# The local plan and housing numbers

I met leading Councillors and Planning Officers on Friday at the Borough Council offices. I explained why I would like the next local Plan to confirm lower new housing numbers given the past pressures on green spaces, local infrastructure and public services from the rate of development.

The Council said it too would like to slow the growth rate. I suggested that the Council

1. Maximises identified land that should be kept free of development through the various designations of green space, sites of special scientific interest, green belt, green gaps between settlements, recreation space, good quality agricultural land and others

2. Do not identify a large number of marginal or unsuitable sites as possibly suitable for housing as that might make defending decisions later more difficult.

3. Make a proposal for changing the way housing need is calculated, as this is central to calculating how much land needs to be identified for housing. The Secretary of State is currently considering whether and how to change national planning law. I would be happy to put a good working proposal to the Secretary of State.

The Council needs to get on with a new local Plan to cover the period up to 2037. The current Plan is near its end and is too permissive.

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# No windfall taxes

**This is the article the Telegraph asked me for on Friday:**

**I was happy to vote in support of the government opposing Labour's windfall tax plans when they put them to Parliament. Ministers were right to say then that windfall taxes make the UK a less attractive place for business to invest. They introduce a more unpredictable element into planning a long term business investment.**

**It is particularly strange to single out the production of oil and gas from domestic sources for such a tax. After all surely the government want to cut carbon dioxide output which we do by collecting and using our gas instead of importing foreign gas in LNG tankers from abroad. LNG imports means twice as much carbon dioxide for each unit burned. We already tax**

producing energy at home at double the rate of other business activities so it has an inbuilt windfall tax for the government. That should be another reason why we want to maximise home production and cut out imports. Why pay all that production tax away to Russia or Qatar when we could have it to pay for the NHS? If we produce more energy here we also have more better paid jobs, a further source of extra ` tax revenue as the Treasury taxes the salaries and then taxes the spending of those who earn the money. The government should actively be speeding and licencing more North Sea output and new fields to replace imports for green reasons, to raise more revenue and create more good jobs.

There is a wider point of political importance. Conservatives believe that free enterprise and the market place are the right answer for the supply of many of our needs from bread and water to energy and clothes. The private sector innovates, offers great customer service, gets rid of unsuccessful or poor quality ventures and finances itself without recourse to tax revenue. In 2020 the large oil companies lost huge sums as demand for their products collapsed with lockdown. None of us thought the taxpayer should subsidise them. Shareholders took the hit. Two years later those same oil companies are making high profits on oil and gas production in the UK which will smooth the shareholder returns a bit after the bad year. The Treasury will take 40% of those profits. Those same companies like BP that also had big interests in Russia have just lost far more on their Russian write offs than they are making on the North Sea output. BP's first quarter figures were a huge reported loss overall. It's a reminder of what a risky business it is.

I urged the Chancellor to have a second package of measures this spring. I am glad he came to the view that he had not done enough to offset the recessionary forces unleashed by such a large hit to real incomes. I urged him to give back the extra tax revenue he is collecting on oil, gas and electricity. His Vat receipts on energy bills will rise 50%, his taxes at the petrol and diesel pumps are well up, and his North Sea oil corporate tax is surging. This windfall tax rise should be given back to help people afford the dearer food and energy. I also urged him to give it back by a combination of increased Universal credit to help those hardest hit, and to offer some tax cuts. If he had cut the taxes we pay on domestic energy and at the pumps his measures would have nudged inflation down a bit. The higher inflation goes, the bigger the future costs to the government as they index payments to the new rate. Instead he chose to give it back through one off payments which will not reduce the cost of living at all.

The more of the money he claws back in extra tax payments elsewhere the less impact the givebacks will have on helping growth and avoiding too sharp a slowdown. The Bank of England expected the economy to stall next year before the measures based on the impact of the income squeeze

**and their own monetary tightening with dearer mortgages. The Chancellor needs to bear down on inflation more whilst at the same time assisting growth. Growth means revenue grows faster and the deficit comes down. Past governments that have caused or allowed recessions have had ballooning deficits as revenue falls and public spending rises in a slump. There needs to be a big investment led boost to the economy as we need more capacity of many kinds – more home produced energy, more home growth food, more home landed fish, more home manufactured technology. This requires low corporate taxes, a stable approach to taxing profits, and government regulatory, procurement and licensing policies which assist capacity building at home. Putting in better first year allowances for making an investment does not offset the damage of higher rates of tax on all the years the investment is working, and does not compensate for the threat of windfall taxes if you are successful. The Chancellor should live his brand as the low tax enthusiast.**

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# The U.K. needs an investment revolution

I agree with the Chancellor when he says we need to boost investment to boost productivity. I would add we need to increase capacity in many areas to curb inflation and improve the balance of payments.

