

Balance of trade affected by change of accounting

The January trade figures were disappointing, showing a marked fall in exports to the EU which has caused some concerns by those who did not study the figures. The ONS has decided to change the basis for compiling the import and export figures, and by its own admission there was a one off hit to reported exports to the EU by delaying the dates of record.

During the first year after leaving the EU customs union both exports and imports were higher for non EU than EU. In the first half of 2021 we had a welcome balance in total trade, with a strong services surplus offsetting the usual large goods and food deficit. EU trade continued to be in deficit and the rest of the world in surplus. In the second half the trade deficit we were used to in the EU returned, with a total deficit of £24 bn for the six months. The top five imports are vehicles, medicines, gas, non ferrous metals and oil.

The strains on the balance of payments will increase this year given the high oil and gas prices. It underwrites the need to extract more of our own oil and gas. The government has said it has now shifted policy on this and I look forward to the executive decisions being taken to make this a reality. The UK offsets a substantial part of the vehicles deficit by strong exports of UK made vehicles mainly to non EU markets. It will be important to invest in and retain a strong car industry as EVs become more common. It should be a welcome challenge to the UK motor sector to seek to make and sell attractive products to home consumers that can substitute for the high volumes of EU vehicles still coming in.

The balance of payments was still sandbagged in the last quarter of 2021 by a large £5.8bn payment to the EU. One of the big balance of payments wins from Brexit will be the ending of these payments. It is a pity the UK offered such an attractive deal to the EU on payments after exit, as this has slowed down getting the benefits.

Cost of living

Dear Constituent

This month the price of gas and electricity will shoot up, following a period of price control. I have been arguing that the government does more to help offset the impact of these higher bills on living standards.

I was pleased the government did offer a reduction of Council tax to many. It

adopted the advice I and others offered to make a cut in fuel duty and to remove VAT from green products that can help cut energy use and bills. It has sought to delay some of the rise in bills. In the Spring Statement it raised the threshold for National Insurance, abating some of the impact of the National Insurance rise the government is imposing.

I do not think this is sufficient offset so I am pressing for more action. I wanted to see the cancellation of the National Insurance rise and the removal of VAT on domestic fuel.

I am also pressing for changes to energy policy to increase the supply of domestic energy to ease some of the shortages. I am hoping some of my proposals will be included in the Energy statement we are expecting soon from the government.

I am very worried about the cost of living pressures and will continue to press for more action to ease the impact. Government needs to bend all its powers to controlling the inflation, cushioning the impact and increasing supply where there are shortages. Pensions and benefits will need further review as prices rise, and the tax burden needs to be reduced.

Yours sincerely

John Redwood

[Extension to the Household Support Fund](#)

I have received the below letter from the Government Minister for Welfare delivery regarding the Household Support Fund which I would like to share:

Dear Colleague,

EXTENSION TO THE HOUSEHOLD SUPPORT FUND

Our new Way to Work campaign aims to get half a million people who are out of work into jobs in the next four months. It will support employers who need to fill their vacancies, whilst also helping claimants by improving their financial situation. Alongside this initiative, we have announced around £400 billion since the start of the pandemic protecting jobs and incomes.

The economy is in recovery, with a record number of people on the payroll, but we recognise the inflationary challenges and that people are concerned about pressure on household budgets. That is why we are extending the Household Support Fund to provide cost of living support for households most in need, shifting the focus of the fund to include more of those people who

cannot work. From April, the government is providing an additional £500 million to help households with the cost of essentials. This brings the total funding for this support to £1 billion. In England, £421 million will be provided to extend the existing Household Support Fund from 1 April to 30 September inclusive. The devolved administrations will receive £79 million through the Barnett formula. In England, the allocation for Councils is the same as for the previous 6 months.

In England, the fund will be distributed via upper-tier Local Authorities. This support will continue to help those who are struggling to afford energy and water bills, food, and other essentials, to prevent the escalation of problems. We know energy bills may be of particular concern to low income households and so Local Authorities are being encouraged to focus on supporting households with the cost of energy.

