

## BBC – and Opposition party – think : public spending

The Director General of the BBC has asked all the BBC staff to try harder to ensure impartiality and fairness. The BBC has long favoured every kind of diversity save for diversity of opinion. It pursues its own agenda, often mistaking a one sided presentation or propaganda for the truth, as it sometimes finds it difficult to even comprehend the other side of an issue.

Today I start an occasional series of articles which I will send to the DG about unconscious bias or deliberate distortion of the arguments. The BBC in most of its comment programmes and new broadcasts accepts the proposition that if there is any problem with the quality or quantity of a public service it is owing to a lack of money. They also presume that a lot of money for any given service is a good thing, and more money is a better thing. They fall foul of the lump of money fallacy as the best descriptor of a public service. They make the often disproved assumption that more money will secure the improvements people want.

I'm sure none of them go shopping like that. They would not enter the shop and offer to pay £50 for the groceries up front without seeing what was available and what the prices were. They would not assume they had had a more successful shop if they had ended up paying £60 instead of £50. When they got home they would not say isn't it great, I have spent £50 on groceries. They would return triumphant to parade the cauliflower and the apples, the eggs and the bread. Nor would a family member turn round and say you should have spent £60 though they might complain if there were no chocolate biscuits.

The BBC should concentrate more on the outputs of the public service, and on the resources in terms of skills, people, supplies, properties or whatever might be needed to increase the quantity or raise the quality. They will need to challenge opposition and government politicians who simply assert it must be bad because it is only costing £10bn or it must be good because it is costing as much as £10bn. They need to get into more of the detail of how well managed a service is, whether productivity is rising, whether the service needs to get more right first time and work harder at quality management both to improve the experience of users and control the costs to the taxpayer. Quit often professional lobbies lobby MPs for more cash for a service yet they are unable to tell you what the current budget actually is or how it is spent. The doctrine of new money haunts the debate, yet all next year's money is in one sense new money.

How many more times will we be treated to the lazy story that the hospital treated patients badly because it was short of funds, or that School A with bad results was short of money to do a better job even though it got more per pupil than School B with a lower per pupil amount. Sometimes the true story is a lack of funding, but other times the story is bad management, absentee staff, poor training, bad buying, too much administration or whatever. The reason people do not come back from the shop kicking themselves for only

spending £50 when they could have spent £60 is they would probably have wasted the other £10. They would have bought more food than they could eat before the use by date had passed, or bought the dearer items that were no better, missing out on the special promotions and good prices.

So it is with public services. Most of us want good public services and are happy to pay a decent price through tax for them. Most of us want well remunerated public sector employees, but recognise there has to be a quality and productivity back up to good pay. Our experience of the service quality will not be swayed by whether it cost a lot or less. A good series of examinations of both good and bad examples of public service management would inform a better public debate. To many in the opposition and the BBC it seems there should be no limit on how much money is directed into some public services, and any shortcoming will always be blamed on Ministers once again failing to vote enough cash.

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## [Do not send motorway sit down protesters to prison](#)

I have no wish to load the prisons with the protesters who block main roads. Some of them want to be sent there to heighten their newsworthiness. There are often too many to send them all. Why should we taxpayers have to pay more to keep them in prison to increase the coverage they get?

A friend this week suggested to me a punishment for deliberately blocking the highway as part of a protest which might better fit the crime and might be more of a deterrent to many of them. Why not make the penalty the loss of your driving licence? The crime would be deliberately blocking the road as a protest. The police and courts could remove as many licences as there were protesters with licences.

The protesters should welcome this. As they want us all to create less carbon dioxide we would be enabling them to do just that themselves, by banning them from using personal transport in future. It would force them to do as they preach, going by bike or public transport. The ones who do make their own sacrifices already would not mind, whilst many of them who lecture the rest of us how to live but do not follow their own advice would face a disagreeable penalty that did inconvenience them .

What do you think about this?

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# The Environment Bill and the issue of storm overflows

A number of constituents contacted me recently about the Environment Bill and the issue of storm overflows. I have now received the enclosed update from the Government:

Dear John

This Conservative government is the first government to set out our expectation that water companies must take steps to significantly reduce storm overflows. We will now put that instruction on an enhanced legal footing.

