

# The right kind of growth needs the right kind of freedoms

Getting the growth rate up to 2.5% a year is a bold ambition. It must be about increasing average income per head by that amount, not about inviting even more people to swell GDP but not average incomes. The right kind of growth means more better paid jobs for people already settled here. That means working smarter with more investment per employee to generate the higher incomes. It may well entail more people of working age being in employment. Getting it up to 2.5% is not going to be easy. Stopping some tax rises is a good start but there now needs to be a concerted effort to make, grow and produce more at home to replace imports. It will take all of the below

1. **More self employed.** Rolling back IR 35 as set out on Friday will help. Buttressing training courses for everything from plumbing to baking and from building to gardening will help. Teaching self employment as a careers option would help. Benefits that are more flexible when someone out of work tries to start a business would help.
2. **More small businesses.** More generous rates relief, exemption from more regulations, break out of public sector contracts to manageable sizes for smaller firms to bid, mentoring, finance for growth. More generous enterprise investment relief.
3. **National resilience policies** to support self sufficiency in energy, a greater U.K. presence in strategic minerals, more support for domestic fishing and farming
4. **Attracting more overseas investment.** The new top rate of income tax of 40% helps as it is more internationally competitive. The return to 19% corporation tax rates helps, to be allied to generous investment allowances.
5. **Encouraging more home grown entrepreneurs.** Extend the CGT allowance for creating a successful business. Offer favourable terms on start up properties in the new Enterprise zones. Work with them over workforce recruitment and training.
6. **Faster improvements in infrastructure to provide broadband, affordable energy and water.** Remove the carbon tax on high energy using industries as this leads to UK closures and more imports, not less global CO<sub>2</sub>. Have sufficient gas powered generating capacity for the transition whilst awaiting battery and or hydrogen storage solutions to intermittent wind. Put in new reservoirs.
7. **Cut the traffic jams to allow easier and safer deliveries and work journeys.** A national strategic motorway network and strategic local networks of A roads where action is taken to improve flows and vehicle safety by junction changes, road widening, by passes and other improvements. We need

more capacity which will lead to less wasted time and less CO2 from sitting in traffic jams.

8. **Faster decisions on licences and planning permissions** to reduce the costs of both successful and unsuccessful applications, with simpler limited criteria for rejection based mainly on safety or on local community compatibility.

9. **Encouraging more people into the workforce.** The government has announced some plans to do this. They need to include assistance with training, mentoring and demonstrating to people how they will be better off in work rather than on benefits.

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**Wokingham Borough want to price shoppers out of Wokingham town centre**

Wokingham Councillors have asked me to bring this to attention. I agree with them that the last thing we need are big parking charge rises when we need to get inflation down and help people on stretched budgets. We need to promote Wokingham shops, not price people out of them. I have been told:

**Breaking News – Wokingham’s LibDem /Lab / Ind Coalition propose to double parking charges, to charge on Sundays and in the evenings!**

This image, copied from the agenda for the Council’s Executive Meeting later this month shows that the price of one hour of parking will increase by 62.5%, massively ahead of inflation.

For years officers at WBC asked the Conservative councillors to increase parking charges across the borough.

We repeatedly resisted this for two reasons.

1) We always wanted to promote businesses and didn’t want to prevent residents from enjoying our towns, supporting local businesses or from living their daily lives.

2) The justification was not strong enough as the cost of running our car parks had not dramatically changed.

Parking charge timings are also set to change, with the money hungry coalition proposing implementing charges until 10pm, a change from the current 6pm stop time.

Anyone used to going out for dinner at the weekend, parking and not needing a ticket after 6pm, is therefore likely to be caught out and fined through until 10pm.

The coalition has also proposed to start charging on Sundays. Again, Conservative councillors repeatedly resisted this.

In a time when the cost of living is significantly increasing, when many businesses are still struggling to regain their footfall and customers post-pandemic, the LAST THING our council should be doing right now is increasing the price of parking.

It will discourage people from shopping local, further impact already struggling businesses, increase the cost of living in our community and penalise those who work in our towns or use our car parks as part of their commute.

Wokingham Borough Conservatives will fight against this disgraceful and unjustified daylight robbery of our community.

We will keep members updated to ensure you can sign the petition and give your support to fight this.

