

## Mental health

There is a rare agreement amidst the noise of this election. All parties agree we need to spend more on mental health services and need to do more to help those with mental health problems.

So let me pose a couple of questions today. What initiatives nationally would make best use of additional money? And for those of you living in the Thames Valley, what additional local facilities and staff do we most need?

There are a range of therapies that are used for differing conditions, where experience and practice can refine the approaches to seek to improve the success rate. There are drug treatments for things like depression, where the medics need to be careful not to create a dependence on drugs which becomes a problem in its own right.

I find in many of the unsatisfactory debates about public service it is often nothing other than a bidding war where £1bn is good and £2bn is much better. Spending the money wisely should be a bigger part of the debate. Indeed we should start with what we need, and then cost it to see when and how we can afford it.

---

## Tax, tax and tax again

The richest one percent already pay 29% of the total income tax. Parties of the left want people to believe they can expand spending massively by getting the rich to pay more. Evidence abounds that higher rates of tax would raise less money, with more rich people leaving the country to avoid the impositions. The Labour government of the 1970s was famous for presiding over a brain drain, when UK as well as foreign born people left the UK to enjoy their earnings at a lower rate of tax.

The truth is Labour and the Lib Dems would need to increase tax on the many to pay for their programmes. It is now fashionable to say they would only borrow to invest, so all the extra money they want to spend on the running costs of public services and benefits would need to be matched by tax revenue.

The Lib Dems have said they would put a 1p in the £1 levy on income tax, a rate rise of 5%. They would also increase Capital Gains tax. There would be a frequent flyers tax for travellers. Corporation Tax would also go up. These measures are unlikely to raise enough to pay for their expensive programme. Labour decline to tell us how they would pay for the tens of billions extra they want to spend on investment, nationalisation and higher spending on public services. It would clearly take a large increase in Income Tax to

pay for all they have in mind. Their proposals for higher Corporation Tax and higher wealth and higher Income taxes on the well off are unlikely to yield the extra they need.

The public is paying much more tax than ten years ago as the price of getting down the excessive deficit Labour ran up. Now the accounts are under better control it is time to relax a little. It would encourage more growth and more tax revenue to come if the government cut rates. I look forward to the Conservative Manifesto to see what tax cuts they will recommend for the first budget after the election. I will also continue to press for lower rates on income and savings . People should keep more of what they earn and have more to spend on their own priorities.

---

## [Self employment and IR35](#)

I am all in favour of a different tax regime for people who work for themselves. Such a lifestyle means that an individual depends on winning and completing business to get paid. There is no holiday pay or big company benefits when the customers dry up. The tax authorities need to treat the self employed fairly and understand the nature of their cashflows.

There are a few very well paid people who claim to be self employed but who earn their income from a single source. Here the tax authorities may well be right to challenge them and say they are effectively employees of the source of their income. Why don't they pay National Insurance under the employer/employee scheme that applies to the rest of us with a single employer?

The wish to do this should not extend to a clampdown on many others who are genuinely self employed but may have won a decent contract which for a bit provides an important part of their income. I am pressing for reform of the IR35 rules to try to prevent it becoming a dampener on enterprise and an attack on the self employed. The PM has promised to review it. The Lib Dems have also promised a review in their Manifesto but are trying to make out they go further.

---

## [West Berkshire and Wokingham](#)

Many outsiders do not appreciate that a significant portion of the Wokingham constituency is served by West Berkshire Council, whilst a substantial part of Wokingham Borough rests in constituencies other than Wokingham. Half the

land area of the Wokingham constituency lies to the west of the A33, predominantly in West Berkshire. I regularly raise matters that affect both Council areas. Quite often the national issues are similar that have an impact on local policy and services.

This week I have been spending my time visiting and delivering leaflets and letters in the western part of the constituency including the villages in West Berkshire. I have visited Burghfield, Burghfield Common, Mortimer, Beenham, Englefield, Beech Hill, Padworth, Ufton Nervet, Wokefield, Grazeley, Grazeley Green, Sulhamstead, Goddard's Green, Aldermaston Wharf, Sulhamstead and the other small settlements in this rural area.

The issues raised with me were largely national, related to the current election campaigns. These are covered by my daily blogs.

---

## **There is no £50 billion bonus from cancelling Brexit**

One of the more absurd claims in this election is there would be a big bonus to share if we stopped Brexit. This is based on various false economic forecasts that claim our growth rate will be impaired by Brexit, leading to the equally false idea that if we tore up the referendum result growth would suddenly accelerate.

The UK economy performed well in the year after the Brexit vote, despite all the official and independent forecasts of an early recession in that first year if we voted to leave. Since then the UK economy has slowed, but by less than many other economies, as a result of a world downturn in manufacturing aggravated by a fiscal and monetary squeeze at home. The current government is now going to lift this squeeze which should lead to improvement next year.

If by a £50 billion increase they mean a 2% increase in the growth of GDP, this does not suddenly become available as tax revenue. Indeed tax revenue would go up by a little under £20bn in such a circumstance. To get £50bn more tax for the state to spend there would need to be large £125bn increase in GDP, or well over 5%.

Just as the forecast of a big decline in GDP in the year or two after the vote was comprehensively wrong, so too is this forecast. As we are still in the EU with the same trading arrangements it is difficult to see how there would be anything like this fabled increase. For any company that did decide it wanted to invest more because the uncertainty had gone there would be another company disappointed that the opportunities of Brexit had been thrown away becoming more concerned about UK investment.

As the UK adopts a better growth policy – as this government wishes to do –

so investment will rise anyway. Getting Brexit done would in itself be a welcome end to uncertainty.