

Newslinks for Friday 31st March 2017

Brexit: Davis says Britain will scrap EU 'Charter of Fundamental Rights'...



“EU rules blamed for making it harder to keep out foreign criminals and terror suspects are to be axed as part of a bid to restore sovereignty to the UK. David Davis told MPs that the vast majority of EU laws would be transferred on to the statute book in a Great Repeal Bill designed to ensure a ‘smooth and orderly’ Brexit. But he said ministers would take the opportunity to ditch the controversial Charter of Fundamental Rights, which has been blamed for hampering the fight against crime and terrorism.” – [Daily Mail](#)

- Brexit Secretary accused of ‘power grab’ over EU law – [The Times \(£\)](#)
- Ministers and businesses line up against ‘bonfire’ of rules – [FT](#)
- Top judge warns that Government may get dragged back to the Supreme Court – [The Independent](#)

Opposition:

- Remainers plan ‘legislative warfare’ and fresh legal challenge to Repeal Bill – [Daily Mail](#)
- May faces battle with Remoaners over fate of EU legislation – [The Sun](#)
- Sturgeon threatens to block Bill if powers aren’t devolved – [Daily Telegraph](#)

Law:

- Legal battles will rise after ‘copy and paste’ of statutes – [The Times \(£\)](#)
- European Court of Justice rulings will still carry weight – [FT](#)

Analysis:

- The Repeal Bill white paper is not bad, but flimsy – David Allen Green, [FT](#)

Editorial:

>Yesterday:

...as Fox 'seething' at exclusion from inner circle

"Liam Fox has been locked out of Theresa May's inner circle on Brexit negotiations, No10 announced last night. The International Trade Secretary has not been asked to join the PM's new Cabinet committee on how to carry out the high stakes 'Article 50' exit talks over the next two years. Dr Fox was said by one Whitehall insider to be "seething" about the decision last night. The prominent Leave campaigner is the only one of the Three Brexiteer Cabinet ministers with specific EU exit-related jobs to be excluded. The PM will chair meetings of the ultra-tight group of five, officially known as the EU Exit and Trade (Negotiations) sub-committee." – [The Sun](#)

- May celebrated Article 50 by dining with Johnson – [The Times \(£\)](#)
- Prime Minister writes in EU newspapers – [The Sun](#)
- Britain calms nerves over security cooperation – [The Guardian](#)

Europe:

- Hollande backs Merkel's snub to trade talks – [The Times \(£\)](#)
- EU blasted for failing to deal with worsening migrant crisis – [Daily Express](#)

Analysis:

- Wishful thinking won't deliver the deal there is to be done – Tim Harford, [FT](#)
- If May pays the EU £50bn, the backlash will drown out the deal – Asa Bennett, [Daily Telegraph](#)
- Tough EU line undermined by 'neighbourliness' rule – Patrick Christys, [Daily Express](#)
- London will remain Europe's financial capital despite Brexit – Nils Pratley, [The Guardian](#)

>Today:

>Yesterday:

...and Soubry says to 'get on' with setting up a new party





"A pro-Remain Tory MP has indicated she may be open to joining a "moderate, sensible, forward-thinking" new party. Anna Soubry, a former business minister, has been a vocal opponent of the government's handling of Brexit and its decision not to keep Britain inside the EU's single market. Asked about the prospect of a political realignment by the *New Statesman*, she said: "If it could somehow be the voice of a moderate, sensible, forward-thinking, visionary middle way, with open minds – actually things which I've believed in all my life – better get on with it." Nick Clegg, who was seen chatting on the Labour frontbench yesterday, also declined to rule out a new party." – [The Times \(£\)](#)

- UK customs risks being swamped by Brexit surge – [FT](#)
- Former senior UK diplomat to EU takes lobbying role – [The Guardian](#)
- Adams urges Irish government to publish 'negotiating position' – [Belfast Telegraph](#)
- Argentina tries to use Brexit to threaten Falklands – [Daily Express](#)