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## [The Central Banks want a recession](#)

The Fed, the European Central Bank and the Bank of England made the same mistake last year. They each went on printing new money and buying up state debt to keep interest rates too low through 2021 when recovery was well underway. As a result they each triggered a 10% inflation against a target of 2%. It was not mainly the Ukraine war and energy prices that caused the inflation. Their inflations were well set in before the war. The world’s second and third largest economies, Japan and China, kept inflation below 3%

despite importing lots of dear energy because they did not create excess money and credit.

The three bad Banks have now decided to do the opposite and tighten money, sell some of the bonds they bought and jack up interest rates. This is now spooking the markets, who fear they intend to bring on a recession. Bonds fall in price to adjust them to the higher interest rates the Banks want, and shares fall in anticipation of a slump. All too often in last cycles these Central Banks have loosened near a peak to stoke the inflation more and tightened into a trough to make the recession worse. Unlike the asian Banks the three big Western Central Banks fly blind, refusing to monitor and target money and credit. If they did they would have seen excess last year and would see too little this year. yesterday was another bad day for share and bond markets in all three central bank areas.

There is a clear danger the Bank of England will lean too hard against government attempts to ease the squeeze and will engineer the recession they are forecasting. I believe their latest estimate that inflation will fall away rapidly next year so they can now pause their tough actions. Pressing on with selling bonds they have bought would be damaging at a time of a large external shock from energy prices. As this is a joint policy with the Chancellor they would be well advised to agree to delay it until recession is vanquished.

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## [Why higher taxes are a bad idea](#)

The debate about tax has been very slanted to socialist views this century. I agree that taxation should be progressive, with rich paying more and the poor receiving net transfers from the state. I do not agree with accompanying rhetoric that taxes can only be cut for the poor and should always be on the rise for the rich.

I have long argued that the way to get more tax revenue from the very rich is to set lower rates of tax. Armed with tax lawyers and accountants and able to change places to live and invest, the very rich have freedoms and opportunities the rest of us do not enjoy. To keep a good share of very rich investing here, creating jobs here, spending plenty of money here requires setting internationally competitive rates of business and personal taxes.

Today I want to add the argument that I favour cuts in tax rates for people on above average incomes who typically have a single well paid job or substantial savings but who unlike the very rich are permanent U.K. residents and taxpayers who do not find legal ways round current taxes. We need to make it easier for risk takers, small business entrepreneurs, people who go through long training and education to qualify for better paid jobs to aspire and to benefit from the risks and sacrifices they made. If you want an aspiration society you need to make effort and hard work worthwhile. Many of

my constituents are on two or three times average incomes in the U.K. but they are not rich. We should not be trying to squeeze more tax out of them as a matter of principle as if they need to be punished for succeeding.

If we grow the economy more we will generate more tax revenue to improve public services. Growth needs to be in incomes per head, not GDP growth from increasing the number of people living in the country. Sometimes less is more, less is better. This is true of taxes.

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## **New management should take a fresh look at the NHS**

Today the new Health Secretary will seek to focus the NHS on a new alphabet. A is for ambulance use, B is for backlogs or waiting lists, C is for transfers to care and recovery homes and D is for doctors and dentists. I wish her well in getting ambulance waiting times down, treatment waiting lists down, transfers from hospitals up and numbers of medical professionals up.

None of this can be done without learning from the mistakes of the last two years. Huge sums have been thrown at the NHS but the non covid services have suffered, with unhappy staff and too many patients in an ever growing queue. So where has all the money gone and why didn't it buy success? Just throwing more at it will not solve the problems.

Let me begin by repeating that I like many am grateful for the hard work and risks run by the teams that responded to covid before medical science knew which medicines helped and before there was a vaccine. Unfortunately the senior management refused to use the Nightingale capacity to create covid specialist hospitals. That meant many non covid wards in general hospitals were unable to work fully, leading to many other untreated conditions. Money spent on the Nightingales was written off. Large sums were also spent on taking over the capacity of private hospitals to do non covid work, only for that capacity to be too little used.

The NHS then spent a fortune on a Test and trace scheme of very variable quality which some people gamed to carry on their normal lives. This spending has now rightly been wound down.

The management needs to share its manpower plan and detailed budget with Ministers and Parliament. Ministers who take the blame need to be more engaged with the use of all the cash.