Followers of this website will know that we consider the entire UK tax system to be dysfunctional and damaging, but that would take at least five years to fix. For now, judicious juggling is needed, to begin to set it in the right direction. VAT is a dangerous brake on the economy and needs to be phased out. Because of the churning, deadweight losses and abstraction from other taxable revenues, the net yield from VAT is nowhere near the headline figure. A cut to around 12% straight away would be beneficial and have important symbolic value now that the UK is no longer in the EU.

Although UK property taxation is in need of a comprehensive review, in the short term there is scope for increasing revenue from the Council Tax and UBR as they stand. The Council Tax ratio between top band and bottom band properties could be increased from the present 3:1, reflecting the fact that the actual values are in the ratio of at least 6:1. The additional amount payable could be national. This too could be applied straight away. It would pick up useful amounts of additional revenue, especially from high value residential properties in London.

If the problems with the present system were sorted out, additional revenue could also be raised from the UBR. In principle, the tax should be payable by freeholders. It should apply to vacant sites and to all new leases as the present ones expire and are renewed. This would open the way to increasing the tax without driving businesses to the wall. Before the next valuations take place, it should be established that buildings and improvements should be ignored in the valuations, which would open the possibility of charging the rates on vacant but developable land.

As we have always argued, there is a longer-term need to reduce dependence on other damaging taxes, in particular, PAYE Income Tax and National Insurance. These effectively operate as payroll taxes and are an important factor in persistent unemployment, with consequential losses to the economy, and welfare costs.

On the positive side, importing of food from the low-cost suppliers whose products filled the shops before 1973 will give a boost to real wages and save government from having to increase index-linked pensions, welfare benefits and and public sector pay.