

Planning for winter

It is difficult to fathom why the Treasury would want to base a budget on out of date forecasts or on forecasts they expect to be wrong, yet that is what the press allege. They tell us there is an earlier pre budget cut off date for the forecasts than usual, and that the Treasury accepts the deficit and debt forecasts which have already proved wildly pessimistic this year to date as they did last year. Surely the Treasury should push back hard on the OBR estimates and say they will only treat them seriously if they improve markedly.

It may be that the aim is to follow a tax rise and spending cut policy to slow the economy more to get closer to the poor forecasts. That could work, but why do it when you could have a policy that got you better outcomes on growth and on the deficit. It is clear the tax rises already announced and the Bank of England rate rise threats have slowed the economy badly in recent weeks, alongside the media driven petrol scare and the Lack of wind power.

It appears that there some gas turbine power stations that have been closed that could be brought back into use quite quickly and cheaply. The Business Department should commission them for stand by and back up power for when renewables fail.

The supply issues over petrol and diesel are resolved. The shortages were caused by panic top ups, not an underlying shortage of fuel. The HGV driver shortage will take a bit longer to clear, but training and recruitment numbers are rising. The on line delivery networks have shown the right offers can secure a big expansion of capacity.

The Budget needs to go for growth. An austerity budget now would be a bad idea. Injecting some good control over spending to secure more value for money is also crucial. The Treasury needs to slim Test and Trace and redirect some of the additional £64 bn awarded to the NHS in the last two years to tackling waiting lists and non covid treatments.