



ARBUTHNOT BANKING GROUP PLC

PERSPECTIVES

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The CPI inflation rate jumps in August, but MPC still expected to see higher inflation as temporary

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Introduction

Last week saw the usual mid-month rush of indicators. Top of the list, given the concerns over inflationary pressures, were August's CPI data. CPI inflation jumped to 3.2% in August, compared with July's 2.0%. Moreover, a pick-up in producer prices inflation suggests some further inflationary pressures in the pipeline. Given this week's MPC meeting (see below) this arguably presents the Bank with a dilemma, though we expect the Bank will continue to regard the inflationary uplift as "transitory". Meanwhile the labour market continues to recover, with record vacancies and a continuing elevation in earnings inflation (though the latter data are distorted by base effects). House prices dipped in July 2021, after the tapering of the stamp duty holiday, whilst retail sales fell for the fourth consecutive month in August.

CPI inflation jumps in August...

The Consumer Prices Index(CPI) YOY rate increased to 3.2% in August, compared with July's 2.0%, whilst the CPIH inflation rate increased to 3.0% (YOY) in August, compared with July's 2.1% (YOY).¹ The largest upward contribution to the August 2021 CPIH YOY rate came from transport (reflecting higher fuel and second-hand car prices which were 17.7% and 18.3% higher respectively) with other upward contributions from restaurants and hotels, housing and household services, and recreation and culture. Moreover, there are expectations that inflation will pick up further as the year proceeds, not least because of higher household energy bills and the increase in the VAT rate for the hospitality sector (see below). As discussed below, the Bank forecast CPI inflation would rise to 4% in 2021Q4 in August. For the record, the YOY inflation rates for goods and services in August were 3.3% (2.5% in July) and 2.7% (1.8% in July) respectively (chart 1a). The core rate inflation (excluding energy, food, alcoholic beverages & tobacco) rose to 2.9% (1.9% in July).

The ONS pointed out that the largest upward contribution to the change in the CPIH YOY rate between July and August was a base effect. Specifically, many prices in restaurants and cafes were discounted because of the government's Eat Out to Help Out (EOHO) scheme in August 2020. At the same time (August 2020), a reduction in Value Added Tax (VAT) from 20% to 5% for the hospitality sector also contributed to a fall in

prices (the government made an announcement on 8 July 2020 allowing VAT registered businesses to apply a temporary 5% reduced rate of VAT). The reduced VAT rate is still in operation but is due to be increased for the hospitality sector to from 5% to 12.5% from [1 October 2021](#) (in operation until 31 March 2022). The ONS estimated that, if the EHO scheme had not taken place last year, the CPIH 12-month inflation rate for August 2021 would have been 2.7% (0.3pp lower) and the CPI rate would have been 2.8% (0.4pp lower). As chart 1b shows that the CPI rose by 0.7% (MOM) in August 2021, compared with a fall of 0.4% (MOM) in August 2020, whilst the equivalent data for catering services were +0.2% (August 2021) and -5.8% (August 2020).

