

Funding the Future

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As the [Office for National Statistics](#) has reported this morning:

- * The Consumer Prices Index (CPI) rose by 3.5% in the 12 months to April 2025, up from 2.6% in the 12 months to March.
- * On a monthly basis, CPI rose by 1.2% in April 2025, compared with a rise of 0.3% in April 2024.
- * The largest upward contributions to the monthly change in CPI annual rates came from housing and household services, transport, and recreation and culture; the largest, partially offsetting, downward contribution came from clothing and footwear.
- * Core CPI (CPI excluding energy, food, alcohol and tobacco) rose by 3.8% in the 12 months to April 2025, up from 3.4% in the 12 months to March; the CPI goods annual rate rose from 0.6% to 1.7%, while the CPI services annual rate rose from 4.7% to 5.4%. So, as we always knew would happen, government permitted above-inflation price increases have fuelled inflation.

I get why council tax had to rise, although that was almost entirely because the government would not increase taxes on those with the greatest ability to pay in our communities, with the resulting funds being used to relieve pressure on councils.

It was, however, gas, electricity, phone, rail, water and other bills where price increases at well above inflation rates - indeed, where those price increases at above inflation rates are built into permissible price models by regulators - that drove this increase.

Now we will have idiots at the Bank of England calling for an end to interest rate cuts, and demanding that people must be punished for the fact that prices are rising when these increases were sanctioned by the government, in most cases, to fuel the excess profits of already bloated businesses.

These prices suggest just how bad the regulation of privatised monopolies in the UK is.

The reaction will suggest why the Bank of England cannot be trusted with setting interest rates.

The overall failure to manage the economy shows why ministers need to learn how to manage an economy.

Right now, they have no idea what they are doing, and it's showing.