

# Strikes

The public sector has entered a period of rolling strikes from Network Rail and Border Force to nurses and the Ambulance service. Postal workers are also on strike in a service which still has a public sector service guarantee to meet, to deliver post to any address in the UK and preferably to keep down the cost of a second class stamp.

Most of these groups of employees negotiate their settlements with independent managements. The Health Service has an Independent Pay Board which makes recommendations which government usually as this year accepts. Whilst Ministers make the overall call on the NHS national pay scales in line with the recommendations, the senior managements of the Trusts and the national health quangos determine use of pay scales, promotions and other conditions of employment. The nurses are often raising matters about staffing levels and work organisation which are the preserve of the senior management to resolve. There are various issues over payment for parking, meal arrangements, shift patterns, use of Agency staff and the rest. Local managers should use more of the flexibilities to look after valued existing staff as the best Trusts are doing.

It is true in the case of the NHS most of the revenue to sustain the service comes as a Treasury grant, and Ministers are the decision takers over the budget totals for the NHS and over the national pay scale awards. There are too few medical staff with plenty of vacancies. It is the case that Ministers could ask the Pay review Board to think again, though this would be a new departure. They could also invent a one off payment not consolidated into pay rates going forward to deal with one off high inflation on family budgets. The Prime Minister has stated he does not think he should depart from the Pay review Body's conclusions, and the Secretary of State has been forceful in saying a 19% pay rise for nurses is unaffordable for taxpayers.

The railways are a series of disputes with different employers. Network Rail is a public sector company, and some franchises are now in state hands. The rest are under the control of competing private sector franchise holders. The railways are currently offering services which in many cases attract few passengers and in some other cases only have decent numbers by offering heavily discounted fares. The bulk of the money to pay the wages should come from the fares travellers pay to use the railway. The railway is short of passengers.

The state has been offering large sums of subsidy to the railways during covid lockdown, and is still providing substantial financial support. There must be limits to how much for how long, as the whole point of the railways should be to construct a timetable of popular services which largely pay for the costs of the industry from fares. That is why any further pay rises for the rail industry should be linked to improving working practices and improving services to attract more travellers willing to pay the costs of their journey. Working smarter could help bring down the costs of travel, boosting demand. The Secretary of State should not join in the negotiations

between Unions and employers. The answer should not be for the industry to conclude wages should go up without improved working and service provision, requiring a yet larger subsidy from the taxpayer.

I would be interested in your thoughts on how these strikes can be resolved and what role if any you think the government should play.

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## 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.