

## Why do some Councils set out to annoy the people who pay for them?

I recently received a demand for £10 to keep open my Congestion Charge account from Transport for London. I have to pay an annual charge of £10 to maintain an electronic account to pay them money should I dare to drive on London's roads which I have helped pay for. Why? there is no cost to them in leaving my account on their computer.

This week I received a letter from Westminster Council demanding I fill in a form to confirm my little flat is still a second home. I have had to fill in such a form every year. It makes no difference to the amount of Council Tax I pay anyway. Why don't they just tell residents they have a duty to inform should a second home become a prime or only residence or vice versa?

Many Councils treat car parking as a means to threaten tax paying residents with fines. They make you play the game of guess how long it will take to hold a meeting or have a coffee or do some shopping. If you guess wrongly and do not pay enough in advance they slap a fine on you. Why not say if you have gone a few minutes over you can pay for the extra time without it being an offence, up to some suitable overrun limit? Better still why not pay on exit for the time you used? There could be a penalty for anyone trying to park all day in a 2-4 hour limit park. It does not help a shopping centre to have people rushing round afraid they will be fined if they linger too long.

Highways authorities delight in making it more and more difficult to drive around. They seem to want to cut the productivity and raise the costs of all the businesses which deliver us goods, or come to our homes to provide services. They prefer lights over roundabouts, want to mix cycle lanes with main roads instead of keeping them safely separate, and are regularly narrowing or closing routes. They allow long periods of road closure to carry out works, and are happy to see main utilities put under the tarmac down the centre of main roads to maximise the disruption every time they need repair, maintenance or replacement.

Councillors should look at all Council services and charges from the viewpoint of the long suffering Council Tax payer and insist on it all being more customer friendly.

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## Climate realism

Allegra Stratton, the official Climate change spokeswoman, has been struggling to find things we could all do to advance their chosen cause of heading to net zero carbon dioxide emissions. She has suggested not rinsing

crockery before putting it in the dishwasher, and freezing surplus bread for use on another day. Some think these ideas will not go very far.

She has also presided over a welcome delay to introducing expensive heat pumps and ripping out perfectly good gas boilers. She has said she prefers to run an older diesel car to buying an electric vehicle which she should be able to afford because of the diesel's range on longer trips.

Meanwhile the Leader of the Opposition has demanded a more taxing target for getting emissions down, without pausing to tell us exactly how this could be done. Is he suggesting earlier elimination of internal combustion engine cars? Will car travel be slanted to the better off who can afford electric vehicles? Is he thinking of making foreign travel dearer to stop mass jet travel? Does he think long haul planes should be reserved for the elite attending climate conferences? Does he want to accelerate heat pumps and get people to trash the boiler? Does he want to make us all vegetarians?

All these behaviour changes would require a wide range of laws, subsidies and taxes to direct and nudge or bludgeon us into the lifestyle he wants us to follow. Time to ask the Leader of the Opposition what he is doing about his personal heating, travel and diet if he wants the rest of us to change.

I do pass the Stratton test. I scrape dishes into the waste before the dishwasher, and do freeze part of a larger loaf until I need it. Job done?

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## Reviewing quangos

Today I refresh my suggestion that the government during its spending review improves its financial and policy controls over quangos. The long trend to hive off more and more activities into so called independent bodies should be halted. In practice the public expects the government to shoulder the blame for anything in the public sector that goes wrong, so Ministers need to review policy and resources of the quangos that report to them and ensure value for money and fitness for purpose.

Ministers should be appointed by each Secretary of State to review the annual budgets, to review the annual reports and accounts and undertake any other meetings with quango heads where things are going wrong or where a change of direction is needed. This should all be reported to Parliament in the usual way. The review should decide which of these bodies are a needless overhead or a function the relevant department could carry out, and where a quasi judicial role or some other function warrants specialist management and a quango format under a policy and law determined by Ministers in Parliament.

If we take the case of Homes England it had assets of £21 bn and receives grant in aid of almost £5bn a year. It would be good to have a more open debate about the need to hold all these assets in such a body and to find out

how much value taxpayers get for the grant in aid, given the substantial private sector money available to provide housing of all kinds.

Hollowing out government responsibility by giving it to so called unelected bodies does not succeed in shifting blame if things visibly go wrong. It can however shield these activities from proper scrutiny and criticism allowing waste and poor performance to persist. Some quango bosses come to think of the Quango assets as some independent fiefdom., when they are just part of the huge state balance sheet. The Treasury should review how much insurance individual quangos need as they are all backed by the state, and be critical of any independent financings which occur at higher costs than the general government. Network Rail, for example, has substantial index linked borrowings and foreign currency borrowings (c. £20bn) which increase public sector debt risk.

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## Buying more at home

If a bus company buys a bus made abroad the impact of the transaction on the UK economy and state finances is very different to a bus company buying a UK made product. The overseas product requires the UK to acquire the necessary foreign exchange, which means either borrowing in a foreign currency or selling UK assets to overseas buyers to balance the UK's balance of payments. Buying a domestic bus imposes no strain on the balance of payments and means no demand for foreign currency.

Buses are often bought with public subsidy, as many bus services are supported by Councils. The situation is even clearer where the public sector directly buys vehicles from foreign makers rather than domestic product. If a Council buys a home produced vehicle the state will get the benefit of the tax on the employees who made it and on the profits of the firm selling it. If the state buys a foreign product there is no tax gain from taxing the producers. The more we make at home the higher employment is, so the lower benefits to the unemployed can be.

When you look at countries like France and Germany you see that despite EU procurement rules their governments tend to buy domestic product in areas like vehicles much more than the UK does. The UK government should start taking into account the wider costs and losses of revenue from sourcing from abroad, and within international rules should seek better outcomes for domestic supply as other countries do.

The UK government is puzzling over whether and how to stop the rash of foreign acquisitions of UK companies and assets. One way to slow that tide is to buy less from abroad. The days of UK governments offering UK assets to foreign buyers and calling it inward investment seem to be coming in for some criticism.

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## What should the post pandemic railway offer us?

The latest figures from Network Rail reveal almost total dependence on taxpayers. Last year to March 2021 operating costs surged by 14% and passenger miles fell by 83%. Grant from the government was 68% of revenue, whilst much of the revenue from the train companies was also of course government grant supported. The railway is not only effectively nationalised, but it is largely paid for by taxpayers, not passengers.

It seems likely that there will be a permanent substantial drop in commuter demand for travel at morning and evening peaks. Many more people will only go to offices for part of the week, and there will be more flex over the timings of their journeys. Commuters have been dominant providers of passenger revenue, as many of the off peak leisure travellers have bought heavily discounted tickets for their travel. The railway needs to undertake an exercise to see what pattern of services would best fit the new working patterns. It also needs to do more work on flexible season tickets. I still think they need a model where a traveller can buy a full fare or an off peak fare ticket and gain an increasing discount for more use on an accumulator system.

The capital expenditure of the railway is distorted by the huge cost of HS2. It does need to spend on capacity and service improvements across the network. Digital signalling is the cheapest way of increasing rail capacity, allied to short pieces of by pass track to allow fast trains past stoppers. The railway should expand in to more freight which will require more branch lines and sidings into industrial parks and major locations.

The current rate of losses and subsidy is unacceptably high. The railway needs to be asked to show how it will get back soon to a majority of its costs being paid for by those travelling on it. Commuters and leisure travellers tend to have higher incomes than many non users. Relying more on fares as the pre pandemic railway did also helps to decide what services are needed and popular.