



**CENTRE FOR BREXIT**  
POLICY

**CBP POLICY FORUM PAPER**

# BRITAIN MUST RESTORE ITS INDUSTRIAL AND AGRICULTURE BASE TO ESCAPE ITS CURRENT WOES

A Blueprint for National Recovery

By The Rt Hon Sir John Redwood MP

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# THE CENTRE FOR BREXIT POLICY

The Centre for Brexit Policy (CBP) is a think tank backed by cross-party voices who support the UK leaving the EU. The CBP was formed to propose the critical policy changes enabled by Brexit that will boost national prosperity and well-being in years to come, as well as help ensure that Britain fully 'takes back control' after leaving the European union.

The CBP aspires to trigger a deep and wide debate about what Brexit should mean for the UK over the next decade or two. By providing a focus for the development of post-Brexit public policy, the CBP hopes to help formulate an overarching framework for the UK that maximises the opportunities Brexit affords. This will be promoted to government, Parliamentarians, and the public, welcoming contributions from those who want to see Brexit open a new and fruitful chapter in our country's life.

The CBP has three core objectives:

- Identify the benefits and opportunities of Brexit across the full spectrum of economic, trade, social, foreign, defence and security policy areas proposing new policies for the government's agenda
- Continue to make the intellectual, evidence-based case for a 'real' Brexit and provide the government with clear and constructive advice on how to deal with ongoing negotiation and implementation issues. A 'real' Brexit means regaining full control over our laws, borders, seas, trade, and courts.
- Check any attempts to dilute Brexit, as well as serving as a catalyst and rallying point for positive news stories that, over time, will be able to persuade and demonstrate the many substantial advantages of Brexit

Delivery of these objectives is based on professional, substantive fact-based research by experts in their fields leading to authoritative reports, short papers, OpEds, events, and briefing meetings - both within and without government.

The CBP is supported by a cadre of expert CBP Fellows drawn from multiple disciplines to provide additional expertise and experience in developing an agenda for policy change that will ensure the British people benefit from Brexit

## CBP POLICY FORUM

The CBP Policy Forum provides a platform for papers authored solely by third-party authors that are typically too large to be published in the mainstream media as Op-Eds. These papers provide a thoughtful commentary that CBP believes should be part of the national debate, even though the views and conclusions of these papers will be those of the authors and some specific points may not necessarily reflect the views of CBP.

# AUTHOR

## The Rt Hon Sir John Redwood MP

The Right Honourable Sir John Redwood has been the Member of Parliament for Wokingham since 1987 and served as Secretary of State for Wales from 1993-1995, Minister for Corporate Affairs, 1989-1992, and Minister of State for Local Government, 1992-1993.

Previously, Sir John was director of Margaret Thatcher's Number 10 Policy Unit from 1982-1987 when he urged her to begin a great privatisation programme, and then took privatisation around the world as one of its first advocates, before being elected to Parliament. He also supervised the liberalisation of the telecoms industry in the early 1990s.

Subsequently, in opposition, he acted as Shadow Secretary of State for Trade and Industry (1997-1999), Shadow Secretary of State for the Environment, Transport and the Regions (1999-2000) and Shadow Secretary of State for Deregulation (2004-2005). He served as Chairman of the Economic Policy Review (2005-2010) undertaken by the Opposition and has been Chairman of the Conservative Economic Affairs Committee since 2010.

A businessman by background, he has set up an investment management business, was both executive and non-executive chairman of a quoted industrial PLC, and chaired a manufacturing company with factories in Birmingham, Chicago, India and China.

Sir John won a free place at Kent College, Canterbury and graduated from Magdalen College Oxford. He is a Distinguished Fellow of All Souls, Oxford.

# INTRODUCTION

The Conservative government has a mandate most likely continuing for more than a year. Following the troubles of the Covid lockdown and disruption caused by the terrible Ukraine war, there could well be many months of relative stability ahead. The way for the government to improve its poll rating and to go on to win an election is to raise prosperity and improve public services.

