[School Funding]

I have received a further update on School Funding:

There has been considerable discussion of international comparisons of education spend. Following publication of the most recent volume of the definitive international guide to education, the OECD's Education at a Glance. This was published on 11 September 2018, and includes the most recent comparable data available, which is from 2015.

You can see the OECD's full report on their website (https://bit.ly/2oWhReb) and you may also want to look at the World Bank's interactive tool (https://bit.ly/2zUB863) which allows you to pick different measures and compare between different countries. Data are collected by the OECD, using a common methodology to allow for comparison between countries. The figures include (for all countries) money direct to schools, and school support programmes. Our data are included at the UK level. Across the UK, England accounts for 84% of pupils, Scotland for 8%, Wales for 5% and Northern Ireland 3%.

Multiple measures show the UK as a relatively high spender on education. The widest measure is total expenditure on educational institutions, which includes state-funded and independent schools, further education, and tertiary education (i.e. university and post-18 FE), from all sources, including government, private and international (this is the basis for all countries in the analysis, not just the UK). On this comparison, the UK is one of the very highest spenders among OECD nations and partner countries – see Figure C2.1 in Education at a Glance (https://bit.ly/2yepukp).

It is also possible to look at measures which isolate government funding of primary and secondary schools only. On these measures, the UK had the highest total government expenditure as a percentage of GDP in the G7, and was one of the higher G7 countries (though below the US) on expenditure per student (with all countries' spend converted to US$ using purchasing power parity rates to allow international comparisons to be made). Data on expenditure as a percentage of GDP by source of funds can be found in Table C2.2 (https://doi.org/10.1787/888933804242) and data on expenditure per student by source of funds can be found in Table C1.5 (https://doi.org/10.1787/888933804109).

Of course, spending our money well is as important as how much we spend. For schools, we have just launched our Supporting Excellent School Resource Management guide (available here: https://bit.ly/2Rsw27R). This summarises the range of practical help and support available to schools to help reduce cost pressures and make every pound count to produce the best outcomes for pupils, on the £10 billion spent across England each year on non-staff costs. The document also shows at a macro level how increases in funding over the last 20 years have been spent. Comparative spend data for individual schools can be found through our benchmarking service (https://bit.ly/2BUJ8q1).

Damian Hinds
Secretary of State for Education

The Treasury keeps the UK under the control of EU austerity policies.

The UK solemnly goes on complying with all requirements on a member state of the EU. This year they dutifully filed their "2018 National Reform Programme and their 2018 Convergence programme". The Treasury has long accepted the EU's demands that we keep throttling back the deficit and move to getting down the debt as a percentage of GDP. There are times when the EU are right about this, but at issue is who makes such a judgement and who actually runs our economic policy? The EU has overdone the austerity in some cases causing more unemployment and lost output than needed. Mr Osborne turned this into the keystone of his economic policy and claimed it as his own, but it was just the UK version of EU economic policy which we were obliged to follow by being members.

The EU duly marked our homework this year and concluded formally "The Council is of the opinion that the UK needs to stand ready to take further measures as of 2018-19 to comply with the provisions of the Stability and Growth Pact". Presumably seeing that this would go beyond our membership, they mentioned in the supporting text the possibility that we will stay in for another 21 months transition when they would expect this policy to continue to be binding. The Council has instructed the Treasury to keep the nominal growth rate of public spending down to a maximum of 1.6%. That is a real terms cut at current inflation rates.

I want the UK Treasury to step aside from the long shadows cast by the European Semester and to announce a new budget strategy for the years ahead following our departure on 29 March 2019. We need a policy which is kinder to growth and to public service provision than the EU strategy has proved. The PM has said she is ending austerity. This is incompatible with following EU rules beyond next March, and depends on getting our money from the EU to spend at home.

