

## Wokingham Cinema

I visited the new Wokingham Cinema on the edge of Elms Field on Saturday and was shown round.

It is an excellent new facility for the Town, with 3 screens. Each of the rooms have large comfortable seats with plenty of leg room. There is a food and drink service and a large bar area

It is well worth a visit, with a range of up to date film releases available for your entertainment. I wish them well with the venture.

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## Visit to Berkshire Fire and Rescue

On Friday Berkshire MPs and others were invited to a presentation by the Berkshire Fire service about the planned new Emergency services facility for Theale and about their future budgets. Laura Farris and I were the two MPs who joined the meeting.

We were told that Berkshire Fire service has recently been placed in the lowest quartile for local tax levied to help pay for it, and in the top quartile for performance. I congratulated them on these achievements.

We were asked to support a 7.5% increase in the local tax to pay for the service next year. The government is proposing a 2% cap, with the need for a referendum of taxpayers for a larger rise. We were told that the 7.5% increase would raise an additional £1.7m implying a base budget of £22.7m a year.

We were not given the budget figures or an explanation of what the extra money would buy so I suggested they sent me the details so I could consider it properly. They did say the new Theale facility soon to be built would be more efficient offering savings on budgets like energy which should help keep the tax down.

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## Mr Carney's speech

This week the outgoing Governor of the Bank of England gave a speech which was read as dovish and temporarily drove the pound down. He set out how despite low interest rates the Bank could if necessary ease money policy

more. He did not encompass all of the ways in which the Bank could ease but was right about the possibility and the general magnitude of flexibility left in the system.

There were two glaring omissions from the speech. There was no detailed examination of the worldwide Central Bank moves to ease over the last few months, as practically every other Central Bank has joined the necessary move to stop the global slowdown and stimulate growth. China has lowered commercial bank capital requirements and brought forward local authority borrowing. The Fed has cut interest rates three times and pumped money in at the short end. The ECB has resumed Quantitative easing. Brazil, Turkey, Australia, New Zealand, India and many others have cut rates. The UK has done nothing and has ignored the slowdown.

The second is he did not refer to the substantial tightening the Bank has carried out. Contrary to the global trend the Bank has just doubled the countercyclical buffers restricting commercial bank lending. Its words and actions have until Mr Carney spoke this week helped boost the pound, in itself a monetary tightening.

I ask why the Governor did not comment openly on these moves and explain the different path the UK has taken. I think he should seek to justify the tough policy being followed and tell us how this affects growth. He should understand and explain the FPC and MPC interactions and the significance of balance sheet moves by both the Central bank and the commercial banks to money conditions and to economic growth. It looks as if the Bank has yet again misjudged the situation. He talks too much about alleged Brexit impacts and not enough about the global and domestic policy influences on price and output which are dominant as elsewhere in the world.

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## The next local Plan

I am urging the Council to do more work on the housing target for the next local Plan. Before discussing where new homes might be placed we need to discuss and agree how many are needed. The new number would best be considerably lower.

We should define a sustainable rate and defend more of our green spaces and rural areas from development. There will need to be a negotiation with the government, but first we require an informed paper on how many is sustainable and how many are needed. I am happy to contribute to this but it will have to be an official document from the Council as the Planning Authority.

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# Spreading wealth more widely

There are two ways of reducing equality. There is the socialist way, which is to tax the rich until enough of them leave the country or make less money owing to disincentives, or simply have less money thanks to the tax. That will cut inequality by removing the richest, but may make everyone else poorer as it takes away the demand for services and assets that the rich provided.

There is then the Conservative way, which is to find ways to help people into better paid jobs and to assist them become owners and savers. Taking tax down is one of the best ways the state can help with this.

I have always regarded the elimination of poverty as a more important aim than the reduction of inequality, given that it does also reduce inequality anyway. Reducing inequality by driving away all the billionaires does not do much to raise overall happiness whereas getting hundreds of thousands or millions more people into well paid jobs from low paid jobs or into work from unemployment is a big win.

There are those who think the imbalance in wealth between old and young is unacceptable. They should understand that is always likely to be the case that the older people own most of the wealth as they have had a lifetime of working, earning, building businesses, buying homes to accumulate their wealth and increase their income. Most of us starting out with no wealth and little income take time to get to a better paid job and to owning a home and repaying the mortgage. What government needs to do is to make sure it eases the way for the young to accumulate, save and invest.

I want to see thus new government back an ownership revolution, finding more ways to promote home ownership, share ownership, small business ownership and the rest.