

We should not barter away our defence forces

Bernard Jenkin spoke to the Conference about the need to distance ourselves from the European army which lies behind the Common defence and Security policy of the EU.

He reminded us that out of NATO's total annual spend of \$912 billion, the current EU only accounts for around \$165bn, with the UK contributing \$61bn. The EU is keen to keep us locked into their defence ambitions, given the relative scale of our contribution.

The EU Negotiating mandate has gone beyond the Political declaration of the Withdrawal Agreement, and asks for a EU/UK Security Partnership. The UK Negotiating Mandate includes no such item. Defence is not mentioned separately, but is covered by the general provisions about "standard third country participation in certain Union programmes".

The UK does not wish to be part of PESCO, permanent structured co-operation. The UK may be willing to join EU led task forces or missions as an ally, or may invite EU forces to join in missions we are planning. The main thrust of UK military activity will continue to be through NATO. We rely on NATO support for our defence against potential major global aggressors, and work closely with our NATO allies and the UN on peace keeping and peace making missions around the world.

There are some in the official government of the UK keen to bind us into European common defence procurement, as a first step to making us more interdependent with the smaller and less versatile forces of the continental countries outside France. The present UK government has set out a mandate to move us more in the direction of independent forces collaborating closely through NATO.

Department for Work and Pensions announcement about health and disability assessment services

I have received this update from the Government:

Dear John

I am pleased to be writing to you to let you know that we have announced

today our next steps in improving health and disability assessment services through our Health Transformation Programme.

This announcement builds on our existing commitment to transform the way we will deliver assessments for Work Capability Assessments and Personal Independence Payment that was announced on 5 March 2019.

Our ambition remains to create – from 2021 – a single, integrated service for people who need to undergo a health assessment to determine their benefit entitlement or what is expected of them in terms of work related activity. This will be supported by an integrated DWP-owned IT platform, replacing the current situation where different health assessments are run on different IT systems.

We recognise that our claimants include some of the most vulnerable in society and it is critical that we carefully develop the new service; we understand the importance of getting it right. Given how critical and sensitive this service is, we will be establishing a new DWP-led Departmental Transformation Area which will be a defined area where we can develop this service and rigorously test and learn on a small scale before it is rolled out at greater scale and ultimately nationally. This will start from Autumn 2021.

For claimants in this Transformation Area, assessments will be conducted by DWP, rather than outsourced to providers. This will give us the flexibility to explore new ideas including:

- trialling better ways of carrying out face-to-face assessments;
- how to triage more effectively so that only those people who need a face-to-face assessment will have one;
- how to make it easier for claimants to understand the evidence they need to provide and why;
- how to remove the need for claimants to give the same information twice;
- how to ensure that claimants are aware of the whole range of support available to them both from DWP and more widely.

To support this important work, I am also announcing that we will be undertaking procurement exercises that will put in place contracts for conducting health assessments from 1 August 2021. This will ensure continuity of service when the current contracts for Work Capability Assessments and Personal Independence Payment end on 31 July 2021. We will continue to work with the successful providers to ensure continuous improvement in their service, including how developments in the Departmental Transformation Area can benefit delivery by our contracted providers.

With the transfer of competence from the United Kingdom Government to the Scotland Government for the remaining social security powers taking place in April 2020, with PIP being replaced in Scotland as of Spring 2021, this means that this single, integrated assessment service will not be delivered in

Scotland. However, we remain committed to delivering the best outcomes for claimants and taxpayers and we will continue to work closely with the Scottish Government to support the smooth transition from Personal Independence Payment to the new replacement benefit.

This announcement and update today will help us to continue to improve the claimant experience. We will also be engaging with stakeholders more widely on the health and disability agenda. This includes exploring how the welfare system can better meet the needs of claimants with disabilities and health conditions. To this end, we have already announced our plans for a Green Paper consultation exercise later this year and we would welcome your engagement in this important discussion.

Later in the year the Government will launch its national disability strategy to increase inclusivity in all spheres of life for disabled people.

Kind Regards

Justin Tomlinson

[The message from the markets](#)

Yesterday saw a further big sell off in world stock markets. The decision of Saudi Arabia to pump more oil and slash oil prices, after a failure to agree production cutbacks with Russia, was the new development demanding a fall. Most share markets fell around 8%. Oil companies accounted for much of the decline. The big lock down in Italy, still chasing the Covid19 virus, led to additional weakness in Italy as people contemplated the economic damage clamp downs on travel and events will do. The Italian share market fell 11% on the day.

