

Truss will need to work with not against the Bank

I
t seems a long time since those joyous June days of the Jubilee when the sun shone benignly interrupted by only the occasional shower.

What we would give for a few of those now.

But even the most [enjoyable and innocent of festivities has to be paid for with an economic hangover, it seems.](#)

Today's figures from the Office for National Statistics show that the four-day bank holiday knees-ups resulted in a loss of output that far outstripped any boost from sales of street party bunting, lemonade and barbecue sausages.

It is only a blip of course, and will probably be recovered in July, but it was enough to put a minus in front of the second quarter GDP number.

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It really was not supposed to be that way after the harsh

restrictions of the Covid era were lifted.

The road ahead looks increasingly rocky with the Bank of England's finest brains [now pencilling five more quarters of GDP declines once the summer is over.](#)

However, the "other Elizabeth" – the likely next Prime Minister Liz Truss – maintains that recession could be avoided through the blizzard of tax cuts and as yet largely unspecified supply-side reforms that she is proposing.

She has also made it clear that patience with the Bank of England's economic record on monetary stewardship is wearing thin.

The relationship between [Downing Street and the Old Lady of Threadneedle Street is likely to be the tetchiest since independence was granted to the central bank by Gordon Brown in 1997.](#)

Useful point-scoring and blame-shifting for Team Truss. But it does not make for the period of collaborative clear-headed thinking that the economy will be crying out for during this coming crisis.

[@JonPrynn](#)