

This is a Global Player Original Podcast.

If you're a regular to the newsagents, you know how much we value hearing from you and when you tell us that things that we have discussed have helped you form an opinion.

We've had this from Jeremy in London.

By the way, I listened to your podcast on childcare with great interest and it was about the time that we were making big budget decisions and the newsagents gave me very important ammunition as I thought about why, just why it's so important.

Jeremy's got another name, he's the Chancellor of the Exchequer and he came into our studio first thing this morning to talk through yesterday's budget.

What it means to abolish the limit on pensions and answer the question that we raised yesterday, has he just made the rich even richer?

Welcome to the newsagents.

The newsagents.

It's John.

It's Emily.

And in a moment we're going to hear at length from Jeremy Hunt explaining the thinking behind his budget but also I think it's worth revealing the negotiation that went on before the interview about how long we could have with him because he said 15 minutes I've got to be out and I, we wanted longer and I said well when I interviewed President Obama Chancellor I was told that the President's diary was segmented into 15 minute bits and I said but if the President's enjoying himself he'll give you longer.

Jeremy Hunt beamed.

We found that in general people on our podcast don't mind being compared to Barack Obama and sure enough it worked.

I think we got 19 minutes 45 and what happens is when you're just sort of enjoying the interview and getting right into it, you know, asking your questions, you get people looking very sternly at the studio and sternly at the window and trying to pull the Chancellor away.

Well the entourage, what happens is, and he arrived with a huge entourage of close protection officers but treasury staff and as it got beyond 15 minutes you felt the staff getting closer and closer to the studio window as if to say if you don't stop now we are pulling him out.

Anyway, in that 20 minutes we talked about junior doctors, we talked about whether they are going to have a pay rise, we talked about how he justified spending another billion pounds on the very richest people in this country and we talked about Brexit and the effects that it is still having on our ability to grow the economy.

Have a listen.

Well joining us now is the Chancellor Jeremy Hunt.

You are one of two people actually in the Cabinet who have a proper title, Prime Minister and Chancellor.

You are not a secretary, you are an actual Chancellor and your past few days have been what?

What have they been like?

I think very intense is the truthful answer.

It is unlike any other Secretary of State job that I have done in a very specific way,

you know, when you are a Culture Secretary or Health Secretary or Foreign Secretary, something will happen in your portfolio, your formulator response, you will be on the media. With Chancellor you disappear from view for several months before a budget and that is not because you are putting your feet up, it is unbelievably intense because you are going through issues of the most enormous complexity that you have to go at from every single angle and you know that although it is all numbers because it is about the economy, actually every decision you take is actually about values, it is about people and you have to think about it through that prism and that is probably the biggest surprise.

I do not come from an economist background, I ran my own business, obviously I had to understand, you know, sales coming in, matter and profits matter and all that sort of stuff but actually it is about values in the end, that is the really important thing.

Well, let us talk about some of the values that have underpinned your decision and I want to start with the abolition of the lifetime allowance.

That is going to, you hope, bring a lot of people into the workplace who may have been thinking of retiring or staying in the workplace.

It is also going to make an awful lot of people who are very rich, even richer.

Is that a statement of values?

That is not what I am doing at all, what I am worried about is the NHS and we have a problem which is something that has been getting a lot worse in recent years of doctors reducing their hours or retiring early just at the time that the NHS needs them.

I give an example, the Royal College of Surgeons say that 69%, 69% of their members have reduced their hours because of the way that pension taxes work.

So yes, the framework of my budget yesterday was two things.

I want to remove the barriers to work, whether it is older people or whether it is mums and dads finding childcare too expensive or whether it is people who are long-term sick and disabled.

Yes, I absolutely want to do that, it is vital for our growth but I also want to make sure that our biggest employer, the NHS, can function at a time when we have got 7 million people on the waiting list.

Well, come back to that.

When you sat down, two friends contacted me, one who had sold his own business, another who had worked in the private sector.

One said, I am ringing my wine merchant and ordering champagne, although that is a slightly nuts use of a billion pounds.

Another said, yep, it is pretty huge for the splendidly off, I guess because we are worth it.

I mean, that is the reality of a lot of people.

No, the reality is that I am the Chancellor who put up the top rate of tax to 45 pence.

