

UK sovereignty

There seem to be some misunderstandings about what government and Parliament did sign up to as we set out the Withdrawal Agreement and Political Declaration.

As far as I am concerned I strongly supported Clause 1 of the EU Withdrawal Agreement Act 2018 which simply repealed the European Communities Act 1972, the source of all EU power in the UK. The Act then went on to recreate EU powers for a transitional period which I was less happy with.

The EU Withdrawal Agreement Act 2020 contained the all important Clause 38 to reassure people like me that the UK is going to be an independent sovereign state from the date of exit. That Clause as enacted says

“It is recognised that the Parliament of the UK is sovereign. In particular its sovereignty exists notwithstanding...” the provisions of the 2018 Withdrawal Act that had reimported EU powers. “Accordingly nothing in this Act derogates from the sovereignty of the UK”

This was a crucial reassurance, reflected in the Political declaration which committed both parties to negotiating a future relationship that reflected this UK sovereignty. No-one reading either document could be in any doubt that the UK was not signing up then or now to anything which meant the European Court of Justice would decide our fate, nor to anything that meant we had to follow EU laws. The UK did not offer up its fish as some further concession.

The Political Declaration said “It must also ensure the sovereignty of the UK and the protection of its internal market, whilst respecting the result of the 2016 referendum including with regard to the development of its independent trade policy and the ending of free movement of people between the Union and UK”. It went on to explain a Free Trade Agreement with no tariffs would be at the heart of the new relationship.

I find it very odd that some are now making silly allegations about the UK and international Treaties when the UK placed this central point at the heart of all our dealings with the EU over Withdrawal Agreement 2019/20. Either the EU assists in good faith to secure this with a deal, or it will have to accept that the UK can confirm all of this again in primary legislation by way of amendment to the detail of the Withdrawal Act . We can stress again we end Transition EU powers at the end of the so called Implementation period. So far it is the EU that has resiled from the Withdrawal Agreement by not accepting UK sovereignty and not offering the tariff free Free Trade Agreement they signed up to in the Declaration. .

No deal is better than a bad deal

Mrs May had the right approach and the right slogan when she first embarked on negotiations over the UK's exit from the EU. "No deal is better than a bad deal." If she had stuck to that we would now either be completely out with no deal, or more likely out with a Free Trade Deal to protect EU tariff free entry to the UK market and vice versa.

Once she dropped this important statement and revealed a continuous wish to give in to most demands the EU made she left the UK unable to get any kind of decent deal. The EU perceived the UK as weak and willing to recreate many features of its membership without the votes or voice. This was all much chronicled here as elsewhere, as delay followed concession and concession followed delay.

UK voters showed their massive disapproval in the European elections which should not have been needed had we simply left as planned, and went on to confirm their clear wish to leave the EU with or without a Free Trade deal in the General election of 2019.

The new government has rightly insisted on three things . They do not wish to stay in the single market and customs union which we are still in during transition. They are not trying to recreate something like membership of the EU through a comprehensive partnership or Association Agreement. They will leave without an agreement if the EU does not want a Free Trade Agreement. As they say in vivid language, they do not want the UK to become a vassal state. The UK is not seeking any special privileges from the EU and is only suggesting similar trade arrangements to other independent countries like Canada and Japan.

It is crucial to success that the government adheres to this sensible position. It was rightly reminding the EU of it in statements by both the Prime Minister and the Chief UK negotiator this week-end. Brexit means taking back control of our laws, our borders, our fish and our money. The UK is offering a Free Trade Agreement which is of more benefit to the EU than to us, though both would benefit from it. Instead of continued posturing and refusal to discuss this issue the EU should take advantage whilst the offer is still there. The UK government this time does have to get on with No deal if the EU does not want to talk about proposals that are mutually beneficial.

Where should you work?

In the current debate about the return to the office I have only one firm conclusion. It is not the job of government to tell the private sector how to organise their workplaces or how to run their companies.

It is the job of government to lead the management of the public sector. Ministers appoint the most senior managers, like the bosses of Network Rail , the Environment Agency and all the other nationalised businesses and quangos. Ministers direct the work of the civil service. They do need to make decisions about how many staff need to attend an office, and where that office should be, on the advice of the senior managers.

It is clear Ministers and the heads of the civil service think the core civil service is needed in person in the central offices of the state. The task is now set for civil service managers to bring that about. It is also the case that where public service is falling behind in meeting demand for licences, permits, passports and the rest compared to pre pandemic levels there needs to be an urgent review of working practices to ensure good service levels.

