

Chancellor 'hit the right notes' in vision for economy, say business leaders



Our unmissable weekly email of all the gossip, rumours and covert goings-on inside the Square Mile

Sign up

I would like to be emailed about offers, event and updates from Evening Standard. Read our [privacy notice](#).

Business group leaders have said Chancellor [Rachel Reeves](#) “hit the right notes” as she sought to lay out a more optimistic vision in her first [Labour](#) conference speech in the role.

However, industry bodies also cautioned that the Labour [Government](#) must be careful not to “chill” small business investment with proposed changes to UK employment rules.

Ms Reeves said her economic plans would not amount to the return of Tory-era austerity as she struck a more positive tone after months of gloomy messages about the inheritance left by the Tories.

The Chancellor hit the right notes in a speech that balanced the need for fiscal responsibility with an optimistic pitch to investors about the strengths of the UK economy

Rain Newton-Smith, Confederation of British Industry

It comes slightly over a month before her first Autumn [Budget](#), with business leaders keen to garner support for industry-friendly policies.

Since taking the role, the Chancellor has received criticism over her decision to means-test winter fuel payments, stripping the handouts worth up to £300 from millions of pensioners.

In Monday's speech Ms Reeves said there were "tough decisions" involved in the Budget but said she hopes "to fix the foundations".

She added that growth in the economy requires "active government" as she told Labour members that a new industrial strategy for Britain would be published next month.

Trade bodies and unions were broadly positive in reaction to the speech.

Rain Newton-Smith, chief executive of the Confederation of British Industry (CBI), said: "The Chancellor hit the right notes in a speech that balanced the need for fiscal responsibility with an optimistic pitch to investors about the strengths of the UK economy.

"[Businesses](#) will be further reassured to hear that while the Government won't duck difficult decisions, they will be taken in the context of a return to long-term sustainable growth."

Tina McKenzie, policy chair of the Federation of Small Businesses (FSB), said: "It was good to see Chancellor Rachel Reeves make the importance of enterprise clear in her Budget, following a bold statement from the Business Secretary on his small business plan.

Of course, Labour must be extremely careful not to chill employment and small business investment, especially when it

comes to plans on employment law

Tina McKenzie, Federation of Small Businesses

“An actively pro-small business Budget is necessary this year to achieve the sustainable growth that the Labour Party has talked of creating by the end of the Parliament.

“Of course, Labour must be extremely careful not to chill employment and small business investment, especially when it comes to plans on employment law.”

It comes after the Labour Government confirmed earlier this month that it intends to change multiple areas of employment law, including ensuring workers have the right to claim unfair dismissal from their first day.

Harry Quilter-Pinner, IPPR’s interim executive director, said: “Faced with a dire economic inheritance and tough economic choices still ahead, we welcome the Chancellor’s promise not to return to austerity – and her call for the investment we will need to deliver a brighter economic future.

“We need higher investment in the industries of the future to kindle faster growth throughout the economy and rebalance it better across all our nations and regions.

“That will be helped by the active industrial strategy that she promised to reveal very soon.”