

## A grim anniversary

One year on from the Russian invasion of Ukraine we send our condolences to all those families who have lost loved ones in the conflict. We condemn the needless violence and the damage to Ukraine's cities.

NATO has made clear it does not want a war with Russia. It has told Russia NATO is no threat to Russia's land or people. As proof of this it will not send NATO personnel onto the battlefield nor will it allow Ukraine to fire off NATO supplied weapons outside Ukraine's borders into Russian territory.

NATO under Biden got off to a slow start helping Ukraine but has now escalated its support by sending a much greater range of weapons and technical assistance. Putin argues that NATO provoked the fight as he seeks to provoke the West. The Ukrainian forces stopped the Russians reaching Kyiv and are now counter attacking in the South east where Russia has made gains.

Neither side currently want peace talks, as both think they can achieve more on the battlefield. China talks of a possible settlement but has yet to spell out how and what it would look like.

What would you like NATO to do next? What kind of a peace would be fair?

---

## The future of the hotel used for migrants in Wokingham

I held a meeting with officials over the Home Office use of hotels in the local area to house migrants pending resolution of their cases. I stressed the undesirability of long delays both to the migrants and to the local community. If someone is a genuine asylum seeker we need to welcome them and let them get on with establishing a new life in the UK, and if they are illegal economic migrants they should not be put up for extended periods in hotels at taxpayers' expense. We need our hotels available for their normal users, to allow business people and visitors travelling to Wokingham a good choice of hotel, and to cater for weddings, conferences and events.

I asked when the Home Office plans to vacate the hotels . They did not know.

I asked what plans they had to ensure a smooth return of hotels to normal use. They said that was a matter for the hotels.

I asked for an assurance they would not be taking any more of our local hotels. They did not think so, but could not guarantee that.

I asked why they did not recruit more staff and get rid of the backlog of cases. They said they were doing so.

I asked why it took so long to decide a case for someone who had travelled from a safe country like Albania. They said they were now speeding these cases up.

I asked how they handled people who had come from a safe country like France. They said these cases could be complex and could not be done promptly.

I asked if I could assume they had not identified anywhere in our area for the idea that they transfer people still having to wait a long time from hotels to other accommodation. They thought that was true but could not confirm.

I asked for written follow up to the issues where they could not be sure of the answers, which I will share when I get it.

---

## More public service for more money

The government since 2019 has not been shy with the cash. Record increases and record sums have gone into the NHS. The output of operations, treatments, medical consultations has not gone up as hoped for with all the extra money.

Of course more money was needed. There needed to be pay rises as inflation picked up. There needed to be extra capacity as the population expanded considerably given a generous policy towards inwards migration and difficulties in stopping illegal arrivals. There also needs to be good management choices about how to spend the extra money. There needs to be good employee relations. Management needs to design achievable workloads and create a favourable environment for productive endeavour.

The 36,000 managers need all to contribute to a better mood and mutual support of staff. All need to be focused on delivering more healthcare. More of the extra money has to buy extra capacity – more beds with staff to look after patients, more GP and nurse consultations, faster tests for diagnosis.

Above all the extensive management and personnel functions need to grade, evaluate and create worthwhile and feasible jobs that people are proud to hold. Too many staff leave, work on short term contract and feel unhappy about their job spec and remuneration. These are the very issues within their large budgets managers need to sort out, given the staff unhappiness on display. Did they put in the right evidence to independent pay review? Can issues be remedied in next years settlement? Did the Pay Review body think enough about the impact of higher inflation on their settlement?

---

# Letter from the Minister about Cost of Living Support and the extension to the Household Support Fund

I have received the following letter from the Minister about Cost of Living Support and the extension to the Household Support Fund which is available to Local Authorities.

Dear Colleague,

## COST OF LIVING SUPPORT AND EXTENSION TO THE HOUSEHOLD SUPPORT FUND

The Government understands the pressures people are facing with the cost of living and is taking further action to provide vital support for those in need in the coming months. The Prime Minister has committed to cut the headline rate of inflation in half by the end of the year.

