

The Palace of Westminster

I was one of the MPs who needed persuading that the Houses of Parliament needs a thorough overhaul and refit such that we need to move out for several years and spend many billions of pounds on the buildings.

I understand that wiring, plumbing and other services need replacing or updating from time to time. These do not all have to be done throughout the Palace at the same time. It is true there is asbestos in the buildings, but most of it is stable and no hazard unless disturbed by builders. Many of the works drawn up for the large project might be nice to have modernisations or improvements, but are not essential to the functioning of the place. Of course there needs to be a regular programme of restoration of stone work and windows to keep the building water tight, and it is crucial to keep roofs in good repair to keep rain out. More of the work can be done in the summer recess, and more can be done by builders taking over smaller sections of the Palace for a time period to do more fundamental work.

I read that following the recent terrorist incident there is some rethinking going on. One of the advantages of the present building is the presence now of a security strengthened perimeter. On the fateful day it is tragic that a policeman on duty was killed. I trust lessons will be learned about having the right support at entrances to deal with any violent intruder and to protect the police themselves before he does harm. It is also the case that the mass murders and injuries occurred beyond the perimeter. We should be more worried about pedestrian safety outside the Palace as a result of those events. The Bus and cycle lane open to the adjacent pavement allowed the murderer easier and faster access to the victims.

Good Friday

I attended the all Churches in Wokingham Good Friday service at the Methodist Church this morning. I went on with the congregation to see the Passion play in the town centre.

I would like to congratulate all involved in preparing it and performing in it, and all the helpers who provided hot cross buns at the end.

Cleaner air

There is a growing mood in favour of cleaner air. There is general agreement that the air in city centres like London needs urgent action to clean it up. In the centres of our Thames Valley towns there is also room for improvement. Some are already blaming the diesel car as the main cause and urging higher taxes or bans on diesel vehicles. It is a good idea first to examine what we know about the sources and causes of pollution.

The London Assembly researched the sources of Nox in London in 2015. This showed the following sources

Bus, coach and rail public transport 18%

Goods vehicles 17%

Gas heating systems 16%

Non road mobile machinery 14%

Diesel cars 11%

Petrol cars and motorcycles 8%

Aviation 8%

Industry 7%

The TFL study in 2016 showed a similar pattern, with gas heating and industry as the biggest source, and with both bus and coach and goods vehicles each a bit bigger than diesel cars.

The new Euro VI standards for engines require both petrol and diesel engines to emit less than 5mg per km of particulates. They allow just 80 mg of Nox for diesels compared to 60 mg for petrol, whilst allowing petrol engines to emit more carbon monoxide than diesels (100mg versus 50mg)

In order to clean up the air, especially removing particulates, requires replacement of a lot of older technology buses, trains, cars, and gas boilers. This will also allow the introduction of equipment which is more fuel efficient, also helping to drive down emissions and cut running costs.

Instead of working up a new series of penalties for owners of older diesel cars, government should work on a range of incentives to tackle the problem in a broad based way, removing the oldest buses, lorries, cars and boilers which would do the most to improve the position. it could also give a welcome boost to the home industries that produce these items.

We should not ignore the contribution replacing old heating boilers at home and work can have, with the added bonus of cutting running costs. Lets have better scrappage and financing schemes, so more people can afford to make

their contribution to cleaner air, and can at the same time take pride in owning better machines.

Taxing whilst promoting growth

Most people's definition of the rich is someone better off than themselves. The millionaire feels poor in the company of billionaires.

Clearly, someone who has a decent home they own and sufficient invested capital to be able to pay their bills for the rest of their lives without needing to take a paid job is well off. Many retired people however, are by definition in that category. Many when they retire own their own home and have sufficient accumulated pension to live comfortably without recourse to work. People who achieve that well before retirement age, usually through success in business but sometimes through inheritance, have financial freedoms the rest of us do not enjoy.