In order to give the UK a brighter future, government now needs to take advantage of its majority and provide a vision of a more prosperous and freer UK, building on the Prime Minister's five immediate aims.

The good news is the government's five policy aims are an important part of building that more prosperous and freer UK, with high quality public services in crucial areas like health and education.

We will get the deficit down only if we grow the economy. We will only grow the economy if we reduce tax rates and grow a bigger taxable base. We will only get inflation down decisively if the UK invests in more capacity. We need to grow more food, produce more energy and make more goods. Inflation results from too much money chasing too few goods. The Bank has sat on the too much money with a vengeance. We now need to produce more, generate national growth, and improve self-sufficiency.

The government needs to set a clear, distinctive course toward restoring its industrial and agriculture base based on supply-side reforms and have the courage to see it through with the energy, wit and wisdom to communicate its vision to the public.

Such a course should be built around the following three themes:

- I. **Encouraging more business people to set up and offer new goods and services by creating an attractive environment for business**
- II. **Revamping industrial sector policies in light of the changing business and political environment**
- III. **Capitalising on post-Brexit opportunities**

The following sections outline actions that implement these themes.

# I - ENCOURAGING MORE BUSINESS PEOPLE TO OFFER NEW GOODS AND SERVICES

The UK teems with opportunity for a new march of the makers, a new drive to produce more for ourselves, to cut the costs of imports and generate more well paid jobs at home. Our nation of inventors needs to get better at using our creativity and originality to make the final products. For example, we could drive more cars made in the UK. A nation should not be too dependent on the goodwill and generosity of others, borrowing to afford imported goods.

We need to encourage more business people to set up and offer new goods and services by creating an attractive environment for business, based on the following actions:

- **Educate for success by strengthening vocational and business education**
- **Avoid taxing enterprise to death**
- **Eliminate unnecessary and dysfunctional spending**
- **Revise energy policies to enhance competitiveness and improve energy security**

## STRENGTHEN VOCATIONAL AND BUSINESS EDUCATION

The UK education system tends to orient graduates toward working in large companies, government, the professions, and charities. There is insufficient motivation for and concentration on more entrepreneurial students who may want to work for themselves or in small companies or who prefer vocational careers. Schools, colleges, and universities can moderate this trend by adopting the following approaches:

1. **Introduce students to the ways that an individual can work for themselves or join a small company.** Schools need to use business, general studies, and career advice to introduce students to the ways that individuals can work for themselves or join a small company. The advantages freedom can bring need setting alongside the traditional advantages of the job in government or large companies. Many will find the ability to change things, to develop good ideas, to have direct contact with clients and customers attractive. They will learn that the self-employed can decide when, where, and how they work in ways an employee cannot do.
2. **Develop a more powerful vocational and business strand to education.** The nation cannot succeed if too many people have general degrees and an expectation that they will work for government or a charity because they hold views that regards business as profit-chasing wickedness.

We should capitalise upon the-cross party wish to have a more powerful vocational strand to our education. Getting a skilled qualification as a gas fitter, as a heating and insulation expert, as a chef, or as a care worker can provide better prospects of a good job and remuneration than getting a general degree and then finding it difficult to persuade an employer to offer a worthwhile job or any job at all. Schools could help by encouraging business games and the creation of actual small businesses by older pupils, perhaps raising money for charity from what they make or sell.

3. **Focus undergraduates, early in their stay, about what they would like to do after the 3-year degree and how they will convert their general degree into a relevant qualification.** University career experts need to talk to undergraduates early in their stay about what they would like to do after the 3-year degree. It may affect the papers they choose to study or even the course they wish to stay on. They may want to consider how they will convert their general degree into a relevant qualification in many cases. Do they wish to become fully qualified medics, lawyers, investment specialists, financiers, environmental experts, or whatever? If so, what will they need to do to gain the necessary experience and further qualifications?

