

The OBR and Bank plan a Christmas tea party

Treasury, Bank and OBR officials organise a Christmas event

Well , said the Chairman of the working group, we need a party to brighten things up after so much talk of austerity. Are there any preliminary issues?

Yes, said the Treasury, we need to make sure it is within the spending rules so we can claim the costs.

Careful, said another, can we call it something other than a party. We do not want anyone outside saying we are having an unfunded party on the taxpayer, do we?

That cannot happen, said another. We have been quite clear in all our statements that the only thing that can be unfunded is a tax cut. We have never allowed any of the spending rises to be categorised as unfunded.

We do need to be careful about parties after all the fuss over the lockdown ones, said a cautious official who did not fancy being dragged before some future enquiry if things went wrong.

So how did the pandemic gatherings work, said a recent joiner?

Well the Cabinet Office usually organised them and sent out the invites. They said they were work events. Treasury signed off on that basis. Then we got the Prime Minister to pop into the odd one telling him he just needed to encourage the officials for a few minutes so if anything went wrong he would be blamed. It worked very well.

So how can we make sure this one is OK?

We could theme it as review of the year and send round a few graphs and charts to make it look more serious. Hardly any of the politicians understand how we do the numbers, and when one starts to probe we change them to make them unintelligible you know.

What if anyone took that bit seriously? It's a bit of hostage to fortune. Have you seen how badly wrong the Bank was on inflation? It looks as if the Bank had the Mad Hatter's watch. Their model never seems to tell the inflation right.

Pity they didn't have a watch like his. His didn't pretend to tell the time. That was too difficult. It just told the date. More chance of getting that right. Silly idea to try to forecast inflation.

Still didn't work for the Mad Hatter though. It got the date wrong anyway. Butter got in the works

That's a bit rich said the Bank. We have always made sure our watch does not forecast money and credit in the way these mad monetarists want. Far too difficult. Though we call our committee the Monetary Policy Committee we just forecast inflation by looking at expectations. As we manage expectations by saying inflation will be 2% it should always come back to that. I thought the OBR had the Mad Hatter's watch to tell us the borrowing. How many times now have they overdone the gloom and told us it is going to be far bigger than it is?

Well, said the OBR, the whole idea is to make sure the dreadful politicians never get their tax cut. It's all in a good cause you know to have models that terrify them. We make the models say what we want them to say. They say there is No Headroom! No headroom! So when the politicians say there is headroom, or put in low spending figures to create headroom, the OBR always has some bad news in store so there is no headroom.

Oh do stop this. No-one wants to be talking about all this once the event has started. It's just cover for the invites which could otherwise be spotted as a frivolous party.

Shouldn't we just consider this issue of spending versus tax cuts? There is a lot of fuss about it and Ministers do not seem to be very happy.

The thing that works best is Headroom. We keep saying there is no headroom

for tax cuts, and they keep repeating it. So just tell any politicians who wants a tax cut there is no Headroom. The OBR did a great job showing a huge fall in migration which they say means less revenue, and in saying all the increases in public spending were not real terms rises.

The best wheeze is getting the politicians to sign up to making our forecast of the deficit in five years time as the main control said the OBR . No-one can possibly know what it is, so we can make it anything we like. More to the point in five year's time everyone with any luck will have forgotten what we said so we are never wrong.

But aren't we meant to tell the truth?

Yes of course, but truth is in the eye of the beholder.

To us it is true that unfunded tax cuts are a bad idea. We are so much better at spending people's money than they are. Some of them have too much money and spend it just on pleasure. That is not right.

It is true that more public spending must be a good idea. After all, we receive the benefits ourselves of the extra spending, and we can say we are helping the poor and needy. We also need to have plenty of money to carry on paying the EU and all those hotels for migrants.

We can always say if we get asked that our forecasts would be better if we spent more on them and had more people to help. It's like time with the Mad Hatter. We can make it what we want it to be.

So how will we pay if there is not enough tax revenue?

Well the Bank found plenty of money down a money well a few years ago

That gave us £450 billion more to spend. It was great fun while it lasted.

Yes, but we cannot do that again now. The Bank says the money well has dried up.

But why doesn't the Bank help us out? They have a direct claim on the Treasury for anything they lose. Just automatic pay outs whenever they want. Maybe we should ask the Bank to include the event as part of their losses, and say it is part of the costs of the review into why they have got butter in the works of their inflation model.

Another bright official who was good at finding ways to do things said Why don't we lose it as debt interest? One of the ways we are scaring the politicians into avoiding too many tax cuts is to show them a huge debt interest figure. We doubled it by putting in all those non cash items and got away with it. So surely a small item of extra spending could be booked in there as dealing with the debt?

