

## My Letter to the Chief Executive at NatWest regarding the closure of their bank branch in Wokingham

Please see below my letter to Alison Rose, Chief Executive at NatWest:

Dear Ms Rose

Some of my constituents have expressed concerns about the closure of the Wokingham branch of NatWest.

The closure will disproportionately affect older customers who do not use online banking and who do not have access to transport to Bracknell.

While telephone services may be a suitable option for some there is the matter of long waits before speaking to a customer service representative.

Customers who are visually or hearing impaired will also be impacted by the closure of the Wokingham branch.

I should be grateful for your comments which I can forward to my constituents.

Yours sincerely

Rt Hon Sir John Redwood MP, DPhil FCSI

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## The true history of the bond market

There is a myth about the bond meltdown of September that political spin doctors are busily propagating. To understand the market we need to see that as the price of bonds fall so interest rates rise. If a Central Bank wants to move the long term rate of interest up from 1% to 2%, the price of a bond with no repayment date halves. If you lent the government £100 at 1% there would be a fixed promise to pay the bond holder £1 interest every year. If people then want 2% interest they will only pay £50 for the £100 loan, so the £1 of interest is 2% of the amount they pay for the bond.

The spinners claim the market fell away sharply owing to the Kwasi Kwarteng decision to announce tax cuts without forecasts. They do not mention the fact that the energy price package was far dearer than the estimated impact of the tax cuts. They claim the Kwarteng strategy damaged the economy and put up mortgage rates. They need to understand that mortgage and other rates were deliberately driven up by the Bank over a period of many months, as it

battled to correct its over lax money policy of 2021. The ten year interest rate started 2022 at 1% and was at 3.5% before the Chancellor spoke. It is at 3.55% today.

I agree the Chancellor should have put all three elements of his growth Plan together – tax cuts, spending proposals and the supply side measures. It would have been sensible to have some forecasts of borrowing and show interest in keeping borrowing to realistic levels. I do not agree that this was the only or the main cause of the falls in the bond markets. The main causes of the rises in rates were the actions the Bank of England and the US Fed.

The bond market was falling well before the Mini budget thanks to the stated intentions of the Fed and the Bank of England to put up interest rates. On 21 September the market fell in response to a very hawkish Fed, where the US was leading advanced country markets down and rates up. On 22nd September the bond market fell again on the announcements from the Bank of England. The market was particularly worried when the Bank announced its plans to get rid of £80 bn of its portfolio of UK government bonds, selling too many onto a falling market. On 23rd September concerns about the mini budget led to further falls.

The falls were larger on 26th and 27th September . On those days the dominant conversation in markets and media was not the mini budget but the need for many pension funds to sell bonds or shares to find the cash to pay sums to LDI funds. These are funds bought by pension investors allowing them to own more bonds than the fund can pay for by buying bonds through the fund on margin. When bonds fall in price the funds demand more cash payments to cover the losses.

The Bank stepped in to reverse its position of selling bonds into a falling market and announced it would temporarily buy up bonds again to deal with the special selling pressures from the pension funds. the market rallied strongly on the news. By 27th October the interest rate on the 10 year bond was back below the level it had reached the day before the mini budget.

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## [Dangers of too much devlopment in Wokingham](#)

**I am publishing this press release from Wokingham Borough Conservative Councillors as I am also concerned about possible extra developments on appeal.**

Wokingham Conservative Councillors have warned that the Liberal/Labour led Council have lost control of development across the Borough as appeals against planning decisions are increasing.

By halting work on the Local Plan, in progress under the previous Conservative administration, the Liberal Democrats, supported by Labour and the Independents, have opened Wokingham Borough up to a free for all for developers. The Conservative Opposition is now demanding that the coalition administration stops "dithering" and produces a Local Plan that residents can be consulted on.

Under the previous Conservative administration, the Council was on track to deliver its new Local Plan by December 2023. Officers of the Council have confirmed that the Local Plan will now not meet that deadline.

The National Planning Policy Framework (NPPF) requires local authorities to outline a five-year supply of specific sites to meet housing needs. Wokingham Borough now no longer has a five-year land supply, making the Borough increasingly vulnerable to developers.

Without the five-year land supply, the Council is more likely to lose appeals brought by developers. As a result, the wishes of residents will not be taken into consideration. Instead, planning decisions will be made by the National Planning Inspector, based in Bristol. On top of this, the Council loses the ability to ensure that necessary roads and local facilities are provided with new housing. Under the Conservatives, successful control of development meant that the Council only lost two planning appeals in the last four years.

At a meeting of the Council's Community and Corporate Overview and Scrutiny Committee it was confirmed that as a result of not having a five-year land supply the Council is experiencing an increase in appeals for speculative housing development.

In September, the administration lost a planning appeal for new houses in Hurst. An increasing number of appeals against decisions to reject planning applications are in motion, such as a proposal for 54 new homes near St Anne's Drive in Wokingham.

Liberal Democrat councillors have promised residents that they will lobby the Government to reduce housing numbers. Yet since they took office, there has been no progress to back up these words. By contrast, the previous Conservative administration worked with the Government to cut housing targets in half for Wokingham Borough.

Cllr Wayne Smith, Shadow Executive Member for Planning, said, "On the Lib Dems' watch, the Council has completely lost control over development. Backed up by Labour and the Independents, they've undone the work on the Local Plan without presenting any credible alternative. When they were in Opposition, they promised every single community that they would stop new housing, in an attempt to win votes. Now they're in power, they're risking a free for all for developers – or else breaking promises to thousands of residents.

"The Conservatives believe in protecting our local communities from unsustainable development, which is why we made the tough choices and put together a Local Plan. The Lib Dem-led coalition needs to show some courage, stand up for the Borough, and get on with producing a new Local Plan."

Cllr Pauline Jorgensen, Leader of the Conservative Group, said, "This is a ticking time bomb. The previous administration was set to deliver the Local Plan by December 2023. Without a plan and without a five-year land supply the Council is losing control of development"

"While Conservatives were in power we met with the Secretary of State and managed to reduce the number of homes being imposed on us by a half. Lib Dems say they are against unsustainable development, but their actions don't match their words. This is the very opposite of what residents thought they were voting for."

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## [My Meeting with the Member of Youth Parliament for Wokingham](#)

It was a pleasure to meet Holly Mackinnon, Wokingham's Youth MP on Monday. She visited the House of Commons and called in for a discussion about current issues affecting constituents and the work of an MP. The Youth Parliament is highlighting cost of living issues in line with the major preoccupation of many families in the country. I told her all that I have been doing to press for lower taxes, for financial support with high fuel bills and action to abate inflation. So far the Government has agreed to reverse the rise in National Insurance and provide substantial reductions to fuel bills as I and others wished. We talked about the need to raise benefits to reflect cost of living pressures, and to assist more people into jobs. There are plenty of vacancies locally where opportunities present for people to earn more.

Holly raised the issue of young people's mental health. I explained the way the Government is seeking to widen and improve mental health services and how recovery from Covid lockdowns should help.



# My intervention at the Urgent Question on Asylum Seekers Accommodation and Safeguarding

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** Will the Government legislate urgently to deal with the obvious loopholes in the law that are exploited by people smugglers and economic migrants? And I share the concerns of my colleagues about the use of hotels in my area.

**Robert Jenrick MP, Minister for Immigration:** My right hon. and learned Friend the Home Secretary and I are reviewing whether further changes to the law are required. One area we are particularly interested in is the modern slavery framework. That is important and well-meant legislation, but unfortunately it is being abused by a very large number of migrants today, and if we need to make changes to it so that we can ensure that it is not exploited, we will do so.