

# Inflation is not a problem

The small spike upwards in inflation last month is likely to be temporary. Inflation remains below the 2% target. The recent 20% fall in the oil price, and the fall in a range of other raw materials is likely to push the CPI figure back down again.

In the Euro area and in Japan the authorities are desperate to get inflation up a bit. The general disinflationary and deflationary forces worldwide remain a worry. The virus has struck China and made a temporary hole in her output. It has also hit international travel and tourism. Japan reported a fall in GDP in the last quarter of 2019 owing to her tax rise and is still weak owing to the effects of the epidemic. The car industry everywhere is reeling from the tax and regulatory attacks on diesel and petrol vehicles. US GDP is losing important output from Boeing with the current cessation of manufacture of what was the firm's best selling plane, the 737 Max.

Meanwhile the media that spent three years boring us rigid with silly false scare stories about supply chains after Brexit say very little about the genuine threat to our supply chains from the big decrease in Chinese production this month. We are currently living on product made before the Chinese New Year, as it takes a month for product to reach us by ship. What happens next month?

The Bank of England will doubtless use the uptick in inflation and the stirrings in the housing market as an excuse to do nothing. The rest of the world is busy fighting the downturn with monetary as well as fiscal action. The Bank should join in. The government may face pessimistic OBR forecasts of the kind they specialise in. To the extent that they are sensible, based on the big world slowdown, the problems in the car industry and the effects of the virus, they need to be offset by positive action.

One of the follies of the UK system is it is usually pro cyclical. When a downturn or slowdown hits, forecasts show revenues falling and spending rising, so the demand goes up for spending cuts and tax rises. Instead policy needs to seek to offset any slide to low growth or no growth.

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## Update from Heathrow – Airspace plans and aircraft noise

February 2020

Dear Sir John,

Following your recent meeting with one of my colleagues, I wanted to follow up with you regarding our airspace plans. You have always been clear with us that Heathrow needs to focus on operational improvements today, as well as with expansion, to improve our airspace operations.

I thought it might be helpful to outline initiatives that we have already implemented; recent announcements; and our plans with both expansion and airspace modernisation.

Heathrow was the first UK airport to introduce a pioneering 'Fly Quiet and Green' league table which ranks airlines according to their noise performance, encouraging them to bring their most advanced fleet to the airport. The league table also takes into account operational performance which includes how well airlines keep within the flight tracks and to their scheduled arrival and departure times. In tandem with the league table we also use our landing charges to reward airlines who bring their cleanest and quietest aircraft to the airport.

We are determined to continue to reduce the number of movements during the night period and have changed the way we charge for flights during the Night Quota Period (2330-0600).

Previously noise charges were only applied to arriving, undispensed, aircraft within this period and at a charge of 2.5 times the day noise charge. From January 2020 we have implemented charges on both arriving and departing aircraft, regardless of whether they have been dispensed, and this will be charged at 5 times the day noise charge.

I know that keeping planes higher for longer is also important for your constituents. Following some successful trials of steeper approaches at the airport, which increases the angle at which the planes come in to land, we plan to launch a consultation later this year in order to implement this operational change. I'm also aware that changing the Compton route is something you have particularly pushed for and we are pleased to be progressing with these changes, looking to have a consultation on flight paths next year.

Finally, you will be aware that with expansion we have made a number of commitments including a 6.5 hour night flight ban and periods of predictable respite for all our local communities. We are also looking at how we can use operational procedures such as displaced thresholds to see planes staying higher for longer by landing further down the runway. Airspace modernisation also gives us the opportunity in the future to use airspace alternation as another way to provide respite for our communities, as well as bringing an end to routine stacking.

We appreciate that you have continued to highlight changes to airspace as a priority issue for your constituents and hope that we can continue to work closely on these issues.

Best regards,

Nigel Milton

Director of Communications

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## Migration

Yesterday the government released more details of the new Immigration system it plans to come into effect on 1 January 2021 when we are finally out of the EU Implementation period.

The aim is to reduce numbers coming to the UK by preventing people coming to the UK to look for a low paid job, or coming to the UK to take up a pre arranged UK job at a low salary. This should make quite a difference to numbers which in turn will take some of the pressure off social housing and public service provision.