Let's grow and rear our own great

English breakfast

In my speech to Parliament on the Second Reading of the Agriculture Bill I will ask the Secretary of State to improve his Bill. It should have at its centre the provision of laws and government policies that support growing food at home, and promote more UK output. Mr Gove presents himself as a champion of the environment. What better cause than to grow more food at home, slashing food miles and taking care of our countryside for a useful purpose at the same time. It will bring big carbon savings on transport, refrigeration and storage.

During our time under the control of the EU Common Agricultural Policy we have watched as we have become more and more dependent on food we could produce for ourselves coming in as imports from the rest of the EU. Meanwhile food we cannot grow for ourselves faces substantial tariffs from non EU sources, with no benefit to us.

So my questions are

Will he put food production at the centre of his Bill? Why is he relaxed that the Great English breakfast often has Danish bacon, continental pork sausage and Dutch tomatoes? Why does traditional English roast beef often use imported beef with Spanish and Dutch vegetables? Can't we do these things for ourselves again?

Will he with the Trade Secretary publish now the schedule of tariffs the UK will impose on the rest of the world including the EU on 30 March 2019 if we leave then, or at the end of the Transition period if we reach an Agreement? Will he cut the tariffs on non EU products we cannot grow for ourselves? Will he set a sensible tariff on worldwide temperate produce, which can be lower than current EU tariffs as we will be levying on rest of EU produce as well?

Will he examine how the current EU subsidy levels could be better spent to reward those farmers who boost output and productivity as well as dealing with environmental concerns?

Why do so many in the media ignore the most important points about our economy?

The UK establishment media are usually slaves to Treasury spin and Bank of England error.

Throughout the Osborne years as Chancellor we were told the main thrust of economic policy was to bring down the deficit. 80% would be achieved by spending cuts and 20% by tax increases. I set out regularly from the Treasury’s own figures that public spending carried on rising in total in cash terms, and edged up a little after allowing for inflation. In normal language this meant 100% of the large deficit cut achieved relied on a very big increase in tax revenue. Some of this increase came from higher rates, particularly on VAT, and some from lower rates on higher incomes which generated substantial extra income for the state. It was of course true that some programmes suffered from actual cuts, and areas like the NHS and schools with no real cuts were squeezed more than under previous budget plans. It was also true that areas like Overseas Aid and EU contributions marched remorselessly upward. The Chancellor sought to gradually relax the tough controls and cuts Labour had imposed on capital spending towards the end of its period in government as it wrestled with its huge deficit.

More recently last spring I highlighted the addition of a monetary squeeze to the fiscal squeeze going on and predicted this would lead to slower growth. That duly happened. The tax attacks on housing in the 2016 budget and on cars in the 2017 budget meant these areas suffered especially. I have yet to hear or see interviews asking why we need a combined monetary and fiscal squeeze, or even much acceptance that this is what is happening. This slowdown has nothing to do with Brexit. The economy performed well for the first nine months after the vote, when the official forecasts predicted an immediate collapse and a recession in winter 2016-17 which did not of course happen.

There have been too few examinations of how the UK establishment so misjudged the adverse impact of joining the EEC, misjudged the dreadful impact of the European Exchange Rate Mechanism, misjudged the Euro ignoring the obvious structural weaknesses which led to a series of Euro crises, misjudged the banking boom and bust and most recently misjudged the impact of a Brexit vote. One golden strand, which in their hands turns out to be base metal, links them all. Any economic project which comes from the EU is always favourably rated, and is usually bad news. Remember the “golden scenario” they said the Exchange Rate Mechanism would bring about? Or the huge extra growth that the Euro would foster? When you look at economic history you discover that a scheme which could be good for jobs and growth has usually been at best disappointing and at worst downright hostile to progress.

More money for social care

I have been lobbying for more money for social care for both West Berkshire and Wokingham. We are the bottom end of the grant levels and have a high cost area for making provision. I was therefore pleased to hear the Health Secretary offer an additional £240 million and have asked for details. He has not yet published the list of allocations by Council area.