

Walliams' Big Match with Lara

EXCLUSIVE

by Jessica Boulton TV CORRESPONDENT

LITTLE Britain star David Walliams and bride Lara Stone spent the eve of their wedding today at the FA Cup Final at Wembley.

They put their marriage arrangements on hold for a couple of hours yesterday to cheer Chelsea's 1-0 victory over Portsmouth. A pal said: "It was perfect timing for them. They are both big Chelsea fans."

"What better way to spend their wedding weekend than watching their team win the Cup?"

The pair were whisked to the big match from London's Claridge's hotel - venue for their nuptials - on the back of motorbikes.

David, 38, was in a royal blue suit, while Dutch beauty Lara, 25, wore tight black jeans and a Chelsea top.

The Wembley treat is believed to have been part of their wedding gift from David's Little Britain co-star and best man Matt Lucas, 36.

David first met Lara at a Chelsea home game in January. Today's guests are expected to include Sir Elton John, Noel Gallagher, Geri Halliwell and a host of TV comedy friends.

SMILEY

LUKE Ledger, 17, cousin of late Oscar-winning star Heath, has landed his first feature film role in a new movie called Redback.

PEOPLE

Tube hope for oil leak

BP was last night trying to manoeuvre a thin, mile-long tube into its burst Gulf of Mexico pipe in a new bid to stem the massive leak.

Technicians were using joystick-operated deep sea robots to guide the 6in tube inside the 21in pipe 5,000ft down on the ocean floor.

The aim is to suck oil up like a straw to a tanker, while a rubber stopper around the tube will act as a plug.

About 200,000 gallons of crude a day is spewing into the sea, three weeks after a rig blast killed 11 workers.

Yesterday US President Obama attacked the "cosy relationship" between oil firms and his government.

Beach 'suicide'

A SUICIDE note left on a beach is believed to have been left by a woman in her 50s, whose body was recovered off Bournemouth, Dorset.

My verdict on Cabinet

MICHAEL PORTILLO



FORMER Tory Defence Secretary Michael Portillo gives his honest verdict on the members of the new Con-Lib Cabinet.

Speaking exclusively to The People, he described the coalition as "history in the making."

DAVID CAMERON - Prime Minister: David has shown imagination. He has risen above party and denied the centre ground to Labour.

NICK CLEGG - Deputy Prime Minister: He has real responsibility. This establishes a sense of duel monarchy, although Cameron is the leader.

WILLIAM HAGUE - Foreign Secretary: He is immensely experienced, having led the party. His difficulty will be that he is Eurosceptic.

GEORGE OSBORNE - Chancellor: The partnership between George and David is fundamental.

VINCE CABLE - Business/Banking: It's Vince's time at the top table. I think there will be big changes.

LIAM FOX - Defence: He will hit the ground running. But his budget will be under severe strain.

ANDREW LANSLEY - Health: Andrew is the person to sort out the mess after years of Labour rule.

CHRIS HUHNE - Energy/Climate: He'll be acutely aware of the conflicts between the coalition parties over nuclear power.

KEN CLARKE - Justice Secretary: Bullish Ken will be one of the biggest assets to the team. He is immensely experienced.

THERESA MAY - Home Secretary: As the most senior Tory woman, she was bound to get a top job. She is steady and competent.

MICHAEL GOVE - Education: Part of Cameron's inner circle and a most trusted ally. He will be a major player.

DAVID LAWS - Chief Secretary to the Treasury: In for a very tough job in the current economic climate.

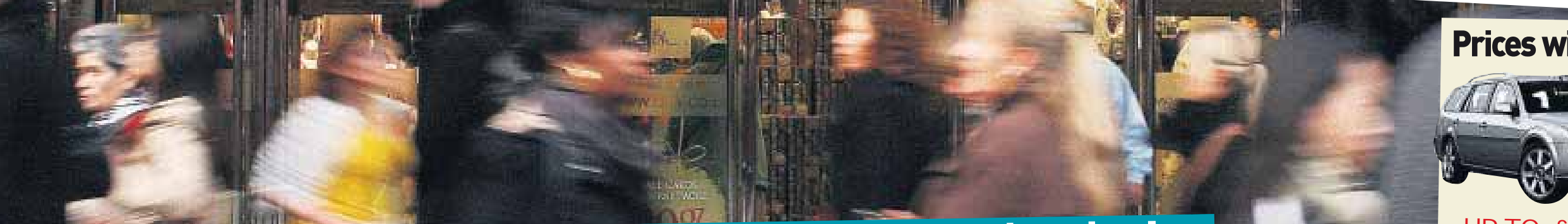
DANNY ALEXANDER - Scottish Secretary: A Scottish Secretary with a Scottish seat demonstrates the strength of the coalition.

ERIC PICKLES - Communities Secretary: Man of the people who'll be pushed to the front.

