

# Bring on a budget to promote growth and lower inflation

We need a new budget now. The current policy mix is delivering soaring prices and a nasty slowdown.

The Chancellor tells us he wants investment led growth. He says he is thinking about new tax incentives for investment this autumn. They will be less generous or no more generous than the super deduction from Corporation tax businesses currently enjoy. That way of fostering an investment lift off has predictably and visibly failed. Let me explain to the Treasury why.

When looking at an investment you do not just look at the tax position when spending money on the set up of the investment. You look at longer term cash flows when the investment has been made. The Chancellor's planned large hike in Corporation tax makes a big hole in future net profits from any investment in buildings, plant and equipment. If it's an investment in the oil, gas and coal we need, we find instead U.K. net zero policies drive people to import as those who want to produce here struggle for licences. If you were thinking of increasing our food output Defra will be bribing landowners to wild their land instead whilst the Business department and others will be wanting to reward the landowner for using the land for carbon offsets. If you were thinking of investing to ease the homes shortage the Levelling Up department will be wanting you to sign up to remedial liabilities on past buildings if you are a U.K. company but not a foreign one.

I mention these three areas as inflation in energy, food and housing are central to our current woes. We need more domestic capacity in all three. So government, take the barnacles off the enterprise boat. Grant the permits, cut the taxes, place the orders. The world does not owe us a living.

Stopping the rise in Corporation tax is the bare minimum to try to rescue investment. If the Chancellor instead cut it to the new world minimum of 15% there would be an investment surge and more business tax revenue. I will give more detail on the budget we need in future articles.

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## Ministers and Whitehall culture

Whitehall has many talents and strengths that Ministers need to use and motivate to do their jobs. They also need to be aware that there is a kind of default mode that applies to many policies and areas that does not reflect the mood of many to make a success of Brexit and to use the freedoms it brings to help create a more prosperous and successful UK.

There are many in Whitehall who seem to regret our exit from the EU and wish

to stay close to EU rules, laws and policies. There is a readiness to take what the EU says as right and necessary and to see anything we do differently as unwise. We see this most obviously in the reluctance to sort out the Northern Ireland Protocol by failing to press on with legislation to uphold the parts of the protocol that respect our internal market and reflect the wishes of Unionists as part of the Good Friday settlement. We see it in the reluctance to challenge the EU over our residual payments to them, to push back on their aggressive stance to cross border trade and in the unwillingness to remedy bad past EU legislation. One and half years on from exit and still there has been no repeals Bill, no major changes to VAT, no regaining of our fishing industry.

There is then the similar enthusiasm for a range of other international bodies. Many in the public will be alarmed if Whitehall wants us to sign a health Treaty giving powers to the WHO over the NHS.

The major controlling idea in Whitehall apart from welcoming every form of global government over us is the priority afforded to net zero policies over almost all others. This has led to the accelerated decline of domestic energy with increasing reliance on unreliable and expensive imports. Far from cutting global CO<sub>2</sub> this I'll judged response has increased world CO<sub>2</sub>. It is leading to the wilding of the UK to reduce the amount of food we grow for ourselves at a time of worrying international shortages. It is often self defeating in its own terms, as we come to rely on foreign products for our needs which produce more CO<sub>2</sub> globally than if we had made or grown them at home. It runs down too many U.K. industries as they propose we import more instead.

These are some of the things Ministers need to change.

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## [What happened to the Nightingale capacity?](#)

### **Question:**

To ask the Secretary of State for Health and Social Care, what happened to the beds and medical equipment from the Nightingale hospitals. (90312)

Tabled on: 09 December 2021

**This question was grouped with the following question(s) for answer:**

1. To ask the Secretary of State for Health and Social Care, what the total cost was of setting up, running and closing the Nightingale hospitals. (90311)

Tabled on: 09 December 2021

**Answer:**

**Edward Argar:**

Total projected funding for the Nightingale hospital programme was ring-fenced at £466 million. National Health Service providers are currently auditing the accounts for 2020/21 and the final spending outturn will be published in due course.

NHS England and NHS Improvement advise that regions were responsible for co-ordinating the redistribution of assets including beds and medical equipment from the Nightingale hospitals. Each host trust is responsible for managing a list of these assets. The remaining surplus stock has been collected and made available for national redistribution under the existing warehousing, asset tracking and logistics contracts.

The answer was submitted on 15 Dec 2021 at 14:57.

