

# The public sector productivity flop

The Covid lockdowns were too long and too extreme. I worked with the Mark Harper group of Conservative MPs to challenge the policy and propose less damaging ways of keeping people safe from the virus, with limited success.

I then watched in horror at the extreme volatility of output, employment and incomes that resulted, and at the colossal public sector costs to offset the collapse of many business activities.

It became clear that whilst many private sector activities rebounded quickly on the ending of lockdowns, public sector productivity did not. It took a massive 7.5% hit according to ONS figures looking at Labour productivity. I drew Ministers attention to this and persuaded them that they needed to review with their officials how this big loss could rapidly be repaired, The loss was great in the NHS where much non Covid work had been abandoned owing to the decision to put Covid cases into District General hospitals, creating cross infection control difficulties. Not enough use was made of the private sector hospital capacity the taxpayers were paying for and practically no use of the Nightingale special hospitals.

Ministers were told that the coming of AI did present useful opportunities to raise productivity but it would take substantial investment, and many months to draw up the specifications for procurement and to see where AI could go. I countered by pointing out we did not need to wait for any investment in AI to get back up to 2019 levels of productivity, because there was no AI in 2019 and yet the government did hit higher levels of productivity then. Eventually Ministers settled for a possible £20 bn of productivity gains spread over a long period with the need to spend to save. The actual loss on the original ONS figures was more like £30 bn. Official figures were subsequently altered, as we were living through a period of experimentation and change with all sorts of official figures to make it difficult to see consistent series and to effect comparisons over time. The balance of trade figures were changed substantially as well as productivity numbers.

I suggested a simple device to get the lost productivity back a bit quicker. I proposed a complete staff freeze on external recruitment for non front line staff. Each time someone retired or left employment the post should be reviewed to see if it was one to abolish, amalgamate or fill from an existing staff member. Ministers ended up agreeing a one in one out approach to stop further rapid expansion of numbers such as we saw across the Covid period, with a few exceptions like Steve Barclay at DEFRA who did go for a freeze.

The state recruited far too many extra administrators and policy advisers over the last five years. This big bulge in recruitment led to a plunge in productivity. There is also the issue of working from home. Some of us for some of the time can be more productive at home, often giving travel time to the job as well. However it is important to go into the office regularly and to attend important meetings in person. Staff need to interact, to mentor,

assist and socialise their ideas which are all easier in an office environment. Quite a lot of jobs require daily attendance at a workplace to serve the public, supervise the machinery and train and direct staff.

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## An MP's office

In 2020-21 The Taxpayers alliance published a league table of MPs by how much in total it cost taxpayers to employ their staff, run their offices and pay the MP's permitted travel and accommodation costs. The dearest MP claimed £280,000. The average MP claimed £203,000. I claimed £106,000 as the second lowest cost MP. My costs remained low by MP standards throughout the Parliament.

I always thought MPs should try to set an example and provide great service at sensible cost. During my time as an MP I saw allowances for staff and office costs go up a lot with many MPs expecting more staff to do things for them. I did my own research and made my own speeches. My two staff members helped me with constituency cases and keeping up with the voluminous email correspondence. I triaged cases and set out my views in response to new issues or problems. My staff took great trouble to follow up cases and seek a good outcome from public bodies for constituents. We set ourselves the target of replying by the next day to any email.

There was no pressure to contain costs or seek better value, until an MP approached the generous maximum allowed. IPSA did bring in rules about travel costs and provided standard form employment contracts for staff with salary bands. The only time I remember opposition parties taking an interest in my costs was to complain I did not claim enough of the allowances. They could not point to how the service I provided was inadequate owing to too few staff, as we clearly turned emails round much more promptly than the average MP and I delivered more campaigns and content through this website and frequent Parliamentary speeches than many MP s managed.

MP offices do offer better value and higher productivity than a lot of public sector administrative activity. That is the result of some cash limits for specified purposes on what an MP can spend. It also reflects the much closer scrutiny of detailed spending of these small offices compared to the disinterest in exposing waste and inappropriate spending in many government and local Council departments. It still leaves open the idea some have that they need to spend the full allowance, and can mean the MP does not do enough of the job for themselves. The more the MP does the better the MP usually is. There is nothing like reading all the emails and feedback and taking a personal interest in the cases where things are going wrong for people.

I am going to write a few blogs about getting better value from the public sector. I thought it provided a background to show that in my little bit of the public sector I was able to do what I preached, running my office for a

little over half the average and for just over one third of the dearest. Most of the government departments I dealt with over the years did not manage the money and personnel well, and did not regard boosting productivity as a key objective.

