

## Spending more – what about defence?

The UK is a leading country in the world, with a seat at the Security Council of the United Nations. As such it has responsibilities to contribute to UN peace keeping and peace making missions, and to humanitarian interventions around the world. The UK is also a leading member of NATO, a crucial defensive alliance for the western democracies. The UK is the second largest spender on defence after the USA in the alliance, and agrees with President Trump that the non US partners need to make a larger contribution to their own defence than they have been doing. The UK has agreed to spend 2% of its GDP on defence, which means that each year as GDP rises defence receives a cash and a real increase in its spending levels.

The UK needs several important capabilities. It needs an expeditionary force, so that it can intervene decisively, usually with allies, where there are events like the invasion of the Falklands or Kuwait that require a swift and effective military response. It needs a similar ability to project force over distance to assist with peace making interventions in regional wars as sometimes in the Middle East, and to have humanitarian capability to assist victims of flood or disease or other disasters. Above all the UK needs a strong defence to protect these islands, which includes the insurance of a nuclear missile shield to deter aggression.

The government has found the money for two large carrier ships and attendant planes. It is proceeding with the renewal of the submarines which contain the nuclear deterrent, which need to have a continuous at sea capability to be effective. It has reduced the size of the surface navy, the army and the airforce as it has sought to adjust to tighter budgets in the last twenty years.

Extra money would be welcome to expand the surface fleet needed to complete and protect the carrier groups, and to provide flexible task forces for humanitarian purpose and to provide home defence. It could be used to relieve the pressures for a smaller army, which stretches UK ability to respond positively to the demands of allies and the UN to contribute to missions. It could add to the number of aircraft, as we resume a maritime reconnaissance ability and strengthen the heavy lift capability. To be a successful expeditionary power we need eyes in the sky and the ability to move people and equipment rapidly to trouble spots.

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## Spending increases: the case for

# [schools](#)

The government has admitted that schools in areas like Wokingham get too little per pupil compared to the average, and too little in absolute terms. They have under pressure given us a modest uplift. Some of this has come from changing the formula to limit the losses of the lowest paid areas. Some has come by way of a general increase for all schools.

More needs to be done. Schools need to be able to recruit and retain enough good teachers, and teachers deserve a professional salary to reflect their training, commitment and responsibilities. I would like to see a bit more cash provided overall, with a further improvement in the formula for the lowest paid areas.

Schools have considerable discretion over their budgets. The state needs to ensure the average and the minimum level of per pupil funding is sufficient for a well run school to do a good job. Some schools are better than others at getting value for the money they spend. Some are better at attracting great teachers who encourage high standards and motivate pupils well. In such a decentralised system there are limits to what the central government can achieve. We look in particular to the teaching profession to set standards, to innovate, and to manage the school budgets well.

I see the Secretary of State is challenging the Treasury on this issue. There is money available without raising tax rates. Cutting some tax rates would also bring in more revenue. The government continues to collect more tax than Treasury forecasts.

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## [We do need to spend a bit more](#)

Starting today I want to run a series of articles looking at how we could best spend the additional money coming from growth and from the savings in our EU contributions.

The NHS does need more money. There is the need to provide for the rising numbers of patients, partly the result of rapid growth in population. Even after a new migration policy has been put in place there will be some growth of population we need to provide for.

Under new arrangements with the EU after departure we need to make sure that if we continue with state payments for care in each other's territory there is a fairer recharging by the UK to the EU for the care we deliver to EU citizens in the UK. If there is no agreement then we need to require payments or insurance on EU citizens here, and to offer a way of reimbursing UK citizens needing care on the continent.

The government has accepted the case for more money, and even accepted a general level of increased payments. Over the summer it is vital this is turned into a positive programme. The government should not sign off on any extra money unless and until there is a costed proposal that cannot be covered by existing budgets, and which will raise the quality and quantity of care delivered.

Ministers are talking about setting the Chief Executive of NHS England proper targets and requiring performance against them to justify extra cash. These targets need careful choosing and enforcement. It also needs to be clear that failure to hit agreed targets will result in financial penalties for the highly paid top team. If they wish to be paid far more than the PM, more like the private sector, there needs to be genuine performance related risk for them

I do think we need more money to expand operating theatre capacity, provide extra medical teams for hospital treatments, and expand the numbers of GPs.

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## [Let's thank the Irish PM for showing us how absurd Project Fear has become](#)

There are international agreements allowing overflights. Irish planes will still fly over the UK once we have left, and UK planes will still fly over Ireland. BA is of course part of IAG, an Anglo Spanish company with a headquarters in Madrid, so does the Irish PM anyway not see that as an EU company that will carry on flying?

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## [Improving delivery times](#)

I am delighted so many people have suddenly become interested in the issue of speedy delivery of raw materials, components and finished goods. Some are so interested they think it is the topic which should determine our approach to Brexit. I want to ask the question what actions could we take to cut down delivery times more if people think this is such an issue.

Lets take a complex supply chain. The company concerned needs imported components from India and from Slovakia to meet an automated manufacturing system. The typical delivery time from Slovakia by road transport is four days. The typical delivery time by sea transport from Mumbai is 20 days. Immediately when we look at this issue we see that the short time it takes to get through the port of Dover from Slovakia or through the port of

Southampton or London Gateway from India is tiny compared to the lengthy time it takes by sea or road. The sea journey is probably a bit more predictable than the road journey, as it is less open to congestion and delays. The sea journey does also need two road transport journeys to get to and from the ports involved, whilst the road journey from the continent needs a short sea crossing to tackle the English Channel.

The investment needed to cut journey times and unreliability includes investment in the road networks involved. I do not know all the details of the road congestion from Slovakia on the continent, but can vouch for the delays and unreliability the shortage of capacity from Dover or from Southampton to a factory in say Birmingham can cause. This would seem to be a more sensible worry than the idea that after Brexit lorries will face unacceptable delays at our ports.

We need to remember that the bulk of our trade with the EU is imports, not exports. That means the crucial port movements occur in UK controlled ports. It is the UK authorities who will have the task of checking standards and tax liabilities, as they do today whilst we are still in the EU. We have no reason to set up a complex system at the port which will cause more delay or so called friction. We can continue to use Authorised Economic Operators. electronic manifests and on line assessment, tax collection and clearance of most cargoes. Trade within the EU today requires complex calculations of VAT, other transaction taxes, quality and safety checking and other compliance. Most of this occurs away from the port. We have no need to make it too difficult when we are out of the EU.