

# Taxing the rich

Recent Treasury figures demonstrate that Mr Osborne's assault on Non Doms in the UK has meant some have left the UK. Rather than have to pay UK tax on their worldwide assets and income a good number of very rich people have decided they will not stay at all in the UK and will no longer pay UK taxes on UK investments and no longer earn money and profits here in the UK and pay tax on them. It means we lose the ability to tax their purchases of homes, cars and the other items they enjoyed when here. The number of Non Doms fell from 90,500 in 2016-17 to 78,300 in 2017-18. Their payments of CGT, Income Tax and NI fell from £9.5bn to £7.5bn. We also lost other consumption and transaction taxes they would have paid including Stamp Duty, VED, VAT and others. It is true some of the Non Doms converted to being domiciled here and now pay tax as a resident as an offset, but others simply left and pay nothing. The Treasury does not give us an overall figure of total tax paid by rich foreigners in both categories.

I am defining rich here as someone who has substantial investment wealth above and beyond their home or homes, people who do not have to work to earn a living and who can sustain an expensive lifestyle without getting a job. I am not talking about the well off who sustain a high quality of life by well paid employment income and who work for UK based companies or institutions.

In a world where people are rightly condemned for saying unpleasant things about groups or categories of people, an exception is made for the rich. Politicians of the left delight in tribal incantations against the super rich, often condemning them for the crimes of a few. I have met various rich people in my time in politics and government. I have met or read about saints and sinners. Some are modest, caring and keen to help others. Others are self seeking and self promoting. Some are scrupulously careful to do the right thing, others keen to push the boundaries of the rules. A few I see in the media are criminals who have broken laws to make their fortune or to try to sustain it. Most are law abiding, and take advice to try to comply with very complex tax and property laws that countries now apply. There is no evidence to suggest that there are more rich cheats as a percentage than cheats from any other income level in society. We should exercise the same care when seeking to describe the rich as a group, as we do when trying to describe a national or religious grouping.

Some argue that there is no trickle down, that there is no advantage to a country in attracting globally rich people to spend time and money in our community. I find this difficult to understand. There is clearly a first round effect when a person arrives in the UK and invests money in homes and businesses. They may bring a new business we need, or they may fund businesses here that require cash. There is a continuing benefit from the employment they generate from the things they buy and the services they need. There may be a final benefit if they come to love our country, as they may go on to endow charities or leave some other legacy.

To those who say they have driven the prices of homes up needlessly against

the rest of us, I would say they competed to buy homes most of us could never afford. They have brought forward a new export business especially for London of building high specification very expensive flats we would not otherwise have developed. These in turn spawn substantial employment to furnish them, service them, supervise and manage them. The German business model has been to sell rich people expensive cars they do not need but want. The UK model has been to sell them expensive homes they like but do not need.

The UK over many centuries has welcomed entrepreneurs and other wealthy investors to our shores. From the Huguenot cloth makers to the middle European bankers, from the oil sheiks to the Russian emigres, the UK has provided a home for people who can make a difference and who soon contribute from their UK incomes substantial UK tax revenue. Maybe it is time to revisit this question of how we tax them. We need to tax them to make a good contribution to our needs, whilst remaining competitive internationally.

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## Successful town centres

Yesterday I wrote about one way to get more customers into shopping centres. Today I will range more widely with suggestions for improving and modernising town centres.

Government does need to cut business rates on retail premises. It has done so for small retail businesses but not for the larger chains which represent a large part of the High Street. Rents are falling and are likely to fall further as retail adjusts to the lower cost base and competitive prices of on line business.

The ratio of bars, restaurants, coffee shops and other food outlets to traditional shops has to rise, as people want an experience beyond just buying goods. The High street can also be a good location for hairdressing, nail bars, health and fitness services and the rest where services are delivered by a person which could not be delivered by the internet.

The modern High Street does need traffic free areas with space for seats, displays, street markets, and events. A successful Town Centre is sustained by continuous promotion with festivals, seasonal events and pop up retail alongside the established retail. Anything which creates more footfall is good for the centre.

In some cases High streets are too extensive. There needs to be conversion of retail premises to residential or compatible other commercial uses. It should be made easy to change a retail planning permission into residential. Councils need to give guidance and support, helping the town define its shopping contour.

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## **Bridge Farm gravel application**

I have received a few letters from residents setting out worries and objections to the planning application at Bridge Farm. It is most important that all residents who object to this proposal write to the Planning Department at Wokingham Borough Council setting out their objections so their worries can be taken into account. This planning application will be decided by the Council, who have all the necessary planning powers. Objections are most effective when they are related to the relevant planning matters the Council has to take into account, and when they are based on the local plan the Council has set out. You might also like to write to your local Councillors, as they may be able to represent your view at the Council prior to the decision making where they are not themselves members of the planning committee taking the decision.

As MP I have no power over this matter. I do not usually write in about an individual planning application as the Council does not welcome the MP's intervention in matters they control. I do usually intervene if and when a planning matter is subject to appeal to the national planning authorities. I usually intervene on the side of the Council reinforcing their reasons for turning down the application when they decided it and urging the Inspector to uphold the wishes of the local community as expressed in the local plan and decisions of the Council.

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## **Project Fear reappears in old leaks recycled**

The latest outpouring of nonsense about how the ports will cease to work and we will be short of imports is bizarre. Both Calais and Dover have said they are ready for smooth working after October 31, whilst other Belgian and Dutch ports are applying competitive pressure as they would love to take more of the business. Calais/Dover have to deal with VAT, Excise and currency changes whilst we are in the EU so adding a few tariffs if some are needed does not create some new problem we haven't already solved for other taxes. HMRC have said they don't want to hold imported goods up with lots of new checks.

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# More free parking for shopping in towns

One of the reasons some town centres are struggling is the difficulty and cost of parking. People can buy on the internet without stirring from their armchair. They can drive to the out of town retail park and park for free outside the shop door. Shopping in many town centres can require a difficult journey, can pose difficulties sometimes in finding a car park space, and results in a charge. It's an important part of the background to the decline of many a town shopping centre.

What can be done?

The first thing is to get the most out of the car parks we have. You can get more cars into a piece of land and it is easier to park if the spaces are marked out at 45 degrees to the access and not at 90 degrees as most currently are. Private and public car park owners could sort this out and benefit from doing so. Convention should dictate you park front in. A one way access and exit route then minimises loss of parking spaces.

Councils could increase the ratio of parking spaces to shops when authorising new developments or improving their centres. There is often spare public land near a centre that can be used. In Council car parks they could allow a charge free period to encourage shoppers. Where this represented unfair competition to private car parks the Council could pay the private car park to make free time available on a similar basis as public car parks from its town centre promotion budget.

You can't easily go food shopping or shopping for larger items by bus or train as you need to get the goods back to your home. Councils need to place sufficient spaces near to the shops. They also need to improve the main routes into the cities and towns so people can drive to these car parks more easily.

Getting business rates and rents down on more shops will be helpful to assisting town centres, but the thing they need most is more customers. One of the most important ways of boosting numbers is to help people get to shops, restaurants and coffee bars in the towns. Shoppers resent time lost in traffic jams and money spent on car parks.