Chart 1a CPI inflation (YOY, %) and selected components, April 2020-August 2021

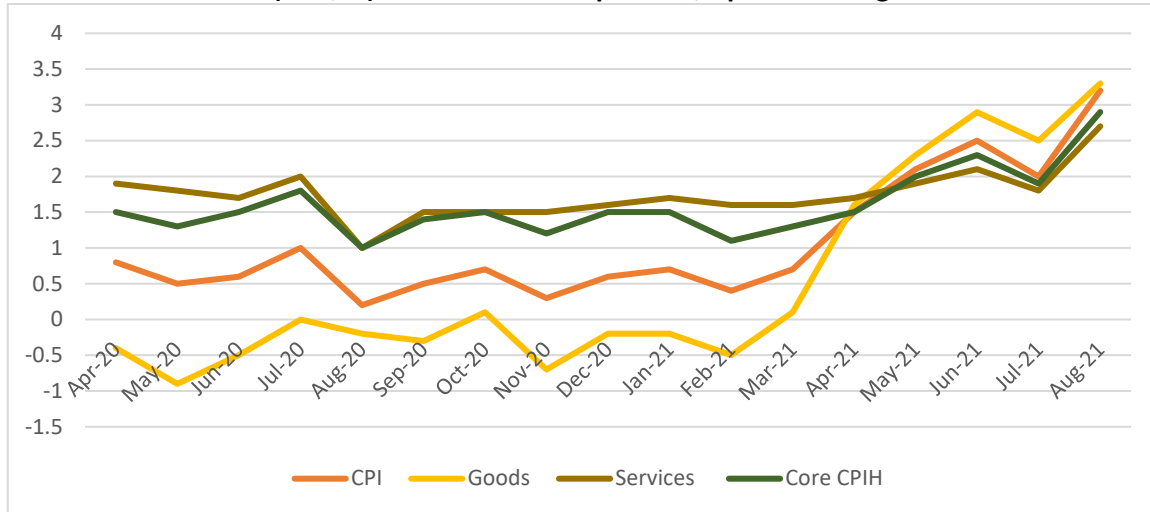
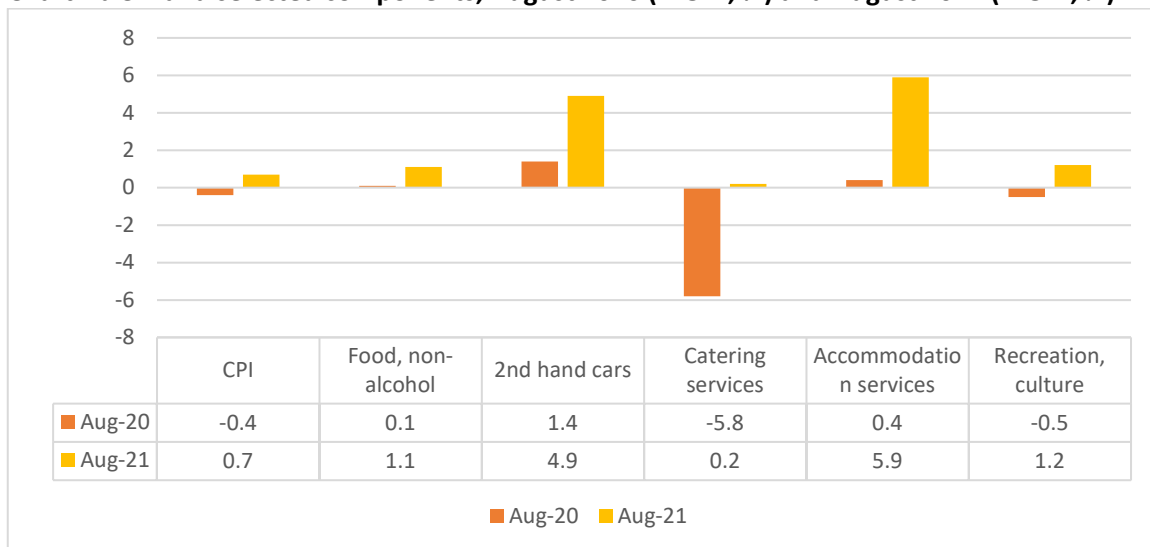


Chart 1b CPI and selected components, August 2020 (MOM, %) and August 2021 (MOM, %)



Source: ONS, “Consumer price inflation, UK: August 2021”, 15 September 2021, tables 1 & 4 (CPI).

...and producer prices inflation picks up further

The inflation rate for the output PPI (goods leaving the factory gate) increased to 5.9% (YOY) in August, the highest since November 2011, from 5.1% (YOY) in July.² Petroleum products had the highest annual growth rate of any component of output prices in August 2021, at 50.4%, whilst “other manufactured products” provided the largest contribution to the change in the annual rate between July and August. Annual growth rates for this product group were being driven by prices of products of wood, cork, straw, and plaiting materials for domestic market.

The inflation rate for the input PPI (materials and fuels used in the manufacturing process) increased to 11.0% (YOY) in August, from 10.4% (YOY) in July. Crude oil had the highest annual growth rate of any component of input prices in August 2021, at 49.6%, but had a downward contribution to the change in the annual rate between July and August as the annual increase fell from 54.5% in July 2021. “Other produced materials” provided the largest contribution to the change in the annual rate between July and August, whilst annual growth rates for this product group were being driven by wood, sawn and planed for domestic market.

The labour market continues to recover...

