

Not enough growth

The OBR who got their last year deficit forecast wrong by £91bn estimate that 2023-2025 will see economic growth settle down to 1.7%, 1.6% and 1.7% a year. They assume migration continues with the population expanding by 0.3% a year, a bit down on pre pandemic and pre Brexit levels, to give per capita growth of around just 1.4% a year for the 3 years. These figures are disappointingly low.

It could be that they are simply more forecasting errors. After all they underestimated GDP last year and are usually on the pessimistic side. Or it could be that they expect the Treasury to carry on following austerity, EU alignment and state debt driven policies for the next five years which would deliver similar low levels of growth to our years in the single market under the Maastricht economic rules which drove the Osborne/Hammond debt and deficit austerity policies.

The government should challenge these assumptions and work out a growth strategy to improve these forecasts. We need to put behind us the years of dependence when the UK willingly signed up to rules and systems which exported more and more of our industrial output to continental factories, made us more and more dependent on EU imported food, power and much else besides and left important parts of our economy smaller as a result.

It is high time the Treasury set itself the task of making a good improvement over the UK's performance of the last 28 years in the single market. We now have the freedoms to do better if only we will use them.

Tomorrow on Conservative Home I will set out a possible new framework for UK economic policy in response to the government statement that it is looking to change the rules governing economic management.

Lots of borrowing, but well below forecast

I sympathise with the official forecasters at a time of big change in the economy, with a large fall in output and incomes stemming from the measures to curb the pandemic. Getting forecasts right when the economy is falling further and faster when the measures go in and recovering faster and more when they are removed than in previous cycles makes it difficult to get the numbers right. I have had less sympathy with the undue gloom the OBR put into their November 2020 and March 2021 forecasts, and said at both times I thought they were exaggerating the deficit. So it has proved.

In November they forecast a deficit of £394 bn for 2020-21. In March this year

forecasting the year to end March which had almost ended, they said the deficit would be £354bn, a £40bn fall in four months. Yesterday they announced the provisional outturn at £303bn, £51 bn down on a few weeks ago and £91bn down on November. They point out they were thinking in March of £27bn of losses on loans which have not yet materialised and would not be a new demand for cash or borrowing anyway. Even taking this out it still leaves the forecasts way too gloomy. They underestimated the amount of tax revenue collected, and overestimated state spending.

I am raising this again because it will have knock on effects on future years. The £51bn revision downwards to the estimated deficit between this March and April is twice as much as the government now thinks it needs to add to tax revenue in 2024-5 to control the deficit. Could it be that those future years forecasts are also wrong? Might they be too pessimistic, so how necessary is the extra tax? I have other issues with the future tax policy over how you do secure more revenue and what the role of growth is in meeting the state's requirements. Even in their own terms, however, the OBR should examine the possibility that they have been too pessimistic for future years, and consider the need for some caution in drawing early policy conclusions for future years from forecast numbers which have recently proved so unreliable. Did they urge a needless or undesirable tax rise?

Justice for Post Office managers

I was pleased to learn that at last the Post Office accepts its accounting software was faulty and led to wrongful accusations and cases against Post Office managers. Various MPs took up these matters without success, as in this 2014 debate to highlight the problem:

Post Office Mediation Scheme, 17 December 2014

Mr John Redwood (Wokingham) (Con): I am grateful to my right hon. Friend for leading on this issue and for bravely taking the case of many people in the postal sector to the management. From his discussions with the senior management of the Post Office, is there any sign that it now recognises that it made mistakes? Is there any willingness on its part to recognise that at least some of those people are completely innocent and deserve an apology and compensation for the way that their lives and businesses have been wrecked?

Mr Arbuthnot: That is a very difficult question to answer, because the Post Office pleads secrecy. It will not tell us what is happening in the mediation scheme. We asked in July how the mediation scheme was going, but it refused to tell Members of Parliament because it was all confidential.

More lobbyists discovered gaining access to Ministers

I have to reveal today that there are around 250 privileged lobbyists nestling at Westminster who do not get enough scrutiny.

These talented individuals have managed to organise themselves passes to the Palace of Westminster.

They use their passes to loiter and linger around the corridors to get the opportunity of direct private exchanges with Ministers, to propose their plans and causes without officials present.

They even get access to some meetings where Ministers brief them and take their questions in closed sessions.

They often work with private sector companies, trade unions and charities to help them make their case and make it look better based and respectable.

They themselves receive public money, and seek to raise other money to back their campaigns.

Their latest campaign is particularly clever. It is a campaign to stop other lobbyists from access, presumably to enhance their own special access and to cut down lobby competition.

I refer of course to the 250 Opposition MPs who are on the taxpayer payroll and can lobby for much of their active day. If Ministers stopped listening to lobbying I suspect they would have some sharp words to say. Parliament is a system partly for organised lobbying for causes MPs and their constituents back. There is no reason why others cannot see or write to Ministers. There is nothing wrong with charities, Trade Unions and businesses lobbying for policies that help them. That will be obvious and declared when they make their case.

Of course Ministers need to treat all representations properly, and avoid any conflict or avoid acting where they are themselves party to a lobbyists cause or profit.

Too many deaths and injuries on local roads

Motorways are by far our safest roads for a variety of reasons. Separating vehicles going in different directions, and providing high capacity segregated routes onto and off them greatly reduces the capacity for smashes between vehicles travelling in different directions or from drivers

misreading each other's conduct at a junction. In addition no cyclist or pedestrian is allowed on them, removing the danger of conflict between a fast moving vehicle and a vulnerable person. Motorways are more like railways which also have better safety figures thanks to a ban on all pedestrians and cyclists from proximity to the track, and from seeking to keep trains moving in opposite directions on different track.

The main reasons A and B roads are so much more dangerous lies in three main areas. First, pedestrians and cyclists are allowed, and are very vulnerable to mistakes by drivers or by themselves when coming into conflict with vehicles. Second, many junctions lack capacity and are poorly designed, leading to crashes between vehicles seeking to use the same piece of road to go in different directions. Third, there is scope for vehicles to wander or overtake in the lane coming the other way, leading to potentially very dangerous crashes between vehicles travelling in opposite directions. On a 50 mph road this may mean a 100mph crash.

Most of these A and B roads are under the control of Council Highway departments. They have options under national legislation and grant schemes to make improvements in each of these areas to cut accidents. As with motorways the first necessity is to increase overall capacity to reduce tensions and conflicts between vehicles. Pedestrians and cyclists deserve better treatment through the provision of dedicated cycleways and footpaths that avoid main A and B roads to cut conflict with vehicles. Junctions need review. Wherever possible roundabouts should be used rather than traffic lights, as that ensures all vehicles are heading in the same direction of flow and not meeting head on. Where there are signal controlled junctions they should where possible be reconfigured to provide segregated right hand turning lanes with short filter light phases where traffic is sensed by intelligent lights as waiting. Priority should be afforded with plenty of green light phase for the main road which should allow flow in both directions at the same time with right turning traffic held. On straight stretches of potentially fast road there should be consideration to painting a third overtaking lane where there is sufficient width allowing alternate overtaking by vehicles in opposite directions to cut frustration and dangerous overtaking.