JEREMY HUNT - Culture/Olympics: He will be under pressure to monitor the Olympic budget.

IAIN DUNCAN SMITH - Work and Pensions: Iain will have his hands full as the social security problems are enormous.

HIKE OF VAT TO... 25%



EXCLUSIVE
by David Collins

Two top economists predict shock rise as Britain battles to tackle huge debts

VAT is to soar to a crippling 25 per cent under the Tory-led coalition Government, experts warned last night.

The huge rise is a genuine threat if new Chancellor George Osborne's debt-reduction targets are to be met, senior economists told The People.

And a senior Tory insider confirmed that Treasury discussions were underway on plans for a staggered series of rises over two years.

Party chiefs are said to privately believe this is an "easy" way to raise revenue rather than a direct hike in income tax.

The Conservatives have publicly committed themselves to an "accelerated reduction" in the budget deficit, in stark contrast to Gordon Brown's policy of leaving VAT untouched at its present 17.5 per cent.

At 25 per cent a new car such as a Ford Mondeo would cost £1,379 more.

It would cost around £4 extra to fill a car with a 40-litre tank and mean 24p on a pint of lager. Household goods would also suffer, an Argos kettle would go up from £6.49 to £6.98 and a Whirlpool fridge from £149.97 to £161.22.

Overall, it would set the average household back £1,500 extra a year.

Professor David Blanchflower, a former member of the Bank of England's Monetary Policy Committee, predicted a 25 per cent rate was "entirely possible".

He told The People he expected the new Government would first lift the rate to 20 per cent.

Prof Blanchflower - who has already dubbed George Osborne "Slasher" because of the cuts he wants to make - added: "The cost of living will go through the roof. The time to raise taxes is during the growth phase, not now. Raising VAT to such levels in the next few years is dangerous for the economy."

Fellow expert Roger Bootle, of Capital Economics, said: "The first raise to 20 per cent would be largely political."

"Then after that I can see them lifting it to 21, 22 or even 25."

Britain currently has the fourth-lowest VAT rate in Europe, above only Cyprus (15 per cent), Luxembourg (15) and Spain (16). But Denmark, Hungary and Sweden all have VAT at 25 per cent.

A respected Tory source added: "I think we will see an increase of VAT in the first year or two, although not necessarily in the budget in 50 days' time."

"George Osborne does not want to be seen to have got off on the wrong foot, so instead of one very large increase we will see a series of staggered rises."

Radical

"We could not go straight to the 25 per cent level because the electorate would see it as far too radical a move for this crucial early phase."

The insider added: "The feeling is that putting up VAT is a really efficient way of raising taxation and that it is not resented in the way increases in direct tax are."

"However Osborne will have to consider that the Tories said in their election campaign they had no plans to raise VAT straight away - and the fact that has a big impact on the

Consumer Price Index."

The Tories, who have planned £6 billion in public spending cuts this year, have been forced into a series of backtracks to seal a coalition with the Lib Dems.

Some economists claim a Tory idea to cut spending, coupled with hikes in capital gains and bank tax, will dent the deficit.

But this must be set against the Lib Dem led proposal to increase tax-free allowances to £10,000, which could cost £17 billion a year.

Lifting VAT to 20 per cent now would raise £12 billion a year, while putting it up to 25 per cent would rake in £36 billion.

Prof Blanchflower added: "It's a quick and easy way to raise extra revenue, but the problem is that it hits poor families the worst."

City investment banker Jonathan Davis said a VAT

cause everybody pays the same amount."

The Tories claim they have identified £4.4 billion of annual admin costs which they would aim to slash by a third by 2014/2015.

They have also made a further promise to chop public spending by £6 billion in 2010/2011 by tightening up non-frontline services.

Fellow economist Mr Bootle added: "They are going to find it far more difficult to than they realise to make cuts in the public sector."

The VAT rise is expected to come despite Nick Clegg fighting against it during the election campaign, describing it as a "secret bombshell" by the Tories.

John Fender, an economics professor at Birmingham University, said: "It's bad news for poorer people and poorer families, simply because they will spend more relative to their income than a wealthier family would."

City investment banker Jonathan Davis said a VAT

hike was inevitable because of Gordon Brown's mismanagement of the economy.

He said: "The reason we're in this mess is because Brown encouraged such a level of borrowing among individual people and the banks. I think he was the worst Chancellor we've had in 100 years."

Mr Davis said Britain was "on the brink of a wake-up call" with the Tories being forced to slash around 500,000 public sector jobs over the next five years across local government, Whitehall, the police and fire service.

Last night David Cameron was urged to slap VAT on exempt items like food and kids' clothes to plug the gaping hole in Britain's finances.

The International Monetary Fund said removing zero-rated items would be one of the best ways for the Government to raise revenue.

