

The government should resolve to spend less on wasteful plans in 2024

The main reason we are running a large deficit is the public sector is spending too much. Controlling spending better is important to get the deficit down, to allow more tax cuts and promote more growth. There are four main areas where less can and should be spent.

1. Public sector administration and civil service numbers. Between fourth quarter 2019 and third quarter 2023 civil service numbers have increased by 69,000 and other public administration by 41,000 making a total rise of 110,000. The total is now 1,175,000. Productivity has slumped during this period of rapid additional recruitment. There has also been substantial grade creep with many more senior and higher paid people in the mix. The civil service is too keen on additional regulation, more international obligations and more meddling with people's lives and business activities. Do less of it.
2. The high costs of making provision for large numbers of low paid economic migrants. Whilst this may be cheap labour for companies it is dear for taxpayers. Every additional 250,000 need a new city the size of Southampton to live in. That means many new homes, schools, surgeries, more utility capacity of all kinds. At an estimated £250,000 each of public sector capital and early years revenue spending 100,000 new additional migrants cost £25bn.
3. The high welfare costs of many more people registering as unable to work. Whilst it is important we have a generous system for those disabled who cannot manage a job, it is difficult to believe so many more people each year are being added to this category. With more support and better benefit administration more could get suitable work.
4. Local government wasteful spending. In so many places as in Wokingham local Councils are spending so much money on narrowing roads, making unhelpful changes to road junctions, and introducing cycle lanes where no-one uses them as part of their anti driver policies. Many Councils have been adding to property and other investment portfolios at foolish prices and finding in some cases they cannot rent them out at a rent that delivers any return for taxpayers. Some Councils have expanded their administrative staff numbers and pushed up pay for senior personnel.

The government says it wishes to tackle these problems. There are remedies it can put in place for 2024 to start to make a difference and bring the growth rate in public spending under better control.

1. Place an immediate ban on additional external recruitment of personnel for the civil service and other public administration. If an additional person from outside is needed a special case should be signed off by a Minister. As people leave to change jobs or to retire so the departmental organisation chart should remove some jobs and amalgamate others. There should be some better control over the ratio of senior

staff to the rest.

2. Implement the plans to cut legal migration by 300,000 and step them up to reduce it by more. The aim should be to get it below 2019 levels as promised in the Manifesto. As it comes down so the large budgets for extra public sector housing and services can be reduced.
3. The government is proposing extensive further welfare reforms to help more people back into work. This needs speeding up as the numbers who cannot work again continue to surge.
4. Put tougher controls on local authorities borrowing to buy assets and make investments. Central government should decline to fund anti driver schemes.