NEF's Deputy CEO

Hannah Peaker, as well as policy makers from the World Bank and the EU Commission.



We recorded a one-off special episode of the New Economics Podcast with legendary organiser Marshall Ganz. Hannah Peaker, interviewed Marshall about his life and views on the current state of US democracy.



JUNE

NEF researcher Molly Harris worked with Big Power for Little London to build a case to get derelict buildings on their estate demolished after years of being told it was impossible. Organiser Heather reported:

"I've just got off the phone with Sheila, who has been fighting to bring the derelicts down for 15 years. I read

her sections of Molly's paper over the phone, and she broke down in tears. She said: 'I just wish my late husband Ken was here to read this. He spent hours and hours in his man cave searching for powers to bring the derelicts down, when Officers said there was nothing we could do against the landowner'".

Our report, *A coordinated macroeconomic framework for Europe*, made a compelling case for changes to the EU's approach to macroeconomic policy in order to deliver on three key tenets laid out in the Treaty on European Union: sustainable economic and social progress; peace and security; and democracy and the rule of law. Deficit rules must be relaxed to allow for greater member state investment in green and social infrastructure. At the same time, the ECB should adopt a more flexible approach to inflation targeting to deal with an oncoming era of persistent supply-side shocks.

Alex Chapman was invited to present oral evidence to the Parliamentary Environmental Audit Committee. NEF's aviation-pricing evidence was then used by the committee chair when examining the government on gaps in its Jet Zero strategy for a low-carbon aviation sector.

Our response to the government spending review, which set department budgets for until 2029, highlighted the problems with its focus on capital spending, while cutting day-to-day spending in key departments. People already struggling with the cost of living will feel worse off. Once again, the government's self-imposed fiscal rules are holding us back.

We also mourned the dilution of the ambition of Great British Energy, from a public owned energy generator to another financial institution, as a missed opportunity to generate and retain immense economic benefits from renewables.

The UK Treasury Select Committee called Head of economy and environment Chaitanya Kumar as an expert witness for its National Wealth Fund inquiry. He advocated that the NWF should issue its own bonds, a recommendation that the committee adopted in its final report.

The Power to Prosper Summer Action meetup brought together over 100 people from the four regional hubs. Organisers, campaigners, researchers, funders and community leaders came together to talk, plan, celebrate and learn. We hosted inspiring speakers, workshop conversations, musical performances and an educational panel discussion.

The Commons Public Accounts Committee investigation into the potential return of public private partnerships (PPP) and private finance initiatives (PFI) cited NEF evidence to challenge the idea that its return would offer value for money for taxpayers.

In a perfect illustration of NEF's complementary insider and outsider approaches to change, as Homes for Us staged a large protest calling for rent controls outside Housing 2025 in Manchester, inside our deputy CEO proposed the same policy as a speaker at the conference.

JULY

The ECB announced that it is implementing climate-related adjustments in its collateral framework, one of the key policy demands of our Sustainable ECB Coalition. This represents a big step forward in the EU and builds pressure on the Bank of England to follow suit.

Detailing the Database showed how the proposed national landlords database in the Renters Reform Bill could be truly transformational - driving transparency, accountability and better enforcement. Yet its impact depends entirely on ambition and resourcing - a bold, well-designed database could empower tenants, expose bad landlords and give councils the tools to raise housing standards nationwide.

As the rollout of the government's complex system of free childcare hours approached completion, our *The Universal Family Childcare Promise* proposed a simpler, fairer model that would ease the crippling financial burden for low- and middle-income families.

AUGUST

Our harrowing report *Nowhere to Grow* explored the severe impact of homelessness on children's mental health and development. Over 160,000 children in England are currently living in temporary accommodation (TA), with many enduring placements lasting years rather than weeks or months. Looking in depth at children living in the London Borough of Southwark, we showed how those living in TA face significant health, developmental, and

psychological harms. Poor housing conditions, overcrowding, frequent moves, and instability undermine their social-emotional functioning and educational outcomes. We recommended a series of immediate actions, including creating a dedicated local authority TA family support coordinator role to provide consistent, holistic support for families.

