

## Controlling spending

The new fiscal rules require the government to only spend what it collects in taxes, with the exception of capital investment. Given the increases promised for schools, the NHS and the police, this means that the government does need to be careful with its spending. If it has other priorities for additional money, it will need to improve the efficiency of the spend elsewhere or identify programmes that are no longer needed.

It is anyway necessary to regularly review spending and to challenge public sector managers over how well it is being spent. Today I invite contributors to send in their best ideas for things that could be cancelled or trimmed from the present large budgets.

My own list includes some large items. I would cancel HS2, and spend some of the savings on more immediate and necessary improvements on rail routes into cities and towns, especially in the North and Midlands. London is currently receiving money for Crossrail and for tube improvements.

I would transfer some of the money required to be spent on Overseas Aid to housing, NHS capital and new school provision to represent the first year costs of refugees and economic migrants who need homes, access to surgeries and school places for their children. These are allowable costs under the overseas aid definitions.

I would toughen and spell out the terms of any future payments to the EU, as we do not wish to be paying more to them once we have properly left at the end of this year. The EU will have benefitted from an additional 21 months of our budget contributions thanks to the delays imposed on our exit by the last Parliament anyway.

I would promote faster growth in the ways set out on this blog, which will reduce the numbers out of work and so lower the benefit bills for a good reason.

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## UK economy slowed too much by domestic policy

As forecast here the latest figures for GDP growth show that the combined fiscal and monetary squeeze administered by Mr Hammond and the Bank of England have had their predicted effect. The economy has not been growing for the last quarter and the overall annual growth rate has tumbled towards German and Italian levels.

The USA is still growing considerably faster thanks to big tax cuts, a fiscal stimulus and active encouragement of growth and sensible lending by the Fed, their central bank. Never has UK policy been so much at variance with global policy as today, with the rest of the world's central banks fighting recession and the UK one fostering slowdown.

The delay in the budget until March means the cavalry of some fiscal stimulus does not arrive until April. Meanwhile some Monetary Policy Committee members openly muse about a quarter point cut in interest rates, though with no great sense of urgency. What the Bank should be doing is renewing its old scheme for Funding for lending, reversing its most recent decision about capital buffers for commercial banks, and changing its advice on lending for home and car purchase and for small business lending where there is adequate income and capital cover for the loans.

The Treasury needs to lift the IR35 tax changes which are damaging small contractors. All branches of government need to engage with the need for faster growth and join the international consensus that we need to fight slowdown now.

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## Housing and planning

The government will legislate to introduce a points based system of migration control. The plan is to reduce numbers coming in to take low paid work, and to ensure anyone entering to work comes to a job that has been identified.

The government has not set out any numbers yet, but presumably the plan is to have fewer migrants in total than we have been experiencing in recent years with EU freedom of movement. This should have a knock on effect to national and local plans, which currently need to cater for a large and continuing expansion of demand for homes from a variety of sources including from strong inward migration.

In Wokingham the Council has responded with a large approved building programme under the current local plan. As we look forward to the successor plan we need to reduce the future numbers of extra homes planned to take account of the large number already allowed. We need green gaps between settlements, protection of woodland and good farmland, and maintenance of flood plain.

Many of the homes now being built are being built on low lying land which creates more drainage problems. There are limits to how much drainage can achieve as it just dumps the water more quickly into the river system which itself is prone to flooding.

We also need to plant more trees and create more woods, not rip them out to concrete over the landscape.

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## Wokingham Cinema

I visited the new Wokingham Cinema on the edge of Elms Field on Saturday and was shown round.

It is an excellent new facility for the Town, with 3 screens. Each of the rooms have large comfortable seats with plenty of leg room. There is a food and drink service and a large bar area

It is well worth a visit, with a range of up to date film releases available for your entertainment. I wish them well with the venture.

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## Visit to Berkshire Fire and Rescue

On Friday Berkshire MPs and others were invited to a presentation by the Berkshire Fire service about the planned new Emergency services facility for Theale and about their future budgets. Laura Farris and I were the two MPs who joined the meeting.

We were told that Berkshire Fire service has recently been placed in the lowest quartile for local tax levied to help pay for it, and in the top quartile for performance. I congratulated them on these achievements.

We were asked to support a 7.5% increase in the local tax to pay for the service next year. The government is proposing a 2% cap, with the need for a referendum of taxpayers for a larger rise. We were told that the 7.5% increase would raise an additional £1.7m implying a base budget of £22.7m a year.

We were not given the budget figures or an explanation of what the extra money would buy so I suggested they sent me the details so I could consider it properly. They did say the new Theale facility soon to be built would be more efficient offering savings on budgets like energy which should help keep the tax down.