Dominique Strauss-Kahn, the IMF's managing director, said: "There is substantial scope for improving the revenue performance of the VAT in almost all countries."

VAT is currently not charged on many different items including public transport, books and prescription drugs.

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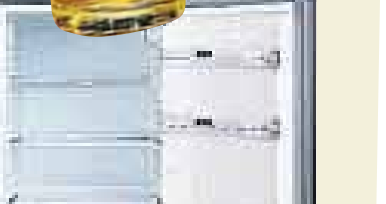
Prices will rocket



UP TO: £19,774
FROM: £18,395



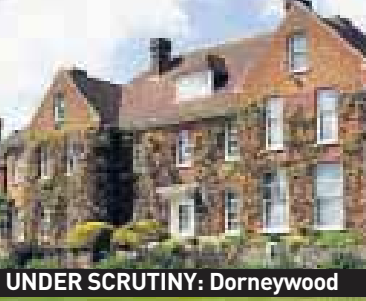
UP TO: £6.98
FROM: £6.49



UP TO: £3.44
FROM: £3.20

UP TO: £161.22
FROM: £149.97

PM'S PILES TROUBLE



UNDER SCRUTINY: Dorneywood

by Nigel Nelson

NICK Clegg is haggling over the use of a country pile as his weekend pad - because David Cameron does not want his team to appear like toffs.

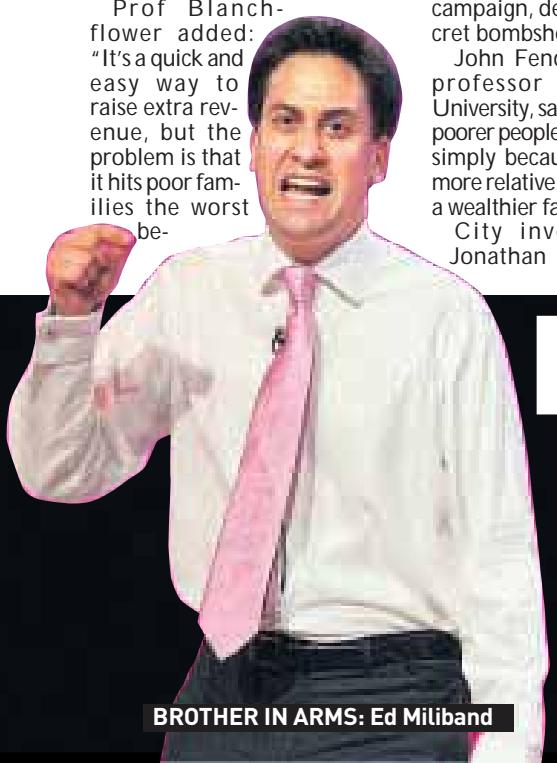
The Lib Dem Deputy PM is entitled to use Dorneywood.

But the PM remembers the ridicule faced by then-Deputy PM John Prescott when he was caught playing croquet at the

Bucks stately home. He was meant to be running the country.

Now the country mansions under Mr Cameron's control will be opened to voluntary groups when not used for official entertaining.

However, Tory Foreign Secretary William Hague is likely to use Chevening in Kent and Mr Cameron will use Bucks retreat Chequers. No10 insisted: "No decisions have been made."



BROTHER IN ARMS: Ed Miliband

READY, EDDY, GO!

by Nigel Nelson

ED Miliband yesterday launched his bid to be the next Labour leader by insisting the party had to accept it had lost touch with its core supporters.

He said Labour had got "too close" to bankers, failed to address immigration fears and "catastrophically" alienated many voters over Iraq. Mr Miliband, 40, told a Fabian

Society meeting: "My message to the British people is we will learn from our mistakes, we will be part of your values again, we will be part of your community again and we will work with you to build the kind of country we want to see."

He will have to fight his brother David for the top job - but both insist the battle will not affect their relationship. Ed

said: "David is my best friend and I love him dearly." And David, 44, said: "Brotherly love is more important than anything else."

David is favourite to win the leadership with Ladbroke's offering 2/1 on Ed is at 7/2 and Ed Balls gets 12/1. Meanwhile, Harriet Harman is set to lose the deputy's job when a new leader is elected.

THE PEOPLE

How we've led the way

THE People led the way throughout the General Election. Political Editor Nigel Nelson correctly predicted a coalition with Nick Clegg as Deputy PM - and was spot on about Cabinet posts.

Fantasy Cabinet
April 18, 2010

Nigel Nelson
CLEGG'S HUNG UP ON DEPUTY ROLE
December 6, 2009

GOOD BALANCE
Time for leaders to be serving this country together
We say
May 2, 2010

Our political editor Nigel Nelson gets the BBC interview
CAME VOTE FOR REAL CHANGES
GORD, I'M HERE FOR LONG HAUL
April 25, 2010

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Claire, West Yorkshire

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