

[My Intervention on the Building Safety Debate to the Secretary of State for Levelling Up, Housing and Communities – New Construction Companies](#)

Building Safety Debate – 30 January 2023

John Redwood

(Wokingham) (Con):

What actions will the Government take to make it more likely that people will set up new construction companies and grow smaller companies, since we clearly need more capacity and more competition to get high-quality work done?

Michael Gove

The Secretary of State for Levelling Up, Housing and Communities:

My right hon. Friend is absolutely right, and many of the provisions in the Levelling-up and Regeneration Bill are designed explicitly to aid the entry of new small and medium-sized enterprises into the construction sector. Many of those provisions follow on from the excellent work of my hon. Friend the Member for South Norfolk (Mr Bacon), who as a champion of self and custom builders has done more than anyone else in this House to help to ensure diversification in housing supply.

[Go for growth Telegraph article from Monday](#)

What is it about cutting tax rates that drives the Treasury mad? Jeremy Hunt says rightly that he wants inflation down, yet his department blocks cuts in VAT, fuel duties and other direct tax charges on activity that would do just that.

They opted for subsidies to help us with energy costs instead of taking VAT off domestic energy, or reducing the extortionate carbon taxes on business energy. They chose any way they could find to keep inflation and public spending high. They are itching to put fuel duty up again to make pump prices higher.

And why do they think putting up tax rates is the way to cut state borrowing?

In the latest November budget they put up tax rates and nevertheless announced a massive 75 per cent increase in public borrowing this year.

In part, the borrowing went up because the higher tax rates slow the economy. They lead to less revenue as rich people and companies divert to lower tax places, and those who are stuck here rein in spending and investment. Overall, total revenues are always damaged by these recession inducing policies.

These officials don't understand growth, either. In 2021-22 the government forecasts of state borrowing were more than £100 billion too high because they underestimated growth. This year they were £75 billion too low because they overestimated it. Official models have for years misjudged how crucial growth is to borrowing levels. Every extra pound of income and turnover is highly taxed, so revenue rises strongly with growth and falls away just as rapidly with recession.

This is why we need a growth strategy now to get inflation and the deficit down. High tax rates, with interest rates too high from an erratic Bank of England, will mean more borrowing. Selective tax cuts which cut energy costs, promote business investment and encourage more self employment will directly lower prices and bring more supply.

Going for tax cuts rather than clumsy subsidies will also help control spending better. The energy-money-go-round with price controls, consumer subsidies, windfall taxes and higher corporation taxes is bound to fail. It means less tax revenue as we will be forced to import more foreign energy whilst stopping investment in our own home produced supplies. It is self-defeating, a stand on your head and fall over economics.

The authorities also got their inflation forecasts hopelessly wrong because they clearly do not understand what causes it. They blame Ukraine, refusing to see that China, Japan and Switzerland also import a lot of foreign energy but did not get the high inflation, because they controlled money and credit. Now government is in denial about how inflation will fall because the Bank has lurched from too easy money to tight money, thinking they need to do more with sky high taxes as well. Inflation will fall, but they want to kill off growth too.

The Treasury and Bank advice which wrecked our economy with membership of the Exchange Rate Mechanism in the 1980s, with boom bust, did it again with the banking crash of 2008 and wants to do it again after their great bond-buying inflation.

Ministers should say "No!" and go for growth. We cannot afford their high taxes and recession. We need affordable tax cuts, alongside the rolling back of subsidies to avoid the danger of higher unemployment.

However, it is clear that ministers are frightened about spooking the government debt market, after the Bank showed it could get bond prices rising when it wanted. The Bank could help the country it serves more by working out why it got inflation so wrong and getting it right this time.

It need not go on selling so many bonds at a loss and sending the bill to the taxpayer. Its current policy of doing so seems to be another way to make the Treasury do the wrong thing and intensify the recession. The European Central Bank which made the same mistake of buying too many bonds at high prices to trigger inflation is not selling bonds to make big losses.

I want to believe the Chancellor is earnest in his ambition to reduce taxes and inflation. But to do both effectively, he must reject groupthink.

