

NHS and care costs

I do not understand how hypothecating a small part of National Insurance revenue for the NHS and social care works. Assuming the government presses ahead with an increase in National Insurance for next year alongside a dividend tax levy the bulk of the NHS and social care will still be paid for out of general taxation. The government is talking about 8% of the Health and social care budget for the UK being paid for from the levy. Each year presumably there would need to be an additional analysis of how much revenue the extra NI/Care levy would collect alongside a bid for total funds needed to pay for the services concerned, with the danger that the forecast of additional revenues was wrong. Potentially the care sector could get less than planned. I guess then the amount would be topped up out of general taxation, further undermining the case for a small element of pledged tax revenue.

In the past the Treasury has always stood out against a specific tax financing a specific service for good reasons. This time they are assisting a muddle. How can we believe that the extra money going to the NHS from the NI increase will only be temporary? How can we be sure that chosen amount of extra NI will be the right amount for future social care needs? Past evidence suggests these public services always need more than planned. If 1.25% extra on NI would offer a permanent fix someone would have tried it by now.

The government should start with a wide ranging analysis of current social care, then proceed to what extra costs the state should accept. Paying for it is best settled when you know how big the bill will be and what you would get for it. Budgets are meant to be about priorities. If social care needs more maybe some less urgent or desirable expenditures should be discontinued. The Paper issued yesterday tells us to await a White Paper in the autumn on reforming social care, and on the integration of social care with the NHS. These might give us better insight into how much money the government will actually need to offer to the providers. The Paper does not provide the detail of how much people can claim under means tested arrangements to cover social care costs where they have £20,000 to £100,000 of assets. The lifetime cap on care costs is set at £86,000 whatever the person's wealth.

Debate on GB News – The Clash on Social Care Reform

Readers of my blog may be interested to see my contribution to the debate on

[Do we fight too many wars](#)

Published on www.conservativehome.com

457 members of the UK military were killed in Afghanistan this century. We have to ask Why did they die?

War is a continuation of diplomacy and politics by violent means. A decent nation only fights a war when talking has failed, when the cause is just and when force is the only language the wrong doers understand. Success lies in fighting fewer wars. Having well resourced and respected armed services is a vital part of our nation's security and diplomatic weight. Because we have fought victoriously in the past and show resolve in the present we have more chance of negotiating and preserving the peace.

The Falklands war is a perfect example of how a successful war is sometimes necessary and can right an obvious wrong. The unwarranted and illegal invasion of the islands against the wishes of practically every Falkland islander had to be reversed. International diplomacy failed. The Argentinians were unwilling to listen to peace proposals that required they respect the right and wish to the islanders to enjoy self government. A dangerous military campaign was brilliantly executed by UK forces. Peace was re established as soon as the last Argentinians surrendered and has endured ever since. The 258 UK deaths were not in vain. The nation took pride in their achievements. The world is a better place for us showing once again that violent annexation of a country and the termination of its freedoms is unacceptable conduct which will be reversed. We had to do it on our own, as there were divided views amongst nations despite the abuse of force by Argentina.

383,000 of our military lost their lives in the second world war. The vast scale of the death and destruction acts as a warning to the generations that follow to give diplomacy and politics every chance of success in disputes between the great powers. Today technology has delivered even more terrifying abilities to armed forces to kill huge numbers of people and destroy whole cities, making sensible politicians of the best armed countries even more reluctant to resort to war with each other. The nation as a whole does think those who lost their lives between 1939 and 1945 did so for a just cause with an eventual good result. Individual deaths may have resulted from poor

planning or bad decisions by the command. More may have died owing to bad intelligence, inadequate force or even friendly fire. The pressures of total war and the ruthless ingenuity of the enemy set each of those difficult deaths into a wider and more understandable context. There is virtual unanimity that there was no feasible negotiated peace available in 1939 that would have prevented the violent annexation of Europe by Germany or would have prevented the genocides which followed.

The relatives and friends of the 457 fallen in Afghanistan need to be reassured that our nation is proud of them too. The immediate cause of NATO's Afghan war was the unprovoked and shocking attack of terrorists on the United States, with mass civilian casualties. The USA had good intelligence that Afghanistan harboured evil men and the Afghan government was unable to offer assurances that it would find and prosecute the guilty. The early NATO campaign was successful and the government was overthrown. NATO then sought to support the creation of a government for the country chosen in free elections and capable of giving a better life to the many. Economic recovery and better treatment of women and girls followed. As a result many Afghans enjoyed an improved life over the last two decades. The deaths of our troops made that possible. Their achievements should not be forgotten.