I do not myself wish to punish people who through hard work and energy have bought themselves a decent home and built up financial savings for their later years. Governments of all persuasions used to encourage people to do both these things. There was mortgage interest tax relief to help home buyers, and unlimited tax free savings within a pension fund for the prudent. Recent governments have removed the tax relief on home purchase, and now have retrospectively limited the tax relief allowed to people who have saved and invested well for their old age.

I want to see the tax system allow people to succeed. Business success, when someone builds their own business from nothing, is a fine thing we should wish to encourage. High income and capital gains tax charges put some off building their business, or encourage people to sell out early. Buying and improving your own home is also a good idea. Why then make it more difficult with high Stamp duties?

There is a lot to recommend New Labour's tax settlement for the better off. They kept the Conservative's top rate of Income Tax at a maximum of 40% for most of their time in office. They cut Capital Gains Tax to 18%. These two rates were somewhere near the optimum rates from the point of view of the total amount of revenue collected. There is plenty of evidence that CGT above 20% raises less, and that Income Tax above 40% loses revenue. People with high incomes and substantial assets are much freer than others to move their domicile or place of business. They are also free to do less, venture less, earn less, if the tax rate goes too high. CGT is very avoidable. Many people refuse to sell shares from their investment portfolios above the tax free allowance. Many people are now sitting on second homes or BTL properties that they do not wish to sell because they do not want to pay the tax. It is easy to see CGT receipts going up if we went back to Labour's uniform rate for all assets of 18%.

Stamp Duties are now at very high levels for the dearer properties. Once a home goes above £925,000 the marginal Stamp Duty soars to 10%, or 13% for a BTL or second home. Over £1.5m the levels are 12% and 15%. In the Thames Valley I have seen some executive new build family homes on modest sized plots on the market for around £2.5m. That would mean the family that buys paying £213,750 of Stamp Duty. In Central London in the dearer districts £2.5m would not buy you a house.

These rates should be brought down.

[The government's approach to making working more worthwhile for families](#)

I have been sent a reminder of changes coming in this April:

There are a number of welfare reforms and tax changes that come into effect in April. These reforms are about building a stronger economy and a fairer society. We want to support people in work, as well as ensure the welfare system works as a safety net for those who need it.

The measures include:

- A further increase in the Personal Allowance to £11,500; an increase of over 70% since 2010. Since the start of this Parliament we have cut income tax for 31m people and taken 1.3m of the lowest paid out of income tax altogether.
- Increasing support for low earners by raising the National Living Wage to £7.50. This marks a £1,400 a year increase in earnings for a full-time worker on the National Minimum Wage (NMW) since the introduction of the NLW in April 2016. – a pay-rise for one million people.
- Helping working parents with childcare costs by launching Tax Free Childcare from 28 April – saving working parents up to £2000 per year for each child under the age of 12.
- Increasing income for 3 million households by reducing the Universal Credit taper rate from 65 per cent to 63 per cent.
- Ensuring young people are always better off in work by delivering the manifesto commitment to end automatic entitlement to housing support for 18 to 21-year-olds who can safely live at home for new claims to full service Universal Credit.
- Investing £330m in practical employment support to help disabled people back into work, and aligning the rate paid to new claimants who are placed in

the ESA work-related activity group or the Universal Credit limited capability for work group with the job-seeking equivalent in both benefits.

□ Tackling worklessness by ensuring that those in receipt of Universal Credit will be expected to prepare for employment when their youngest child turns 2 and to look for work when their youngest child turns 3.

□ Aligning the benefits system between those in work and those out of work by limiting Child Tax Credits and the child element of Universal Credit to 2 children (new awards will not be made for third or subsequent children born on or after 6 April).

□ Removing the higher rate of child element for the first child in Universal Credit and the family element in tax credits for claims where the eldest child is born on or after 6 April.

□ Widening help so that more bereaved people get the support they need by introducing the Bereavement Support Payment on 6 April. This will replace Bereavement Allowance, Widowed Parent's Allowance and the Bereavement Payment for those who lose a spouse or civil partner on or after this date.

Helping savers with the launch of a new NS&I bond offering a market-leading interest rate of 2.2% and increasing the annual ISA limit to £20,000.