## AVOID TAXING ENTERPRISE TO DEATH

Tax is the largest cost-item for most business and is the enemy of innovation and growth. Recent successive governments have raised this dysfunctional cost to levels unprecedented in recent times. The following actions would result in major tax reductions for enterprises upon which we depend for growth and wealth formation:

1. **Revert to the tax rules for the self-employed that applied before the changes of 2017 and 2021.** In order to reestablish our numbers of self-employed, we need to revert to the tax rules for the self-employed that applied before the changes of 2017 and 2021. The IR35 system was altered to make businesses contracting with a self-employed person responsible for the self-employed person's tax status, which puts potential customers off using self-employed. We have lost 800,000 self-employed over Covid and the changes in tax rules. It is now more difficult for the self-employed to get contracts from a company as companies are worried that the tax status of the individual will be questioned and leave them with some of the liability and reputational damage. If someone does not get employee benefits like sick pay and paid holidays, if they are advertising their services to get further contracts, and if their own pay depends on the customer paying them they should be seen as self-employed for tax purposes.
2. **Raise the VAT threshold to say, £250,000.** Small businesses often limit their growth to avoid having to register for VAT. They can enjoy a turnover of up to £85,000 before registering. Registering not only means putting prices up by 20 per cent but also entails a complex and administrative structure to report accurately all turnover and VAT liability, and to get back the VAT on inputs. Therefore, many small businesses decide to reduce the weeks and hours they work to keep turnover down. Some may even run a cash side business for top ups that evades taxes and break the law. Raising the tax threshold to say £250,000 would provide an immediate stimulus to more activity by many smaller businesses. Their flexibility would add to our output and offer clear customer benefits. Total tax revenues would increase.
3. **Reduce the high taxation of energy.** The high taxation of energy in the UK has been particularly damaging to business activity. Consequently, the following actions should be taken to get energy prices and the costs of making energy intensive products down in the domestic market:
  - a. **Suspend the carbon price system (emissions trading system and price of carbon).** The UK has the highest carbon taxes in the world, with its own emissions trading system and price of carbon. The carbon price system should be suspended to reduce energy prices and allow more industrial investment into and in the UK.
  - b. **Eliminate the double corporation tax levy on new domestically produced oil and gas.** The UK has a double corporation tax levy on domestically produced oil and gas, and has windfall taxes not just on fossil fuel but also on renewable energy. The current level and the unpredictability of tax policy has deterred investors from the UK energy sector.



- c. **Suspend windfall taxes as oil and gas prices on wholesale markets subside.** If these energy taxes are to be true windfall taxes, they should be taken off now that oil and gas prices on wholesale markets have subsided from their post Ukraine invasion highs.
4. **Reduce corporation tax rate to 15 per cent and de-emphasise investment tax allowances.** The government has recently hiked corporation tax to 25 per cent. The overall corporation tax rate is no longer attractive in the way it was when at 19 per cent. The higher rate will over the next few years lose us revenue as it diverts investment from the UK. Ireland with a rate of just 12.5 per cent (recently raised to 15 per cent) in the past raised four times the amount of business tax per head than we do because its low rate is so attractive, particularly to large US digital corporations.

The government argues that generous tax allowances for investment will offset the damage of the higher rate. Whilst it is true such allowances are better than not having them, they will not fully compensate. The UK will be taken off some lists of potential investment locations by footloose businesses who will scan for competitive corporation tax rates. Others will discover, when they project their forecasts of revenues and profits over the planned life of the investment, the higher tax on profits will outweigh by a large margin the tax advantage when making the original investment. A sensible UK government would put our corporation tax rate to 15 per cent and would expect to build up higher tax revenues over time as a result.

## ELIMINATE UNNECESSARY AND DYSFUNCTIONAL SPENDING

The UK state is borrowing too much as a consequence of its concession to Treasury orthodoxy, which has reduced growth, limiting the increase in tax revenues. In addition, the state is spending too much. These two factors imply that public finances will be unsustainable long term, given the long term demands on state spending of an ageing population and other social trends. To complement my suggestions for supply-side reforms raising growth, I offer below a few ideas for reducing unnecessary spending:

