News story: Taxpayer’s stake in Lloyds now below 4%

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The government has continued to sell shares in Lloyds Banking Group, reducing its remaining shareholding to less than 4%.

The latest sales, conducted via the trading plan, mean the government has recovered over £19 billion of the £20.3 billion taxpayers injected into Lloyds during the financial crisis, once share sales and dividends received are accounted for.

Economic Secretary to the Treasury, Simon Kirby, said:

> Since the decision to sell the government’s stake in Lloyds we have now recovered over £19 billion for the taxpayer.
>
> Lloyds’ strong annual results show that we are in a good position to continue to reduce our shareholding and recover all of the money the tax-payer injected into the bank during the financial crisis.

A trading plan involves gradually selling shares in the market over time, in an orderly and measured way. The Lloyds trading plan initially ran from 17 December 2014 to 31 June 2016. The government announced on 7 October 2016 that further sales of Lloyds shares would also be made through a trading plan.

On 9 January 2017, the government announced it had passed a significant milestone in returning Lloyds to the private sector when it confirmed it was no longer the bank’s largest shareholder.

As required by Financial Conduct Authority (FCA) rules, Lloyds Banking Group announced today that the government’s shareholding in the bank has crossed through a one percentage point threshold – therefore notifying the market that the government has reduced its shareholding in Lloyds to below 4%.

All proceeds from the sales are used to reduce the national debt.

Survey portrays confidence and concerns of Chinese

Zhao Lingyi, a post-90 woman, introduces her cakes to a customer in her shop in Weihai in Shandong province, Dec 19, 2016. [Photo/Xinhua]

A survey carried out by China Central Television indicates that those born in the 1990s and those above 60 are more confident about their financial health, reported chinanews.com.

The China's Economic Life Survey, sponsored by CCTV, the National Bureau of Statistics, China Post and National School of Development at Peking University, suggests new trends in income, expenditure, social security, and life quality of Chinese people.

This year's survey shows that 16 percent of post-1990s and 13 percent of those aged above 60 are confident about their financial prospects.

According to previous surveys, the confidence in income in 2015 rebounded to the highest point in recent years.

In terms of investment, Chinese households are relatively risk averse, with 35 percent investing in nothing. The most popular financial products are insurances – nearly two in five people chose to spend on them.

The survey also shows that 46 percent of respondents prefer to spend on tourism, leading in various kinds of consumption choices.

More than half said they "are under much pressure from work, and have no time to exercise”. At the same time, 34 percent said they buy heath care products and services.

When it comes to attitudes toward the second-child policy, 24 percent of respondents said they do not plan to have another child in short term due to economic pressure.

The survey collects feedbacks from 100,000 Chinese households in 104 cities across the country by sending them post cards with questionnaires. This year, big data technology was applied in the survey.

The detailed information about the survey will be aired on CCTV next month.

Global Crude oil price of Indian Basket was US$ 55.01 per bbl on 22.02.2017

The international crude oil price of Indian Basket as computed/published today by Petroleum Planning and Analysis Cell (PPAC) under the Ministry of Petroleum and Natural Gas was US$ 55.01 per barrel (bbl) on 22.02.2017. This was lower than the price of US$ 55.37 per bbl on previous publishing day of 21.02.2017.

Government to issue Sovereign Gold Bonds 2016 -17 – Series IV; Applications for the bond to be accepted from February 27, 2017 to March 03, 2017

Government of India, in consultation with the Reserve Bank of India(RBI), has decided to issue Sovereign Gold Bonds 2016-17–Series IV. Applications for the bond will be accepted from February 27, 2017 to March 03, 2017.

The magic extra million is a public sector constant quest

If the state is spending £100 million on providing a service the debate will be about providing an additional £1m to make it better. The possible extra £1m is endowed with magic powers by the service providers and often by the political opposition. The extra one million we are told would make all the difference to the quality and performance. A government that refuses it is mean, is cutting the service. A government which votes it is caring.

The trouble is it is simply not true that the extra million will tip a service from poor to good, or will make all the difference to the quality and quantity delivered. All the energy that goes into debating the extra million diverts the energy that should be going into debating how we spend the £100 million. It would be an odd programme where all £100 million was well spent, an odd service where you could find no ways of being more efficient and delivering higher quality.

Sometimes if you ask how would the extra £1m be spent it becomes obvious that it is not the answer. Of course some services need more people to deliver them well, or higher pay to motivate and retain good people, or more capital equipment to make the task of provision better. Sometimes extra money is part of the answer. The danger is that politicians will see extra money as the sole answer, when if you vote more money you still need to supervise how it is spent, and how the rest of the money is spent which it is topping up.

The private sector concentrates more on outputs than inputs. If I go to a shop they do not tell me how much it costs them to run and staff the shop. Shop A does not claim to be better than Shop B because it spends more on wages, computers and lighting. The shops compete on service and appearance without saying which is the low cost and which is the high cost store. Those running the shops are always trying to get the costs of running the shop lower, whilst preserving or improving quality. Sensible employers also know you do not have a good quality service if you treat staff badly and pay them too little.

The public sector needs to concentrate more on outputs, service volumes and quality. Some of the services will need more money to make them better, but we need to start with an honest analysis of what needs doing to expand or improve them, which includes working out how well we are spending the large sums already committed.

The public sector has an approach that adds in something called “efficiencies” . Some of these are sensible improvements in purchasing, staff use and service delivery. Some are cuts in service dressed up as efficiency improvements. What we need is a management process based on continuous improvement, and implemented by using talent well within the organisation.

Good public service providers need to be good employers, training and mentoring staff and helping staff to worthwhile careers based on pursuing service excellence.