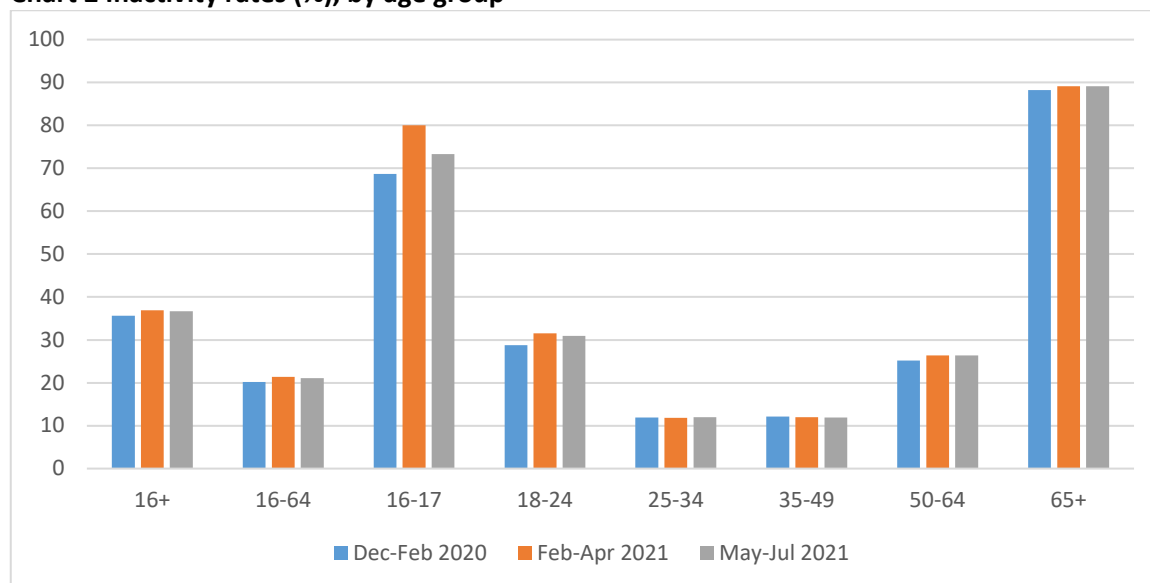
The latest data suggest that the labour market is continuing to recover. The market is, of course, still significantly supported by the furlough scheme (ending end-September) and the “true” demand for labour can only be judged when the scheme ends. The latest official (HMRC) data for the number on furlough related to the end of July, and it can be assumed they have fallen further since then. But, for record, the HMRC reported that the number of employments (sic) on furlough was 1.56mn on 31 July 2021, some 340,000 lower (MOM) than on 30 June when the number of employments on furlough was 1.90mn.³ The number had peaked at nearly 9mn in early May 2020. Employees continue to receive 80% of their current salary for hours not worked on the scheme, whilst the employer contribution towards the cost of unworked hours was 10% in July, rising to 20% in August and September.

Early estimates from Pay As You Earn Real Time Information (PAYE RTI, HMRC data) show the number of payroll employees increased by 241,000 in August to 29.1mn, returning to pre-coronavirus pandemic (February 2020) levels. All regions except London, Scotland and South East are now above pre-pandemic levels.⁴⁻⁵

Turning to the data for the three months to July (LFS data), employment increased in the quarter, whilst the unemployment rate eased. Employment rose by 183,000 (QOQ), though this was still 202,000 lower YOY, whilst the employment rate (the proportion of people aged 16-64 who were in work) rose to 75.2% (still 0.4 percentage points lower YOY, however).⁶ Total actual hours worked increased strongly in the quarter but were still 45.4mn hours below pre-pandemic levels (the three months to February 2020). Partly corresponding to the rise in employment, unemployment fell by 86,000 (QOQ) but it was still 81,000 higher YOY, whilst the unemployment rate slipped to 4.6% (0.3 percentage points higher YOY).⁷ The inactivity rate (the proportion of people aged 16-64 who were economically inactive) was 21.1%, but still 0.2 percentage points higher YOY, whilst the redundancy rate was similar to pre-coronavirus pandemic levels.

The ONS pointed out that young people (those aged 16 to 24 years) had been particularly affected by the pandemic, with the employment rate decreasing and the unemployment and economic inactivity rates increasing by more than seen for those aged 25 years and over. Over the last quarter, however, there had been a strong increase in the employment rate and decrease in the unemployment and inactivity rates for young people. Chart 2 compares the inactivity rates for various age groups for three time periods: for the three months to February 2020 (pre-pandemic), for the three months to April 2021 (peak inactivity rate) and the latest data (three months to July). In terms of levels, there were 8.370mn inactive people (16-64 years) in the three months to February 2020, which had risen to 8.831mn by the three months to April 2021. The latest data showed that this had fallen to 8.711mn (three months to July), which indicates that there are still around 350,000 more inactive people (16-64 years) than there were pre-pandemic. If people aged 65+ are included, there are currently over 600,000 more inactive people than pre-pandemic.

Chart 2 Inactivity rates (%), by age group



Source: ONS, “Labour market overview: September 2021”, 14 September 2021, data tables.

...whilst vacancies are at record levels...

