

Is the Bank of England on a “collision course” with Rishi Sunak?

Are political considerations leaking into [Bank of England](#) interest rate calls?

Well, we might have a clearer idea of that on Thursday, when the Bank makes one of the most closely watched monetary policy decisions in ages.

There's no question rates will go up from 2.25%, but by how much?

City folk are asking each other this: are you a half, three-quarter, or full pointer?

If the Bank limits itself to a half-point raise, that seems to indicate confidence in the (latest) new government.

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It suggests the members of the Monetary Policy Committee think inflation is being tamed, that [Rishi Sunak](#) and Jeremy Hunt are steady hands on the till after the chaos of Truss and

Kwarteng.

If they go for a full point raise, as it might have had to do under the previous management, that suggests they are no more confident about the new brooms than they were about the last lot.

The Bank is, of course, fiercely independent of all political considerations. Of course.

Except Governor [Andrew Bailey](#) can be fired on the PM's whim and there's a wider context just now.

The FT reports that Sunak is "on a collision course" with City regulators over his desire for a new "intervention power" that would enable ministers to overrule the watchdogs.

The Bank thinks this is a dangerous plan that will weaken confidence in the City. The Treasury says "matters of significant public interest" could supersede that issue.

What this would mean in practice is not really clear, beyond the notion that Sunak, like Truss, wants growth and doesn't think his desire for it should be blocked by the pencil sharpeners.

Bailey wouldn't be human if he didn't ponder, at least in passing, what sort of rate rise the new PM wants on Thursday.