

The EU talks are not going anywhere – let's table a free trade agreement

It's been good having three days off from Brexit on this blog. Parliament and the UK media need to remember there are many important tasks and debates we need to have about problems in our country that should not be driven out by endless and repetitious arguments about the terms and timing of our departure from the EU. I seek to make sure my work as an MP is not unbalanced by Brexit which takes up too much Parliamentary time.

Over the last few days there has been little progress with the UK Parliament's wish to see the Withdrawal Agreement renegotiated. The EU appears to rule out removing the backstop from the Agreement, which in turns seems to rule out Parliament approving it. For some of us it is far more than the backstop that is wrong with the Agreement anyway. Why would we want to sign a one sided agreement giving the EU all it wants, without anything firm on the future partnership which might contain things we want? Far from leaving the EU signing the Agreement means delay in taking back control of our money, our laws, and our borders, with genuine issues about whether we would ever be in full control given the backstop and the financial commitments.

The best approach from here is straightforward. The government has to tell the EU there is no chance of passing the current Withdrawal Agreement, whatever might be offered by side letters, reassurance, clarifications or strengthening of the Political Declaration about a possible future agreement. It is also true many MPs do not want to leave with no agreement, so the government should table a comprehensive free trade agreement. Under GATT rules if the EU agrees to talk about this the UK can then leave the EU on 29 March without needing to impose new tariff and non tariff barriers on EU exports to us, and the EU would do the same for our exports to them. There is a period of up to 10 years to agree a final text of a replacement Free Trade Agreement. There is now a private sector draft, but the government itself could scissored and paste EU/Japan and EU/Canada as the starting text.

Any kind of Withdrawal Agreement would leave the UK very exposed. There would be endless more months of rows with the EU, and rows in Parliament over how the talks should be handled by the UK. Meanwhile the EU could legislate any way it wished to damage UK interests as leverage, whilst continuing to charge us large and unspecified sums for the privilege of more talks.

New homes and the changing High Street

In some parts of the country house prices are high and affordable homes for sale are in short supply. Home ownership has been falling as a percentage of all households, as more young people decide they cannot manage the deposit and the interest on the mortgage, or find they cannot borrow enough to get started on the housing ladder.

Despite this home ownership remains the preferred tenure of most people. There are many people in rented accommodation who would like to buy, whilst anyone in a home of their own can sell up and rent if they wanted to. It makes sense for most people to want to own. Over your lifetime it is considerably cheaper to buy than to rent. As you approach retirement if you own your own home you look forward to the mortgage paid off and no rental payments. You just have to put up with the Council tax. If you are in rented property you know that as a pensioner on a lower income than when at work you will face your highest housing bills of your life, as rents continue their upwards march. If you buy one house and stick with it you might be paying mortgage payments for 20-25 years. If you rent a property you will be paying rent for 60-70 years or more.

If you own you can improve and decorate your home as you like, and you can borrow against its value. It may help you build a business. The only downside of owning is you, not the landlord, are responsible for repairs. Most UK houses are of sturdy brick and tile construction and do not need major structural work over their lives.

So the question is how can we encourage or help more people to help themselves by buying? We need to work on both perceptions and realities. Some think a home is not affordable but maybe it is. Whilst it is true that homes cost a much higher ratio of income today than 40 years ago, interest rates today are a lot lower than they used to be. As a result the early years of mortgage payments are not so different from past experience. Clearly there is a risk if rates went up again, but modern mortgages usually allow a fixed rate period to get you through the early years whilst your pay rises to make it all more affordable. For others in some parts of the country homes are not easily affordable even allowing for lower rates. This requires expansion of supply of sensibly priced homes.

Here the changes in shopping may be of help. We live in a world where there is too much shop space for the amount of retail business transacted through stores. On line purchases are now 30% of all non food retail activity, and growing. Competitive pressures between big chains has boosted the amount of floorspace on offer. There is plenty of evidence that well known retail names are now considering cutting the number of stores they run and reducing their trading area. This represents an opportunity for conversion or replacement of their space with housing.

In some cases it could be the out of town retail park that is surplus to requirements. These would make suitable sites for comprehensive redevelopment

as housing. In other cases it will be the end of the old shopping centre that has been bypassed by new space elsewhere at the heart of the town or city. These properties too can be subject to change of use to reflect the altering pattern of demand.

There are many other ways of finding sites for more affordable homes for sale that I might cover in future articles. Meanwhile it will take people to want to transform these older shopping areas to help add to the supply, and imaginative policies to help individuals who want to take on the task themselves of creating a home out of former commercial premises. There are now good examples around the country of blocks of flats springing out from within old commercial buildings. My flat in London started life as an office block.