The latest vacancies data were very buoyant. They rose by 269,300 (QOQ) in the three months to August to 1,034 thousand, which was the first time vacancies have risen over 1 million since records began (in 2001), and they are now 249,000 above their pre-pandemic January to March 2020 level.⁸ All industry sectors grew on the quarter and the majority reached record levels of vacancies. The largest increase was seen in accommodation and food service activities, which rose by 57,600 (75.4%).

The existence of increasing vacancies, and various indicators of recruitment difficulties, points to labour market mismatches as the economy recovers. As the minutes of the MPC’s August meeting noted “...there appear to have been difficulties in matching available jobs and workers. These frictions are for a period reducing effective supply in the economy. Overall, the MPC judges that spare capacity has been eroded over the past couple of quarters, as demand has outstripped growth in effective supply. Frictions in the labour market are [however] judged likely to dissipate over the forecast period, boosting growth in effective supply capacity”.⁹

... and annual average earnings growth remains elevated

Annual growth in average total pay (including bonuses) was 8.3% and regular pay (excluding bonuses) was 6.8% among employees for the three months to July 2021.¹⁰ However, the ONS pointed out that annual growth in average employee pay was being affected by temporary factors that had inflated the increase in the headline growth rate. These factors were base effects where the latest months are now compared with low base periods when earnings were first affected by the coronavirus pandemic, and compositional effects where there has been a fall in the number and proportion of lower-paid employee jobs, therefore increasing average earnings. The ONS commented “...we estimate that the base effect will reduce the regular earnings growth rate by between 1.9 and 3.4 percentage points. In addition, we estimate the compositional effect at 0.2 percentage points below pre-pandemic levels”.¹¹ The net effect of the base effect and the compositional would be to reduce the regular earnings growth rate by between 1.7 and 3.2 percentage points, giving an “underlying” regular earnings growth rate of between 3.6% and 5.1% (table 1). The ONS added “...given the uncertainty around this range, interpretation should be treated with caution”.

Average total pay growth for the private sector was 9.6% in the three months to July 2021, while for the public sector it was 2.5%. Since the end of 2019, the public sector generally had stronger growth than the private sector, but since April 2021 the year-on-year comparison with a low base period has meant the private sector now shows stronger growth. All sectors saw positive growth, including all the industry groups within each sector.

In real terms (adjusted for inflation), average annual earnings growth was 6.0% for total pay and 4.5% for regular pay in the three months to July. The ONS warned that average real-pay growth rates were also affected by the base and compositional effects in the same way as nominal pay and should be interpreted with caution.

Table 1 Growth in employee earnings (YOY, %), 3 months to July 2021

	Nominal	Real
Actual:		
Total pay (including bonuses)	8.3%	6.0%
Regular pay (excluding bonuses)	6.8%	4.5%
Underlying:		
Total pay (including bonuses)	(5.1-6.6%)	...
Regular pay (excluding bonuses)	3.6-5.1%	...

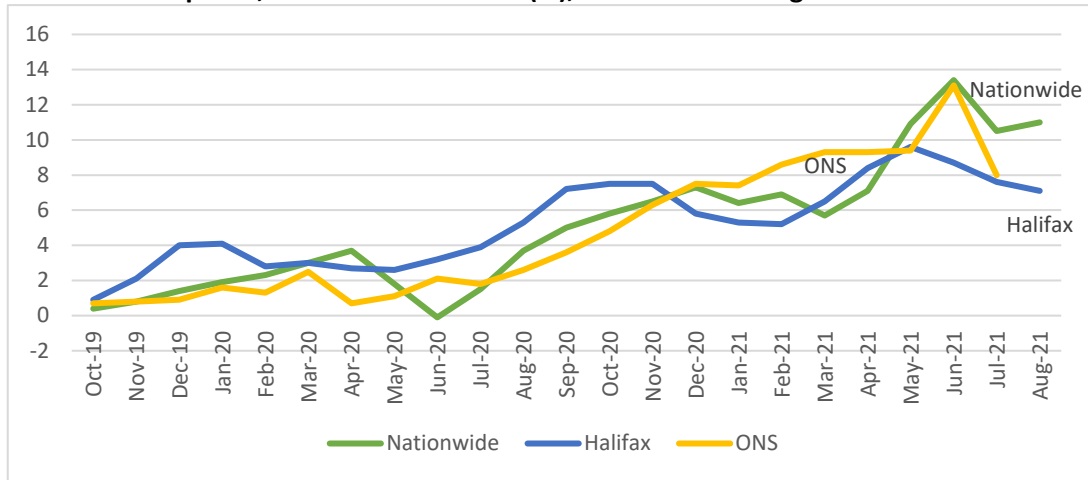
Sources: (i) ONS, "Labour market overview: September 2021", 14 September 2021; (ii) ONS, "Average weekly earnings in GB: September 2021", 14 September 2021.

