

## Easing road congestion

Road congestion stems from three main causes. In some cases it is a simple lack of capacity for ever growing traffic volumes. Governments accepting large numbers of new people to the country every year need to upgrade road space as well as adding extra NHS and schools capacity.

In some cases it is the deliberate mismanagement of traffic on the existing roads. There is the endless substitution of traffic lights for roundabouts to delay vehicles, allied to poor timing of traffic light phases. There is the failure to provide left hand turning lanes and filters, or to segregate right hand turning traffic which may not be able to turn when the light first changes to green. There is the deliberate reduction of lanes on busy roads causing delays in traffic merging. There is a failure to supply alternative cycle lanes to prevent friction between bicycles and motor vehicles.

In other cases it is temporary disruption. It may be caused by Highways works with missing lanes and temporary lights. It may be the joint decision of utility companies and Highway authorities to place most cables and pipes under main roads and to insist on digging up the roads every time they need access to their systems instead of placing utilities in locked conduits with easy access. In some cases it is the decision of taxis or delivery vehicles to double park to offload, blocking the highway. In some cases it is not allowing pull ins for bus stops.

I am going to produce few blogs examining how some of these problems can be reduced, and set out how a Highways authority that did want to cut congestion could make a difference.

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## Why do so many Councils hate vans and cars?

Next week when the effectively nationalised and heavily subsidised railways go on strike more people will need to use a motor vehicle to go to work. Once again our personal transport will be the ever reliable necessary back up.

Many people need to use their vans and cars all the time to go to work, to take children to school or to carry the weekly shop back from the supermarket. The plumber, decorator, domestic appliance engineer and other home service providers need to travel with their tools and spares and need to get round several clients a day. Only a van can do that. If a parent needs to drop children off at a school not near a station and get to a place of work not near a station they need to use a car.

Private sector businesses like supermarkets, DIY sheds, garden centres and other retailers that want to make life easier for their customers provide large car parks next to the shop entrance. They do not cluster near a station or expect most shoppers to come by bike.

The Times yesterday asked people to select their main travel mode in a poll. When I read the article 63% said the car. So why then do so many Councils tax us to make it more and more difficult to drive anywhere? They specialise in cutting roadspace for cars and vans, in creating junctions that cause needless congestion, they rephase traffic lights to impede main road flows, reduce parking facilities and turn municipal car parks into technology nightmares to catch more people out with penalties.

They would say they are implementing environmental policies to get people to leave the car at home and take the bike. If they clog the cars or ban them altogether or tax them too much surely people will go by bike? Why do they think that? How can the plumber get there by cycle with all his kit? How can the Mum shopping for four put all the food on a bike carrier? How can a parent get children to school and get to work by bike?

Councils are meant to serve the public, not disrupt our lives. It adds to the insult when they send us a huge bill for trying to stop us getting around. No wonder some town centres struggle for custom because people cannot easily get there and cannot find good parking if they do. Councils should study successful retailers who do let you drive to the store and park free by the door. It is a very popular model with the public. Fewer obstacles on the roads and less congestion would also be good for the environment, cutting fuel use and exhaust gases.

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## [My Question to the Chancellor about the Bank of England's loss on bonds](#)

Treasury has provided the following answer to your written parliamentary question (11535):

**Question:**

To ask the Chancellor of the Exchequer, what his latest estimate is of the Bank of England's loss on bonds held in the Asset Purchase Facility guaranteed by his Department. (11535)

Tabled on: 01 June 2022

**Answer:**

**John Glen:**

To date, £120 billion has been transferred to HM Treasury from the Asset

Purchase Facility (APF) which has been used to reduce the government's debt issuance. The size of future cash flows is uncertain and depends on developments in Bank rate, the speed of APF unwind, and the evolution of bond market prices. It is likely that as monetary conditions normalise HM Treasury will make cash transfers to the APF to cover losses.

However, the eventual size of the net payments to or from HMT should not be used as a measure of the success of asset purchases, or of the impact of the scheme on the public sector accounts as a whole. The scheme should instead be judged by the degree to which it helps the Monetary Policy Committee meet its objectives.

