

Autumn Statement: Professor John Bryson



Professor of Enterprise and Competitiveness Birmingham Business School

Response:

An Autumn Statement that was predictable, but also included some important surprises.

The UK economy faces an uncertain future and requires strong political leadership based on cooperation rather than party politics. This uncertainty reflects tougher external economic conditions combined with a structural deficit in public finances.

The political and media debate needs to move beyond talk of austerity to one centred on economic growth, skills development and enhancing competitiveness and there was some evidence of this shift in the Statement.

The economic aspects of the Autumn Statement focused on investing in existing strengths and using local knowledge to target investments in local economies and in key sectors. This type of policy intervention represents a best practice approach to regional economic growth. Providing the Local Enterprise Partnerships with more funding and allocating additional funding to the Regional Growth Fund is sensible, but also needs to ensure that all the LEPs have the capabilities to make informed decisions. This part of the Statement reflects the on-going localisation agenda.

The additional funding for UK Trade and Investment is also welcome as it emphasises the importance of enhancing the country's export base. The reduction in business taxation and specifically the 1% cut in corporation tax to 21% from April 2014, highlights the importance that this government is placing on economic growth, and is supported by enhanced personnel taxation and a control of welfare benefits.

Enhancing the efficiency of the public sector is sensible if savings are then invested for the long-term competitiveness of the UK. Additional investment in new schools, science and infrastructure is an investment for the future that must be targeted at supporting economic competitiveness.

The key to economic competitiveness is certainty in the environment that surrounds business and continual investment in innovative products and services. The increase in the tax allowance for equipment and plant will encourage firms that are holding back on investing to consider upgrading their equipment and facilities and this is an important policy intervention. The Statement provides some certainty, but companies still face an uncertain future.