[Written Answers from the Department of Health and Social Care – Reasons for Leaving NHS](#)

I asked this question to get NHS management to concentrate on high rates of turnover and loss rates from NHS employment. The easiest source of expanding the workforce must surely be to persuade more people to stay?

The Department of Health and Social Care has provided the following answer to your written parliamentary question (123841):

Question: To ask the Secretary of State for Health and Social Care, what the main reasons given by nurses and doctors are for leaving NHS employment. (123841)

Tabled on: 16 January 2023

Answer:

Will Quince:

Data is collected from staff leaving service in National Health Service trusts and commissioning bodies through the Electronic Staff Record on reasons for leaving but has a high percentage of instances where reasons are unknown, 39% for doctors and 41% for nurses and health visitors. Where reasons are provided, the highest number of NHS trust and commissioning body doctors left those bodies due the end of fixed term contracts. This is high as it covers junior doctors moving out of those settings to others, such as general practice, on rotation. This was followed by voluntary resignation reasons and retirement. For nurses and health visitors, the highest proportion of staff recording a reason, left due to voluntary resignation and reaching retirement age. A table of the reason of leaving and the number of staff is attached.

The following documents were submitted as part of the answer and are appended to this email:

1. File name: FORMATTED PQ123841 Leavers by reason for leaving and specified staff group, Jun21 to Jun22 (1).xlsx

Description: Attachment

| Reason for leaving | Hospital and Community Health Service (HCHS) doctors | Nurses and health visitors |
|--|--|----------------------------|
| Bank Staff not fulfilled minimum work requirement | 16 | 14 |
| Death in Service | 35 | 209 |
| Dismissal – Capability | 17 | 202 |
| Dismissal – Conduct | 23 | 109 |
| Dismissal – Some Other Substantial Reason | 16 | 83 |
| Dismissal – Statutory Reason | 3 | 7 |
| Employee Transfer | 65 | 254 |
| End of Fixed Term Contract | 3995 | 340 |
| End of Fixed Term Contract – Completion of Training Scheme | 1299 | 32 |
| End of Fixed Term Contract – End of Work Requirement | 196 | 62 |
| End of Fixed Term Contract – External Rotation | 1433 | 2 |
| End of Fixed Term Contract – Other | 466 | 84 |
| Flexi Retirement | 57 | 304 |
| Has Not Worked | 9 | 10 |
| Mutually Agreed Resignation – Local Scheme with Repayment | 0 | 24 |
| Mutually Agreed Resignation – National Scheme with Repayment | 2 | 4 |
| Pregnancy | 0 | 5 |
| Redundancy – Compulsory | 8 | 8 |
| Redundancy – Voluntary | 5 | 30 |
| Retirement – Ill Health | 44 | 287 |
| Retirement Age | 1016 | 5490 |
| Voluntary Early Retirement – no Actuarial Reduction | 43 | 361 |
| Voluntary Early Retirement – with Actuarial Reduction | 50 | 191 |
| Voluntary Resignation – Adult Dependants | 30 | 197 |
| Voluntary Resignation – Better Reward Package | 61 | 574 |
| Voluntary Resignation – Child Dependants | 40 | 413 |
| Voluntary Resignation – Health | 61 | 879 |
| Voluntary Resignation – Incompatible Working Relationships | 17 | 204 |
| Voluntary Resignation – Lack of Opportunities | 35 | 233 |
| Voluntary Resignation – Other/Not Known | 1437 | 3495 |
| Voluntary Resignation – Promotion | 220 | 1496 |
| Voluntary Resignation – Relocation | 798 | 3536 |
| Voluntary Resignation – To undertake further education or training | 268 | 380 |
| Voluntary Resignation – Work Life Balance | 380 | 4231 |
| Unknown | 7743 | 16681 |
| Total of leavers | 19846 | 40365 |

Source: NHS Digital NHS Hospital and Community Health Service (HCHS) workforce statistics.

Notes:

1. Leavers data are based on headcount and shows staff leaving active service, this would include those going on maternity leave or career break, for example.
2. Data are calculated on an annual basis in this analysis so leaver figures for 30 June 2021 to 30 June 2022 for example represent staff records that are present in June 2021 but are not present in June 2022.
3. Leavers records are linked to a separate ESR Reasons for Leaving dataset. In many instances the Reason for Leaving record has not been completed, which accounts for the Unknown records.
4. Totals for NHS leavers that are different to the sum of constituent parts indicate where staff have left the NHS in more than one post.
5. '-' denotes zero

The answer was submitted on 24 Jan 2023 at 10:19.

