

Inflation is down. Now we need bank base rate to be cut...

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As I very confidently predicted yesterday, inflation has fallen in the UK. According [to the release from the Office for National Statistics](#) at 7 am this morning:

Main points

- * The Consumer Prices Index (CPI) rose by 2.3% in the 12 months to April 2024, down from 3.2% in the 12 months to March.
- * On a monthly basis, CPI rose by 0.3% in April 2024, compared with a rise of 1.2% in April 2023.
- * Falling gas and electricity prices resulted in the largest downward contributions to the monthly change in CPI annual rates, while the largest, partially offsetting, upward contribution came from motor fuels, with prices rising this year but falling a year ago.
- * Core CPI (excluding energy, food, alcohol and tobacco) rose by 3.9% in the 12 months to April 2024, down from 4.2% in March; the CPI goods annual rate slowed from 0.8% to negative 0.8%, while the CPI services annual rate eased slightly, from 6.0% to 5.9%.

In other words, all of the useful inflation measures fell, as was always going to be the case.

What is more, there is no reason to think that any of them will rise in any significant way, any time soon. Of course, unforeseen events might happen. But we can only plan for what we know, and that is that inflationary pressure is now back to supposedly desired levels. albeit I would actually allow them to be a little higher at maybe 3 per cent.

So, now it is time for the Bank of England to stop the charade and pretence that we need high interest rates, which has been deeply destructive. Now is the time for rapid interest rate cuts. But how much? The target should be no more than 2 per cent by the end of the year, with a first one per cent cut required now, with others to follow in rapid

0.5 per cent stages as the year progresses.

Then, we might get the economy going again.

Then, we might stop the appalling mortgage pressure on millions of households.

Then, rent controls can be discussed.

And, an incoming government would see massive cuts in its interest charges each year, by more than enough to solve many other problems in society without any need for austerity arising.

So why aren't such cuts on the horizon when it is so obvious that they are needed? Only because they do not serve the interests of the wealthy, and they are the people that this country is being run for.