

Labour's conference

So Labour wish to run large scale investment projects better than HS 2. They wish to halve the government's use of consultancies, reduce the use of chartered planes for government Ministers and ensure more private investment is added to state investment to boost output.

This is not going to suddenly change the growth prospects, get inflation down faster or transform public sector management. Consultancies may be due a hair cut, but you cannot say how many you need until you identify what they do and whether they are essential because the civil service does not have the skills and knowledge. Otherwise they should only be used where they are cheaper and better than in house.

Cutting down on plane use may afford some small savings though rail tickets are also dear these days and chauffeured cars do not come cheap. Most of us would like to see more private investment alongside or replacing public investment. The question is does the state identify enough projects that will earn a decent return to attract the investment? Labour's wish to impose more windfall taxes will put off some private and foreign investors, reminding them that if their investment works the government will want to pocket more of the profits.

Labour promises us iron clad fiscal rules. They want to double up on Treasury forecasts and an independent Office of Budget Responsibility . They will make every decision on tax and spend dependent on a report and forecast by the OBR. They should have learned that that very system allowed a huge increase in spending and borrowing over covid when they backed government spending plans and urged more. It then led to big rises in tax revenues which they attack. Chancellors have to make judgements as they will be blamed for the results. The OBR needs to amend its models so it can forecast the levels of tax revenue and borrowing more accurately than it has been able to do in recent years. We need an accurate guide to help steer the ship. How would they restore lost productivity with public sector Unions keen to expand workforces?