

Spreading prosperity around the country

I am all in favour of policies which promote growth and greater prosperity generally, and in support of any measures which can help catch up by the lower income parts of the UK. In many cases the policies required are the same.

The government is going to spend more and do more on infrastructure. Ensuring good broadband with high speeds in all parts of the country is essential to faster growth. Much of the investment can be private sector, as it should generate its own return. Where public sector pump priming is necessary there should continue to be clawback provisions in the investment agreements to protect taxpayers.

Investment in better transport is needed everywhere in the UK. London has needed substantial extra investment in the tube network because it is being impeded by its own success, with crowded tunnels and trains often leading to temporary station or platform closures to handle the numbers. London does not get much investment in new roads as there is so little space to include them. Outside London more road capacity is needed for buses and cars and more cycle lane provision. Commuter train services into many cities and towns need improving, with more trains, more comfortable trains and more reliable trains.

The government also needs to look at taxation. Too many taxes in the UK are set at rates that diminish the total revenue by deterring transactions and investments. High Stamp duties cut the volume of property transactions, which means sub optimal use of properties with people feeling taxed out of changing their property for one they can best use. IR35 is deterring self employment and losing the UK contracts. High Vehicle Excise duties have helped hit sales for UK made new vehicles, though they are greener and cleaner than the old ones they could replace. National Insurance and the training levy are taxes on employment when we want to promote more jobs. The current rate of Capital Gains Tax puts people off selling assets they hold that could be better developed or used by others.

The Chancellor needs a budget for jobs and growth. That should include reducing tax penalties on work, on investment and on transactions.