

Debate with Lord Adonis

This evening I have been asked to debate Brexit and our future relationship with the EU with Lord Adonis.

On the eve of this event I just want to reassure him I do know exactly how he feels. I remembered the huge misgivings and unhappiness I felt when I learned the result of the 1975 referendum. I saw years of rows, economic damage, high budget contributions and loss of sovereignty ahead for the UK as we stayed in . I had been swayed to use one of my first votes as an adult to vote to leave by looking at the costs of membership, the likely loss of industry and the impact on fishing and farming. I was also extremely worried about the progressive loss of self government as the Common market went on a continuous power grab.

That referendum was not technically binding on Parliament but the government clearly told us we the people were making the decision. Fewer people voted to stay in in 1975 than voted to leave in 2016, but it was a good majority on a lower turnout. The question was very misleading in 1975 whereas it was very clear in 2016. The question in 1975 gave In an advantage by making it the Yes answer without a balanced question.

In 1975 we were asked if we wanted to stay in the European Community (Common Market). The European Community as defined by the existing Treaty of Rome already had ambitions much larger than a Common market, and plans were in discussion for a single currency, the Snake as a precursor for monetary union, and wide ranging additional Treaties. The Stay in campaign played all this down. Talking to people afterwards who voted to stay, all thought they had just voted for a Common market, not for the wider Community which became a Union.

Despite all this I did not spend the ten tears after the vote demanding a re run with a more accurate question, or urging Parliament to ignore the wishes of UK voters. I accepted the verdict. In the mid 1990s, twenty tears later, when I started to want a second referendum, it was because the so called Common market of 1975 had so visibly been taken over by a much vaster project.

I hope Lord Adonis can see that the same is true today. The public have made up their minds and it is Parliament' s job to implement the decision. At least this time there is no ambiguity. We voted to leave, and voted knowing that meant leaving the single market and customs union as part of leaving. That was one of the few things both official campaigns agreed about.

How green is bus travel?

The average bus in 2016/17 carried just 11.9 passengers. If you excluded the very crowded peak time service buses in our major towns and cities, the average figure for bus use would be considerably lower. It makes many bus services an expensive way of carrying a few people, and means there is a substantial output of exhaust gases, particulates and CO₂ for the typical bus passenger. The argument for large buses is a better ratio of passengers to the cost of the driver and vehicle, but where in many cases there are insufficient passengers wanting that route at that time it obviously dearer and less environmentally friendly than a mini bus or taxi sized vehicle.

This is compounded by the fact that the average bus is 7.6 years old. That means there are still many diesel buses running on UK roads that do not meet modern standards of exhaust emission control. We see these buses discharging smoke and particulate matter as they stand at bus stops or in bus stations with engines running, or as they accelerate away from traffic lights or congestion points.

In 2016 29 cyclists and pedestrians died from accidents involving buses, and 232 people sustained serious injuries from crashes involving buses. Bus drivers usually drive safely and carefully. Many of the crashes were probably not the fault of the bus, but the bus is a large vehicle to deploy on many of our narrow and crowded streets leading to conflicts with other road users. Buses can add to congestion by their need to stop on the carriageway to drop off and pick up, and some bus lanes are designed in ways which greatly reduce the total capacity of the road which they are part of. A road of variable width can offer more traffic conflict by directing buses onto a bus lane for a short distance then back onto the narrow road, then back into the bus lane in ways which slow traffic and may cause misunderstandings and collisions.

Buses are good ways of moving lots of people in very busy urban areas at peak times, and quite good ways of moving people throughout the day in places where enough people want to use these services so they can be frequent. Outside busy places and periods it is not possible to offer a frequent bus service, given the costs of running a large bus. The lack of frequent services then reduces the numbers of people who find it potentially useful. Many people want more flexible public transport like dial a ride services executed by mini buses. Many would prefer a car based service, if it could be made affordable. These different options would also reduce the number of very large vehicles on small roads.

Sin taxes do what it says on the tin

The government is quite keen to use small tax rises on particular products to change consumer behaviour. These seem to be very successful in their own terms.

Let's take the 5p bag tax. 5p is not a large sum of money on the average supermarket shop, though the average supermarket shop would often need more than one bag. Since the introduction of the 5p charge so called single use or thin plastic bags issued by the main super markets has plunged by 83%. Most of us now take longer life bags to the shop so we do not need to pay for more of these thin plastic holdalls. I have no problem with doing this myself.

We need to remember that some of these so called single use bags were used again for other purposes. I used them again for carrying, storing, or dumping waste through the refuse system. Now they have been largely phased out we need to make and use alternatives for dumping waste and for carrying things. There will be some loss of overall bag output, with more opportunities for bag producers to sell tougher longer lasting bags.

There is then the Sugar Tax. The government claims early victories for this recent introduction, as many makers of soft drinks changed their formula prior to the arrival of the tax to get the sugar content below the permitted maximum. As a result the government has now halved its estimate of the likely revenue from the tax. Levied at 24p a litre on high sugar drinks it is quite a price hike on these relatively low value items, but not a huge increase in the cost of a total food shop for those who want carry on drinking high sugar colas and similar.

These two examples show that quite small tax increases on everyday items will change behaviour markedly where the public buys into the need to make changes, or where the sum of money is annoying or difficult on a low budget. We now see a pattern to what happens with tax rises or new taxes. It should make the government extremely nervous about putting additional taxes on things like work and savings, where it generally says it approves, as these too can be adversely affected by increases in rates or by new impositions. We also see a pattern that revenue often falls short, and there are consequential reductions in related revenues.

Pothole repairs

I have asked West Berkshire and Wokingham Councils for more details of how they will spend the additional money available for pothole repairs, given the need for more work following the bad weather this winter.

West Berkshire lists all of the resurfacing and maintenance work in its

current programme on its website www.westberkshire.gov.uk. Wokingham lists its 2018-19 maintenance programme on www.wokingham.gov.uk and also gives illustrations of work done using monies from the 2016-17 government pothole fund.

Anyone concerned about potholes on a local road should report them to the relevant Council – both have pothole report facilities on their websites.

[Chancellor Osborne hit the buy to let market with tax rises](#)

In the spring budget of 2016 just before the referendum the government decided it wanted to rein in buy to let housing investment. It introduced a 3% extra Stamp Duty on BTL and other second homes, and announced the phased removal of interest relief on purchasing Buy to Let property.

I presume the government is pleased with the results of its tax rises. According to the Investment Mortgage Lenders the £25 bn of net investment in 2015-16 collapsed to just £5 bn the year after the tax rises. This 80% decline has certainly truncated the successful growth in private rented accommodation, and had knock on effects to the workloads of house agents, builders, renovators and removal firms.

I did not quite understand why policy reversed, as it had been policy of both Labour and the Conservatives to encourage a larger private rented sector to complement social rented and ownership. Many people were fed up with the very low interest returns on their savings held in relatively safe bonds or in savings accounts. They decided to do what the Bank and its Quantitative Easing policy was meant to be about, taking more risk with their savings and introducing some borrowing to their investments to make them more worthwhile. This substantial sum did produce some more homes for people to live in, and helped reduce the rate of rent increases people experienced.

It does make another good example for my series showing how higher taxes do have a direct and often profound effect on behaviour. Here is another great illustration of how higher taxes reduce economic output. The government achieved all it could have wanted in the first year of the tax with such a large reduction in Buy to Let. As a result it also lost a range of other tax revenues on the activity which was cancelled.