Comment:

- May offers a lifeline to we Remainers who forgot how ordinary people live – Tina Stowell, [Daily Telegraph](#)

Julian Jessop: The 'Great Repeal Bill' won't repeal anything without sunset clauses

"In this case, British laws based on EU directives could simply cease to apply after, say, five or ten years, unless they are specifically reaffirmed through the UK legislative process. This would put the burden of proof firmly on the shoulders of those who wish to retain regulation. It would allow parliament to debate and change legislation later if desired, addressing the concerns about sovereignty. And it should still provide the reassurance to households and business that worthwhile regulations will be maintained." – [Daily Telegraph](#)

- Now is not the time to cut the number of MPs – Tom Harris, [Daily Telegraph](#)

- Six ways Britain leaving the EU will affect you – John Rentoul, [The Independent](#)

Sketch:

- MPs set to work... but what was Clegg whispering about? – Quentin Letts, [Daily Mail](#)
- Watch out Davis, or the backbench Brexiteers will get you – Michael Deacon, [Daily Telegraph](#)

Ministers 1) Tech companies agree to get tougher on terror after Rudd summit



“Technology giants have pledged to join forces in efforts to tackle terrorist content online following a summit with the Home Secretary. Facebook, Google, Twitter and Microsoft committed to explore options for a cross-industry forum and step up collaboration on technical tools that aim to identify and remove extremist propaganda. The plans were announced after a meeting between senior executives from the four firms, as well as figures from other companies, and Amber Rudd.” – [Daily Mail](#)

- The Home Secretary’s tough talk to tech firms is a PR win for both – Alex Hern, [The Guardian](#)
- Israel can teach us how to counter the new terrorism – Will Quince, [Times Red Box](#)

Ministers 2) Greening insists that new grammars will help bright, poorer children catch up

“A wave of new grammars will help stop bright poor children going on to earn less than dimmer wealthier classmates, Justine Greening said yesterday. The Education Secretary added that more selective schools could transform the lives of deprived pupils by giving them the same access to academic excellence. In a speech on social mobility, she spoke of the unfairness that clever deprived students are around a third less likely to earn a high wage than less intelligent richer peers. Ministers plan to overturn a ban on opening grammars imposed by Labour in 1998.” – [Daily Mail](#)

- Pupils from wealthy homes tend to earn more – [FT](#)

More education:

- SATs for seven-year-olds to be scrapped after u-turn by ministers – [Daily Mail](#)

>Yesterday: Local Government: [Restoring order to the classroom](#)

Ministers 3) Grayling has 'absolute confidence' in HS2 as project 'plunges into chaos'



"High Speed 2 was plunged into chaos today as its top boss walked out amid a sleaze scandal and furious MPs demanded a public inquiry into the Government's £55 billion project. Director General David Prout quit just hours after a dodgy £170 million contract to build part of the track was pulled because it had been awarded to a company with close ties to senior HS2 execs. Furious MPs demanded a public inquiry into the mess, but Transport Secretary Chris Grayling hit back claiming it was "not a massive issue" and claimed to have "absolute confidence in the project." Tonight snubbed engineering firm Mace threatened to Judicially Review the decision." – [The Sun](#)

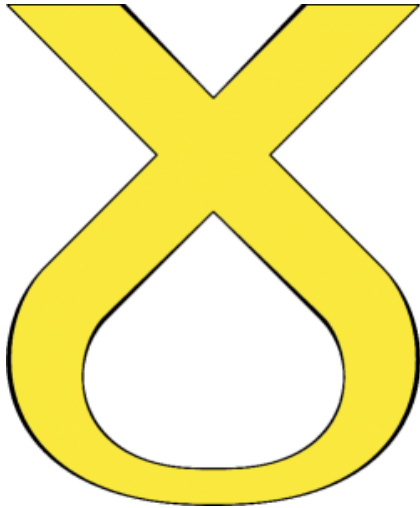
Ministers 4) Truss launches review of new car insurance rules