We will probably come on shortly to ask me why taxes are at such a high level.

I am the Chancellor who, for example, as a result of what I announced in the autumn statement and yesterday, is putting in place a package of support for families in a cost of living crisis worth on average £3,000 a family, that is over £90 billion of help.

But what do all those families need within that?

Let me finish, John.

All those families need, they need an NHS that functions.

This is the quickest, most effective way of dealing with the problem of doctors retiring early just when we need them.

And indeed, the BMA this morning, by the way, the BMA is not an organisation that I am on their Christmas card list, as you might remember from coverage of the junior doctors strike in 2016, but the BMAs say they have already been contacted this morning by members saying they now want to come back from retirement.

So if it's the quickest and most effective, you must have a number in your mind that it will bring back or retain in the workplace.

You must have gone into this spending of £1 billion knowing that you would achieve X number.

What is it?

Well, the number I have in my mind is the number of vacancies in the NHS, over 100,000 of which several thousand are doctor vacancies.

It's numbers like we've just said from the Royal College of Surgeons, more than two-thirds of doctors reducing their hours.

Well, tell us how many you think will actually stay then.

I'll give you another number, sorry, we're talking numbers.

But that number, how many will stay?

How many will want to stay as a direct result of this change?

Well, you don't have those exact numbers, but you have all the evidence.

For example, another piece of evidence, if you want a number, Emily, £3 billion a year is what the NHS spends on local doctors and agency nurses.

You've got 28,000 doctors leaving a year, you've got four out of ten planning to, you've got junior doctors on your doorstep, on strike, they're going to be paying more in taxes here because of inflation, because of fiscal drag.

You could have chosen to spend that £1 billion and the £6 billion from fuel duty on helping them directly than everyone would have said that has gone to help public sector workers, junior doctors, people running the NHS.

Well, we are having discussions, I think they are quite fruitful at the moment.

I'm hoping we might be able to resolve some of the strikes and we have been willing as a government to offer more money than emerged through the independent pay review process last year.

But you had to be more than hopeful, don't you?

If you're spending £1 billion and another £6 a fuel duty that could have gone on that, you can't just go into this saying, I'm hopeful.

You've got to say, we know this is going to be resolved and that's why I chose to spend that money elsewhere.

Well, we are having discussions at the moment and I can't tell you what's happening in those discussions because they're ongoing.

But yes, we have been prepared to offer more money and we've been saying and our line is very straightforward on this.

We recognise how tough it is for families, public sector workers who are seeing their pay eroded by inflation and we are prepared to be as flexible as we possibly can, as long as we don't do something that itself entrenches high inflation and means we're back here

next year discussing the same issue.

There has to be more than 3.5% presumably that you're talking about now.

Well, let's see when the deal is done, what it is, but obviously we will offer what we can afford, but we would like to settle these disputes and we are engaging seriously with the unions to try and resolve the issues.

It's nearly seven years now and I want to change subjects since we voted for Brexit and people have argued about what the benefits are and finally we found out yesterday, it's real ale.

I mean, isn't that rather embarrassing or most pathetic that that's what we can point to?

Look, we can set our own tariffs for real ale in pubs.

Well, John, look, I know you've never been a supporter of Brexit.

I've never made any comment one word or other.

No, but I can see it from your tweets and the tone of your comments and by the way, that is fine.

Oh, by the way, you agree?

I think we can make a great success.

I did vote remain, but I do believe we can make a great success of Brexit.

And as you've asked the question, I have never doubted that we can be successful as an independent country in the way that Canada or Australia can be, but, and this is the important thing that I said yesterday, you know, the differential tariff for draft beer is something that does actually matter to pubs who are a great British institution, very important for our communities.

But that's not the big thing.

The big thing is that what people voted for in 2016, what many people voted for, they voted for a variety of different reasons, is they wanted an economic model that is not dependent on unlimited low skilled migration, which was possible when we were in the single market.

And what I was doing yesterday was saying, how do we change that model?

We've got a million vacancies in businesses up and down the country.

And if we, for example, had the same employment levels as Holland, a country that's in the EU, not dissimilar to us culturally, we would have more than 2.7 million people in work.

So we would fill those vacancies nearly three times over.