We are also making further cost of living payments in 2023/24, including up to £900 delivered in three payments to those on eligible means-tested benefits, a £150 payment for those on eligible disability benefits, and £300 on top of Winter Fuel Payments for pensioner households. Benefits and pensions will also increase by 10.1% in April, with the minimum wage also seeing its largest ever cash rise hitting £10.42 an hour.

The Energy Price Guarantee is also continuing to protect customers from increases in energy costs and, from April 2023 until the end of March 2024, meaning a typical household bill will be around £3,000 per year in Great Britain, while equivalent support will continue to be provided in Northern Ireland.

The Government is also providing an additional £1 billion of funding, including Barnett impact, to enable the extension of the Household Support Fund in England in the next financial year. This is on top of what we have already provided since October 2021, bringing total funding to £2.5 billion.

In England, the Household Support Fund, backed by £842 million, will run from 1 April 2023 to 31 March 2024, enabling Local Authorities to help households with the cost of essentials. The Devolved Administrations will receive consequential funding as usual through the Barnett formula to spend at their discretion.

This year-long extension allows Local Authorities in England to continue to provide this support. Local Authorities have the flexibility and discretion to design their own local schemes within the parameters of this guidance and grant determination that we have set out for the fund. Local Authorities have

the local knowledge and ties to best determine how this support should be provided to those in need in their local communities.

Local Authorities have been asked in the scheme guidance to support households in the most need, and in particular those who may not be eligible for the other support government has recently made available. Local Authorities are expected to help eligible households with the cost of energy and water bills, food and other related essentials. Authorities can deliver the funding in a number of ways that they deem most suitable, such as by paying into bank accounts, or via the provision of goods.

Today, the guidance and grant determination for this forthcoming extension have been published, and can be found here.

This extension, in addition to the previously mentioned initiatives, will work to help those in need. We would be grateful if you could direct constituents in need of support to their Local Authority or Devolved Administrations who will be able to help them access the local support available to them in the coming months.

I am placing a copy of this letter in the House Library.

Mims Davies MP

Minister for Social Mobility, Youth and Progression

Wokingham Council will receive £1,051,147

West Berkshire will receive £1,389,666

---

## [The state of the public finances](#)

It is becoming more and more difficult to see an accurate picture of the nations finances given changes to the definitions and runs of data and the accounting methods deployed.

Yesterday we learned that there was a £5bn surplus of revenue over expenditure in January., This was considerably better than the OBR recent forecast. We should expect there to be a healthy surplus each January, as substantial sums of self assessment income tax, CGT and other annual taxes are paid following the filing of returns.

I found the more interesting figure was the one for the government's cash surplus last month. That was a much healthier surplus of £21 bn for the one month. That is the excess of revenues over total bills paid by the government that month. The big discrepancy with the headline figure of just £5bn can be explained by non cash items like the payment of £4.2bn of taxpayer cash to the Bank of England for its losses, where the cash sent to the Bank remains

within the wider public sector, and the so called interest bill including the indexation changes on indexed government borrowings. The state does not pay these out as cash payments but they are rolled up until the maturity date of the bond which may be 20 years or more away. It will then be reborrowed, not requiring tax revenue to pay out.

The figures suggest there is what the Treasury call headroom for some tax cuts in the budget. The OBR will score lower tax rates as losing the state revenue. There is an issue with this, as cuts in tax rates for taxes like Corporation Tax and higher rate Income Tax have always in the past led to more revenue not less. Overseas experience as I highlighted yesterday is a lower rate of business tax brings in much more revenue, encouraging so many more businesses to locate and invest in low tax jurisdictions. The headroom will be enlarged by Treasury accounting. By the year end when many expect the inflation rate to have more than halved there will be a big saving in the interest programme as the Treasury charge the non cash item of indexation increases on inflation linked state debt to the debt interest programme. The energy subsidy programme will also produce large savings after the wind down in April.

Among the ideas the Treasury should adopt to assist growth and more capacity in our economy are cancelling the Corporation tax rise, improving the tax system for the self employed, raising the VAT threshold for small business and suspending VAT on domestic fuel.