1. **Address the big fall in public sector productivity experienced since 2019 by imposing a freeze on all new external recruitment of staff apart from medics, teachers and uniformed personnel.** Government, as a priority, should address the big fall in public sector productivity experienced since 2019. The first thing to do is to impose a freeze on all new external recruitment of staff apart from medics, teachers and uniformed personnel. The large increase in the civil service has been matched by a fall in output that cannot continue. As posts are freed by natural wastage or as people retire or move on to other jobs, so the managers should decide if that is a role that needs filling from internal promotion or whether it can be abolished or merged with another post. If it needs filling, then another post needs removal.
2. **Cease offering index-linked pensions to newcomers in the public service.** The accumulating liabilities of the various state schemes are becoming too dear. Government should cease offering index-linked pensions to newcomers to the public service, instead offering a contribution to their own pension savings similar to most private sector employers.
3. **Stop unnecessary spending on external consultants.** Government should not retain external consultants where it has its own in-house personnel to carry out the tasks. When using consultants, it should buy the intellectual property it needs to perform the role itself thereafter.
4. **Terminate the HS2 scheme after completion of the west London to Birmingham section currently under contract.** The HS2 scheme should be stopped after completion of the west London to Birmingham section currently under contract. It is too dear and too late. Extra capacity should be created on mainlines by digital and on-board signaling allowing smaller but safe gaps between trains.

5. **Delay the £20 billion carbon capture and storage scheme and subject it to more checks on value for money and the likely success of underlying projects.** There is a big danger of spending a lot of money without buying much benefit from technology that is still to be tested at scale. It needs to be rolled out in big CO2 producing countries at the same time as here and they should contribute to the R&D and pioneer costs.
6. **Roll back subsidies to business as carbon pricing and high taxes on business are removed.** The government can roll back subsidies to business as it removes carbon pricing and high taxes on business which have often forced the state into making offers of subsidy to avert closures.
7. **Reduce subsidies for running nearly empty trains on the railways.** The government needs to reduce subsidies for running nearly empty trains on the railways, requiring plans based on boosting passenger numbers and fare revenues.

## REVISE ENERGY POLICIES TO ENHANCE COMPETITIVENESS AND IMPROVE SECURITY

It is indisputable that the energy policies of recent years have undermined the UK's commercial competitiveness and national security. The dash for renewables has led to many more imports of electricity as fossil fuel generation is shut down. High energy prices have driven energy-dependent industries like steel, ceramics, glass and building materials to make more abroad. Environmental policies have set wilding land or hosting solar arrays as priorities greater than growing food. The Ukraine war has brought this into sharp relief.

A nation that pioneered the Industrial Revolution based on new and more effective energy sources with steam power followed by petrol and diesel can prosper with new, more abundant domestically-produced energy. A country with many energy resources need not import so much power.

The following steps represent a start in reversing these trends:

1. **Boost oil and gas output.** The government has changed policy and recognised that keeping our own oil and gas in the rocks whilst importing LNG and oil from overseas not only damages our tax revenues and jobs but also increases world CO2. Liquefying then gasifying gas requires a lot of energy that is not needed to transport our gas as gas down a pipe. Imports need more energy for shipment.

Although the government has announced a new North Sea licensing round for exploration, it needs to get on with issuing licenses for field development where an existing field can be expanded or a new field tapped. The UK has some proven reserves like Cambo and Rosebank in the North Sea that still are not being developed. This is the easiest way to boost tax revenues and cut CO2 at the same time.

2. **Mine more of our own resources.** The UK should make our contribution to providing scarce resources, after years of negative sentiment to mining. For example, the UK should
  - **Speed up the projects in Cornwall where there is access to lithium**, which is very scarce worldwide and much needed for large battery manufacture
  - **Continue pushing ahead with its polyhalite mine in Yorkshire**, which will be an important source of fertilizer
  - **See the Cumbrian coking coal mine project through** as we need specialist coals for steel manufacture
  - **Consider the possibility of reopening tin mining in Cornwall, developing tungsten mining, and expanding the very small gold and silver outputs**

3. **Rethink existing investment plans in renewable electricity generation.** The UK has put in a lot of wind power and some solar. Some advocate just doing more of the same. The trouble with this idea is the unreliability of output from these generators. Solving this problem requires a world breakthrough in storage technology so that it is cheaper and easier to collect the excess energy when there is plenty of suitable weather and then draw down electricity from the store when the wind has dropped and the sun has gone to bed.

