Paying for local schools

I renewed my request for better settlements for local schools in my meeting yesterday with the Education Secretary. I have regularly lobbied for a better overall settlement for Education, and for a better share of the total for Wokingham and West Berkshire. We have a strong case as the per pupil amounts for our schools are low by national standards. The government has accepted the need both to increase the total, and to improve the relative position of areas like ours that are at the bottom of the table for cash. We are discussing the magnitude and speed of improvement.

I also made the point about the problems for schools adjusting to sudden declines in pupil numbers. In order to operate a system allowing parent and student choice, and to cope with rising pupil numbers overall, it is necessary for more places to be available than there are pupils to fill them. If one or two schools suffer a sharp fall owing to say the opening of a new school nearby, this can cause problems for them in handling the budget consequences.

The Secretary of State promised to get back to me with a considered written reply to these points.

How much money do we save when we leave the EU?

I see some contributors here are out to belittle the amount of money we save when we leave the EU. Let me set out the official figures again:

OBR March 2018 p217 EU financial settlement

2019 figures (assuming we still pay full amount that year)

GNI based contribution   17.7bn Euro

VAT payments to EU   3.4bn Euro

Own resources (customs)   3.8bnEuro

TOTAL GROSS CONTRIBUTION   24.9bn Euro

UK rebate   4.7bn Euro

Public sector receipts (money back) 6.3bn Euro

NET CONTRIBUTION   (Gross payments minus rebate and cash back) 13.9bn E

(£12bn)

We could save all this if we leave with no deal or an improved deal. If we leave with Withdrawal commitments we will save all this once the transition and leaving payment is over.

Meeting with Education Secretary

I am meeting the Education Secretary this afternoon to go through the case for better levels of school funding in Wokingham and West Berkshire. The final budgets for 2018-19 for Wokingham schools total £98.742 million, compared to £94.45m last year, an increase of 4.5% This increase does have to take care of the rise in pupil numbers as well as providing for rising costs. The largest rise for an individual school is for Bohunt as it expands, taking on more pupils. In contrast the Forest and Emmbrook experienced a reduction in pupil numbers with adverse consequences for funding, as the per pupil element is an important part of the total.

Evendons BBQ

I would like to thank our hosts for the Evendons Ward Conservative BBQ on Sunday. The rain stayed away and we had an enjoyable meal with good company in the garden. Borough Councillors were present so those who wanted an update on local matters could get one.

The Bank succeeds in slowing money and credit – nothing to do with Brexit

The Bank of England has taken a lot of action to tighten money and credit since early last year. As this gets little attention I thought it might be helpful to remind people what it has done:

1. Increased rates from 0.25% to 0.5%
2. Cancelled the Term Funding Scheme which allowed banks to borrow at low rates to lend on to the UK economy (£127bn used by end of scheme in

April 2018)
3. Increased Counter Cyclical Capital Buffer banks have to hold to 1% from November 2018 to reduce bank lending for any given amount of bank capital
4. Toughened “prudent affordability limits” on home loans
5. Imposed new tight limits of mortgages above 4.5 times income
6. Warned against credit card zero interest rate promotions
7. Required tougher standards for car loans related to future value of vehicle
8. Warned that Central London office properties were expensive
9. Set out to “tighten consumer credit conditions”

Given this, as predicted here, it is not surprising the UK economy has slowed. Similar action is not being taken in the USA or the Eurozone. The Eurozone continues with zero interest rates and still more Quantitative easing. The USA is deregulating banks to allow more credit, and undertaking a major fiscal stimulus though it is raising rates.