

Rishi must set out his low-tax vision to get our party members on side (Written for Telegraph)

I offer the new Prime Minister the same loyalty I showed to his two recent predecessors, and the same economic advice designed to see off inflation whilst avoiding a deep and prolonged recession. The first task Rishi needs to address is to bring together more of the MPs and members of the party behind the common endeavour of greater prosperity and a better economic policy to avoid the inflationary money printing of the last year. The voluntary party that knocks on doors, delivers leaflets, finds Council candidates and helps pay the bills of party officials must be wooed and thanked. It is a pity they did not get a vote on another change of leader. It is a shame the very truncated timetable did not allow Rishi to set out in general terms how he plans to tackle the budget issues, balance necessary spending with affordable tax rates, and create a productivity revolution in industry and services. We need all these to go right if we are to see off recession, level up communities around the country, grow and produce more of our own needs and bring the deficit down through the extra tax that comes from economic success.

Many members feel let down that their two choices for leader in recent leadership elections both fell prey to MP disagreements and to infighting within the Parliamentary party and government. One of the main attractions of becoming a member is to play a role in selecting candidates for Councils, Police Commissioners, and MPs, with the best prize being a say in who should be leader and Prime Minister when we have a majority. Each elected official is more accountable to party members because they have that say, requiring us all to listen to the grassroots as well as to our wider constituencies in our official capacities. I hope Rishi will reach out to the members and tell them how he plans to bring them into the big task of fulfilling our 2019 promises and seeing us through the inflation, energy crisis and the need to reverse the decline in many people's spending power. He needs to speak to them to get their buy in to the project he now needs to set out.

The dilemma he faces is the same as his immediate predecessors in office. The problems to be overcome are the same. Whilst in some ways everything has changed because there is a new leader who will bring a new team to the tasks, in another way today nothing has changed. It is the same party to lead, the same inflation to finally quell, the same recession to see off. We saw from Liz Truss and Kwasi Kwarteng proposals to make the UK more competitive with some modest tax rate reductions, and a huge spending programme of support to tackle surging fuel bills. It was a pity they did not frame these with the rest of the spending plans, and allow us forecasts of the short term and longer term borrowing that might result. Of course they needed to be affordable, but they also needed to avoid plunging us into deep recession. When adjusting and developing these plans for growth the new team needs to

avoid lurching to too restrictive a policy which could deepen and lengthen the downturn. This would increase overall borrowing rather than reduce it, as borrowing is very sensitive to the rate of growth. The extra pound of income earned from growth is taxed more highly and helps save on benefit bills as more people get work to meet the increased demand for goods and services.

The new team needs to ask why the Bank is keen to sell bonds it bought at high prices at large losses today. If they do so the Treasury has to send them money to pay the losses. There is no need to sell these bonds now, and making losses on bonds is not a good priority for spending. It needs to build on past government work to find ways for more of the people on benefits to take some of the many jobs still available. It must always be worthwhile working. Those in work paying taxes expect people who can work to do so where there are jobs available rather than being on benefits.

The members responded well to Liz Truss this summer because she was upbeat, promising us growth with lower tax rates. Her aim was to generate more revenue from the growth to pay for the healthcare and education we want. In his first speech as Prime Minister elect Rishi said he too wanted growth and lower taxes. That will warm more of the members to him. That requires delivery. He will get more unity from a bruised party if he shares its members aspirations and then manages to implement them. He also needs to tell them more of this vision and win their confidence.