The Environment Bill will allow us to deliver the most ambitious environmental programme of any country on earth. I am grateful for the scrutiny that you have provided to date, and I would like to address the issue of storm overflows. The amount of sewage discharge by water companies into our rivers is not acceptable. We have made it crystal clear to water companies that they must significantly reduce sewage discharges from storm overflows as a priority.

If we do not start to see significant improvements, we will not hesitate to take action through a swathe of new measures directly on water companies in the Environment Bill. None of us voted to allow water companies to pump sewage into our rivers as some campaigns have caricatured in recent days. We actually voted in favour of a package of measures to reduce harms from storm overflows including:

- a new duty directly on water companies to produce comprehensive statutory Drainage and Sewerage Management Plans, setting out how they will manage and develop their drainage and sewerage system over a minimum 25-year planning horizon, including how storm overflows will be addressed through these plans.
- a power of direction for the government to direct water companies in relation to the actions in these Drainage and Sewerage Management Plans. We will not hesitate to use this power of direction if plans are not good enough.
- a new duty on Government to produce a statutory plan to reduce discharges from storm overflows
- a requirement for government to produce a report setting out the actions that would be needed to eliminate discharges from storm overflows in England, and the costs and benefits of those actions. Both publications are required before 1 September 2022.
- a new duty directly on water companies and the Environment Agency to publish data on storm overflow operation on an annual basis.

- a new duty directly on water companies to publish near real time information on the operation of storm overflows.
- a new duty directly on water companies to monitor the water quality upstream and downstream of storm overflows and sewage disposal works.

Following the debate in the House of Commons last week, we have also announced that we will bolster the measures we are already taking.

In July of this year, this Government set out, for the first time ever, its expectation that Ofwat should incentivise water companies to invest to significantly reduce the use of storm overflows in the forthcoming pricing review period. Ofwat will be required to act in accordance with this expectation.

Our amendment will place this policy position in an additional clause in the Environment Bill to underline the action the government is taking. We are simply placing an existing statement in legislation. The reasons as to why we were unable to accept the Duke of Wellington's well-intentioned amendment still stand. The complete elimination of discharges from storm overflows would be extremely challenging. Initial assessments suggest that total elimination would cost anywhere from £150 billion to £600 billion.

This process could involve the complete separation of sewerage systems, leading to potentially significant disruption for homes, businesses and infrastructure across the country. Customer bill increases, potentially amounting to many hundreds of pounds, and other trade-offs against other water industry priorities would be unavoidable. We need to understand what such trade-offs might be.

I have been very clear that water companies need to step up. Equally, we should acknowledge what they have done. Between 1990 and 2020 the water industry has invested about £30 billion in environmental improvement work, much of it to improve water quality in rivers.

A further £7.1 billion is planned to be invested between 2020 and 2025, of which £3.1 billion will be on storm overflows. Labour's plans to renationalise water would have rendered this investment impossible, whilst passing an additional cost of £90 billion to our constituents.

Yours sincerely,

Rebecca Pow

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**[My interview with Julia Hartley-Brewer](#)**

# on Talk Radio

## Part A

<http://johnredwoodsdiary.com/wp-content/uploads/2021/10/Part-A.mp3>

## Part B

<http://johnredwoodsdiary.com/wp-content/uploads/2021/10/Part-B.mp3>

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## The timing of tax cuts

The main point I was able to make yesterday in the short speech Parliament allowed was that we need the cuts in tax rates now to promote faster growth. The Chancellor rightly says he wants them in due course. They should not be a reward for managing to grow against the headwind of high taxes. They should be a necessary part of a growth strategy. They will speed growth and make the rest easier to achieve.

The budget moved huge sums of money thanks to a major rethink over the official forecasts from just six months ago. The OBR has lifted its forecast of growth this year by a massive 2.5% or more than £50bn. It has raised its inflation forecast for next year from 1.8% to 4%. It has slashed its unemployment forecast from 5.6% to 4.9%. It has discovered £44 bn more revenue in the first six months of the year than it forecast in March. I argued that the March forecast was wildly pessimistic. Now the economy is slowing the forecasters have decided to up the projections for this year!

The OBR expects growth to slow to an average of just 1.5% a year in the three years 2024-26. Despite this it proposes a 3.8% per annum real growth in public expenditure. To make such large sums more affordable it is imperative to lift the growth rate. That will require the various measures I have written about to boost underlying capacity in many things from energy to food, from transport to engineered products.

The Treasury needs to review public spending to secure value for money.