The UK is unlikely to have the resource to solve this problem on its own. We need to be realistic about investing in more wind and solar power until there are commercial ways of time shifting the power. If we press on with more wind farms, we also will need to build more gas power stations as back up for when the wind does not blow. Such costs must be included in calculations of alternative power costs.

4. **Expand nuclear power generation by commissioning new smaller pre-fabricated batch produced nuclear reactors.** There is considerable agreement that nuclear power should have an important role to play, combining as it does continuous power with no CO2 output. Unfortunately, all but one of our current nuclear stations will be closed by the end of the decade, having reached the end of their lives. This means simply standing still with nuclear power generation requires a large build programme, in addition to Hinckley C. If we want nuclear to be a larger proportion of a greater electricity output, there will need to be a far larger nuclear build programme.

It should be possible for the UK to agree and commission a new smaller nuclear reactor model that could be batch produced with much of it pre-fabricated away from the build site. The power industry could be persuaded to place significant orders for these new nuclear units, assuming they allow affordable safe and reliable electricity. There could be a good export business to be won if we backed one of the best such schemes early and got on with demonstrating their success. Government has an important role to play in this, ensuring proper safety and licensing and a regulatory regime that allows a fair return on the investment.

5. **Exploit onshore gas.** The UK should reconsider onshore gas exploration and production where local communities consent and participate in the success of the project

## II - REVAMPING INDUSTRIAL SECTOR POLICIES

Long-term changes in the business environment and technological change, as well as misdirected regulation and policy require revamping industrial policies in many sectors. Here are a few examples:

1. **Rethink the transition of vehicle manufacturing to electric vehicles.** The UK industry collapsed in our first decade as members of the EEC, halving in output. As tariffs came off, the UK industry did not have enough competitive product, with the public sector owned British Leyland proving particularly weak. In the 1980s, we rebuilt the industry by attracting large amounts of foreign capital and substantial Japanese interest in making cars here.

Today, current policies towards car manufacture hasten the day when we will have lost all our successful diesel and petrol vehicle and component manufacture. This begs the question if we will have much electric vehicle replacement to offset the big loss?

The UK government has become engaged in expensive bidding wars in attempts to secure battery manufacture and electric vehicle manufacture here. There is no automatic roll over from making a diesel or petrol car to making an electric car, as electric vehicles are very different, requiring different components and raw materials. There is a great danger that the UK will be left with a much smaller industry with more import dependence from countries that embarked on establishing electric vehicle industries sooner and are more tolerant of continuing with petrol and diesel cars that are likely to remain in demand.

Today, the UK industry faces two pieces of regulation that will be damaging to the UK as a continuing centre for vehicle production. This regulation may lead to the unintended consequence of creating a profitable business importing nearly new petrol and diesel vehicles from countries that still allow them, as the government cannot ban all older diesel and petrol vehicles.

Therefore, the government should

- a. **Abandon the policy of from next year imposing fines or extra taxes on any company failing to sell 22 per cent of its cars as electric vehicles.** The government may from next year impose fines or extra taxes on any company failing to sell 22 per cent of its cars as electric vehicles. This means they will be taxed for daring to supply petrol and diesel cars people want to buy. This will put more people off buying new cars altogether if they cannot have what they want at a good price. This idea must be abandoned.
  - b. **Review the current unique UK policy of banning the sale of new petrol and diesel cars altogether by 2030.** In order to speed the closure of our diesel and petrol vehicle factories, the government also intends to ban the sale of new petrol and diesel cars altogether by 2030. The UK built a great industry making diesel engines and diesel cars only now to be told to close the whole thing down. Competitor nations are not setting such tough targets thereby inviting our manufacturers to make their cars elsewhere. It is good news the government is delaying a ban on new petrol and diesel cars. The industry should be free to develop synthetic fuels as an alternative to battery cars. The transition needs to be at a pace that consumers want.
2. **Support energy intensive industries by suspending the carbon tax and promoting investment in UK-sourced materials throughout industry in general.** Steel, ceramics, glass, aluminum, cement, bricks, tiles and other energy intensive businesses are all under strain from ultra-high UK energy prices. Suspending the carbon tax would be an immediate relief keeping open more plants. Public sector investment programmes could place an emphasis on minimising transport costs and CO2 on these products for the larger schemes to assist demand to justify investment in more capacity at home. The MOD in particular should be keen to ensure all its military vehicles and ships rely on UK steel and specialist metals for national security reasons. The government should undertake talks with the leading industry players to review what, if anything else, they might need to ensure investment in more capacity.