Which brings me to my disagreements with the Chancellor. His high tax and new taxes policy makes the U.K. a less desirable place to invest. His stupid proposal to increase corporation tax substantially will deter investment. Windfall taxes also put people off. Why invest if you could face a supertax should your investment suddenly do well?

The Chancellor thinks if you give businesses a good allowance for the initial costs of the investment that will overcome higher and variable rates of tax once the investment is up and running. Instead the investor is likely to do a long term cash flow and DCF calculations which will demonstrate that the big increase in tax on the profits of the venture will overwhelm the tax cut on the original cost.

The Chancellor needs to overcome negative Treasury orthodoxy and explain to them that lower tax rates produce more investment and more growth which in turn yields more revenue. He also needs to mend the mess he is making of oil and gas investment. We need to open up new gas and oil fields now. When will Cambo, Jackdaw and the others get the go ahead? How much more tax will he burden them with?

# Cost of living help

I have been pressing for sometime for more help with the cost of living . I am pleased to report that the Chancellor has  now produced a better package of assistance with energy bills. I reproduce below the government's published guidance to what is available:

"Millions of households across the UK are struggling to make their incomes stretch to cover the rising cost of living. That is why the government is providing over £15 billion in further support, targeted particularly on those with the greatest need. This package is in addition to the over £22 billion announced previously, with government support for the cost of living now totalling over £37 billion this year. This means that almost all of the eight million most vulnerable households will get £1,200 of one-off support in total this year to help with the cost of living, with all domestic electricity customers receiving at least £400.

**Energy Bills Support Scheme doubled to a one-off £400:**

- Households will get £400 of support with their energy bills through an expansion of the Energy Bills Support Scheme.
- As well as doubling the £200 of support announced earlier this year, the full £400 payment will now be made as a grant, which will not be recovered through higher bills in future years.
- Energy suppliers will deliver this support to households with a domestic electricity meter over six months from October. Direct debit and credit customers will have the money credited to their account, while customers with pre-payment meters will have the money applied to their meter or paid via a voucher.
- This support will apply directly for households in England, Scotland, and Wales. It is GB-wide and we will deliver equivalent support to people in Northern Ireland.
- This support is in addition to the £150 Council Tax rebate for households in England in Council Tax bands A-D, which was announced in February, and which millions of households have already received.

**£650 one-off Cost of Living Payment for those on means tested benefits:**

- More than 8 million households on means tested benefits will receive a payment of £650 this year, made in two instalments. This includes all households receiving the following benefits:Universal Credit
- Income-based Jobseekers Allowance
- Income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Pension Credit
- DWP will make the payment in two lump sums – the first from July, the

second in the autumn. Payments from HMRC for those on tax credits only will follow shortly after each to avoid duplicate payments.
- Claimants will need to be in receipt of one of these benefits, or have begun a claim which is later successful, as of 25th May 2022 to be eligible for the first of the two instalments. HMRC and DWP will provide further guidance, and the government will set out the eligibility date for the second instalment, in due course.
- This payment will be tax-free, will not count towards the benefit cap, and will not have any impact on existing benefit awards.
- The government will make these payments directly to households across the UK.
- Legislation will be introduced shortly to allow payments to be made to this timetable.

**One-off £300 Pensioner Cost of Living Payment**

- Pensioners are disproportionately impacted by higher energy costs, and many low-income pensioner households do not claim the means tested benefits they are entitled to.
- So pensioner households will receive an extra £300 this year to help them cover the rising cost of energy this winter.
- This additional one-off payment will go to the over 8 million pensioner households across the UK who receive the Winter Fuel Payment and will be paid on top of any other one-off support a pensioner household is entitled to, for example where they are on pension credit or receive disability benefits. Eligible households currently receive between £200 – £300, so the payment will represent at least double the support for this winter.
- The Winter Fuel Payment (including the extra Pensioner Cost of Living Payment) is not taxable and does not affect eligibility for other benefits.
- All pensioner households will get the one-off Pensioner Cost of Living Payment as a top-up to their annual Winter Fuel Payment in November/December. For most pensioner households, this will be paid by direct debit.
- People will be eligible for this payment if they are over State Pension age (aged 66 or above) between 19 – 25 September 2022. There are certain circumstances where an individual above State Pension age does not qualify for the Winter Fuel Payment which can be found here on gov.uk [https://www.gov.uk/winter-fuel-payment/eligibility]
- The government will make these payments directly to households across the UK.

**£150 Disability Cost of Living Payment**

- Around six million people across the UK who receive the following disability benefits will receive a one-off payment of £150 in September:
    - Disability Living Allowance
    - Personal Independence Payment
    - Attendance Allowance
    - Scottish Disability Benefits
    - Armed Forces Independence Payment

    - Constant Attendance Allowance
    - War Pension Mobility Supplement
- We know people with disabilities may face a wide range of additional costs, such as specialist equipment, specialist food, and increased transport costs, and this payment will help with these costs as they are likely to have increased. Claimants must be in receipt of, or have begun an eventually successful claim for, one of these benefits as of 25th May 2022 to be eligible for this additional payment.
- For the many disability benefit recipients who receive means tested benefits, this £150 will come on top of the £650 they will receive separately.
- These payments will be exempt from tax, will not count towards the benefit cap, and will not have any impact on existing benefit awards.
- The government will make these payments directly to eligible people across the UK.