"A major review was launched yesterday into a controversial personal injury compensation scheme after anger that it is penalising millions of drivers. Liz Truss unveiled an urgent consultation following a backlash over a new formula for calculating payouts for victims that added up £300 to the premiums of older drivers. Despite insisting she will not reverse the shake-up in the short-term, the Justice Secretary unveiled a wide-ranging review of the rate for deciding cash claims in future. She suggested the current system was 'not fit for purpose'." – [Daily Mail](#)

>Yesterday: Profile: [Elizabeth Truss, who does not quite know how to talk to the judges, and vice-versa](#)

Sturgeon formally requests a second referendum





“A letter formally requesting a second Scottish independence referendum signed by Nicola Sturgeon and dispatched to Theresa May is expected to arrive at Downing Street later. The Scottish Government tweeted a picture of the First Minister with her feet on a couch in her Bute House residence writing the Section 30 letter on Thursday evening. MSPs voted by 69 to 59 this week in favour of seeking permission for an independence referendum to take place between autumn 2018 and spring 2019. Ms Sturgeon said her mandate for another vote was “beyond question”, and warned it would be “‘democratically indefensible and utterly unsustainable’” to attempt to stand in the way.” – [The Scotsman](#)

- A permanent cacophony of grievance from the SNP – Brian Wilson, [The Scotsman](#)

Philip Collins: May needs to distribute power around the country

“It is no wonder that regional inequality in Britain is vastly greater than it is in any other European nation. All the big decisions in politics, economics, law and the media are made in one place. A poorly located city in the country’s southeast corner is the entry point for most visitors. When Disraeli was extolling the virtues of Manchester, the economic powerhouse was in the north and the political powerhouse was in the south. Theresa May has been accused of wanting to turn the clock back to the Fifties. As long as she means the 1850s there is nothing wrong with that.” – [The Times \(f\)](#)

News in Brief:

- Armed Forces face £10bn shortfall after costs soar – [The Times \(f\)](#)
- NHS plans weekend GPs for everyone by 2019 – [Daily Mail](#)
- Trump’s fired national security adviser seeks immunity to testify – [Daily Telegraph](#)
- Ofcom to introduce price controls on fibre products – [FT](#)
- Low-income worker priced out of property market in most of England – [The Sun](#)
- Anti-Semitism allegations putting almost a third of voters off Labour – [The Independent](#)
- Dozens of alleged hacking victims join action against Sun publisher – [The Guardian](#)

- Royal Marines may be sacrificed to keep struggling Navy afloat – [The Times \(£\)](#)

[Newslinks March 2017](#)

Year to go: First Welsh Taxes in 800 years to be introduced

The devolution of tax powers to Wales marks a significant milestone in devolution as Wales will become responsible for raising a proportion of its own revenue to spend on public services.

From 1 April 2018, Wales will have two new taxes – land transaction tax will replace stamp duty land tax and landfill disposals tax will replace landfill tax.

Together they are estimated to generate more than £1bn in the first four years.

Two Bills to establish these new taxes are currently being scrutinised by the National Assembly for Wales – Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Bill passed stage three in the National Assembly earlier this week.

The Welsh Revenue Authority (WRA) will be responsible for collecting these two Welsh taxes. Finance Secretary Mark Drakeford has announced that Kathryn Bishop will be the first chair of the WRA; the non-executive board members will be appointed in the summer.

From April 2018, Wales will also be able to use new borrowing powers of £1bn to invest in capital projects in areas of devolved responsibility.

Professor Drakeford said:

“In just over a year, stamp duty land tax and landfill tax will be devolved and Wales will introduce the first Welsh taxes in almost 800 years.

“This is an historic milestone in Wales’ devolution journey as we become responsible for raising our own money to spend on public services. The next step will be Welsh rates of income tax, which we are committed to introducing in April 2019.

“These taxes bring additional responsibility for the Welsh Government and the National Assembly – to those who pay taxes and those who depend on the public services which are funded by them.