Brent crude oil was down 21% on the day and down 40% from the February peak. Whilst this means less inflation and more spending power for other items it also means lean times for the oil, oil service and oil financing sectors if the oil price stays down and the price war continues.

More extraordinary was the new low in interest rates on government borrowing. In the UK the ten year borrowing rate slumped to 0.08% at one point, and the 50 year ended the day at just 0.39%. Germany can borrow for ten years at minus 0.85%.

The UK authorities need to respond with a good package of measures to see business and individuals through the difficult times created by the virus. Companies need tax holidays to ease cashflow pressures, and access to credit to enable them to pay wages and other bills whilst turnover is impaired.

Cutting interest rates is not a lot of use from here, as the 50 basis point

Fed cut showed. The Bank of England needs to cancel its increase in capital buffers for a bit, make more money available through a Funding for lending scheme, and work with commercial banks to get businesses with a decent business model for the future through temporary interruptions to revenues. It needs to change its restrictive guidance to commercial banks. I was critical of the way the Bank of England slowed the U.K. economy too much by these tightening policies. The further impact of the virus on output makes cancelling these measures essential.

Individuals need a tax cut to boost their spending power.

Museum farming

When Owen Paterson set out how we can use our new freedoms out of the EU to have a better environment and a stronger farming industry, he majored his remarks on the need for innovation.

He characterised the Common Agricultural Policy as one based on protectionism to keep us in a museum of out of date farming practices. He drew attention to how the ban on neo nics had led to a fall in rape seed production in the EU, making us more dependent on imports from the Ukraine which uses neo nics. He made the case for selective gene editing , and argued that gm progress is necessary. It is after all a version of selective breeding which has characterised past agricultural progress inside the EU, done with more precision, understanding and speed.

He reminded us of the damage done to our landscape by EU inspired policies of abandoning pumps and refusing to dredge ditches and water courses, leading to extensive flooding. Owen himself made an effective case when in government to revert to proven water management techniques with modern high capacity pumps and dredgers to free the Somerset levels of excessive water. He studied how the Fens were still well drained and usually kept out of flooding despite being very low lying, and how the EU/Environmental Agency system abandoned this approach elsewhere to the detriment of residents and farmers.

Agriculture offers great scope for improvement as we leave the EU. We have a huge food deficit running at more than £20bn a year. We are made to put high tariffs on important food items from outside the EU. Setting our own policy should produce more home grown food and lower overall prices for consumers. we will impose lower tariffs than the EU but will impose them on the whole world once we have left.

More training and jobs for UK citizens

Sir Iain Duncan Smith gave a good paper to the Seminar on Friday about controlling our borders and doing more to promote better paid work for people already legally settled in the UK.

He told us that when he was Work and Pensions Secretary he drew attention to the large numbers of people in the UK in entry level jobs who do not go on to receive training and promotion as we would like. He highlighted the way for example we have been importing people to be lorry drivers. It is a short course to convert a car licence into a truck permit. This qualification opens up better paid jobs for those who try it from having no formal qualifications. He asked his department to buy up training places and making them available to UK residents. They told him no-one would want to do it. He bought 100 places for a pilot and there was plenty of demand. His officials told him it would be wasted money as they would not stay the course. 85% successfully completed it. He proved that we can train our own lorry drivers at home.

He then turned his mind to the shortage of nurses, where the UK has been raiding the health services of other, often poorer nations, to find us the nurses we need. It of course takes a lot longer to train a nurse. The same experience repeated. There were plenty of UK volunteers to train as a nurse. We need a system where the state pays if the person undergoing the training pledges to work for the NHS for a stated period after training. If they wish to avoid working for the NHS then they should have to repay the training cost.

Some UK companies are great at training and growing their own talent. The public sector and the other private companies need to get better at it. It is high time we ended the cheap labour from abroad model, and spent more time and money on nurturing talent and encouraging qualifications at home. I understand why big business think free movement of labour to scoop people from low pay countries is a good idea, but it is more difficult to grasp why the Lib Dems are so keen on it.

Iain recommended requiring everyone advertising a job here to advertise in the UK first. He backed the principles of the government's points based system for migration, saying we would need to monitor levels. He supported ending right to benefits until someone has worked here for a number of years or become a citizen. He used Migration Watch figures to demonstrate the net cost to the UK of inviting in people to do poorly paid jobs.