In their most recent forecast in March 2022, the Office of Budget Responsibility forecasted net cash transfers from the APF to the Treasury of £3.5bn between 2022-23 and 2026-27.

The answer was submitted on 13 Jun 2022 at 13:35.

Response. This answer seems to imply the recent forecasts were wrong and we are now entering a time when the Bank's losses the bonds it holds requires Treasury transfers. every time the Bank raises interest rates bonds sell off leading to losses on the Bank portfolio.

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## [My interventions about the future of Channel 4](#)

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** Many fine British businesses have grown, flourished and invested far more once being privatised, and I hope that this one will too. But will the Secretary of State see, during the privatisation, whether there is a way of allowing the people who work for Channel 4 and do so much for it to gain participation, perhaps partly by buying and partly by gift, so that they become shareholders in whatever entity emerges?

**Nadine Dorries, Secretary of State:** I will go on to talk about the fact that we have many bidders who are looking at purchasing Channel 4, and we are looking at all options before we bring the matter to Parliament to see what is on the table. But for the sale of Channel 4, as it says in the "Up next" White Paper, what we are looking at is to sell Channel 4 as a PSB. Therefore, I do not think the model that my right hon. Friend outlines briefly would be conducive to that sort of purchase. We are going to sell to an organisation that will invest in Channel 4 and keep it able to make those distinctive programmes.

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**Rt Hon Sir John Redwood MP (Wokingham) (Con):** Has my right hon. Friend noticed that the Opposition think that they know better than the audience what Channel 4 should show every evening? Is it not a good idea that we move to a model where the owners engage with the audience and try to grow the audience, because that way they will attract more revenue?

**Nadine Dorries, Secretary of State:** We agree on many things, and we agree on that.

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## [The Bank of England writes another letter](#)

The establishment states that the Bank of England is independent and is responsible for keeping inflation around 2%. The authors of this relationship did foresee the possibility that the Bank would fail to achieve its single objective. Their remedy was to make the Bank write a letter to the Chancellor, who in turn was empowered to write back. We have just seen another example of the letter writing arts of the two parties. The constitutional position has in fact been that the key decisions of how much money to create and how many bonds to buy, the main drivers of Bank policy in the last 13 years, have been joint ones requiring Treasury sign off.

When you get to letter writing stage it is clear the Chancellor becomes part of the decision process, with the formal opportunity given by way of public letter to criticise, influence, support or reprimand. So far these letter exchanges usually show the Bank offering some excuses for failure to keep inflation down and saying something vague about how they might remedy it going forward. The Chancellor often agrees whilst placing more accent on the excuses or more emphasis on the need for future action depending on what he wants next. No-one can read these exchanges and seriously say the Bank is completely independent. They must accept the ability of the Chancellor to write a public letter invites him or her to influence analysis and policy at a time when the Bank has clearly failed to carry out its single task. If some other Governor in the future had wantonly failed to curb inflation the letter could be the last straw presumably leading to replacement of the poor performing Governor. The government after all owns the Central Bank and appoints its boss.

So what should we make of the latest round of letters? I was disappointed but not surprised that neither side mentioned the fact that they had jointly agreed to create so much money and to go on buying up bonds for so long. That might have affected inflation. Neither side mentioned the rapid rate of money growth during the intense Quantitative easing period or thought that might matter. Neither side made any forecast of what might happen to credit and lending from here or what role the large savings balances of the better

off part of the population might play going forward.No-one asked why Bank and OBR forecasts of inflation have been so hopeless.

Both accepted that the obvious large price rises in energy and food played a part more recently following the Russian invasion of Ukraine. Neither asked why China and Japan, large importers of fossil fuels themselves, still have inflation around 2%.

The inflation was mainly fuelled by last year's policies. This year policy is much tighter, and the Bank itself expects inflation to come down next year. If in the next few weeks inflation does not embed and inflation expectations do not climb, the economic policymakers will need to address a shift from too hot an economy to potentially too much of a slowdown.