3. **Encourage defence procurement programmes to support buying ships, military vehicles, and other military equipment domestically wherever the UK has the capability and the intellectual property to make the whole product here.** The UK, even under EU rules, was allowed to seek suppliers from the UK alone for important capital procurement programmes in defence. Recent events in Europe have reinforced the need for us to have sound defences and to have at home the capability to replace military vehicles, weapons and ammunition when need arises. Too many parts of our ships, military vehicles and others have been imported. We import whole support ships for our navy and whole armoured vehicles for our army. Future programmes need to ensure we produce these things at home or, where there is a shared programme with allies to get greater volume, then we need to ensure the UK has the capability and the intellectual property to make the whole product here.

4. **Support the UK fishing industry.** The UK went from being a net exporter of fish with large fishing fleets in many of our coastal harbours to being a net importer as a result of membership of the Common Fisheries Policy. Some moves have been made to get more of our fish back, but it is still on a modest scale. Meanwhile foreign vessels take large catches from our waters, depleting our shoals. Seas teeming with fish need not yield up so little for domestic consumption, requiring us to buy from foreign boats.

Consequently, the UK should immediately ban all trawlers over 100m in length from plundering our waters to relieve pressures on our stocks. The government should offer grants and loans to people willing to run smaller fishing vessels from UK harbours and to land the fish in the UK, allowing value-added activities on the back of fishing. There should be an acceleration of quota for UK vessels and reduction of foreign quota.

5. **Increase UK domestic food production by backing a farming revolution so the UK grows in more productive and friendly ways.** The UK needs to grow more food. Rich soils and a good climate for growing food could narrow the gap between what we eat and what we farm for ourselves. Leaving the CAP gave us a great opportunity to reverse the big decline in domestic food production as a share of our total needs that characterised our time in the CAP. Instead of grasping it, the government decided to give grants to farmers for not producing food instead of backing a farming revolution so we grow more in more productive and friendly ways.

DEFRA needs to revise its policy. Out should go new Environmental Land Management schemes and wilding grants other than those already agreed and in should come food production support backing vertical glass houses, more fruit and veg production, mechanisation of arable, and improvements in animal husbandry. Replacing labour with machines would be an important feature given employment recruitment difficulties.

6. **Revamp housing policy.** The UK has fallen way behind the necessary number of homes despite large increases in build rates in recent years. Curbing migration is a necessary first step in relieving pressures of development, but we still will need to build more than at present to meet legitimate needs for home ownership and decent housing for all.

The UK needs to agree some sites for new towns and cities, building on the success of past garden towns and villages, where imaginative design can keep green spaces, decent gardens for those who want them, and good communications and transport arrangements with other places in the country.

7. **Remodel the public estate to reduce and lessen the cost of state ownership, reduce underused property, enhance badly maintained property, and improve the quality of working buildings for administering the state.** The state owns too much property and presides over too much underused and badly maintained property. There should be a new attempt to lessen the cost and improve the quality of working buildings for administering the state. There should be more moves out of central London where government occupies very expensive space that is no longer popular with employees

who are reluctant to travel into their offices. Cheaper and better offices can be found outside central London without requiring employees to move. Where a department or office has decided on substantial homeworking, there should be hot-desking and a reduction in office space. New space should include better insulation and heating controls to cut the large state bills for energy.

