The EU budget 2021-27

It was interesting yesterday to hear the media telling us the EU would lose a net 15bn Euros from the UK's exit from the EU, much in line with the £12bn net UK gain figure I and others used throughout the referendum campaign. Remain supporters used to tell us it was nothing like as much as this. I hope they were listening.

It was also interesting to see the priorities for increased spending by the EU. They propose increasing defence expenditure 22 fold from a low base. They want to spend 2.6 times as much on borders, and 2.5 times as much on civil protection as in the present budget period. We were told there would be no EU army, yet work continues apace to increase the EU's role in Member states defence.

They also propose three new sources of tax revenue for the EU going forward. There will be a 3% levy on Corporation tax to pay for the single market, as they move to legislate for a "common consolidated corporation tax base". (Remember all the promises that tax was a red line remaining under national control?) The EU will take 20% of Emissions Trading revenue, and will up its share of customs revenue from 80% to 90%. There will be a new non recycled plastics tax.

The EU will sweep aside all remaining member states rebates over the period 2012-26. They will prevent countries that have "rule of law deficiencies" from getting access to various EU monies to give the EU more leverage over national policies and electoral results they do not like. They are setting up a couple of new funds to help convergence in the Euro area and to assist countries preparing to join the single currency.

It is a sensible budget given the ambitions to create a political union and to project it more on the world stage. The budget reveals what Vote Leave set out – this is not a mere trading arrangement, but a serious attempt at full economic, monetary and political union. This budget and related measures will give it more money per head to spend, and will give the Union more power over the member states.