[Funny numbers paint a bad picture and constrain the Chancellor](#)

In the long run up to the March budget we have had a stream of bad numbers from the Treasury and Bank and a leak of a bad forecast from the OBR.

The dreadful December borrowing figures were designed to alarm, showing a massive £27.4 bn borrowing figure for the month. It had two main components. The first was £17.3 bn of so called debt interest, up by £8.7bn. This was the result of insisting on including the extra costs of the indexed debt where no cash payments are made so no actual increased borrowing took place for that purpose in December. It is true the government owes more devalued pounds to the holders of indexed debt. They will be repaid in full by rolling over the debt in due course, often many years away, when it falls due. Why is this muddled up with genuine bills paying cash for actual interest on debt?

The second was £7bn on subsidies, another large rise, reflecting the temporary energy payments. As the government is rightly phasing most of those out this spring it is not a serious worry.

The figures also reveal that the Bank of England which had been sending cash to the government when it was making running profits on printing cash and buying bonds will create a painful negative £8.7bn turn round this year as it starts losing money on bonds. Unlike other leading Central Banks the Bank of England will add to the government's misery by selling bonds at a loss which it does not have to do, and requiring payment for the losses from the government. In the USA the Fed is also selling bonds but does not charge the taxpayers for the losses, taking the hit on its own balance sheet. In Euroland the Bank is not so far selling bonds to avoid this problem. The ONS says that end December the Bank was sitting on £106bn of unrealised losses on its bond portfolio.

To cap all the red ink this puts into the figures we read the OBR may lower the long term growth assumptions to give us more debt and deficits in future years. it is important this does not become self validating. Force the Chancellor to impose high taxes and then you will get a lower growth rate and worse debt and deficit figures.

[The PM's five aims and the Chancellor's 4 E s](#)

I strongly agree with the Chancellor's speech when he said "High taxes directly affect the incentives which determine decisions by entrepreneurs, investors or larger companies about whether to pursue their ambitions in Britain". This was in tune with his own support for a 15% Corporation tax rate when running for Leader last summer. The UK does need to be tax competitive, and has just lost its better place in the table of national tax levels with large recent hikes to Corporation Tax, windfall taxes, IR 35 toughening and other measures.

The Chancellor did not reinforce the PM's wish to end the illegal migrants by boat, though that would of course help control spending where the figures are

running away on escalating hotel bills. I am sure he supports the PM, and needs to help him bring it about as quickly as possible. Nor did he reinforce the aim of getting Health waiting lists down. Again with his wish to control spending so taxes can be lowered he needs to take an interest in the 3,500 extra managers and 115,000 extra non medical staff recruited in under 3 years mentioned on this site.

He did reinforce the PM's wish to halve inflation, and spent the rest of the talk discussing the fifth aim, restoring growth. He proposed better education, adding literacy to the PM's stressing of maths. He rightly took up the case of why 1.4 million people say they wish to work yet they cannot get some of the 1m plus job vacancies and we still hear employers wanting to invite more migrants instead. More people already living here getting jobs would be a huge win all round and I wish him and the rest of the government all speed and success with the improved programmes to get more people into work.

He wants the prosperity and jobs to spread everywhere, which is a great ambition. He said he backs the full cost HS 2 project just hours after it had been suggested the government was considering cutting back on the very expensive last few miles in central London. One of the problems is London has enjoyed large capital investment only recently in the Elizabeth line, and many feel railway investment should now do more for the North. It is ironic that a so called levelling up large spend on HS 2 is wholly concentrated in London and the south for this Parliament for a line which will not reach the North this decade.

Above all he backs enterprise, remembering his own success setting up and growing a company before becoming a Minister. He will find this much easier if he does cut taxes on business and investment in what is now a very competitive world to attract footloose money and talent.

I will look in a future blog at the inbuilt pessimism in Treasury, Bank and OBR figures which is being used to discourage him from cutting taxes,.