Careful said a senior. We have done so well with the debt interest adjustments , we don't want a small thing triggering any suspicion by one of the few anoraks out there who insists on looking at it.

The meeting rambled on with everyone saying what they meant some of the time or meaning what they said some of the time. Was this event capital or running costs? Was it a review or a work meeting? How did they get the drinks in without causing any worries?

They remembered that when the Bank was rumbled with too much inflation, they said it was merely transitory. That was such a good word, as some of the politicians did not know what it meant, and others wanted to repeat it because it sounded so grown up and technical.

They talked so long they missed out on story time. Some missed the nostalgia over finding the money well and getting away with £450 bn from it before things went wrong. They had loved the £350 bn increase in annual public spending in just four years. It was even better they did not have to do anything extra for all that money and could now work from home for much of the time.

So they concluded that they could hold an event on the taxpayer. They would argue it was not unfunded. it would be dressed up as a review of the year just gone, accompanied by complex graphs. It would be seen as a one off transitory spend that could come out of the contingency fund.

If any Minister queried it, which was extremely unlikely, they would say it was in lieu of recruiting the extra forecasting staff they really needed to get the butter out of the works of their models. Best if a Minister was invited to pop in to launch it. Such a pity, they concluded, that the money well was closed. One day, perhaps in a couple of years time, they would be able to reopen it and live happily ever after.

Conservative Home – the Conservative groupings

The Prime Minister asked for unity before Christmas. No Conservative MP as a result voted against his Rwanda bill, though there were various reservations and arguments about it across the party. The Opposition and press tried to make more of it than it warranted, only to be disappointed on the night when the bill secured a majority of 44.

Now there is an attempt to write of a civil war within the party. This is to misunderstand how democratic politics in a lively major national party works. Numbers of MPs in Conservative and in Labour are regularly forming ad hoc groups, creating Whatsapp groups and holding meetings to press for more of this or less of that. Great parties have groups that formed in such arguments years ago only to survive and become evergreen groups pursuing a theme or perspective within the family of views that the coalition of their party encompasses. The 1922 Committee in the Conservative party is the most powerful and long lasting, formed over a century ago by a group of MPs after Conservatives had withdrawn from a coalition government. This has become the backbench committee for MPs of all Conservative persuasions

It is healthy that MP pressure groups engage with Ministers and with each other to ensure policy and new laws are properly examined and debated in a party context before being tested in Parliamentary and public debate. I am not sure who the so called five families were in the latest discussions, as I can think of at least eight groupings who had some members concerned lest the small boats legislation did not work. They all always supported the Prime Minister's objective of stopping the small boats. There was the European Research Group as in the papers. There was the vocal New Conservatives Group under Danny Kruger. There was the NTB, formed years ago to support Margret Thatcher during struggles within the party on economic policy and committed to lower taxes and controlled spending. There was the newly formed Conservative Growth Group with a similar outlook to NTB. There was the Commonsense Group of social Conservatives usually preoccupied with education, free speech and law and order. There was Conservative Way Forward, another pro Thatcher grouping formed in 1991. There was the Northern Research Group, a recent grouping committed to levelling up in the Red wall seats. There was the Conservative group in favour of a stronger Union of the UK.

There was also the One Nation group who were regularly briefing the press. It is difficult to believe they have over 100 members who were ever going to rebel as some guided press stories implied. They have various Ministers and maybe a good mailing list of others. I was told they had just 20 people present at their meeting held prior to announcing their backbencher stance on the Bill to the press when they announced they would vote for the bill as long as it was not further amended in specified ways. The other eight groupings I have mentioned here do not publish numbers, and there is considerable overlapping of membership as any MP can join in with more than one group. In total these groupings would have considerably more than 100 MPs attending between them, and an individual group may well have more than 100 on its mailing list.

All this means that for the small boats bill and for other matters there will

continue to be a healthy debate within the Conservative party, because we think public policy matters and can be improved by discussion and friendly disagreements. The civil service often draft bills that do not properly reflect the original aim of the Ministers and party, finding ways to soften their impact or dilute their intent. More often civil servants see a bill as a way to introduce all sorts of things they would like that are not necessary for the original intention. Recent governments from the Blair government onwards have got into bad habits of producing bills that need massive amendment by the government late in their progress. The drafts emerge without proper consultation. They collide with realities late in the day when the outside world wakes up to the long list of clauses and complex language of the bill. Often bills fail to tell us the interesting details, which is left for later decision requiring secondary legislation. This can be cause for further delay and later wrangling. Of course it is wise to allow government by Statutory Instruments to make future adjustments for things like fee and fine levels or standards but that is no reason to avoid telling Parliament what the starting levels are when the bill goes through.

