

Labour needs to tackle tax reliefs, not benefits

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It's now commonplace to say Francois Hollande has got a great deal wrong in France, and to some extent that's true. But [not this one, from the FT](#):

France's socialist government, under strong pressure to reform its big and costly social welfare system, has unveiled plans to make annual net savings of \hat{a} , -1.7bn in its generous family benefits regime.

The relatively modest savings, a first step in a series of welfare reforms promised this year by President Franois Hollande, are to be achieved mainly by reducing tax breaks for the better-off to avoid a politically sensitive departure from the principle of universal child benefits.

This would be the right direction of travel for Labour.

Cutting higher rate pension relief still further would be welcome.

Giving tax relief on venture capital trusts, enterprise management incentives, enterprise investment schemes and even (candidly) ISAs makes little or no sense when universal benefits are under threat.

That's where I'd like to see Labour making threats, not on winter fuel allowance, which opens the door to many more cuts.