“These new tax powers provide us with the opportunity to reshape and make changes to improve existing taxes to better meet Wales’ needs and priorities. We will use them to help improve fairness and support jobs and economic growth in Wales.

“A huge amount of work is already underway to prepare for these tax powers. We have consulted widely and listened to a range of stakeholders to help us develop these taxes and will continue to do so as they make their way through National Assembly scrutiny.”

News story: PM call with Prime Minister Rutte of the Netherlands: 30 March 2017

This evening the Prime Minister called Dutch Prime Minister Mark Rutte following yesterday’s UK letter of notification to the European Council.

The Prime Minister underlined the UK’s determination to agree a deep and special partnership between the UK and the European Union.

Both Prime Ministers agreed that the UK would remain a close and committed ally, and that they would approach the talks to come in a constructive manner.

News story: Bradford & Bingley asset sale to raise £11.8 billion for UK taxpayers

The loans will be sold to Prudential plc and to funds managed by Blackstone.

There will be no changes to the terms and conditions of the loans sold. Borrowers do not need to take any action.

The price achieved reflects the strong credit quality of the portfolio and the outcome of a highly competitive sale process. It delivers value for money for the taxpayer and compares favourably with the 'fair value' of the B&B loan book disclosed in B&B's accounts last year. The fair value of the B&B loan book is less than its book value, reflecting the low interest rates payable on the loans.

UK Asset Resolution (UKAR) manages Bradford & Bingley and NRAM's closed loan books on behalf of the taxpayer. Allowing for today's transaction, UKAR's balance sheet now stands at £22 billion, down from £37 billion in September 2016 and from £116 billion in 2010.

Chancellor Philip Hammond said:

The sale of these Bradford & Bingley assets for £11.8 billion marks another major milestone in our plan to get taxpayers' money back following the financial crisis.

We are determined to return the financial assets we own to the private sector and today's sale is further proof of the confidence investors have in the UK economy.

At [Budget 2016](#), the government announced that it would explore a programme of sales designed to raise sufficient proceeds for Bradford & Bingley (B&B) to repay the £15.65 billion debt to the Financial Services Compensation Scheme (FSCS) and, in turn, the corresponding loan from the Treasury. Today's (31 March 2017) sale is the first in the programme.

The programme of sales is expected to conclude in full before the end of 2017-18. Any further sales will be subject to market conditions and ensuring value for money.

The debate about Britain's future is already settled. There will be an Open Brexit – because we have no other choice.

Six months ago, [ConservativeHome wrote](#) that Britain must make a collective decision about what kind of country it wants to be post-Brexit, and that

there are two different roads it can take.

"The first is what might be called Open Britain. Its starting point would be that our economy needs to be as open as possible if it is to flourish after Brexit. Business taxes would be slashed. So would regulation – including much of that social and employment law that Conservatives for so long itched to get back from Brussels. We would become a kind of Panama for money from overseas. Trade deals would be framed simply to get the best deal possible for exporters; those steel imports from China, say, would flow into Britain. All this sounds like a Thatcherite vision for our economy, but it does not necessarily imply a passive state. Government could be active in the sense of going for big infrastructure decisions more determinedly than has usually been the case. More runways would be tacked on to Heathrow and Gatwick; airports outside the south-east would be expanded. Migration would be relatively high.

London and the South-East would be likely to gain most from such a strategy, at least in the short-term. The losers from imports and high immigration would mostly be concentrated elsewhere – in the Leave-voting North and Midlands among the "ordinary working people" who plumped for Brexit.

Which leads us to the second option. It begins with the conviction that government cannot let down these voters, without whom Leave's referendum victory would not have happened. Social and employment law would be preserved in aspic. Migration would be low. Trade deals would not be signed if they would let those steel imports come pouring in – which suggests that few would be signed at all. Public services policy would stress more spending rather than reform. Taxes would in consequence be higher than they would otherwise have been. Investment from abroad would be seen through a national security lens only. This would be a Closed Britain. It is difficult to square this vision of the future with the vigorous construction of new airports or nuclear power stations. We would be more likely to put such decisions off and opt for lower growth."