ONS: house prices fell in July...

According to official data, UK average house prices fell by 3.7% (MOM) on a non-seasonally adjusted basis in July and by 4.4% (MOM) on a seasonally adjusted basis, after the tapering of the stamp duty holiday.¹² In annual terms they rose by 8.0% in July 2021, down from 13.1% in June (chart 3). The Stamp Duty Land Tax (SDLT) nil rate threshold (for England and Northern Ireland) was reduced from £500,000 to £250,000 on 1 July (and will revert to £125,000 on 1 October). The tax holiday ended on 31 March 2021 in Scotland and on 30 June 2021 in Wales. The UK House Price Index (HPI) is based on completed housing transactions. Typically, a house purchase can take six to eight weeks to reach completion. The inflation rates for the UK's four countries in July were: England (7.0% YOY), Wales (11.6% YOY), Scotland (14.6% YOY), and Northern Ireland (9.0% (2021Q2, YOY)). In England, there was, as always, a significant range across the nine regions.¹³

Recent data from the Nationwide and the Halifax suggested that prices picked up in August.¹⁴⁻¹⁵ The Nationwide reported the prices, somewhat surprisingly, rose by 2.1% (MOM, seasonally adjusted) in August to be 11.0% higher YOY after July's annual growth of 10.5%. They commented that the strength may reflect strong demand from those buying a property priced between £125,000 and £250,000 who are looking to take advantage of the stamp duty relief in place until the end of September, combined with lack of supply. The Halifax reported that the average UK house price picked up by a more modest 0.7% (MOM) in August, whilst the annual growth rate eased to 7.1% (after in July's 7.6%), the lowest since March. The Halifax commented that, despite the tapering of stamp duty, there had been other significant drivers of house price inflation, with structural factors, such as the demand for more space amid greater home working, driving record levels of buyer activity.

Chart 3 House prices, annual inflation rate (%), October 2019-August 2021



Sources: (i) Nationwide, “August upturn as UK house price growth increases to 11%”, 1 September 2021, (ii) Halifax, “House prices hit record high in August – but pace of annual growth continues to slow”, 7 September 2021, (iii) ONS, “UK house prices index: July 2021”, 15 September 2021 (taking revisions from January 2021).

...and retail sales fell for the 4th consecutive month

Retail sales volumes fell by 0.9% (MOM) in August, following a 2.8% fall in July, for the fourth consecutive month.¹⁶ They were, however, still 4.6% higher than in pre-pandemic February 2020 and flat on a year earlier. The ONS reported that food store sales volumes fell by 1.2% (MOM) in August 2021, with some evidence to suggest that the further easing of hospitality restrictions had an impact on retail sales. People had increased their social spending such as eating and drinking at restaurants and bars in the month. Non-food stores reported a fall of 1.0% (MOM) in sales volumes, driven by falls in department stores and other stores, such as sports equipment and computer stores. But automotive fuel sales volumes rose by 1.5% (MOM) as people continued to increase their amount of travel, though they remained 1.2% below their pre-pandemic February 2020 levels.

The proportion of retail sales online rose modestly in August to 27.7% from 27.1% in July, substantially higher than the 19.7% in pre-pandemic February 2020.

In the three months to August retail sales increased by 0.3% (QOQ), to be 4.0% higher (YOY). However, the percentage change over the past year should be interpreted with caution because of base effects. Lower than normal retail sales in mid-2020, impacted by store closures, social distancing and other covid restrictions.

The MPC meets next week...

The MPC will meet this week, with the monetary policy announcement made on 23 September.

Interest will focus on two main issues. The first is the MPC’s latest assessment of the prospects for inflation, not least of all in the light of the latest CPI data (see above), though there will not be a formal update of the forecasts. The Bank revised up their inflation forecast significantly in August.¹⁷ CPI inflation was then projected to rise temporarily in the near term, to 4% in 2021Q4, owing largely to developments in energy and other goods prices (table 2). However, the MPC maintained the view that above-target inflation was expected to be “transitory”, as commodity prices were assumed to stabilise, supply shortages were

assumed to ease and global demand to rebalance away from goods and back towards services. As a result, CPI inflation was expected to fall back and projected to return to close to the 2% target in the medium term. The key question is whether the MPC will continue to view the increased inflation as “transitory”, given the latest developments. On balance, we expect them to maintain this stance but clearly there are dangers that higher inflation will become imbedded. Concerning other economic developments, it will be interesting to see if/how the Governor’s recent evidence to Treasury Select Committee will be reflected in the MPC’s thinking.¹⁸ The Bank Governor then said the end of the furlough scheme should help with current worries about “getting jobs filled” but added that, while other pressures on the economy caused by supply chain bottlenecks and higher commodity prices looked likely to fade, he had a “bit more concern about persistence in the labour market story”. On the economy generally he noted that “...at the moment we are seeing some levelling off in the recovery.”