It looks as if parts of the private sector have decided that the five days a week commuting model into a central City office is not a good one for some of their staff. In many cases staff can work from home given ubiquitous digital technology. Many staff are trusted to work from home, and can be monitored in detail by the use they make of their computer, on line conferences, email and phone. Sensible companies want enough good quality output more than they want someone to sit at a given desk for specified hours. Companies seem to be saying they want a new settlement where some people attend the office all the time and some part time. Some meetings will take place by on line call, and some in person around an office table.

For any given individual there is a reward if they have trusted status and permission to work from home some or all of the time. They save a lot of lost time and money on commuting. Quite often employees reward the company by working additional hours or hours not within their formal contract to get the work done well from a home setting. If the employer lets you supervise the plumber or pick up your child during the working day, why wouldn't you take a call from a customer in the evening?

What has emerged from lockdown is just how much many commuters dislike the travelling part of their old lives. Poor train and bus services that let people down with cancellations and delays, and crowd people on uncomfortably is neither a good start nor a good end to the work day. The collapse in demand for public transport brought on by anti pandemic controls is being seen by many as a bridge to not having to travel daily even after the virus has subsided as a threat.

There remain many employees who do not have the option of homeworking. Most of the much damaged tourism, leisure and hospitality industry requires staff to assist the public at the place of service supply. Public sector offices helping the public may need the maintenance of physical offices with staff to carry out the work, as well as on line options for many to use.

I would be interested in your views on what the new settlement might look like. How much flexible and homeworking will there be in a year or so's time, assuming the virus threat continues to retreat?

UK Car market declines – again

August was a quieter month than usual for car sales. Despite the recent exit from lock down, sales fell 5.8% on the month, with an especially big decline in business purchases. Many people and companies remain put off by the aggressive Vehicle Excise duties, and by the continuing spin against conventional cars.

As I feared, present policy is much more successful at dissuading people from buying new diesel or petrol cars than it is at persuading them to buy new electric vehicles. 2020 to date has seen a massive 59.7% reduction in diesel car sales. It is this segment of the market that the UK had done so well in, with large investments in clean diesel engine technology. There was also a decline of 44.6% in petrol cars. There were substantial percentage gains in the sales of electric and Plug in Hybrid cars on a small base. The market year to date has seen all electric vehicles take just 4.9% of the sales, and Plug in Hybrids 3.3%.

If the government cares about the state of the motor industry it needs to review its tax policy, and to reflect on the pace of change to electric products. It is curious that the car industry itself does not seem that concerned about the damage transition is doing to it. Some are still talking about Brexit effects when it is obvious that CV 19 shutdowns and the hostility to diesel and petrol cars has driven a big decline in the market before we leave the EU single market. It is tax and electric car policies that pose future problems.

What would it take to get readers to buy a new car any time soon? And what would you want from an electric vehicle on range, charge times, availability of power and price of car to make it a more interesting proposition? Clearly the public is very underwhelmed by the current offerings despite the enormous pressure on everyone to switch. So far the government is just proving it is easier to destroy successful past investment than to make successful new investment pay. They have put people off new cars but find it difficult to switch them to battery products.

No need to increase taxes

(A longer version of this was requested by the Daily Telegraph for this morning after I had prepared this blog)

Levelling up is a good idea. It requires tax cuts, not increases. It requires

using the planning system to allow more building and construction based investment in the parts of the country that want the extra jobs and money it brings.

The government has just shown how a tax cut can provide a good boost to activity, jobs and incomes. The cut in Stamp duty has encouraged people to get on with swapping their home to a property that is closer to their current needs. It has helped people downsize and upsize, to move from urban areas to more rural areas, or to move into cities from the countryside. It has allowed people to buy extra space for homeworking, or locate closer to schools or workplaces. It has given them more choice.

As a result housing transactions have just exceeded the pre pandemic levels. When people move it creates work for the estate agents, conveyancers, mortgage businesses, removal firms, painters and decorators, builders doing small works and many others. The Inland Revenue will probably be a winner too from taxing all that extra activity as well as getting a Stamp duty boost from more transactions as some offset to the lower rates.

Government works best for people when it respects their wishes, helps them achieve their ambitions and extends their effective choices. We need a series of policies that do just that. Levelling up needs urgent action to bring in extensive freeports to boost industrial and commercial investment. It needs cheaper energy so we make more things here. It requires new farming and fishing policies so we grow and rear more of our own food.

The government cut the top rate of income tax and collected more revenue from the better off. It cut the rate of corporation tax and collected more revenue from business. It offered a meals discount and kick started restaurants. Let's have some more policies that promote levelling up by cutting taxes and costs for people. That way we will get the deficit down more quickly, from all the extra activity.