More money for police and Councils

Yesterday the government presented its budgets for the police service and for local government for the 2019-20 financial year starting in April. The amount of money granted from central government goes up, as does the amount of money they are permitted to spend including local taxation. I was pleased that Wokingham Borough at last got some recognition that it has been receiving very low amounts per person for several years compared to most Councils, and has received some catch up money. West Berkshire too also got an above average increase, reflecting the low budget it has been given in recent years.

The questions to debate are how should this additional money be spent? How much extra should Councils and Police Commissioners raise from local taxation within the limits allowed? How can we be sure that extra cash committed buys us service improvements we want, and helps pay for the staff in these services to be empowered to work smarter and raise productivity?

Councils are gradually equipping themselves for the digital age. Residents are encouraged to pay their Council tax through regular bank transfers rather than through a manual counter service in the Council offices or a postal based system with cheques. Benefits are being moved onto universal credit with scope to make it cheaper as well as easier to work out entitlement and make the necessary payments. Much of government is about taking money off people in taxation and giving it back to people, sometimes the same, sometimes different people, in the form of benefits. This can gradually be more automated to make it more accurate and cheaper to administer.

Residents have three main experiences of their local Council. There is the tax bill, which they want the Council to keep under control, as it can be a large item in family budgets. The second is the refuse collection system, which every house has to use under the Council effective monopoly. People usually want regular weekly collections, and appreciate kerbside collection

of recyclable materials as part of the service. The third is the road system which everyone uses to get about. It is essential to get to work, school, shops, leisure activities and social events. People want the roads to be well maintained, have sufficient capacity to avoid traffic jams and sensible designs to minimise accidents.

The education service is very important to those with school age children, and social services can be vital for those in need of assistance with living in their own homes when disabled or elderly. Most of us are happy to help pay for good quality education and social care as part of our contribution to a decent society.

The issue before us is are we spending the right amount, and are these services delivered with the right degree of quality and with sensible cost awareness?

Thames Valley Police settlement

The budget for Thames Valley Police in 2019-20 can rise from £389.7m to £422.4 m assuming the Commissioner sets the permitted amount for local tax revenue. . This is an increase of 8.4%, which means the force will be able to recruit more officers and expand its service to residents. I welcomed the news in the Commons today, and look forward to seeing the Police Commissioners plans. Local priorities include tackling vandalism and violence, and assisting in reducing drug dealing and anti social behaviour.

The EU/UK volte face on diesels

EU/UK policy of many years was to encourage the diesel car as part of the solution to excess CO₂ . Diesels are more fuel efficient so less CO₂ is generated per mile travelled than a petrol vehicle. The UK was particularly keen on this policy, and successful at attracting substantial new investment in diesel car engine manufacture and diesel car assembly. Jaguar Land Rover, for example, moved to producing a range of vehicles where two thirds sold were diesel. The UK became a centre for excellence and research in passenger car diesel technology.

More recently the EU has discovered that its emissions tests were not stringent enough to prevent higher levels of Sox and Nox from diesels, and that these gases do create problems in the air we breathe. The EU has now set more severe standards and tougher tests to enforce them, so the modern Euro 6

diesel car engine is around the same as a petrol engine car when it comes to unpleasant exhaust gas and particulates, with both types of engine now hitting high standards of cleanliness.

During this major switch of approach the passenger car diesel engine has moved from environmental poster product to environmental problem. The politicians who were keen to encourage diesels, are now keen to stop them even though they have now set much tougher standards for diesel engines which they think are fine. There is a competition to see which town or city can be more severe on diesel vehicles by imposing bans or extra taxes. The UK Treasury decided to impose much higher Vehicle Excise Duty on new diesels, especially for expensive vehicles, as part of its attempts to get more people to buy an electric car.

The result of this change at EU and UK government level is entirely predictable, and was indeed forecast here. There has been a collapse in the sale of new diesel cars, with more motorists deciding to put off buying new until a new more stable legislative approach to car engines has settled down, and other motorists unable to afford the tax rises placed on new vehicles.

In the UK it is especially perverse. The government claims to want a bigger and more vibrant motor industry here in the UK, and is very worried by any possible threat to it. Yet at the same time its policy has done serial damage to the diesel car sector, the very sector they had most praised and had done most to build up in previous years.

Nissan drew attention to these issues in its recent decision not to go ahead with new assembly and extra capacity for a diesel vehicle at Sunderland. It will make what it needs in Japan instead. Car makers experiencing a big fall in diesel car sales are shorter of cash, profit and sales than they wished, so of course they are going to cut their investment plans. The problem for the UK is government action which has been so successful in building a diesel car industry is now leading the attack on it.