

Let's have a budget for prosperity

We need to move on from austerity. The Treasury needs to write back some of the tax revenue it will collect over the next couple of years, that it took out of the forecasts in the Autumn Statement. It was too gloomy then. It needs to spend enough on social care, schools and the NHS to provide a good service. It can make spending reductions elsewhere, starting with the EU contributions and other items I have highlighted on this website.

It also needs to unleash more infrastructure investment. Much of this in energy, broadband and some in transport can be privately financed. The government may need to assist with loan guarantees, permissions, licences and co investment. It needs to do more to promote enterprise through tax cuts. It has a programme to raise the 20% and 40% tax thresholds for Income Tax. It would also be wise to cut Stamp Duty rates to help homebuyers. It could offer entrepreneurs and small businesses additional tax relief.

Mr Trump's plans to increase infrastructure spending, cut personal and company income tax rates, and relax banking controls to allow bit more lending all make sense. The UK is already well ahead of the US in lowering corporation tax rates for large companies, but needs to sharpen its competitiveness for start ups and smaller companies. We should tax work, effort and enterprise less, as we want more of it.