The second main issue relates to policy, or more specifically, whether the QE will be reined back. For the record, MPC members voted to leave monetary policy broadly unchanged at the August meeting. They voted for:

- Maintaining the Bank Rate at 0.1%, unanimously.
- Maintaining the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20bn, unanimously.
- Continuing with its existing programme of UK government bond purchases, financed by the issuance of central bank reserves, maintaining the target for the stock of these purchases at £875bn. The existing programme of £150bn of UK government bond purchases had started in January and the MPC continued to expect it to be completed by around the end of 2021. 7/8 MPC members voted for this, whilst Michael Saunders voted to lower the existing programme of bond purchases, reducing the target for the stock of these purchases from £875bn to £830bn (by £45bn).¹⁹

As reported recently, Huw Pill, the new Chief Economist, was seen as “hawkish”, backing limits on QE, and there was some speculation that his appointment may have been a sign that the Governor was keen to rein in QE.²⁰ Given these circumstances, he could well vote for the early ending of QE. On balance, however, it seems very unlikely that QE will be reined in at the September meeting and there are no expectations of higher interest rates. Policy is, therefore, likely to be left unchanged.

Table 2 Bank of England: August forecast, YOY (%), unless otherwise indicated

	2021	2022	2023	2024
GDP	7¼	6	1½	...
Unemployment rate (%), Q4	4¾	4¼	4¼	
CPI inflation (YOY, %), Q4	4	2 ½	2	...
Household saving ratio (%)	12¾	5½	5½	...
Average weekly earnings (YOY, %), Q4	2½	1¾	2	...
Bank Rate (%)	0.1	0.2	0.4	0.5

Source: *Bank of England*, “Monetary Policy Report, August 2021”, 5 August 2021. The path for Bank Rate implied by forward market interest rates.

...as does the Fed

The Federal Open Market Committee (FOMC) also meets this week (monetary policy announcement on 22 September). The focus will be on the eagerly anticipated update on tapering (reducing the pace of asset purchases), with some expectations that the Fed may announce a date when tapering could begin.

In his annual speech at the Jackson Hole Economic Policy Symposium on 27 August, Fed Chair Jerome Powell implied the Fed could start withdrawing monetary stimulus this year as the economy rebounded but

confirmed that it was in no rush to raise interest rates.²¹ Powell’s Jackson Hole speech followed on from the July meeting (27-28 July), when there were no changes in policy.²²

Crucially, Powell said in his Jackson Hole speech:

- “We have said that we would continue our asset purchases at the current pace until we see substantial further progress toward our maximum employment and price stability goals, measured since last December, when we first articulated this guidance. My view is that the ‘substantial further progress’ test has been met for inflation. There has also been clear progress toward maximum employment. At the FOMC’s recent July meeting, I was of the view, as were most participants, that if the economy evolved broadly as anticipated, it could be appropriate to start reducing the pace of asset purchases this year”.
- “The timing and pace of the coming reduction in asset purchases will not be intended to carry a direct signal regarding the timing of interest rate lift-off, for which we have articulated a different and substantially more stringent test. We have said that we will continue to hold the target range for the federal funds rate at its current level until the economy reaches conditions consistent with maximum employment, and inflation has reached 2% and is on track to moderately exceed 2% for some time. We have much ground to cover to reach maximum employment, and time will tell whether we have reached 2% inflation on a sustainable basis”.

There will be revised economic forecasts. The last were released in June and are shown in table 3, for the record. GDP rose by an arguably disappointing 6.6% (QOQ, annualised, second estimate) in 2021Q2, whilst employment growth slowed in August.²³ The annual CPI inflation rate in August eased to 5.3%, following 5.4% in both June and July, (possibly) lending credence to the Fed view that the increased inflation will prove to be transitory.²⁴

Table 3 Federal Reserve: economic projections June 2021 median estimates

	2021	2022	2023	Longer-run
GDP % change, Q4 (YOY)	7.0	3.3	2.4	1.8
Unemployment rate, Q4 (%)	4.5	3.8	3.5	4.0
PCE inflation (%), Q4 (YOY)	3.4	2.1	2.2	2.0
Core PCE inflation (%), Q4 (YOY)	3.0	2.1	2.1	Na
Projected appropriate policy path, Federal funds rate (%), end-year	0.1% (0-0.25%)	0.1% (0-0.25%)	0.6% (0.5-0.75%)	2.5%

Source: *FOMC*, “FOMC projections materials”, 16 June 2021. PCE = personal consumption expenditures, core excludes food & energy. The Federal funds rate is the midpoint of the targeted range. These are the economic projections of Federal Reserve Board members & Federal Reserve Bank presidents under their individual assessments of projected appropriate monetary policy.

