

## Evendons BBQ

I would like to thank our hosts for the Evendons Ward Conservative BBQ on Sunday. The rain stayed away and we had an enjoyable meal with good company in the garden. Borough Councillors were present so those who wanted an update on local matters could get one.

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## The Bank succeeds in slowing money and credit – nothing to do with Brexit

The Bank of England has taken a lot of action to tighten money and credit since early last year. As this gets little attention I thought it might be helpful to remind people what it has done:

1. Increased rates from 0.25% to 0.5%
2. Cancelled the Term Funding Scheme which allowed banks to borrow at low rates to lend on to the UK economy (£127bn used by end of scheme in April 2018)
3. Increased Counter Cyclical Capital Buffer banks have to hold to 1% from November 2018 to reduce bank lending for any given amount of bank capital
4. Toughened “prudent affordability limits” on home loans
5. Imposed new tight limits of mortgages above 4.5 times income
6. Warned against credit card zero interest rate promotions
7. Required tougher standards for car loans related to future value of vehicle
8. Warned that Central London office properties were expensive
9. Set out to “tighten consumer credit conditions”

Given this, as predicted here, it is not surprising the UK economy has slowed. Similar action is not being taken in the USA or the Eurozone. The Eurozone continues with zero interest rates and still more Quantitative easing. The USA is deregulating banks to allow more credit, and undertaking a major fiscal stimulus though it is raising rates.

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## Drugs dealing and schools

I recently attended a meeting with local Councillors, the Deputy Head of a

local secondary school and the police to discuss drug dealing by pupils.

I was pleased to see the efforts being made to discover and tackle this problem. In this case with the help of the local Council, CCTV was revealing who was involved, with a good chance of taking follow up action to punish and deter. Often the drug dealing takes place outside the school grounds in public places when pupils are going to or from school.

I am aware that this is an issue for several local schools. Senior teachers responsible for behaviour and discipline and local police are rightly concerned and engaged. Anyone with evidence or intelligence about this should send it in to the school or police, who have powers to deal with it. Seeing it and exposing it is the best way to tackle it. The authorities can best deal with it where there is reliable evidence from witnesses. Drugs can ruin young lives.

Local authorities and school budgets can stretch to CCTV and other ways of exposing danger.

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## [Health spending, tax and that Brexit dividend](#)

There has been a long running argument within government over health spending and how to pay for future increases. That is why I wrote about efficiency and quality last week, and set out the case against a hypothecated health tax sometime ago on this site.

I am pleased to report that the idea for a hypothecated new Health Tax seems to have been dropped. I explained how such a tax would not be enough on its own, how there would still be plenty of arguments about how much extra money the NHS needed as well as the hypothecated tax, and how you cannot throttle back health care simply because one particular tax has fallen short.

I am also pleased to report that those of us who argued a substantial part of the Brexit dividend should be used to meet increased future health costs have also been persuasive. There will be an extra £12bn a year available for spending and tax cuts once we have terminated our payments., I am in favour of doing this immediately after March 29 next year, unless the EU suddenly comes up with a good deal which is worth letting them have a bit more of our money after we have left.

There is still work to be done on whether there is any need for extra borrowing. That will depend on how fast the economy grows and how quickly the revenue increases. Lowering tax rates would help raise more revenue in several cases, which would be a welcome boost to the economy with beneficial consequences for future spending. When the US is going for a top Income Tax

rate of 37% and Italy for a top rate of 20% the UK needs to stay competitive to ensure enough well paid and successful business people stay here and pay their taxes here to help our public services. The UK economy needs a fiscal boost to offset the monetary tightening administered by the authorities since March 2017.

It is also important to grant increased spending for the NHS on the basis of something for something for something. Just granting a blanket increase could result in wasteful spending, as we saw in the big increases in the middle Labour years before they had to slash public spending generally after the crash.

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## **Congestion, traffic jams and roadworks**

Wokingham has suffered a long run of road works, closures and partial closures. The work on the town centre has removed main road capacity around the town hall and blocked neighbouring roads. Meanwhile utility works, road works and new building works have led to many blocked lanes and temporary lights.

I have stressed to the senior officials at the Borough Council the need to avoid parallel closures where the alternative route is blocked at the same time. I have urged more new or replacement utility cables and pipes to be put in away from roads. I have requested speeding up road works by any disrupting the highway. Councillors, like me, are keen on changes that cut congestion.

I am also working with the Council on an improved strategic local network with more capacity and safer junctions, as we need more capacity to cope with expanding numbers. I have proposed a junction review to optimise layouts and ensure good traffic sensing technology to help move traffic through light sets more quickly.