But look at that economic model, right?

Because the OBR is still saying that in trade terms, productivity is 4% lower than if the UK had remained in the EU.

Trade intensity reduced by 15% over a 10 year period.

Your budget hasn't shifted that.

That is the OBR's comment this morning.

I mean, your number two was asked yesterday on Newsnight, my old stomping ground, if people had voted to make themselves poorer.

He didn't deny it.

Are you saying yes?

That was the choice that people made and we are going to be poorer and we've just got to get on with that.

Well, here's the truth about Brexit, Emily.

It was a choice we made and whether we make a success of Brexit or not is also a choice that we have to make.

It's an automatic success when you make a big change like that to your trading relations with your nearest neighbors.

Now yesterday, I set out a plan which is not just for the next two to three years.

It's a plan for the next 20 years.

It's a plan as to how we can change our approach to work so that we are not dependent on the labor that we were able to access when we were in the EU.

And I think it was a pretty thorough plan.

Realistically, then we have to wait 20 years.

Is that right to see the positive effects of Brexit?

That is broadly where we're heading.

No.

If we want to be one of the most prosperous countries in the world, if we want to have an economic transformation in the way that they had in Singapore or Taiwan or many other countries, then yes, that is a 20-year project.

What did I talk about?

I talked about how we can become Europe's Silicon Valley.

That's a big dream.

I don't say this is something that we're going to achieve overnight.

Hang on, nor do I say it's necessarily something that we're going to achieve when I'm Chancellor.

But look at what's happened in the last decade.

We have now got the third largest technology sector in the world after America and China.

We've got Europe's biggest life sciences industry, Europe's biggest film and TV industry, Europe's second largest renewable industry.

The industries of the future that are going to shape this century, we do well in, that's our opportunity.

This technology, and I'm not going to deny anything there, but we have got a lower level of productivity by 4% according to the OBR.

Rishi Sunak told the people of Northern Ireland when he was setting out the Windsor framework, they had the most exciting economic zone, unique and privileged position.

It was the prize.

He let the cat out of the bag.

He admitted what we all knew, that we have been denied that.

I'm wondering if the government just has to admit that to the people of the whole UK.

I mean, I do listen to your podcast, Emily and John.

I enjoy it.

I listen to it when I'm training for the marathon, which is, I know, something that you do a lot of as well.

But I do have this sense, if I have one tiny criticism that you want to re-litigate the whole Brexit debate over and over again, let me just say-

Did we ever ask the questions that our listeners and our viewers really ask us about?

I understand that.

I'm here because I'm happy to engage with you.

What I would say is that, going forward, it's about the choices we make.

What I was doing yesterday was putting in place a framework that gives us the chance to be extremely prosperous outside the EU, as I believe it can be.

Now, you say, you talk about the position of Northern Ireland, of course.

I think if I may say that was a misrepresentation of what Rishi Sunak was saying, because, of course-

He said it.

Yes, he did.

But what he was saying is, we recognise-

It's fantastic to be in a single market and would be trading in the UK.

Yes.

What he was recognising was that because of history, because of the Good Friday Agreement and so on, the way we treat Northern Ireland is different.

Northern Ireland has different options.

They have the benefit of being in two single markets, if you like, the European single market and the United Kingdom internal market.

That's not a choice that's open to everyone else.

Because both the UK and the EU recognise that this is a special situation and we all have a responsibility to uphold the Good Friday Agreement.

You've talked about our podcast.

We spent a lot of time on the podcast as well talking about childcare and you've announced a package of measures that will be introduced.

Was it a mistake looking back to have abandoned what labour introduced with Sure Start?

Well, if you look at what's happened in Sure Start, by the way, I listened to your podcast on childcare with great interest and it was about the time that we were making big budget decisions.

It was a time when I was really determined to do childcare if we possibly could afford it.

I thought it was absolutely fascinating some of the comments you made.

If you look at what's happened in Sure Start centres, actually there has been investment.

Wait, are you just telling us the unique Bridget Philipsons ideas from our podcast?

No, because Bridget Philipson rejected what I announced yesterday.

She said we do not want to have an extension of three hours.

I was going to ask a different question.

I was going to say, did the news agents affect government policy?