The points system will require an individual to have 70 points. 50 points are awarded for someone who can speak English, has a job offer and some skills. The additional 20 points come from appraisal of skills, qualifications, salaries and professional training. Speaking English will be a requirement for all to meet.

There will be clear routes for new NHS staff to be recruited and granted an NHS Visa, for students to come to Universities on a Student Visa and for top talent in science and maths to get easy access.

Anyone under the general scheme must have a job paying more than £25,600 a year unless they have a job offer in a field identified as a shortage area where special temporary factors may apply.

This looks like a good improvement on open borders under the EU scheme. Employers will have to pay a bit more to attract local talent. They need to spend more on raising productivity to justify better pay. This can be done through better training and or through investment in computer and machine power to raise output per employee.

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## South Western Railways update

I have received this update from the Secretary of State for Transport:

Dear John

## South Western Railways update

I would like to provide you and your constituents with an update following the reckless strikes which affected thousands of South Western Railway journeys throughout December.

Due to the unprecedented level of strike action by members of the RMT union, and the wholly unnecessary impact this had on passengers, I am pleased to say this Government has worked with South Western Railway to secure compensation arrangements.

The compensation package offers up to five day's worth of travel to season ticket holders and daily ticket holders who travelled frequently during the strike. Season ticket holders whose station received no train service or bus replacement will receive the full cost of travel for the days in which they had a valid ticket during the period of the strike.

The compensation scheme will run in two phases: the first phase targets SWR season ticket holders who will be contacted directly to arrange compensation, and the second phase is for customers for whom SWR doesn't hold details, including weekly season ticket holders, who will need to apply for compensation. SWR will notify customers when each phase opens and further details can be found here:

[www.southwesternrailway.com/december-2019-strike-compensation](http://www.southwesternrailway.com/december-2019-strike-compensation).

This compensation is above the standard Delay Repay scheme which entitles holders of any ticket type – including passengers who travel less frequently – to claim compensation for delays of 15 minutes or more, whatever the cause of the delay. The Department continues to encourage passengers to also claim using Delay Repay.

I hope this update provides some relief to your constituents who were affected by the senseless strikes on South Western Railway. This Government remains committed to protect commuters from unreasonable strike action in the future and are introducing new laws to address this. I will also shortly be bringing forward reforms to the railway to ensure the whole industry is focused on delivering what passengers want: reliable trains that run on time.

Yours ever,

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT

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# Greenwash is not the answer

Like some other media driven campaigns, the anti global warming movement is being damaged by its share of hypocrites. Some grandstand on the issue yet live their own lives ignoring the imperatives they set for others.

It is most important that those who lecture the rest of us to change our lifestyles to lower our carbon footprint show us by example how to do it. It is true that Miss Thunberg's supporters and funders have been very keen to show she will use trains and sail boats, though it has led to questions about how realistic it is to sail across the Atlantic and how green it is to need so many people to support one traveller's journey.

Others in government and the business world seem to think the rules should not apply to them. Attending important environmental or business conferences apparently justifies international jet travel and chauffeured cars whilst telling others they should not take a plane for a holiday and should leave the car at home. Nor should we regard diesel trains or even electric trains fed by the general grid with fossil fuel power as necessarily the answer. Trains with few passengers may be a high carbon way of travelling. The idea that carbon dioxide emissions should be the prerogative of those able and willing to pay premium prices for their comforts is not a good way to promote the cause. Many of the green answers are higher taxes on normal behaviours for personal transport and domestic heating, which the rich can afford.

There is also the position of some countries that talk the talk on cutting carbon dioxide but do not cut their output in the way the UK has done. China for example buys into the problem yet keeps on increasing its own carbon dioxide output. It has been able to use the argument that as an emerging economy it needs leeway to increase its use of fossil fuels. Now it is better off and more successful surely it should ask itself if its conduct conforms with its concerns. It opens new coal mines and is very reliant on fossil fuels for its industrial activity. It is the largest source of manmade CO<sub>2</sub> in the world. Germany closer to home and much richer than China also is a heavy user of coal and gas to generate electricity, and a big user of fossil fuels in homes and factories for heating and power.

There is also a question of whether it works well enough to sell pardons in the form of offsets. There is now a market in various assets and activities thought to provide some offset to more carbon dioxide released into the atmosphere, which again allows those with the money to continue with fossil fuel comforts whilst paying for an offset.

I do not wish to publish personalised attacks on named individuals in reply.