8. **Evolve a new railway model appropriate for today's travel environment.** Lockdowns and home working have undermined the business model of the UK's largely nationalised railway. The core of the old service was the five day a week office commuter paying for an expensive season ticket in advance. Now the office worker may go to the office only two days a week and may not travel at former peak times. The current transport aim seems to be to build a leisure passenger railway that relies on people who can choose to travel at low ticket price times and need discounts to persuade them to do something they do not have to do.

The railway is being paid huge subsidies to run many largely empty trains or fuller trains with deeply discounted fares, thereby leaving large losses. In contrast, the railway needs to review its market options for the passenger railway, with more emphasis on serving big event and tourist destinations and explaining that an economic fare needs to be charged. The railway has more scope to grow for freight, where greater use of single wagon marshalling can help rebuild lost market share.

9. **Relax rules governing retrospective pharmaceutical drug price cuts based on volume, as recent changes have made these a disincentive for pharmas to operate in the UK.** I am all in favour of good prices for NHS purchases, but companies report year-end penalties for being a good supplier with popular products going well beyond competitor country discounts.

## III - CAPITALISING ON POST-BREXIT OPPORTUNITIES

The opportunities afforded by Brexit have only begun to be tapped. While some of these may only be realised in the longer-term, there are many that can be realised in the near-term, given political will. And, if government does not resolve the problems of the NI Protocol and its associated Windsor Framework, the long-term constitutional self-harm to Britain will damage the union with Northern Ireland and impede economic improvement.

1. **Take advantage of new post-Brexit freedoms to choose our own laws and taxes.** The government has been slow to take advantage of our new freedom to choose our own laws and taxes, free of EU legal direction. This should change, beginning with the following actions:
  - a. **Remove VAT permanently from green products**
  - b. **Raise the VAT threshold** (see item (2) above under 'Avoid Taxing Enterprise to Death')
  - c. **Return to tax free shopping for foreign tourists**
  - d. **Abolish the Ports Directive**, which our industry and government always opposed
  - e. **Re-design Data Protection legislation** to simplify and reduce costs whilst keeping data controls
  - f. **Focus anti-money laundering laws concentrating on cash, transfers from overseas banks, and property owned by absentees**
  - g. **Restore the legal position for auction houses so that they are again more competitive with New York**
  - h. **Review the large number of product standards that may restrict competition and innovation**, relying more on a general safety duty and a merchandisable quality rule
  - i. **Revise the rules on clinical trials in line with best UK medical opinion about good practice to assist drug company research**
2. **Resolve Issues with the Northern Ireland Protocol.** The UK government must be able to set tax rates and business laws for Northern Ireland as for the rest of the UK. The Good Friday Agreement (GFA) takes precedence and requires both communities to consent to major changes; thus, the NI Protocol operates in breach of the GFA. It should be as easy to send goods from Liverpool to NI as to any part of GB. In practice, GB businesses are losing out to EU businesses from the current arrangement, despite words in the Protocol to the contrary  
  
The government needs to resume progress with its Northern Ireland Protocol Bill designed to restore UK control, as the Windsor Agreement is unacceptable to the Unionist Community and is damaging the GFA. The detailed implementing regulations under this Bill should be based on Mutual Enforcement, a new approach proposed by the Centre for Brexit Policy, endorsed in the government's Command Paper of July 21st, 2021, and supported by the DUP. Mutual Enforcement replaces the Windsor Framework and makes it possible to create an 'invisible' trade border between NI and the Republic, thereby eliminating the need for a trade border in the Irish Sea.
3. **Remove tariffs on products we do not produce for ourselves** by using them as bargaining counters in enhanced trade negotiations or unilaterally where it helps businesses and people here with lower input costs.



**CENTRE FOR BREXIT**  
POLICY

**CBP POLICY FORUM PAPER**

**BRITAIN MUST RESTORE ITS INDUSTRIAL AND AGRICULTURE  
BASE TO ESCAPE ITS CURRENT WOES**

A Blueprint for National Recovery

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