

Paying for the NHS

I support paying for the NHS out of general taxation, with health care free at the point of need for all UK citizens. I see that there are some who now say we need to put up taxes more to meet the future bills. Some are particularly keen to increase National Insurance. I see no need to do this, and do not think it a good idea to increase taxes on work. I thought all political parties thought work a good thing, with a general enthusiasm for more and better paid jobs as the answer to our economic and social prayers. Taxing work more is not the way to do this.

So how can we meet the increases in spending that we will definitely need in the NHS?

The first thing to improve is to remind everyone this is a National health Service, not a World Health Service. The government and NHS need to get better at collecting the money from patients who are not UK citizens for all non emergency treatment. Someone visiting the UK should be welcome to register with a GP and have access to our hospitals if they need it, but there should be a full charge of the costs to them or their insurance company. I and others have urged the government to do this, and it is official policy. I am not sure it is being implemented properly in each hospital and surgery.

The second is to not have a Transition period with the EU but to move to spending our money on our own priorities from March next year. The Treasury should be leading the opposition to delay in getting our money back, not urging us to give the EU more and more for longer. I don't see what we are buying for the extra £40bn the EU says it wants.

The third is to set tax rates that maximise revenue, which I have discussed here before. Our tax rates on enterprise, saving and investment are reducing the amount of revenue that could be raised by stifling transactions and new activity. The Treasury accepts the theory that above a certain rate a tax collects less, not more, but still imposes rates that are clearly above the revenue maximising level in some cases.

More jobs, rising wages and lower inflation

In the last three months the UK generated another 168,000 additional jobs. There are now 816,000 vacancies which is good news for those who are still out of work. Unemployment is at 4.3%, well below Euro area levels. Inflation on the government's preferred measure CPI(H) fell to 2.5% whilst wages rose

by 2.8% over the last year. Since the vote jobs are well up, pay is up, and the economy continues to expand. So much for the post vote recession they told us we should expect.

[A pay rise for the NHS](#)

I campaigned in the last election on the slogan “Prosperity, not austerity”, and have argued that we need to spend a bit more on the NHS and education. I have also argued for higher wages, especially for the lower paid in our public services. I am therefore pleased that today we learn there will be a pay rise for NHS staff, with the largest percentage increases for those on the lowest pay. The Treasury accepts it needs to provide some more cash for the NHS to pay for this change. I continue to urge Ministers to provide enough money for Wokingham and West Berkshire services.

[Let them eat hake](#)

Yesterday we were told of yet more delay in taking back control of our fish. The government should tell the EU we will resume control in March 2019, as we need to put in a new policy to save what is left of our home industry and get it growing again.

There are two things the government has promised that I agree with

Nothing is agreed until everything is agreed.

No Deal is better than a bad deal.

It is difficult to know what the government will get in return for the very generous draft offers it has made over money, fish, law taking and freedom of movement for the so called Implementation period.

There is no need for an Implementation period unless there is something really good to implement which takes time.

My advice to the government is to make sure everything works on March 29 2019 when we want to leave. What could be sorted out or agreed after March 2019 that cannot be sorted out in the next year?

Let's cut back the period of uncertainty.

UK energy

This unseasonal cold weather has placed more strains on the UK electricity supply. Yesterday we were importing substantial volumes from France and the Netherlands, needing coal to generate 18.7% of our demand, and finding it difficult to get enough from renewables. Gas fired stations still provided the single biggest volumes at 37.3% of the total.

The EU is quite dependent on Russian gas. Fortunately the UK is not so dependent. 43% of our gas comes from our own fields, and it should be possible to increase that volume with the right policies. The largest source of UK imported gas is Norway, with significant quantities also coming in by tanker from places outside the EU like Qatar. It is the imported gas from the continent that does contain some Russian gas, where the continental system needs decent volumes of Russian gas to keep the whole system with sufficient pressure and volume to meet demand.

The threats to energy security that we sometimes hear in world arguments reinforces the case for the UK to look to greater energy independence. It will also help our large balance of payments deficit if we seek to supply more of our own gas and electricity. The UK has increasingly linked itself into the EU system of energy markets. In doing so the UK has reduced its margins of capacity, cutting the amount of reserve electricity capacity it has, and removing an important part of its gas storage system. This has increased our import dependence and cut the resilience of our system

Closure of the remaining coal stations would seem unwise before we have put in place more reserve capacity that can function on cold days when there is little wind and sun to power the main renewables. Putting in place more gas storage would be wise, as would developing more local supplies. Relying on EU imports when they in turn rely more heavily on Russian gas does not look like a great policy.