

Memo to an incoming PM – Growth is what we need

The kind of growth we need is growth in output per head, not more output because we have invited in many more people for lower paid jobs. This will come from improving the atmosphere for people setting up and expanding businesses, and companies making investments into the UK. It means sweeping aside the large hike in Corporation Tax planned for next year. We need a low headline rate by world standards to attract footloose investment and to leave more money for reinvestment for successful companies. The Republic of Ireland gets a bigger contribution to its total revenues by having a lower rate than us and attracting proportionately more investment.

We need a package of measures to help small business and the self employed. We need to end the IR35 pressures against more self employment whilst taking action against six figured salaried people who use a service company to disguise working wholly or mainly for a single employer. We will need more flexible local capacity in many areas which requires a more supportive approach for those venturing on their own.

The UK needs to rebuild its national resilience in a wide range of areas. It is good that it is building on its recent success with vaccine development to encourage a larger pharmaceutical cluster of research and production. We need to exploit more of our own substantial energy reserves at a time of western shortages, and to develop gas as a crucial transition fuel and feedstock. We need more home grown food and more home produced goods.

Controlling inflation requires a better money policy than last year's, and investment in more capacity to ease supply shortages and cut import dependence.