Well, let me put it this way, the news agents gave me very important ammunition as I thought about just why it's so important.

So it was a topical issue, I listened to it, but let me say this, we have got a big problem as you identified with the affordability of childcare.

And if we are going to break down barriers for people who want to work, then obviously one of the most important groups are parents of young children and particularly women.

And I think what happens at the moment, although I'm very proud of the reforms that Conservatives introduced with three hours for three and four year olds, there is a cliff edge between the end of maternity and paternity leave and the start of help at the age of three.

And that's what we wanted to sort out.

We're going to take a short break now Chancellor, but when we come back, we're going to ask you whether this particular quip misfired.

Madam Deputy Speaker, I say this not to flatter you, but older people are the most skilled and experienced people we have.

This is The News Agents.

Welcome back, Gerry Mount.

The Chancellor is still with us.

When you're talking about particularly for women, there was one woman who was singled out in the Commons yesterday, that was the Deputy Speaker.

You tried to flatter, but she looked very offended to be in your older worker category.

Did you go away with a sort of facepalm after that?

I had a laugh with her after she said, Alan is a great friend of mine.

And I think she recognised that I put myself in that category of older workers too.

Experienced workers, yes.

And I think that so in the Commons, we all have a good sense of humor.

I want to ask about one other thing, I mean, we've got a number of topics and we're very grateful for your time.

Based on Credit Suisse, I'm sure there's a limited amount you can say.

Should we feel reassured by the measures that central banks have taken, and particularly the Swiss central bank?

I hope you understand, John.

I try to answer your questions as directly as possible, but there is an absolutely cast down rule that chancellors never comment on markets.

And so all I can really say on that is that I'm following very closely what's happening in the markets, as I always do.

The Bank of England Governor is also following what's happening in the markets.

I do welcome what the Swiss authorities have done overnight, but I'm afraid I don't want to say any more.

OK, but there will be an awful lot of people listening to this podcast who've got their money in high street banks in Britain.

Can they feel assured that the state of British banking is OK and they've got no particular need for anxiety?

Well the Bank of England Governor said at the weekend that he had absolute confidence in the robustness of the UK financial system when we were working on a solution to the Silicon Valley Bank issue, and I've no reason whatsoever to think that's changed.

So people can feel a bit reassured that this may be an isolated thing rather than the start of contagion?

Well, I don't want to say any more, John.

I hope you understand, but it's just very important that chances don't get drawn into specific market dynamics.

Jeremy Crickwan, are you about to ban TikTok from UK government phones?

Is that about to happen?

Well, I have taken it off my own phone, I haven't heard of any cross-government decision

in that respect.

But you wouldn't trust it now, basically, because it's China's trade.

I'm not someone who thinks that we have to stop all trade with China, but on TikTok, in particular, there is a location function, which I'm not quite sure whether you have proper control.

I have to say my kids are quite addicted to TikTok, so it's quite a remarkable app, but I stop using it myself.

Just to wrap up, you have been part of this government for a long time.

You've sort of seen the Osborne years, the Cameron years, the Truss years.

You sat out the Johnson years.

Does that seem like the right decision in retrospect?

Do you sort of think, thank God, I wasn't in, presumably, the WhatsApp groups that have been leaked.

I wasn't in the parties that have taken place.

I'm not pulling my name out of that now, or do you sort of think, God, that was a big time of government that I should have been part of in the pandemic?

In fairness, I stepped back from government when Boris became Prime Minister in 2019, not because he dumped me.

He offered me another job in the Cabinet, but I've been in the Cabinet for nine straight years.

I was pretty knackered.

Oh, that's not why you stepped back.

No, no.

I would have carried on as Foreign Secretary if he'd asked me to stay, but I thought, actually, he doesn't want me to stay fair enough.

Actually, I do need to recharge my batteries.

That was the primary reason.

I know that when politicians say they want to spend time with their families, that immediately is a red flag for people like you, Emily, but that was the main reason.

What I would say is, I do take total responsibility for what's happened over the last 13 years when it comes to the economy, I think everyone accepts that we inherited a very, very challenging situation in 2010 where the economy was on its knees.

We've grown faster than countries like France or Japan, about as fast as Europe's biggest economy, Germany.

