

## PRESS RELEASE

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### **'Tough decisions' need to be made on spending and taxation to get UK on sustainable financial footing, says Lib Dem spokesperson Sarah Olney MP**

Pensions and benefits should be increased in line with inflation in Monday's medium-term fiscal plan to help the lowest paid manage soaring living costs, while "tough decisions" need to be made over spending and taxation, argues Sarah Olney MP, Liberal Democrat spokesperson on Treasury, Business and Industrial Strategy.

The Liberal Democrat MP for Richmond Park was speaking with Robert Vaudry, Managing Director of Discretionary Fund Manager Copia Capital Management [Copia], in a webinar on the prospects for the UK economy in turbulent times. The webinar also featured Copia's Senior Investment Manager Peter Wasko, who gave an overview of economic trends and the state of the markets under the new government.

Looking ahead to Monday's scheduled fiscal statement, Ms Olney explained the Liberal Democrats' view: "We're not supportive of wholesale spending cuts at this time. Some of the things we've heard, a 15% cut in every department, for example, there is no way we could absorb that level of cuts in health or education. We'll be looking at the budget very carefully on Monday and our priority will be to identify potential areas where tax increases could be applied to offset the necessity of spending cuts."

She argued that the UK government needs to look more seriously at underlying tax and spend policies to get back to a more sustainable financial footing, and anticipates that the next general election will revolve far more around these questions: "What taxes to put up and where to direct the spending, that's not a conversation we've really had since before Brexit, but it's something that we really do need to get back to, because tough decisions need to be made."

Speaking about Brexit, Ms Olney highlighted the UK's departure from the European Union for some of the workforce shortages the UK is experiencing as well as the fall off in trade: "As a percentage of GDP, international trade in the UK is lowest in the G7 and that is something again that we need to address as a matter of urgency." However, rather than seek to immediately rejoin the EU, Olney explained that the Liberal Democrats priority is to now: "rebuild relationships and work together with the EU to reduce some of the barriers that have been erected as a result of Brexit."

During the conversation, Ms Olney highlighted that the political turmoil in the Conservative party over the last two months has been a distraction from MPs debating important topics like how to tackle fuel price inflation. She believes that incentivising greater production of renewable energy is key: “It's ridiculous how few solar panels we have, for example; why doesn't every new build have a solar panel? It feels like a reasonably obvious thing to do. So that's why we believe that we need to do a lot more around renewables. I'm not going to say that that is easy and cheap but it's certainly easier and cheaper than either continuing a reliance on oil and gas, or investing in nuclear.”

However, despite expressing relief that Boris Johnson had not returned to Downing Street, Olney repeated her party's calls for a General Election: “Stability cannot be guaranteed in the UK political system until we have a government that has won a mandate from a broad base of voters' support.”

A recording of the webinar will shortly be available via Copia's website: <https://www.copia-capital.co.uk/>

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## NOTES FOR EDITORS

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### About Copia

Copia is the investment solutions division of Novia Financial plc, a UK platform provider with group platform assets in excess of £11.8bn under administration. Novia was launched in 2008 and Copia was launched in 2013.

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