I supported a Conservative policy of reducing from 650 to 600 MPs at the next boundary review, which the government then failed to implement. I proposed a 10% cut in Mp numbers down to 585, as I often represented a constituency that had considerably more constituents than the Parliamentary average without finding it difficult to give them a decent service. It would also be quite possible to cut the maximum allowance total by 25% and still allow an MP to spend 50% more than I did.

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## Could the railways help growth?

When the railways were privatised there was a period of good growth in rail travel, and a more positive management enthusiasm for promoting rail travel and identifying growth opportunities. One obvious example was to add a short spur line to Heathrow airport. This large centre for people on the move had been ignored by the nationalised industry.

The nationalised business usually followed a policy of shrink and sack. They wanted trainload traffic for freight, not individual waggon loads. They allowed or encouraged the closing of sidings and links into industrial premises. They watched as business shifted to industrial parks near motorway junctions in place of the older Trafford Park style based around rail links. They ceased to actively promote U.K. holiday and events travel in the way the pre war railways had.

Today there are opportunities for growth. To recapture more of the going to work trade they need flexible fares and tickets to attract and retain the 2 or 3 day a week commuter. To recapture lost freight and get many more Lorries off the road they need to actively promote waggon loads with more direct access into industrial sites and estates. Single waggon marshalling and freight train assembly should be easier in a digital and containerised age.

They need to be more customer friendly in moving large numbers of people to and from events. A large concert or sporting contest struggles to provide adequate affordable parking and road access, and many people attending want to drink alcohol so they cannot drive. There need to be enough special trains.

The railway could work more closely with holiday resorts and other popular destinations. The railway did respond to the rise of Bicester Village as a shopping destination as an example of what can be done.

The railway can expand its capacity by introducing digital signalling on all

routes. This allows central control and individual train visibility of all that is on the track, so more trains an hour can be run safely. As most track is one way only and as trains can only leave a track if points are changed it should be a very safe method of travel. Modern technology should eliminate crashes between trains on the same track,

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## More power please

The net zero policies followed by successive Labour, Coalition , Conservative and now Labour governments have left us dangerously short of electricity. The favourite option has been installing more and more inter connectors with European countries, leaving us very dependent on imports when the weather lets us down with renewables. This is especially dangerous as Europe is very short of energy and may not have the power to send when the wind does not blow and the sun does not shine. French old nuclear plants are becoming unreliable and even Norways hydro system can struggle for want of rain.

The U.K. needs to install a new fleet of gas power stations. These should draw on more U.K. domestic gas as outlined in the oil and gas industry blog, as well as importing from Norway Qatar and the USA. There needs to be more gas storage to build our resilience. Old reservoirs can be adapted for this purpose. Gas generated power at present gas prices is the most economic way of covering demand when looking at pre tax costs of capital and running costs.

The U.K. should replace the nuclear capacity it will lose this decade with new nuclear, and if possible add to the 4.8 GW that disappears. It is likely the cheapest and best way to do this will be to agree to build a number of 300-450 MW generators to a proven design, pre fabricating as much as possible to speed site build times. Designs should not be varied. Past nuclear sites are obvious locations with a settled community and local workforce used to nuclear activity.

The U.K. with other leading renewable countries need to come to a determination about how best to store renewable energy when it is plentiful. Is this more pump storage, or big battery or hydrogen conversion? It is expensive stopping wind turbines when the wind is blowing because there is insufficient demand or a shortage of grid.

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## Frustrations with modern parties 4 The small boats

All the parties say they want to end the small boat voyages from France. All regret the loss of life and want to root out the business organisers. There are more varied thoughts over those migrants themselves that are illegals wishing to buy their way into the U.K. Some want to offer them safe routes and the right to come, others wish to say they do not qualify.

The public is deeply disappointed that these trips have not been stopped by now. The U.K. and French state have great power and resource. They can see the boats get onto the beaches through aerial surveillance. They can trace the money. They can intercept the buses taking migrants to the beaches. They could damage the boats before they leave France. They could arrest the boat organisers to stop them leaving. These traffickers are breaking rules over boat safety and passenger numbers, over seaworthiness and launch arrangements, over paying tax on profits, over assisting people to commit border offences and much else. Worst of all they put migrant lives at risk, and can put the rescuers in danger when the small boats get into trouble. Why isn't more action taken?

Can't the authorities do more mystery shopping for places on the boats? Intercept deliveries of the boats? Listen in to the chatter of the organisers? Spot the large sums of money when they move in or out of the banking system?

Many law abiding voters know they will be caught and penalised if they exceed a speed limit, park in the wrong place or travel on a restricted road. Why they ask can't the surveillance that polices these more minor offences tackle the small boat organisers who put people's lives at risk and make a mockery of tax and anti money laundering rules?