

## The EU Summit

The UK may want the EU summit to be about that post Brexit relationship, but much of the time will be taken up with the rest of the EU trying to stitch together a new migration policy. That will be followed by a meeting of the Eurozone Heads with Germany wanting to reinforce the austere disciplines of the scheme against possible challenges from Italy and others. The rows over migration may make the issues over the Euro more intractable and fractious.

When the PM is allowed to put the UK case I want her to be strong as well as her usual courteous and helpful self. She should say the UK negotiators have been more than generous so far in responding to EU demands for money we do not owe, and in potentially accepting powers and controls we do not have to accept during a possible transition. In return the EU now needs to offer a comprehensive free trade agreement for goods and services which leaves the UK free to spend its own money, make its own laws and conduct its own trade policy. If the EU rejects any such suggestion then the UK should simply leave on March 29 2019.

The public have rightly shrugged off the latest round of Project Fear statements. Airbus has no wish to try to sell planes without wings, and is not about to substitute Chinese wings for UK ones. There need be no queues of lorries at Dover or other UK ports once we leave. The UK will control those borders and will use the electronic and advance filing systems we already use for our trade to avoid needing to calculate customs dues whilst the driver waits at the border.

There hasn't been a new Project Fear worry for some time. The Remain media just seem to like recycling old materials time after time, with no particular purpose.

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## Improving public services

Yesterday I gave my second lecture on the delivery of public services, following on from the All Souls lecture providing analysis of the different ways public service is delivered in the UK. Speaking at the IEA I reminded people of my main findings. Bread and circuses are as much public services as water and broadcasting, or health and education. The most common way of delivering public service in the UK is through numerous competing private sector for profit companies charging consumers the economic price of the good or service. The private sector plays a large role even in services that some think are truly public sector. The NHS for example has many GPs who are small business contractors, and uses medicines entirely supplied by for profit companies.

Speaking at the IEA I stressed the importance of choice or competition to achieving improvements in quality and reductions in cost. It was the introduction of competition into electricity supply that lowered prices following privatisation. It was competition which powered big improvements in service quality and technology in UK telecommunications. It is choice of free school places which helps progress in local schools and gives parents and pupils some leverage where a school starts to fail.

I wish to see competition introduced more widely in the water industry where it would encourage lower prices and better provision. I want to see more competition in the provision of rail assets and services. Newly united track and train companies could have to offer capacity to third parties wishing to run services on their lines subject to an independent arbitrator over terms, and more should be able to put in new capacity as a challenge to incumbents. Quality and efficiency are not enemies, but opposite sides of the same coin. Both are driven more effectively by competition.

Offering a service free is fundamental to the UK's NHS and to the provision of school places. We need to make sure, however, that the taxpaying user of the service is not powerless to require good performance or to change arrangements just because the state pays rather than the individual directly. There needs to be sufficient capacity to allow people to change school or doctor if they wish to do so.

In some other cases offering free public services can provide unfair competition to the private sector. The BBC website makes it difficult for competitors to charge for similar news and cultural output. Some Council leisure facilities prevent private sector competitors or damage private facilities already established.

Owning assets in the public sector has the advantage that the state has access to huge sums of capital at low interest rates. It has often in the past overspent on the assets and managed them badly, offsetting the gains from relatively cheap capital. There does need to be capital discipline when using the freedoms having your own printing press and bond factory allows. The danger is single channel decision making. If the state owns telecoms for example, and makes the wrong call on technology, the whole country is affected. That is exactly what the nationalised industry did in its last decade, when it fell further and further behind the USA.

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## [Response to my representations on aircraft noise from the Chief](#)

# Executive of Heathrow Airport

Dear John,

Thank you for getting in touch regarding the vote on Heathrow expansion.

I am very aware of the problems caused to your constituents by changes NATS made to the way in which the Compton Gate was used. I was not made aware of these changes until after they had been implemented and asked for them to be reversed, which NATS did not do. Since then we have fundamentally changed the way we communicate with NATS and our local communities, including setting up the Community Noise Forum, which has been working to address some of the issues you have raised, and increased the level of transparency and consultation on changes in operating procedures.