At least a third of the extension funding (£140m) will be spent on pensioners on low incomes and at least another third (£140m) will be spent on families with children.

This will ensure that the most vulnerable, including those unable to work to boost their income, will continue to receive vital support to help with the costs of household essentials throughout the next six months.

This extension is just one way that we are helping families with the rising cost of living and other global inflationary pressures. The government has recently announced a three-part plan of support to help households with rising energy bills, worth £9.1 billion in 2022-23. This includes a £200 discount on energy bills this Autumn for all domestic electricity customers in Great Britain, to be paid back automatically over the next 5 years. This also includes a £150 non-repayable rebate in Council Tax bills for all households in bands A-D in England, as well as a £144 million discretionary fund for Local Authorities to support households who are in need regardless of their council tax band.

We continue our focus on getting people into work. The National Living Wage will increase to £9.50 an hour this April, providing an extra £1000 pay for a full-time worker. This has risen every year since it was introduced in 2016. The cuts to the Universal Credit taper rate and the uplift to the work allowances will also put, on average, an extra £1,000 a year into the pockets of 1.7 million low-income families.

These initiatives, alongside the Household Support Fund extension, will work to help those most in need over the coming months. For MPs in English constituencies, please direct constituents in need of support to their local authority who will be able to help them access the Household Support Fund. Your Council will be required to produce a plan taking into account the new conditions and guidance. I encourage you to give your thoughts directly to your council leader on how you think their scheme could be improved. For MPs in Scotland, Wales and Northern Ireland, I would encourage you to speak to the Devolved Administrations about their plans to use their allocations.

Kind regards,

David Rutley MP
Minister for Welfare Delivery

[My question about the Government's Schools White Paper](#)

Rt Hon Sir John Redwood MP (Wokingham) (Con): How will the poorly performing schools get the brilliant teachers and better professional development that the Secretary of State rightly wants, because that is what they need?

Nadhim Zahawi, the Secretary of State for Education: My right hon. Friend is absolutely right. We endowed the Education Endowment Foundation when the coalition Government came into office, and I have just announced a further endowment for the next 10 years. It has evidenced the qualifications and quality of teacher training that are required, whether in the early careers framework, initial teacher training or later in life in professional development, and we are following that evidence and scaling up half a million teacher training opportunities. That has never been attempted, certainly in my time in Parliament; it is a huge scale-up of teacher training and that is what we will deliver.

[Two written answers from the Department of Health and Social Care](#)

I am continuing my questions to the Health department to highlight the lack of specific costed plans to deal with the waiting lists and quality of service issues that worry people. I am urging the Treasury to make the grant of extra cash conditional on clear plans to deliver more and better service, which in turn will need suitable workforce plans. The answers below confirm there is plenty of management work to be done to set out what additional better service they are promising and how they will spend the extra money they have been granted.

The Department of Health and Social Care has provided the following answer to your written parliamentary question (146529):

Question:

To ask the Secretary of State for Health and Social Care, in the absence of a manpower and recruitment plan, what steps the NHS takes to forecast its

spending needs for the year ahead. (146529)

Tabled on: 24 March 2022

Answer:

Edward Argar:

NHS England and NHS Improvement published the '2022/23 priorities and operational planning guidance' on 24 December 2021. This is supplemented by technical guidance on the associated financial assumptions on which the National Health Service should plan. Individual systems plan spending for the year against allocations in response to this guidance and submit plans to NHS England and NHS Improvement to aggregate into an overall NHS financial plan. We expect the NHS to manage their spend within the overall budget in the Mandate.

The answer was submitted on 29 Mar 2022 at 13:13.

The Department of Health and Social Care has provided the following answer to your written parliamentary question (146531):

Question:

To ask the Secretary of State for Health and Social Care, how often he meets the Chief Executive of NHS England to review progress with reducing waiting lists and other matters. (146531)

Tabled on: 24 March 2022

Answer:

Edward Argar:

My Rt hon. Friend the Secretary of State for Health and Social Care meets regularly with the Chief Executive of NHS England to discuss a range of issues, including progress on reducing waiting lists.

The answer was submitted on 29 Mar 2022 at 13:15.