The issue for NATO and the politicians is why did the politics fail this year? War is a means to a better end. It is the means to rebase politics which have gone wrong, and to change personnel where government has fallen into evil hands. It is a way of overthrowing dictatorial constitutions and tyrants. This was done in Afghanistan. Unfortunately the decision of President Biden to remove US forces late one night without proper consultation let alone agreement from the Afghan government and allies led to the rapid collapse of democratic government in Afghanistan. The sad scenes of a scrambled exit for the rest of the allies and friends of NATO at Kabul airport led on to triumphant displays of Afghan gunmen showing off captured NATO uniforms and weapons. The return of the Taliban leaves the USA weakened and the NATO allies visibly sidelined. It plunges many in Afghanistan into despair.

Until the withdrawal in recent years NATO had been able to offer limited support and advice to the security forces of the Afghan state, and to keep its own military personnel in the country largely out of harms way. It was a relatively cheap way of defending democracy and basic freedoms in a troubled part of the world and was only undertaken because the elected government wanted NATO to help them keep order. What followed a botched exit by the President was a needless disaster of his own making. None of this should detract from the bravery and good intentions of our forces in the twenty years of supporting the elected Afghan government.

Since 1945 the UK has been involved in a lot of more limited wars. In each case we need to ask why did we use lethal force against others and why did UK service personnel die? We might conclude that we have intervened too often. We should certainly conclude that there have been some bad political and diplomatic failures. War should only be a last resort and should only be used where there does need to be a decisive change which cannot be achieved by talking. There is plenty of collateral damage from warfare. That is elite talk for more people losing their lives and more property and livelihoods being demolished as others disagree violently. We need to get better at talking and persuading, if needs be with realistic threats that we would rather not carry out. People need to know we can and will use force as a last resort as we seek to show them that there are better ways for them as well as us.

[A tax rise is a very bad idea](#)

The Chancellor behaves as if he believes the Office of Budget Responsibility forecasts. That way disaster lies. In November they forecast a £394bn deficit for the year to March 2021. By March this year they had found an extra £40 bn and said the deficit would be £354bn. The outturn for that year announced shortly after the last forecast was £304 bn. So all their advice to put in tax rises to raise say £10 bn was swamped by a £90 bn improvement thanks to growth and their poor model

This year they forecast £234bn. In the year so far the deficit is £26 bn less than their forecast, again a multiple of the amount in extra tax revenue they tell the Chancellor to raise.

On this bogus pessimistic prospectus it would be most unwise to put up tax rates. The way to speed a welcome reduction in the deficit is to speed growth by lower tax rates. That is the best way to more revenue and more jobs. A tax on jobs when you want to promote more and better paid employment is particularly stupid.

[Shortages](#)

The world trading system is not functioning as well as it used to. What began as a result of shut downs of factories and shops from anti covid policies pursued in many countries has morphed into a more complex set of problems getting in the way of smooth continuous supply.

There are too many container ships sitting off California. China from time to time shuts down significant capacity at one or more of its major container ports to tackle another covid outbreak. There is a shortage of empty containers returning to the big exporting countries like China and Germany in time to be filled promptly with new orders.

There is a surprising shortage of people willing to take jobs in many places, despite the shock to employment brought on by covid lockdowns. We have discussed recently the shortage of truck drivers in many countries, where pay and conditions of employment have not proved attractive enough to recruit a new generation of enough people to do the job.

Individual materials and components have been forced into shortages by large expansions of demand. Microprocessors are the most obvious. The surge in demand for all things digital combined with the wish of the motor industry to turn a car into a kind of smartphone on wheels to induce a big shortage of chips. Timber was suddenly very scarce as housebuilding took off in several places. Oil went dearer as OPEC restrained the supply whilst demand picked up.

Central Banks assure us this will all be temporary and inflation will soon subside. The danger is if Banks keep on printing too many yen dollars and euros they will keep price pressures on. There is also some signs that lockdowns have lost us some capacity amongst the self employed and small businesses that serve us so well. Governments need to be more attentive to the ease of setting up or re opening small businesses so we tackle more of the shortages.