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Letters Editor
Financial Times

Government needs to address the contradiction in its Budget and its aims

It was interesting to read the Prime Minister's article in the FT (*Reform is needed to make Britain a great place to do business – 2/3 November*) given it came mere days after his Chancellor's Budget became one of the most anti-entrepreneurial presented in the last forty years.

The Prime Minister spoke of providing stability and certainty and setting a path to sustainable growth. That is all well and good, but actions speak louder than words. As the CEO of the Construction Plant-hire Association (CPA), our 1,900 members are the backbone of the construction industry, worth some £14bn to the economy, supporting over 190,000 jobsⁱ. Our members have a key role to play in building new homes, the infrastructure that they need, the schools and hospitals of the future not to mention renewable energy infrastructure that is going to be required. This can only come from renewed investment in new equipment, technologies, innovations, and people.

The Budget failed us on each of these levels. Our members remain excluded from being able to take advantage of the Full Expensing Allowance, the rise in NI is a tax on jobs and will deter companies taking on more people, will slow increases in wages at a time when we need to increase the construction skills base. The proposed changes to Business Property Relief as part of wider Inheritance Tax changes, will have a massive and detrimental impact on SMEs (20% of SMEs work in construction) and family run businesses – the backbone of construction plant-hire, and the wider business communities throughout the UK.

The private sector will look for and expect, meaningful reform of public services and for Government to ensure value for money given we can now expect higher borrowing, higher taxes, and limited growth prospects. In the current circumstances, the Treasury's attempts to break the so-called doom loop look futile at best.

Camilla Cavendish's excellent article about government needing to do more to understand what drives entrepreneurs and people risking their own capital to create wealth and growth, underneath the Prime Minister's article, was timely. I hope someone in Number 10 and the Treasury takes the time to read it.

Steve Mulholland, CEO, Construction Plant-hire Association

ⁱ Oxford Economics / CPA The economic impact of the UK plant hire sector – November 2024