Launched with an exclusive in the *Times*, *A Democratic Fiscal Framework* proposed a thorough overhaul of the UK's fiscal architecture. The current structure hands unelected officials at the OBR too much power to constrain government spending, limiting democratic choice and the ability to tackle the huge problems we face. We proposed replacing the OBR with an Office for Fiscal Transparency focused on open data and scrutiny, while establishing a new, democratically accountable Fiscal Policy Committee. Together these reforms would ensure economic decision making better reflects public priorities and gives elected governments the flexibility to invest for the long term.

Economists, academics and transport experts wrote to the chancellor and the transport secretary to raise concerns over the government's airport expansion plans, in a letter co-ordinated by NEF. The signatories, including 16 professors of economics at top UK universities, described the claimed economic benefits of airport expansion as "*at best uncertain*". The letter also stated that there are "*no indications that the environmental and health impacts of airport expansion can be adequately mitigated*".

We published the report on our hugely

influential "test and learn" pilot with Camden Council, which sought to make support for people out of work due to disability and ill health both more supportive and effective. This work has the potential to transform how the millions of people classed as Limited Capability for Work Related Activity interact with the welfare system.



SEPTEMBER

As public services decline, by-and-for organisations - those formed and led by the communities they serve - have become vital, responding swiftly to crises like the pandemic. Yet their impact remains undervalued. Our pioneering study, *Built by us*, showed their unique value. Its recommendations, intended to help these groups thrive, are already influencing funders and policymakers, including those NEF works with in RORE and other programmes.

In *Breaking the bank* we shone a light on the hidden cost to the taxpayer of the Bank of England's losses from ending quantitative easing, calculated at £20bn a year until 2033. In the context of government spending, this is higher than the Home Office budget. Our report proposed a number of solutions to end what is, in effect, a transfer of public wealth to commercial banks, including ending taxpayer indemnities, tiered

reserves and enhanced monetary/fiscal coordination.

NEF speakers appeared on numerous panels at the Labour conference, including making the case for wealth taxes and our RORE event that examined how regional mayors can resist the rise of the far right.

OCTOBER

In a Spanish Parliament debate on aviation taxation, Alex Chapman made a presentation about the impact of air transport on the economy, showing MPs the evidence that workers in Spain's hospitality sector had not benefited from the recent rise in air travel.

The latest of our series of reports on Universal Basic Services with the Social Guarantee, *Good Green Homes for All*, showed how we can deliver enough housing so that everyone can live comfortably, now and in future. It calls for public investment and concerted government action to refurbish and



redistribute underused and vacant buildings, to retrofit and to make many more homes available for social rent.

Over 100 people from 40 different organisations from across the country took part in the second annual Homes for Us summit. Travel bursaries, childcare, captioners and British Sign

Language interpreters ensured that as many people as possible were able to come together for a day of mutual learning, celebrations of wins, and planning for the year ahead.

NEF's work was cited extensively by parliament's Environmental Audit Committee report that stated:

"Whilst the Government support for airport expansion has been largely based on its expectation of economic growth, the Government has been unable to direct the Committee to any evidence that supports its assertion."

NOVEMBER

We released our groundbreaking report on the economics of air transport in Europe, helping to overturn the orthodoxy that airports are growth engines. While this can be the case in developing economies and places lacking international connections, we found that that there has been no economic return on airport expansion across large parts of northern and western Europe. Already, the report has been presented to several EU governments.

Ahead of the G20 summit in South Africa and launched at an event in Johannesburg, *The G20 at a crossroads* examined the institution's track record and looked at whether it can remain credible in the shifting global order. A collaboration with the Institute for Economic Justice (South Africa), the Institute for Policy Studies (USA), Transforma (Brazil), and the Centre for Economic and Social Rights (global), the report highlights how the G20 is

reinforcing global inequalities. It shows how it could move from a forum that protects the financial system to one that fosters human and planetary wellbeing. The partnership also hosted two events at the G20 Social Forum.

