

## Is working from home a good idea?

I am not going to condemn all working at home. It would be hypocritical to do so, as I often work from home. That saves time battling bad transport systems and allows me to work without interruptions or distracting noise.

Going to the office regularly is needed to socialise ideas, keep in direct contact with colleagues, be there to mentor and advise new recruits and to have informal meetings to exchange ideas and keep up to date with problems.

Getting this balance right is difficult. Done well by people with a good work ethic part working from home raises productivity. As much office work is filling in and drafting things on a computer you can do that as well from home as the office without the wasted travel time. Done badly where home distracts the employee with many other things and they miss the trends, ideas and problems going to the office would let them pick up.

Each senior manager needs to work out when and where collaborative working in person is needed and when working from home might boost productivity. In a mixed business where some employees need to be the workplace every working day there is even more need to come to a fair settlement over home working for those who can.

My observation of central government post Covid was that offices were too empty. Meetings with Ministers often saw the MP, Minister and private Secretary in the same room but the senior officials at home. Clearly taxpayers are paying a lot of money for large swathes of expensive central London office accommodation which is not used. Use it or lose it.

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## The Prime Minister makes 2 big mistakes in his speech

The Prime Minister made a pessimistic uninspiring speech yesterday around the theme of "things will get worse".

It was a big mistake to tell the nation he now leads we are living in a rotten society. He blamed all of us as well as the last government and told us off for being divided and rotten to the core. As someone given a large majority on just one third of the vote it is a bad idea to attack us and tell us he has to stamp out our divisions and lock up those who are leading the rottenness.

It was an even bigger mistake to tell us he will make changes that will make things worse, as some necessary purgative for our societal breakdown. Governments should not set out to make things worse, as they might succeed.

Then they will be to blame for the bad condition of society and may find it difficult to restore better outcomes.

I have one bit of advice to a PM and Chancellor who say they are now going to do things they do not want to do. Do not do them. No one is making them cut benefits to pensioners or put taxes. If they want to give big pay rises they need to link this to productivity where even the Treasury says £20 bn has gone missing. If they want to spend more on their nationalised industries and net zero they need to cut the Bank of England losses to pay the bills.

It is never a good idea to do the wrong thing. Lower income pensioners need their fuel money. Higher taxes on investing and business will slow growth, cutting revenues and giving us a bigger black hole.

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## Driving people off the roads

The Transport Minister thinks Wales was right to impose 20 mph speed limits in many places. She has told Councils in England it's fine by her if they want to harass more drivers off the roads with closures, narrowing, lane removals, lower speed limits, more bollards and painted regulations.

Yet she belongs to a government which says it wants to boost the economic growth rate. Hasn't she realised how dependent businesses and their customers are on cars, vans and trucks? Doesn't she know every extra traffic jam from less roadspace cuts down how much work people can fit in to a day, puts up the costs of doing business and adds to CO<sub>2</sub> as vehicles keep their engines running for longer to cope with delays and go slows in lower gears.

You can't take the weekly shop home on a bike or get to most places by train. Roads are nationalised. Motorists are made to pay many times the cost of providing them with Vehicle excise Duty, VAT, Fuel Duty, road tolls, congestion charges and parking charges. The road provider regularly closes roads, allows utility providers to dig them up and put pipes and wires under main routes and fails to maintain them to decent standards. The owners of Heathrow do not close the runways to put in pipes and wires or to under take surface maintenance at busy times when people need to fly. Why does the state as road provider treat overcharged drivers so badly?

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# Lockdowns launched a social Revolution

Lives and attitudes were changed by lockdowns. I will be writing some blogs over the next few weeks exploring some of the changes .They will cover

1. Attitudes to working from home versus going to an office or other premise to work
2. Attitudes to the working week, work/ life balance , and productivity
3. The approach to deficit financing and monetary management
4. The mismanagement of the NHS and the wider public sector
5. The role of scientists and experts in policy formation and government presentation
- 6.The role of international bodies and Treaties in the response to the pandemic.
7. The spin and media control stifling different views or approaches, reinforced by most political parties taking the official line.

Your thoughts and interests in this could be useful.

The pandemic seemed to accelerate home working, hit productivity and public sector disciplines badly, gave more power to certain scientists and officials, relied on the WHO to a considerable extent, and was financed through irresponsible Central Bank policies. There was an agreed view with regulation and effective censorship or criticism of anyone who proposed different approaches.

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## The Bank of England wiggles again over its bonds

We are due a reconsideration of the Bank's policy of running down its bond holdings by £100bn a year. It looks as if they will reconfirm they will carry on with it, and update or change the reasons.

The US Federal reserve Board faced with the same problem of a large portfolio of bonds bought at very high prices when interest rates were low has refused to sell bonds in the market at a loss as the Bank of England does. It has allowed its portfolio to reduce as bonds come due for repayment. It has recently reduced the pace of doing this, reinvesting some of the maturing bonds to avoid a bigger lurch in the size of the portfolio. It does not

receive a cent of taxpayer money to cover its losses. It just places the losses onto its balance sheet with a matching asset for "future profits" as it can do as a Central bank which can create money it wants as it needs it. The Fed cut the rate of decline in its bond assets as it was worried it was squeezing commercial banks too much who have deposits at the Central Bank to finance the bonds. If their deposits fall too low they will lend less and there will be less money and credit around.

The Bank of England aware that it may well be over squeezing with its aggressive reduction in bonds and commercial bank reserves has launched a new facility for commercial banks. Those that have been squeezed too much by the bond policy can borrow money from the Bank to lend on to customers. The Bank of England is at least honest enough to admit it has no idea what is the correct level of commercial bank reserves and of bond holdings to have, so it lets banks get out of a hole of its making by lending them more if necessary. Why get into the hole in the first place?

The Bank loses money for UK taxpayers in two ways. It needlessly takes big losses on selling long bonds instead of holding them to repayment at a higher price. It has a running loss on the difference between the money it pays commercial banks on their reserves and the low rate of interest it gets on bonds which it bought at very high prices. The ECB has cut its losses on holding bonds by requiring EU banks to deposit a minimum level of money as reserves with no interest payable. It pays a lower rate of interest on the additional deposits than its fixed base rate. The Bank of England used to pay no interest on commercial bank reserves at all until 2006.

The Bank always needed government permission for the bonds and insisted on a full guarantee to pay the obvious losses they would make. As a result the Bank has made a big hole in fiscal policy, not its territory. Why do we allow this to carry on?