My Question to the Government about Large Goods Vehicle Drivers – Driving Licences

Sir John Redwood (Wokingham) (Con): To ask the Secretary of State for Transport, by what date his Department expects the backlog of HGV licence applications to be cleared.

Parliamentary Under Secretary of State (Ms Trudy Harrison): The Driver and Vehicle Licensing Agency (DVLA) is prioritising applications for vocational driving licences, including those for HGV entitlement. There is no backlog for provisional vocational licences and these are being processed within the normal turnaround time of five working days.

The DVLA has significantly increased the processing of vocational licence renewals and has moved more staff into this area. Given this, the DVLA expects to be processing applications for both provisional vocational licences and renewals within normal turnaround times by early November. The large majority of those applying to renew an HGV licence can continue driving while their application is being processed.

My Question to the Government about NHS Waiting Lists

Sir John Redwood (Wokingham) (Con): To ask the Secretary of State for Health and Social Care, if he will provide details of how the NHS plans to reduce waiting lists.

Minister of State (Mr Edward Argar): We intend to publish the elective recovery delivery plan in November 2021.

We have committed further £1 billion this year to the existing £1 billion Elective Recovery Fund, with more than £8 billion in 2022/23 to 2024/2025. This could deliver the equivalent of nine million more checks, scans and procedures and allow the National Health Service to deliver the equivalent of 30% more elective activity by 2024-25, compared to pre-pandemic levels.

We will also establish a new £700 million Targeted Investment Fund, which includes £250 million to enable cutting edge technologies and £250 million to increase operating theatre capacity and improve productivity in hospitals.

Why we have inflation – printing more money

Modern Central Banks ironically do not think money matters. Most of them no longer target money supply, and many provide little or no commentary on it. This is surprising given the fashion they entertain to create more and more money to tip into circulation. They should understand that if you create more money and all else stays the same prices will rise, as more money will chase the same volume of goods and services. That is why money matters.

I guess their response is that as they create massive new amounts of money the velocity of circulation, the amount of use people make of that money, will fall. So it need not be inflationary. It is true that in the short term in the pandemic lockdowns more money was an offset to the collapse of demand, and use of the money tumbled as many people and companies hoarded what new found cash came their way.

It did however have a first round inflationary effect, as it was planned to do. It inflated asset prices, pushing up the price of government bonds which the money was used to buy. The people who sold the bonds to the Central Banks then often bought other assets like shares with that money, pushing their prices up even more than the bonds. So far so good. The governments could borrow loads of money on the cheap, and the inflation cheered up anyone with assets and did no harm to those without. I supported a vigorous Central Bank response to offset some of the worst economic consequences of the anti pandemic measures. I also thought governments would get away with a massive one off increase in borrowing, financing it at very low rates, all the time activity was so depressed. There did need to be a big offset and rescue packages given the economic severity of the policy.

If you carry on creating more and more Central Bank money to keep government borrowing rates low there becomes more danger that the money will start to find its way from asset markets into creating demand for goods and services. All those extra savings people made during lockdown as they saved their going to work costs whilst still banking their pay could be spent in a rush, driving up the velocity of money use. If commercial banks use the extra cash they have to expand credit that too creates more demand for goods and services. By these means more created money can lead to goods and services inflation if the money starts to create more potential demand than there is supply.

Central Banks in the USA, UK and the EU should stop their money printing and bond buying now to reduce this risk. They and the other bank regulators should ensure total money growth is sufficient to allow decent growth without encouraging too much extra inflation. That can best be secured by setting appropriate levels of permitted lending / balance sheet strength for the commercial banks using their existing powers. States should continue to cut back their deficits and borrowing substantially by promoting growth policies which will swell revenues and cut crisis spending.

[My interview with Nigel Farage on Talking Pints]

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John Redwood won a free place at Kent College, Canterbury, and graduated from Magdalen College Oxford. He is a Distinguished fellow of All Souls, Oxford.

[End sewage discharges to rivers by water companies]

Since I and others raised this in the Commons last week during the passage of the Environment Bill the Minister has supplied additional information about how they are proposing to get rid of bad discharges to rivers as we all want:

- "Between 2020 and 2025, water companies will invest £7.1bn on environmental improvements in England.
- Of this, £3.1 billion will be invested in in storm overflow improvements specifically.
  • We have also made our expectations crystal clear in our draft Strategic Policy
  Statement to Ofwat where, for the first time, the Government will tell the industry's
  economic regulator that we expect water companies to take steps to "significantly
  reduce… storm overflows", and that we expect funding to be approved for them to
  do so.
  • In August 2020 we established the Storm Overflows Task Force to bring together
  key stakeholders from the water industry, environmental NGOs, regulators, and
  Government in order to drive progress in reducing sewage discharges.

- The Task force has agreed a long-term goal to eliminate harm from storm overflows.
  • We have committed to reviewing the case for implementing Schedule 3 to the Flood and Water Management Act 2010 in England, which would set mandatory build standards for sustainable drainage schemes on new developments, and which many have called for. This action has the potential to markedly reduce quantities of water unnecessarily entering the sewerage system.
  The significant action I have detailed will deliver real reductions in the harm caused.”