We do have to remind people that we are the worst recovering G7 nation since the pandemic.

We just have to put that in if you're going to use yourselves.

Well, I think if you're going to slip in a stat like that, you also have to remind them that last year we were the fastest-growing economy in the G7, and that's why I think the best thing is to look at the overall record.

I think you're going to lose your math and skills.

Right, there's a close protection team.

They are looking at us.

If we don't stop this interview now, the close protection officers are coming in themselves to pull you out.

No, they're not.

They're shaking.

They're nodding.

They're not.

They're enjoying themselves.

They want the interview to go on.

They're having coffees now.

You can say as long as you want.

We sorted them with coffees.

Thank you, Emily.

Thank you, John.

It's been a pleasure.

You have one Conservative listener.

We have many.

We have many.

Thank you.

Thank you.

Bye.

So, we got our 20 minutes, but interestingly, he still couldn't give us that number, right?

And I know he's been asked a number of times this morning how many people, how many actual doctors will it help retain in the workforce?

And every time you ask for a clear number on that, or even a sort of ballpark figure, you get another number.

You get a number that's spent on locums, or you get a number that are leaving at the moment, or you don't get the clarity of somebody saying, if I do X at the price of a billion pounds, it will result in Y. We also got a sense that that deal with the junior doctors is very close.

I thought that he was interesting on all of that.

Because I think he hopes that, and it was interesting the way he answered the question of, is this a giveaway for the very rich?

And he said, look, I was the guy who, in the autumn statement, put up the top rate of tax from 40 pence to 45% reversing quasi-quartens cut.

The difference, of course, is, and I think this is the calculation, that the pension stuff is quite complicated.

But it is undoubtedly clear that there are going to be many people, probably in the thousands, who won't just be a few thousand pounds better off by this.

But over the course of lifetime, will be millions of pounds better off.

But you have to understand the detail of all sorts of bits.

And he's hoping that no one does, and that this will just, he'll get away with it.

He's hoping that the right flank of his party will.

Because you might see this as a very, very clever move, that he wasn't able to give tax cuts to the trussites.

He wasn't able to provide anything that quasi-quartens provided for the right flank last budget.

But what he has done is something that subtly makes a few people an awful lot of money.

And he might just have aimed for that to be exactly what happened here too.

Yeah.

And so I think that we always kind of worry about the budgets.

And as a political journalist, you always look for the ones that fall apart on day two or day three or day four, that then become the Omni Shambles budget.

At the moment, it looks like the Chancellor has made a calculation that what he wants is a budget that shows steadiness, that he is reassuring grown-ups are back in charge.

Now the huge political debate over this is whether that is exciting enough when you're 20 plus points behind in the polls, and you have got a mountain to climb.

And it's interesting that Labour is really not laying out what they would do.

I mean, maybe they think, oh, we just have to be even steadier.

You know, if we're 20 points ahead, we just sort of sit here with our mouths tightly shut.

But it is interesting that you are getting very little concrete detail.

Even at this point, which is what, let's say 12 or 18 months ahead, you are not getting concrete detail at all from Labour.

And it's all very well knocking down a lot of policies.

It's all very well saying we would get rid of that abolition on the pension's entitlement.

But what would you do?

Yeah, when nothing is replacing it, then I think those questions are going to end up focusing on Labour.

Well, we were listening to Rachel Reeves this morning, the Shadow Chancellor, and messaging each other as we were listening to it.

And you were just thinking, what have you got to say other than the Tories have made a total mess of it?

And just as Jeremy Hunt is making a calculation, and I call into question whether it's a wise one or not about whether Steady As She Goes is going to do enough to turn around, I think Labour just relying on the Tories doing themselves harm is also hugely risky, and that you have to be starting to set out a clearer stall of what you will do in power.

And answers to those questions came there none, really, this morning.

Broad aspirations, sure.

But detail?

No, we still haven't got that from Labour.

We'll be back tomorrow.

No, we won't.

It's Friday.

We're definitely not back tomorrow.

God, no way!

Lewis Goodall can have the studio entirely to himself.

He hoovers naked when we're not here.

My God, that's an image that I now want to remove from my head immediately.

We'll be back on Monday.

Bye.

Bye.

This has been a Global Player original podcast and a Persephoneka production.