The government would be well advised to review its Rwanda Treaty and bill to make sure it is fit for purpose. They would be well advised to switch the camera from the small boats to the big economic issues where we can make more progress for more people with the right budget and with a proper growth strategy. On migration itself it is the sheer numbers now coming into the country legally that causes problems. We need to build three new cities the size of Southampton each year to house and serve them which worries voters who see we are not keeping up with demand. Such a rate makes it so much more difficult to resolve the shortage of housing and the length of NHS waiting lists. Showing good progress with the government's new policy of cutting legal migration would be a good thing to put under the cameras next year rather than the issue of how many flights take off to Rwanda and when. We need to take some pressure off public services and housing, and will find many Conservative voters relieved if we reduce the overall numbers as we promised in 2019. Diluting the proposals for tackling legal migration control is not a good idea.

[The drive to international rules and independent bodies](#)

Some international rules are a good idea. There are rules of war, if only the nasty countries would follow them as well. There is the UN where countries can try to find ways of stilling conflicts. Often Security Council members veto solutions. There are rules of trade through the WTO which help without subjecting the signatories to international government.

There are then rules over migration, civil liberties, green policies and other contentious issues where the push for more to be determined by international lawyers has led to rows with frustrated democracies as well as

with authoritarian states over too much reach and too much interference in domestic decisions and wishes.

One of my would be correspondents writes every day to blame a couple of billionaires who she thinks rule the world. If only, then it would be easier to sort out. The truth is the idea of more global government by international law and international quangos is well embedded in the governing elites of the advanced world. It has been endorsed by Parliaments, Presidents and Prime Ministers. Instead of concentrating on governing their own countries they spend considerable time flying round the world attending the G7, the G 20, the COP meetings, the UN and others. Each visit usually entails some international spending commitment and may be part of a negotiation for another Treaty or power for an international body.

UK voters were keen to get rid of the regional government level of the EU. It has still left us the global level, where the EU used to represent us but now we can represent ourselves. We now have our own seat back at the WTO. We can make our own decisions at the COP conferences, the WHO and the UN. We should do so in a way which starts to limit their powers instead of giving them more. Where they have valuable expertise and advice we can accept it, but it should be our call. Unfortunately the UN is not able to restore peace in Ukraine or the Middle East, the WHO was not able to stop a pandemic and the COP conferences are unable to get China and India to cut their CO 2 whilst expecting us to cut ours. Why do we think these bodies with more power could suddenly start to get things right? Why do we accept the lack of accountability of so many international bodies? Why does the media often refuse to criticise them when they get it wrong?

[My interventions in the International Health Regulations 2005 e-petition \(1\)](#)

John Redwood (Wokingham) (Con):

Does my hon. Friend share my concern about the lack of accountability? We are having an extensive and public examination of the Government's response to covid, but there is no comparable examination of the important decisions and advice that the WHO offered to the whole world, and it probably had more influence.

Philip Davies (Shipley) (Con):

My right hon. Friend is, as ever, absolutely right. We should all be concerned about that and concerned that we do not end up falling into the same problems as we have had in the past, being in a position where there is nothing we can do about it and sleepwalking into a disaster.

We are talking about a top-down approach to global public health hardwired into international law. At the top of that top-down approach we have our single source of truth on all things pandemic: the World Health Organisation's director general, who it appears will have the sole authority to decide when and where these regulations will be deployed. Let us not forget that the director general is appointed by an opaque, non-democratic process—and I think that is being rather generous.

Rather worryingly, in their response to this petition the Government have said they are

“supporting the process of agreeing targeted amendments of the IHR as a means of strengthening preparedness for and response to future health emergencies; including through increasing compliance and implementation of the IHR”.

They have also previously said that they support

“a new legally-binding instrument”

—that certainly sounds like a threat to parliamentary sovereignty to me. Will the Minister commit today to laying those plans before Parliament so they can be properly debated, and if I had my way, robustly rejected?

It is also vital to take a step back and understand what is driving this pandemic preparedness agenda. At a recent meeting of the all-party parliamentary group on pandemic response and recovery, Dr David Bell gave a briefing on how the World Health Organisation, with the backing of the World Bank, says these amendments are the only way to prepare for future pandemics that it says are getting more frequent, and where there is more risk from zoonotic—animal to human—spread. The reality is that the WHO's figures do not tell the whole story. When we take into account population growth, significant natural pandemics are rare events. We also have to take into account that there has been a huge expansion of tests and genome sequencing over the last few decades. The invention of polymerase chain reaction testing, for example, has had a massive impact on the detection rate of those outbreaks that the World Health Organisation is now using to justify its agenda.