Political update: the Cabinet reshuffle...

The Prime Minister reshuffled his Cabinet on 15 September 2021.²⁵⁻²⁷ The membership of the revised Cabinet is listed in annex table 1.

...and the latest Brexit developments

There have been two separate developments recently.²⁸ The first development related to the further delays in imposing checks on certain goods trade. Specifically, they were:

- Checks on imports from EU of food and agricultural products, due on 1 October, will be pushed back to the start of 2022. And export health certificates on sanitary and phytosanitary (SPS) goods will begin in July 2022, rather than at the start of 2022.²⁹⁻³⁰

- The planned introduction of checks on chilled meats from GB to NI, which were due end-September, will be delayed until at least next year.³¹

The second development related to “new plans to capitalise on the freedoms from Brexit”. The Government’s press release explained “...thousands of individual EU regulations automatically kept on the statute book after Brexit, known as Retained EU Law, will be scrutinised by the Government to ensure they are helping the UK to thrive as a modern, dynamic, independent country and foster innovation across the British economy. The review will aim to remove the ‘special status’ that EU retained law still enjoys in our legal framework and will determine how best to ensure that UK courts can no longer give undue precedence to EU-derived laws in future. This will be done while providing businesses and citizens with legal certainty and will continue the process of restoring the UK Parliament to its proper constitutional position”.³²

In addition, the Government set out “...a package of individual regulatory reforms to laws inherited while a member of the EU, building on recommendations recently submitted to Government by the Taskforce for Regulatory Reform, Innovation and Growth”. The extensive list included the populist proposals of reintroducing the Crown Stamp and reviewing the EU restrictions on selling in pounds and ounces.³³

References

1. ONS, "Consumer price inflation, UK: August 2021", 15 September 2021. CPIH is the Consumer Prices Index including owner-occupiers' housing costs and is the ONS's preferred measure of consumer prices inflation.
2. ONS, "Producer price inflation, UK: August 2021", 15 September 2021
3. HM Government, "Coronavirus Job Retention Scheme (CJRS) statistics", 9 September 2021.
4. ONS, "Labour market overview: September 2021", 14 September 2021.
5. ONS, "Earnings and employment from Pay As You Earn Real Time Information, UK: September 2021", 14 September 2021.
6. ONS, "Employment in the UK: September 2021", 14 September 2021.
7. Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is the proportion of the labour force that were unemployed, aged 16+. The unemployment rate can also be defined as the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.
8. ONS, "Vacancies and jobs in the UK: September 2021", 14 September 2021.
9. Bank of England, "Monetary policy summary and minutes of the MPC meeting ending 4 August 2021", 5 August 2021.
10. ONS, "Average weekly earnings in GB: September 2021", 14 September 2021.
11. Footnote on compositional effect: the ONS explained that their latest data showed the compositional effect was approximately 0.8%, compared with approximately 1.0% before the pandemic affected the workforce. To take into account the compositional effect that was present before the pandemic, this 1.0% is subtracted from the latest compositional effect of 0.8%. This resulting in difference of negative 0.2 percentage points, which is the first time since the pandemic that the compositional effect has been negative and "we see a reverse affect".
12. ONS, "UK house prices index: July 2021", 15 September 2021.
13. The complete list of annual price changes is: North East (10.8%), South East (8.8%), West Midlands (8.5%), North West (8.1%), Yorkshire & Humberside (6.9%), East Midlands (6.9%), East (6.8%), South West (5.2%), and London (2.2%). London continued to be the region with the lowest annual growth for the 8th consecutive month.
14. Nationwide, "August upturn as UK house price growth increases to 11%", 1 September 2021.
15. Halifax, "House prices hit record high in August – but pace of annual growth continues to slow", 7 September 2021.
16. ONS, "Retail sales, August 2021", 17 September 2021.
17. Bank of England, "Monetary Policy Report, August 2021", 5 August 2021.
18. Ruth Lea, "Disappointing GDP data in July, as the recovery slows", *Arbuthnot Banking Group*, 13 September 2021, discussed the Governor's comments to the Treasury Select Committee.
19. Note that, as of 4 August 2021, the total stock of assets held in the Asset Purchase Facility (APF, corporate and government bonds) had reached £845bn, including £100bn of the £150bn programme of UK government bond purchases announced on 5 November 2020.
20. Ruth Lea, "Cautious households continued to save in July, whilst borrowing no additional consumer credit", *Arbuthnot Banking Group*, 6 September 2021, discussed Huw Pill's appointment.
21. Ruth Lea, "The recovery continues, though growth moderates", *Arbuthnot Banking Group*, 31 August 2021, discussed Fed Chair Jerome Powell's Jackson Hole speech.
22. Ruth Lea, "MPC August meeting: focus on the inflation forecasts", *Arbuthnot Banking Group*, 2 August 2021, discussed the Fed's July meeting.
23. BBC, "Poor US jobs growth shows Covid Delta variant impact", 3 September 2021.
24. www.tradingeconomics.com.