New RORE analysis in *Ending extraction in the UK care system* showed the scale of public money that's been transferred from the care system to private companies. In just RORE's three focus regions, more than £250m has been taken in profits in three years, with more than a third going to private equity firms or companies based in tax havens. While politicians tell us there simply isn't the money to invest, the truth is that money exists in the care system but too much of it is leaking out.

Beyond the very welcome scrapping of the two-child benefit cap, there was little to cheer in the autumn budget. NEF gained significant coverage with our analysis and message that the chancellor should be spending to tackle the high cost of living, not sucking money out of the economy so she can meet her self-imposed fiscal rules. Decent public services aren't a reward for the economy doing well – they're the bedrock on which the health of the economy depends.



Another series of the New Economics Podcast comes to a close! This time we covered issues like the global arms trade, AI and left wing digital strategy with great guests including Faiza Shaheen, Keir Milburn, Adam Ramsay, Shanice McBean, Will Davies and David Wearing. We also filmed a crossover podcast special for the autumn budget with Macrodose and Over the Top Under the Radar.

THANK YOU!

NEF is proud to be an independent charity, free from political parties and vested interests. That independence underpins everything we do - enabling our research and proposals to be rigorous, reliable and evidence-based, and always rooted in the public good.

Our work is made possible through the generosity of donors and partners. We work with trusts, foundations and other organisations who support our mission and align with our values. We are also grateful to the hundreds of individuals who support our work. To everyone who donates, joins our campaigns, or takes part in our events: thank you. Your support is what makes NEF unique and keeps our voice strong.

We will never be able to match the vast sums that the super-rich and big corporations spend to shape politics and democracy in their own interests. But together, we can build a powerful movement for change - one that cannot be ignored.

We also believe transparency is essential to a healthy democracy. The public deserves to know who is seeking to shape policy and whose interests they represent. NEF is proud to hold the top A-rating for transparency from the Who Funds You? campaign. We publish the names and donation amounts of everyone who gives more than £5,000, and every NEF report clearly acknowledges its funders. See the list for our last financial year on the opposite page.

OUR FUNDERS 2024-2025

abrdn Financial Fairness Trust	£22,300
Aviva Foundation	£58,128
Barrow Cadbury Trust	£20,000
Big Brother Watch	£14,000
Calouste Gulbenkian Foundation	£21,690
Energy4All	£7,800
Esmée Fairbairn Foundation	£42,392
European Climate Foundation	£114,656
Friends Provident Foundaton	£100,910
Guy Lipman	£6,000
Impact on Urban Health	£58,817
John Ellerman Foundation	£39,999
John Savery	£12,000
Joseph Rowntree Foundation	£62,069
Joyce Pountain	£7,000
KR Foundation	£8,180
Laudes Foundation	£350,705
Leigh Day Solicitors	£5,000
Lloyds Bank Foundation	£94,495
The Motherhood Plan	£16,100
National Lottery Community Fund, Partnerships England Wide	£400,660
The Nationwide Foundation	£50,992
Network for Social Change	£40,123
Nuffield Foundation	£12,562
Oak Foundation	£1,416,163
<i>includes regranting total of £507,299</i>	
Open Society Foundations	£88,662
OVO Foundation	£23,600
Patriotic Millionaires International	£30,000
Possible	£20,000
Power to Change	£61,668
Shelter	£7,420
Slow Ways	£13,200
Southwark Council	£33,063
The Sunrise Project	£245,292
Thirty Percy	£24,076
Trades Union Congress	£6,645
Transport and Environment	£11,054
University of Portsmouth	£6,954
Walton Charity	£7,500
West Midlands Combined Authority	£46,020
The William and Flora Hewlett Foundation	£17,703

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