Reviewing the extent of the state

Government activity has expanded massively as a result of the decision to lock down the country to combat the virus. It is time to roll back many of these areas to bring budgets back towards balance after a huge borrowing splurge.

 9 million people are now effectively additional employees of the state thanks to the Furlough scheme. Most of their wages are paid by taxpayers with the express requirement that they must not work for their employers whilst being so paid. It is important as the government has indicated that rapid progress is now made with getting these people back into full time or part time working with their employer, to save the jobs and slash the costs to government.

The state has paid to control the workload and actions of the private health sector. During the height of the crisis there was an understandable surge in NHS spending, but there was also a drop in health output. Most private sector medicine stopped altogether, and most non urgent treatments stopped in the NHS. As a result health GDP fell. We need to get health output up to at least the levels it was at in January, and return to a system where private money as well as public comes in to cover the costs.

There are also an number of other areas where the state procured resources and capacity by contract to deal with the emergency, where it could now review those contracts, save some money and free capacity for others.

The state has taken upon itself paying to sustain the full level of costs of public transport when it was carrying three or four times as many people as it is today. There needs to be some thought of what demand for the next two or three years is likely to be and what level of fare revenue is likely. It would be unrealistic to carry on recruiting people to the railway for example when the forecast demand is going to be so much lower than last year. Current loss levels are unsustainable for any length of time, and thought needs to be given to a pathway for winning back lost passengers.