25. *HM Government*, "Ministerial appointments: September 2021", 15 September 2021.
26. *UK Parliament*, "Her Majesty's Cabinet", 15 September 2021.
27. *BBC*, "Cabinet reshuffle 2021: who is in Boris Johnson's new cabinet?", 16 September 2021.
28. Ruth Lea, "The recovery continues, though growth moderates", *Arbuthnot Banking Group*, 31 August 2021, included a stock-take of dates for the imposition of border checks.
29. *BBC*, "Brexit: checks on goods imported from the EU delayed again", 14 September 2021.
30. *CityAM*, "Brexit: UK to delay full border checks on EU goods amidst supply crisis", 14 September 2021.
31. *Daily Mail*, "Truce declared in "sausage war" with EU", 7 September 2021, reported that there will also be delays on the planned checks on parcels and supermarket supplies.
32. *HM Government*, "Government launches plans to capitalise on new Brexit freedoms", press release, 16 September 2021.
33. *HM Government*, "Brexit opportunities: regulatory reforms", 16 September 2021.

Annex

Table 1 The Cabinet, September 2021

Position	Previous incumbent	Current incumbent
Prime Minister	Boris Johnson	Boris Johnson
Chancellor of the Exchequer	Rishi Sunak	Rishi Sunak
Foreign Secretary	Dominic Raab	Liz Truss
Home Secretary	Priti Patel	Priti Patel
Minister for Cabinet Office & Chancellor of the Duchy of Lancaster	Michael Gove	Steve Barclay
Lord Chancellor & SoS for Justice	Robert Buckland	Dominic Raab, also Deputy PM
SoS for Defence	Ben Wallace	Ben Wallace
SoS for Health & Social Care (HSC)	Sajid Javid	Sajid Javid
COP26 President (Cabinet Office)	Alok Sharma	Alok Sharma
SoS Business, Energy & Industrial Strategy (BEIS)	Kwasi Kwarteng	Kwasi Kwarteng
SoS for International Trade & President of the Board of Trade	Liz Truss	Anne-Marie Trevelyan
SoS for Work & Pensions	Therese Coffey	Therese Coffey
SoS for Education	Gavin Williamson	Nadhim Zahawi
SoS for Environment, Food & Rural Affairs	George Eustice	George Eustice
SoS for Housing, Communities & Local Government, renamed Levelling Up, Housing & Communities	Robert Jenrick	Michael Gove
SoS for Transport	Grant Shapps	Grant Shapps
SoS for Northern Ireland	Brandon Lewis	Brandon Lewis
SoS for Scotland	Alister Jack	Alister Jack
SoS for Wales	Simon Hart	Simon Hart
Leader of the House of Lords & Lord Privy Seal	Baroness Evans	Baroness Evans
SoS for Digital, Culture, Media & Sport	Oliver Dowden	Nadine Dorries
MoS (Cabinet Office), attends Cabinet	Lord Frost	Lord Frost
Minister without Portfolio (Cabinet Office), Party Chair	Amanda Milling	Oliver Dowden
Minister without Portfolio (Cabinet Office)	...	Nigel Adams
Chief Secretary to the Treasury	Steve Barclay	Simon Clarke
Lord President of the Council & Leader of the House of Commons	Jacob Rees-Mogg	Jacob Rees-Mogg
Parliamentary Secretary to the Treasury & Chief Whip	Mark Spencer	Mark Spencer
Attorney General	Suella Braverman (Michael Ellis, acting, March-September 2021)	Suella Braverman

Source: *UK Parliament*, "Her Majesty's Cabinet", 15 September 2021.