

# Too much borrowing

The November borrowing figures make grim reading. The OBR was forecasting borrowing of £99 bn this year in the March budget. They are now forecasting £177bn. By November we had already borrowed more than the March forecast for the entire year at £105 bn.

The main reason for the big overrun is debt interest. I have commented before on how they conflate capital items, the need in due course to repay indexed debt with more devalued pounds, and the true revenue costs, the actual interest charges. Because they did not see all the inflation coming they have had to revise up the forecast in the light of the big increase in indexed debt repayment costs. There is also the impact of the higher Bank of England rate increases which were the predictable result of the unforeseen inflation.

The second reason is the increased spending on benefits and special subsidies for people and businesses to handle high energy costs. The government has made this higher by offering handouts to all people whatever their income or housing circumstances. The Chancellor has said he will offer a more targeted and therefore cheaper proposal from next April.

Inflation will come down next year given the big real income squeeze and the dramatic shift from too loose to very tight money by the Bank of England. The Bank should not be increasing interest rates next year. If only they had followed advice and got them higher sooner. I urged them to put them higher at last rate rise decisions.

The government needs to take more of an interest in managing the interest charges part of public spending as it has been wildly out of control. It needs a more affordable way of helping people and business with energy bills. If only it would get on with allowing more oil and gas production in the UK it would get a revenue boost from high oil and gas taxes, and help to ease the squeeze on supplies.

Total spending was up a massive 19.5% in November on the previous year. These two main problems account for a lot of that. The government also needs to take up some more of the ideas for controlling and reducing spending outside the crucial public service areas of its priorities that have been set out here. It also needs to work with public sector managers on raising productivity more widely. We need many more something for something public sector pay deals.

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## Postings to this site

It am in receipt of unpleasant and false allegations because I refused to post someone's opinion on allegations about an MP's conduct. This site does not run stories about MPs alleged personal failings because I do not study them and do not wish to get dragged into legal disputes about what someone did or did not say or do. If you do not like that do not come onto this site with your unpleasant remarks. I am also daily sent the same allegations about billionaires influence. I have commented on that in general terms and am not going to pursue allegations about named business people for the same reasons.

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## Santa's little helpers go green

Ho Ho Ho said Santa. No, No, No said the elves. They were fed up with such a predictable opening line to the 50 th weekly Zoom meeting to plan Christmas. It was the same every time.

The elves had got more unco-operative since they worked from home. The camaraderie and cold of the North Pole used to keep them together more. The work rooms were warm so they had used them a lot.

It's true they were not planning a strike, but they had refused to make trips to the North Pole for a trial run in the days before the big event. They pointed out that they needed rest days before Christmas, not stressful flights burning up lots of aviation fuel to arrive in Lapland on their way north. If Santa expected them to work hard and long hours to prepare the presents he should not complain if they wished to do much of the work at home . They expected the reindeer to pick it up from them in good time.

Santa told them today they had at last got to the question of what presents to deliver to all those who worked in politics. Oh dear, said elf Wunorse Openslae, they are always difficult. What do you give to people who have so many opinions? And what do you give to the ones who have big ideas about what they want? We do need to think about how much the reindeer can haul you know. The politicians are all so used to spending other people's money on big things like new trainlines.

Bushy Green who liked to show off a bit said these days people in the political world were very ESG. So what does that mean asked Santa? Well it means they want presents that help them green the planet. They would like

electric cars or a wind turbine for their gardens. That's not fair or practical, said Santa. We need to offer smaller gifts that fit on the sleigh, and do not cost the earth.

We could tell them we were just sending them love and good wishes said Pepper Minstix, as this year we are going to spare the planet all those things with wrappings that are just dumped. After all they are always complaining about too much packaging. No-one likes a clever clogs said Santa, and anyway that's very negative. We need to try harder.

How about a smart meter for their home asked Alabaster Snowball, ever ready with an intelligent way round things. I doubt they would be very pleased with that said Santa. Most of them must have them by now as they've been available free for several years. They don't need another one.

They thought about sending them a beautiful bound copy of the world net zero plan as they heard that is mainly what they read these days. Apparently that is what gets them motivated. That sounds too much like work said Sugarplum Mary who would rather send them some chocolates.

Why not offer them a four day week said Shiny Upatree who thought that would be a good idea for himself. Don't be silly, said Santa. We do not interfere in how people's jobs are organised. More's the pity said the elf.

Eventually the meeting reached a great conclusion. They should send them a small wood burning stove to keep them warm as they economised on fossil fuels. Someone had objected that burning wood did not sound very green. On the contrary said Bushey Green, it's not called wood you know if you do the right thing. We will buy them a biomass stove. There is no carbon to account for as long as they import all the biomass from abroad. The politicians will get that, as they want us to import all our energy to cut the carbon count. What a relief they all thought. At last a gift that will make the politicians feel good about themselves whilst being practical. It will keep them warm as they wrestle with the windless days that stills the turbines.

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## [My question to the Immigration Minister about strengthening control](#)

## of our borders

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** Will the Government introduce urgent legislation to strengthen control of our borders, and could that include a notwithstanding clause to guide the courts against using other laws that undermine the fundamental principle of the Prime Minister's policy?

**Robert Jenrick, Minister for Immigration:** My right hon. Friend the Prime Minister set out last week our intention to bring forward legislation early next year, and at the heart of that legislation will be a simple point of principle that we on this side of the House believe: no one should gain a right to live in this country if they entered illegally. From that, all things will need to flow. Nothing is off the table. We will take our obligations to deliver on that policy very seriously. That is in stark contrast to the Labour party. At the weekend, the shadow Home Secretary, the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), could not even say whether illegal entry to this country should be an offence. That says it all. We believe in securing our borders and in controlled migration. The Labour party is the party of mass migration.

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## 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.