The release of the Great Repeal Bill White Paper has stirred a mass of speculation about legal consequences (such as whether the executive is entitled to use so many Henry VIII clauses) and political tactics (such as whether the Scottish Parliament could block the Bill's effects in Scotland by refusing legislative consent).

But it has also reheated the questions that we asked last autumn. For example, the *Daily Telegraph* has chosen this week to launch a campaign "to promise a bonfire of EU red tape in its 2020 manifesto". The effect of a Bill whose intention is to keep EU law in the short-term has been to unleash competing views of what Britain should look like in the medium and long.

Parts of this debate are clearly pertinent. For example, the future of British farming post-Brexit is a real unknown. As Richard Ali put it recently [on this site](#): "do we want a New Zealand model of little or no support or a Norwegian model of high levels of support designed to keep farmers on the land? What sort of countryside do we want to see, and who should pay?" It may well be that Britain's urban areas are unwilling to fork

out for its rural ones – nearly all of which are currently represented by Conservative MPs – but the question is a genuinely unresolved one, at least for the moment.

None the less, there is a temptation to exaggerate the scale and sweep of the choice. As we put it last autumn, a Closed Britain “is ultimately unsustainable – and, in political terms, not consistent with where the Conservative Party has pitched its tent in modern times”. Britain has a strong bias towards free trade, powered by our need to export goods. This basic disposition is not going to change post-Brexit. It could be that a Far Left government somehow wins office in 2020, and immediately begins to throw up tariff barriers and subsidise loss-making businesses.

But raising that possibility only reinforces how impossible such a posture would be to sustain. Britain needs businesses to come and invest, to create jobs and wealth. This is always true, and especially post-Brexit. Theresa May has got the message. The months following her Party Conference speech last autumn, which was perceived by parts of business as too inclined to bash it, saw a rhetorical and practical rowing-back. For example, Downing Street has quietly buried its original plan to compel companies to represent workers on boards. The Industrial Strategy has turned out to be an exercise in consultation.

Burning questions remain. Can Britain deliver social justice for its younger people, so many of whom are currently locked out of home ownership? As Russia flexes its muscles, are we prepared to devote a higher proportion of spending to defence? Will we make a necessary shift that from an over-expanded higher education sector – [see Graeme Archer's column below today](#) – to our under-developed vocational and training one? Are politicians prepared to wean us off the quantitative easing that has shafted saving? Above all, can the country live within its means and end the structural deficit?

Obviously, Brexit will have a scarcely-underestimable impact on the answers to all these. But so does the last Conservative Manifesto, with its protection for richer older retired people (the pensions triple lock; NHS ring-fencing). Ditto the unwillingness of Tory backbenchers to reduce the rate of growth of public spending. Revolts under David Cameron killed plans for disability benefit and tax credit reform. An uprising under May stifled Philip Hammond's plan to change National Insurance Contributions. The point here is not whether any or all of these plans were right or wrong. It is that the Commons isn't currently up for the scale of the challenge.

It is true that Ministers should embrace Brexit as the great challenge which Britain must meet, and tell a story about its plans will rise to it – [something that the Chancellor failed to do in the Budget](#). It should also start planning now: last autumn, we said that he should begin to consult on the post-Brexit regulatory regime. But the Government has limited room for manoeuvre between now and 2020. Much of the Conservative plan for Britain's journey must thus be reserved for the 2020 manifesto.

This places a big responsibility on George Freeman, who heads Downing Street's Policy Board, and Number Ten's Policy Unit, led by John Godfrey.

But while the pace of the journey is debatable, the destination is not. We are heading for an Open Brexit – not because politicians and voters will always opt for one, but because it is the only option in the modern world for survival, let alone jobs and prosperity.