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## [The role of Ministers](#)

There have been too many changes of Minister under Labour, Coalition and Conservative governments. If the civil service think someone may only be in post for a year or so they can delay or impede actions the Minister wishes to take that they do not favour. Frequent changes of Minister means frequent changes of attitude and decision making in ways which may be unhelpful. Ministers are often allocated to a department without proper consultation or discussion of their skills, knowledge and interests. From the moment they arrive in office they are expected to be able to answer a range of difficult questions and make well informed decisions with no training for that role.

Ministers have to perform a variety of tasks. They are there to represent their department in government and to the country. They need to argue its corner in government debate and policy formation. They need to approve necessary actions by civil servants to administer the body of inherited policy and to enforce the inherited law in their area. They need to be the complaints department, seeking improvement and redress where things have gone wrong. They need to make judgements in difficult cases and situations which are brought to their level for decision.

They also need to remember they are elected with others to carry through a vision and a set of promises from a Manifesto. They need to be the change makers in the department where change is needed and where the case for change has been accepted by the public in an election and or made and accepted by Parliament. They may need to reallocate resources, establish new programmes, put through new laws , address new issues.

Ministers will see when they arrive that the department has a culture and a set of defining attitudes towards policy and its tasks. Some of this will be

well based and the Minister needs to learn and reinforce it. Some of it will be contrary to what the Minister and government are trying to do, where the Minister should make the case for change in the department and offer leadership to correct what he or she sees as wrong or misguided. It is no defence for bad policy or decisions to say the Minister followed the official advice. It is best where the Minister knows about the matters being discussed and has past qualifications and experience that are relevant as in most other jobs. Where this is not possible a Minister should be kept in post long enough to learn the job and do it well for a bit before being moved.

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## **The civil service should do more learning and less churning**

There is some interest in civil service reform, both by Ministers and senior civil servants. Both can perform better, and both see that there are difficulties over some issues and in some departments. Today I wish to concentrate on how the civil service can respond to public needs and Ministerial decisions. I will do another piece on how Ministers can give good leadership.

The recent covid crisis showed the best and the worst of what is on offer. The existing NHS medical staff and senior management provided a lot of emergency care in difficult circumstances at some risk to themselves whilst medical science caught up with the disease and developed medicines and vaccines to combat the virus. Ministers opted for new leadership outside NHS management to drive the vaccine development and purchases very successfully. The NHS took time to test and bring on stream drug treatments.

The civil service appoints a lot of generalists and then rotates them through a wide range of very different roles, with a few emerging to the top with a general knowledge and experience of quite a lot of government. There is substantial reliance on outside consultants and advisers for technical and professional matters. An individual often has to move onwards and upwards quickly to get salary advances and to show they are the kind of talent that can rise higher. The danger of this system is twofold. Individuals do not gain sufficient expertise or a wide enough range of contacts to do any particular job well given the limited time in it. No-one is responsible for much, as projects, policies and services are shaped by a succession of people and go wrong under a range of people. If a person knows they will move on soon it must affect their degree of interest in and disclosure of things that are not working well.

There is a good case to be made for expecting people to stay for longer in posts and to back them with training and support so they become expert in their field. They should be given increments on salary scales for doing a

good ,job whilst staying in post, and or promoted within the same area so the expertise is not wasted. The civil service should contain more of the expertise it needs and should reward it.

If we take an area of weakness, large scale procurement, it would make sense for senior people involved to expect to have to stay with the contracts they have designed and signed through a meaningful period of years of fulfilment, with possible bonuses for successful quality and cost outcomes. If it is say a 7 year project why not stay to see it to success? Whilst of course Ministers remain publicly responsible for all that is done, well paid senior civil servants should beneath that public accountability take responsibility for all their considerable delegated powers. They need to be rewarded and praised for using them well, or corrected or disciplined for using them badly as in private business.

The attempt to divide administration of policy from design of policy led to a proliferation of Executive Agencies. Their Chief Executives are civil servants, but they have some Ministerial type powers and duties as they have a public face and can speak for their bodies. Where there is a cross party accepted and largely unchanging task like issuing passports or vehicle licences there is something to be said for this approach. It needs to be sharpened so that again the CEO and senior management is rewarded for success but held accountable for failure. The model starts to break down where policy and execution are much more entwined and the resulting quango is powerful. The NHS and the Environment Agency are differing examples of large bodies with public chief executives where Ministers are held responsible for their actions by the public. In these cases it is essential the Ministers have full access to data and an ability to influence the CEOs as their work is central to the democratic process and is often highly contentious between parties. Not everything should be in external agencies.