

# Public sector pay, smart working and quality of service

Many in the public sector understandably want a rise to offset the cost of living squeeze. The government is alarmed by current levels of spending and borrowing. It offers the below inflation rises the Independent Pay Review Boards propose, based as these are on private sector comparators. Most in the private sector are settling for rises well below current inflation.

Meanwhile productivity, output per person has at best gone sideways and in many public sector services has fallen since lockdown. This is painfully true of the asylum/economic migrant section of the Home Office. On the railways the collapse of commuter traffic and of passenger revenue has slashed revenue per staff member needed to pay the wages.

In each case the way forward should be a something for something deal. Management should be striving to improve work processes, offering right systems, protocols, training and supervision to raise output per person which could lead to better reward.

In the case of the NHS management is talking more in public about limiting the damage strikes do than about how to end them. Within nationally agreed rises and pay scales local managements have scope to offer increments, regradings and promotions to encourage and reward good people and to attract new full time talent.

In the private sector managers and supervisors help out to keep operations turning in the event of a strike.

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## Managing the NHS

The NHS has thousands of managers. They tell me they do not know how many highly paid Chief Executives they employ, presumably because it is so many. Every quango from NHS England down, every hospital Trust has a CEO.

Suddenly we are allowed to see a couple of the top executives on tv. They are always given respectful interviews. They are never asked why they cannot get their staff on board, why they cannot get the waiting lists down, why we are always short of hospital beds. They are never asked what they did with last £10 or £20 bn of extra money.

Here are some questions that should be put to the managers

1 Ministers want waiting lists down. How could you do that?

2 The public want the nurses and doctors to be well remunerated and motivated. Can you use pay scales, increments and promotions to raise morale?

3 Why have you kept the service short of beds? Why hasn't extra cash expanded medical capacity more?

4 Why do you expand the administrative and executive hierarchy so much? How much has the latest management reorganisation cost?

5 Why do you depend so much on agency staff? Isn't this an expensive way of employing people who then cost much more than directly employed staff.

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## The Bank plans plenty of losses

From Chancellor Darling onwards The Bank has been granted a full indemnity by the Treasury for any losses on holding and selling bonds in their inflated bond portfolio. Successive Chancellors accepted Bank of England advice to keep on buying UK government bonds at ever sillier prices.

Today the Bank thinks that to get rid of the big inflation their policy of zero rates and bond buying has brought on requires them to sell all these bonds at big losses. Some will be sold in the markets, others await repayment when they mature. The losses on maturity will be less than taking market losses now. The ones they are keeping are said to lose us loads of money anyway just holding them, as the interest earned on them is now lower than the interest the Bank pays on commercial bank deposits with the Central Bank.

The OBR thinks the Bank will lose a total of £133 bn over the next five years on its bonds. Taxpayers will be expected to pay this bill. why am I the only MP who thinks this is wrong, and the only one to raise it? Why did the media fail to report the huge £11 bn spending priority for five months of Bank of England losses a few weeks ago? I will in future blogs set out how to reduce these big sums.

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## The Bank struggles to catch up

Most MPs and establishment officials tell us the Bank of England is independent. They tell us The Bank's main task is to keep inflation to their single target of 2%.

Inflation is well over 10%, more than five times target. It has been above 11%, and was 5.5% before Putin invaded Ukraine and set off an energy

crisis. Inflation in China is 2.1%, in Japan 3.8% and Switzerland 3% though they too import a lot of dear energy.

The Bank's Governor has to report to the Chancellor and to the Treasury Select Committee.

Why is there no criticism of the Bank's failure to control inflation? Why did so few of us warn in advance of Bank Errors? Why do the Bank refuse to monitor, comment on and report money and credit growth? Why did the Bank print an extra £150 bn in 2021 thinking well into recovery that would not be inflationary?

Why has it taken the Bank so long to get Bank rate to 3.5%? Why now we are entering a downturn does it think it needs further hikes? Why doesn't it put rates up immediately to the rate they think they need to throttle inflation? I argued against the extra bond buying in 2021, forecast higher inflation and urged higher base rate this year.

Now I want Treasury and Bank to work together on a growth policy to shorten and lessen the recession the Bank is now determined to create.

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## [My Intervention to the Minister during the SNP Opposition Debate on Scotland's Future](#)

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** The SNP was very critical of the electricity and energy regulation in the UK, and said that it wanted change in it. It did not seem to realise that all our current regulations are those of the European single electricity market, and that it is only because of Brexit that this Government are now consulting on changing those unsatisfactory regulations.

**John Lamont MP, Parliamentary Under-Secretary of State for Scotland:** That is a useful reminder that, while the SNP advocate breaking away from the rest of the UK and breaking away from Westminster and London, it wants even closer ties with Brussels and all the challenges and bureaucracy around that. I always welcome the opportunity that the SNP gives us to talk about the benefits that we all get from being part of the United Kingdom, and all the positives and strengths that come from working together across the whole country. The United Kingdom is the most successful political and economic union that the world has ever seen. In challenging times, we are stronger together. We are better prepared to deal with any crisis, particularly an issue on the scale of the energy crisis, or of the very thing that created the energy crisis—Vladimir Putin's awful war in Ukraine.

In these volatile times, I continue to believe that the last thing people need is greater uncertainty. This is a time for unity behind a common purpose, not division that would split us apart. The challenges facing all of us across Scotland and the whole of the United Kingdom demand all of our attention.

On the substance of the motion, as the hon. Member for Edinburgh East well knows, the Scottish people do not see another referendum as a priority. There is no consensus across Scotland on another referendum and all the division and distraction that that would bring. We already know the process by which a constitutional question can be asked, because it happened back in 2014. We had a referendum and the people of Scotland decided our future by an overwhelming majority. That happened after there was consensus across political parties in the Scottish Parliament, in civic society and among people across Scotland. That is not where we are today.

If SNP Members want to focus their arguments solely on opinion polls, then what do they have to say about the polls, including recent ones, that show that people do not want another referendum on Nicola Sturgeon's timetable? No matter how many polls there are that show a majority of Scots against another referendum, the SNP still wants us to go through the distraction of an all-consuming constitutional debate. It is all it cares about—another referendum at all costs.