With expansion your constituency will benefit from the abolition of the Compton Gate Route. In the mean time, we will carry out a public consultation on potential redesign of this Route later this year – I will ensure you are kept updated with the details of this.

Thank you for the suggestions you have made about reducing noise levels over your constituency – I have gone into a bit more detail about these in the note. However, in summary:

- Continuous Descent Approach – through our Fly Quiet and Green programme we incentivise aircraft to fly higher for longer over your constituency before making their final descent into Heathrow. We have 88% compliance with this operating procedure and continue to work with airlines on improving this.
- Steeper Ascent Trial – as you have pointed out, a steeper take off can get planes higher, quicker and could reduce noise in some areas, though it may also increase noise in others. We are undertaking a trial of this which is due to finish in December 2018, at which point we will assess the impacts and decide whether to make this a permanent change.
- Noise Action Plan Consultation – we are undertaking a consultation to review Heathrow's Noise Action plan including on how we use charges to incentivise airlines to be quieter and more environmentally friendly.

I know that late running flights is also a concern for your constituents, I have agreed with our major airlines that we will aim to reduce late running flights by 50% over 5 years, and was very pleased that last year we were able to reduce the number by 30%, as a result of close working with airlines.

I know you have raised stacking as a particular concern for your constituents and unfortunately this is designed in to the current airspace management system. With a third runway, we could eliminate the need for routine aircraft stacking, and have started consulting on the airspace changes that will be necessary to achieve this.

I am grateful for your engagement on these issues, and I hope that you can see we are working hard to reduce noise in your constituency.

If you would like to follow up on any of the issues, I would be very happy to meet with you.

With best wishes

John

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## [The Heathrow decision](#)

I left making up my mind on how to vote on Heathrow until the debate. I wanted to hear from constituents, and also wished to get better assurances from those involved in the project concerning aircraft noise.

I received fifteen times as many emails urging me to vote for the airport expansion as against. Most of these were the common format email drafted by the pro Heathrow campaign, which clearly spoke for a number of my constituents.

The main objections came from those who find the current noise levels unacceptable. I agree, and have been pressing the airport, the airlines and NATs to take more action to control noise. All this relates to noise at the current airport, with its current pattern of flights. One of the possible advantages of installing more runway capacity will be longer night time hours when no flights will be permitted, with more capacity to handle incoming flights at the end of the night time ban period each day.

There will be further opportunities to press the interested parties on noise as they move to the next stage of their project, seeking planning permission and making the necessary environmental filings. Both Heathrow itself and the government have said they are working on steeper descents and ascents to lessen noise further away from the airport, quieter planes, more enforcement against noisy planes and pilots, and a new examination of current routes. The Secretary of State confirmed that digital technology will allow the usual elimination of the stack, as I have urged.

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## [The Heathrow decision](#)

Parliament yesterday voted to approve the third runway at Heathrow. This is the third of the three Hs of large scale infrastructure investment that this government has decided on. It is the most commercial of the three. Hinckley may lumber us with 50 years of very expensive power, unless the alternatives suddenly shoot up in cost . HS2 will be a huge loss maker for years to come

on any sensible forecast. It is a disproportionately expensive investment for the railway as a whole, and will hit the revenues on competitor lines. Heathrow will be a successful hub airport with many people and airlines wishing to use it.

The issues surrounding Heathrow were not easy. Some felt expansion at Gatwick would be better. Some wanted a distributed system of growth with several airports in the south east expanding to take more flights, on the argument that hubs and interlining are not as important as some claim. Some wanted the lengthened two runway solution at Heathrow, to cut costs. Many of us want some better news on noise. Because the UK has developed an airport so close to a large conurbation it has created more strains between the settle population and their noisy neighbour. Having the airport to the west of London means planes cannot be stacked over the sea, which would reduce noise and risk.

There was general agreement that the UK does need more airport capacity in London and the south east. There is universal agreement that more direct flights to other UK cities would be helpful, reducing the strains on Heathrow with people flying down to London to catch an onward flight to somewhere else. This is mainly a question of getting to critical mass in these other cities to sustain a decent direct service.

I urged the Transport Secretary to intensify efforts to reduce current levels of aircraft noise, reminding him of the agenda of measures I have been working on with the Aviation Minister.