Since the Spanish flu over 100 years ago, we have only had two pandemics above the average yearly seasonal influenza mortality rates, thanks to antibiotics and advances in modern medical care. We hear a lot about disease outbreaks that actually have low mortality burdens when compared to other public health threats: for example, in 2003, SARS-CoV-1—severe acute respiratory syndrome—had the equivalent disease burden of about five hours of tuberculosis. Funnily enough, in its 2019 pandemic influenza recommendations, the World Health Organisation itself could find no evidence that serious zoonotic pandemics were increasing. What is undoubtedly increasing are the eye-watering costs of managing pandemics, with vast sums of taxpayer money being wasted on poorly conceived initiatives, such as locking down the economy for two years.

It seems to me that the World Health Organisation has no need to rush any of

this—we have time to reassess and get it right—and it seems I am not the only one to think that. In recent weeks, we have seen signs that some countries, including Estonia, Slovakia and New Zealand, are looking to question the proposals. It is not clear if any member states have submitted formal notices to reject them and opt out, but New Zealand does appear to have lodged a reservation to allow the incoming Government more time to consider whether the amendments are consistent with a national interest test required by New Zealand law. That is entirely sensible, and I would like to see our own Government take a pause to apply some critical thinking to this situation before blindly supporting the World Health Organisation's installation as our new global public health power.

It is absolutely essential that the Government make a clear and unambiguous promise that they will neither support nor abide by anything that in any way undermines our national sovereignty. We have not spent so many years battling to get out of the frying pan of the EU to jump straight back into the fire with the equally unaccountable, undemocratic and hopeless World Health Organisation.

[My Interventions in the International Health Regulations 2005 e-petition \(3\)](#)

Andrew Stephenson:

I do not believe it is right to name those civil servants. I am the overall lead on this in the Department of Health and Social Care. I am working closely and have already met with the Minister of State, Foreign, Commonwealth and Development Office, my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell). Many other Government Departments will also have a very clear interest in this, including the life sciences Minister, my hon. Friend the Member for Arundel and South Downs (Andrew Griffith). Any treaty agreed will of course be subject to cross-Government write-rounds in the usual fashion, to agree a UK-wide position. It is fair to say that there will not just be one pair of eyes from the ministerial ranks looking at this. There will be multiple pairs of eyes looking at this from across Government to ensure that when we get to a deal, it is a deal that can be agreed across Government and that we believe is in the UK national interest.

John Redwood:

The possibility that the language may shift from saying “may” to “shall” is fundamental. I welcome all that the Minister has said about the current collaboration. I am glad it is working so well, but that is based on advice and urging, rather than requirement. It seems to me that this is just like the British people voting for the Common Market with the assurance that we had a veto on any law we did not like, but then somebody came along and took

the vetoes away without seeking the British people's permission, and the relationship went wrong from thereon. This could do exactly the same to the WHO, if we take away the veto.

Andrew Stephenson:

I hear where my right hon. Friend comes from and I share his concern. As I hope he will recognise, the WHO is led by its 193 member states, which are currently negotiating this. All international health regulations to date have been agreed by consensus, and we would hope that any changes to the regulations are also agreed by consensus. As I say, there are many amendments and parts of the draft that we would not agree to in their current form. I believe these negotiations will hopefully get us into a position—because I believe it is in all our interests and in the national interest—to agree revisions to the IHR. That has to be done through negotiation and consensus. I think that having an approaching deadline focuses minds, and I think it is the right thing to do.

I will give another concrete example of why I believe this is important. During the pandemic, the genomic data shared by our friends in India and elsewhere helped us to tailor vaccines as new variants emerged around the globe. We all saw over the pandemic that, as the shadow Minister, the hon. Member for Birmingham, Edgbaston said, no one is safe until everyone is safe and that global problems require global solutions.

The best way to protect the UK from the next pandemic is by ensuring all WHO members can contain and respond effectively to public health events through compliance with strengthened IHR. Targeted amendments to the IHR will further strengthen our global health security, by helping Governments plan together, detect pathogens swiftly, and share data where helpful and necessary. The pandemic highlighted weaknesses in the implementation of the IHR for global health emergency response. For example, covid demonstrated that the IHR could be strengthened through a more effective early-warning system with a rapid risk assessment trigger for appropriate responses to public health threats.