**£500m increase and extension of Household Support Fund**

- To support people who need additional help, the Government is providing an extra £500 million of local support, via the Household Support Fund, which will be extended from this October to March 2023.
- The Household Support Fund helps those in most need with payments towards the rising cost of food, energy, and water bills.
- The government will issue additional guidance to Local Authorities to ensure support is targeted towards those most in need of support, including those not eligible for the Cost of Living Payments set out on 26 May 2022.
- This brings the total amount provided through the Household Support Fund to £1.5 billion since October 2021.
- The Household Support Fund is administered by local councils in England and further information will be available directly from them. Eligibility will be determined by individual councils.
- The Barnett formula provides a share of this funding to the devolved administrations in Scotland, Wales, and Northern Ireland so they can decide how to provide support.

**Impacts on households and case studies:**

Around three-quarters of the total support will go to vulnerable households. Distributional analysis of the impact of these measures on households in England, published in May 2022, shows that the announced measures are highly progressive.

The following illustrative case-study households show the combined impact of recent policy decisions and changes in the labour market:

1. A low-income household (combined gross annual earnings of £26k, including a full-time earner on £10/hour and a part time earner on the National Living Wage) with 2 children who are in receipt of means tested benefits should expect to receive additional government support of £3,200 this year. This includes £850 from today’s measures, £350 from the February package, £2,000 from the UC taper reduction.

2. A low-income couple, both out of work, one of whom has a disability (combined net income of £13,900) will receive a total of £1,350 this year in additional support. This includes £1,000 from today's measures, and £350 from the February support package.
3. A low-income pensioner household will receive a total of £1,500 this year in additional support. This includes £1,150 from today's announcement and £350 from the February support package.
4. A single mother of two children who works full time on the National Living Wage will receive a total of £2,500 this year in additional support. This includes £850 from today's measures, £350 from the February package, £1,200 from the UC taper reduction.
5. A low-to-middle income working family on Universal Credit, with 2 children (combined gross annual earnings of £43k, including a fulltime earner on median hourly wage of £14.10/hour, or around £27,000 per year, and another full time earner on the National Living Wage) will receive £4,200 this year in additional support. This includes £850 from today's measures, £350 from the February package, £240 from the NICs threshold increase, £2,900 from the UC taper reduction.

In addition, households in work will also benefit from wage increases. In March 2022, the OBR forecast average wage growth to be 5.1% this financial year. This would imply someone on median earnings (£27,000 per year) seeing a net wage increase of more than £900. Those on Universal Credit and state pension will also benefit from uprating of 3.1% in April 2022."

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# People have been falling out of love with Jaguar

Recently I looked at the overall collapse of UK car making in Britain. Today I want to look at an iconic UK car brand which has experienced falling volumes for a while. Jaguar cars have been in retreat for some years. This April they saw sales 44% below a year earlier with just a 0.94% market share.  The brand still has a loyal fan base that like the history and traditions of the cars, with many owning older vehicles as reminders of past glories. It also has a growing list of former fans who will not buy a modern product, failing to see in some of the designs much  of the "Grace, pace, space" of the E type or of the Mark 2 saloon or the XJ, XK or S type of later years.

Jaguar's sales and marketing strategy is partly to blame. Their dealers had a penchant for selling down, trying to persuade XJ owners to buy an S type, or S type owners to buy an X type, as various sales promotions were doubtless offered. When they replaced the S type with the XF they allowed journalists to write that they were appealing to a new younger audience, turning their backs on the older supporters of the S type who they thought were passe. It proved easier to lose the old supporters than to find the new enthusiasts in sufficient numbers. The XF was a pleasant looking car, but arguably Vauxhall had already done a similar style well with its Insignia at a lower price than the Jaguar. The XF was not distinctively Jaguar in the way the thoroughly modern S type was on original launch with genuflections to the Mark 2. The well supported XJ with its own evolving styling was then changed substantially to look like a fattened version of the XF. The arrival of more Sports Utility vehicles led Jaguar into competition with its sister brand, Range Rover where many thought Range Rover did it better. The Sports Utility look had little in common with the past glories of the sports, GT and sporting saloons of the historic ranges.

Now today they scramble to make electric cars without defining what it was about previous ranges of their cars that people liked about Jaguar. Styling and image were an important part of it . When Jaguar cars started to look more like other cars they lost some of their fan base. Briefing against those who used to buy Jaguars was also a bad mistake.