

No to an NHS tax

I do not think there is a simple extra tax we can invent that will meet the future financial needs of the NHS. The UK government has usually avoided hypothecation of revenues for the perfectly good reason that there is no likelihood that a particular tax will always yield exactly the right amount that any particular service might need for its costs. We will need to spend more in future on the NHS, and that will come out of general taxation. The increased spending may exceed the increased yield of a nominated tax. The settlement will be unstable, with the NHS complaining if the hypothecated revenue falls short of what it thinks it needs.

Nor do I think there is a way to have a ten year financial settlement for the NHS. A ten year settlement will span three Parliaments which will have different governments whether of the same party or different parties, with MPs elected on different programmes and spending priorities. It is difficult to know how much health care will be needed in ten years time and what the technology and service delivery will be like. It may look very different from today given the pace of technical change. We could make what we think is a generous settlement today, only for the NHS to discover it has a good need of more money than settled on it at some future date. I doubt the fact of a ten year settlement would act as an constraint on the request for more cash, which might well be justified. There is a lot to be said for making a firm offer of cash for the immediate year ahead, with indicative budgets for the following few years. It is difficult to know today how much we will need to spend in 2028 and on what.

It is likely many people will want to spend more on their healthcare as they earn better real incomes. This will happen automatically as the tax take increases with rising incomes, and more money will be voted for the NHS. Some of this will also be possible from the increasing take up of private healthcare which many opt for. There is a lot of self treatment with the help of the local pharmacy, where over the counter medicines are bought on a large scale. Some of it takes the form of people taking out subscriptions to Health clubs, and paying for a diet and exercise regime they think will keep them healthier. Some people take out private insurance or have employers that provide it. Some pay for private treatment when they need it to get round long waiting times for non urgent NHS treatment or to benefit from the greater flexibility over timing of treatments and standards of supporting care, including private rooms in hospitals.

There will nonetheless remain a major requirement for the state to vote more money for more and better quality healthcare free at the point of use in NHS surgeries and hospitals. Much of the care and cost will be for the elderly as they live longer and develop more conditions related to old age that need treatment. It will require better integration with social care to cater for this growing group of patients.

West Berkshire and Wokingham receive extra money to tackle potholes

Today the government has announced an extra £467,317 for West Berkshire to deal with road damage, and £282,055 for Wokingham Borough. This is welcome and I look forward to early use of this money by the Councils, as there are plenty of potholes in need of tarmac. I had raised this with Ministers during the bad weather.

Potholes and road capacity

The long and cold winter has not been kind to the roads. There are now many areas of damaged surfaces and a lot of holes forming through the tarmac. I am writing to government to urge them to do more to recover from this problem now we may have seen the end of the snow and ice. Prompt action before the holes get any bigger would be good in itself and cheaper in the long run.

I am also renewing my submissions on how to improve the capacity of the present road network through better traffic management, and how to spend on road improvements that can ease congestion and improve safety. The list of ideas includes:

1. Rephasing lights to give priority to main roads, with sensors for side roads
2. Right hand turning lanes where possible
3. Mini roundabouts and roundabouts in place of traffic lights where this can ease congestion
4. More off street parking and less on street parking
5. Better arrangements for drop off and pick up at schools, away from cars parking on the main road
6. More bridges over railway lines to replace level crossings and to provide more routes into town and city centres, and more bridges over rivers.
7. More cycleways away from main roads to provide a safer route for cyclists
8. New and replacement utility pipes and cables to be buried away from the main carriageways of roads, with easier access points for repairs
9. Clearer signs for times of bus lanes, with more use of lanes by other vehicles outside peaks
10. More bypasses to take through traffic away from residential areas and High Streets

Grazeley

I visited a workshop to discuss possible development at Grazeley on Saturday. I explained again that there must be two matters that need resolving before considering accepting such a development. The Council should need some reassurance that such a large development would enable the area to say No to development elsewhere. The government would need to come up with substantial sums to support major infrastructure investment.

I am also working on the question of how much housing should Wokingham be expected to take in the next Plan period anyway, and the wider question of how the government should adjust its national figures down to allow for the new migration policy they have promised as we leave the EU.

Trade conflicts and contradictions

The UK establishment including the Blairite wing of the Labour party like contradicting themselves on trade. They tell us free trade is essential to the UK's prosperity, and for that reason we need to stay in the EU to have tariff free trade with the other states. They go quiet about the fact that staying in the EU and its Customs Union means we do not have free trade with the rest of the world, but have to trade over high food and drink tariffs, vehicle tariffs and numerous non tariff barriers to trade. Our trade with the rest of the world is larger than our trade with the rest of the EU, and usually faster growing, despite these obstacles.

They also gloss over the way the EU is responding to the the USA both in response to Mr Trump's words and actions where he is imposing tariffs and talking of more barriers, and as a result of the EU attacking various US companies and sectors. Mr Trump says he wants reciprocal trade arrangements, his word for fair. He says he wants the trade deal offered by the EU to the US to mirror that offered by the US to the EU. So, for example, Mr Trump says to the EU there is only a 2.4% tariff on EU cars into the USA but a 10% tariff on US cars into the EU. Does the EU intend to level this down, or is the EU relaxed about US retaliatory action on this matter? Is there some counter to this likely to see off more tariffs?

Instead of dealing with these issues the EU is busily seeking ways to regulate and tax US corporations who are good at the digital economy more. At the same time as the USA is cutting corporate taxes to make business more welcome in the USA the EU is trying to find a turnover tax which will hit mainly US technology companies operating in the EU. Will this wind the

President up to further unhelpful tariff action and give him in his view more grounds for unhelpful action?

Mr Trump points out that the USA has a colossal trade deficit with the rest of the world, dominated by its large deficits with China and Germany. He is taking specific action against China as he is worried about alleged theft of intellectual property and unfair subsidies. He is concerned about the huge number of EU cars imported into the USA and the unfair tariff arrangements, and may make a move on that as well.

The UK pays to trade with the rest of the EU. It means paying to run a large deficit with them. The big imbalance in food and drink is particularly curious, as we are barred from importing more from cheaper places outside the EU by a high tariff wall, and impeded in the better answer of producing more of our own by the Common Fishing and Farming policies. It is difficult to see the EU as a paragon of free trade when you look at the complex and defensive structure of the EU Customs Union and its complex regulatory and subsidy systems.