

# The Supreme Court sets an energy policy

The Supreme Court judgement which says anyone wishing to extract oil and gas in the U.K. or any licensing or planning authority wishing to let them has to consider the CO<sub>2</sub> burning those fuels is a bad call.

The truth is this country is going to need large amounts of gas for home heating and industrial processes for a good many years. It is going to need oil products for vehicles and other purposes. It will take time for people and business to convert that to electricity and time and huge money to put in the grid, renewable generation and storage it would take.

So the decision today is do we import all the oil and gas or do we try to use what local resource we have? It is a no brainer that we should prefer to use our own. The Supreme Court needs to grasp that lowers world CO<sub>2</sub>. Imported LNG gas gives off far more CO<sub>2</sub> than piped home gas, given the energy needed to liquefy, gassify and transport.

Home fuel brings many well paid jobs to the U.K. It bring big tax revenues. If we switch to importing we pay the taxes away to foreign governments, and pay the salaries for jobs elsewhere.

It also leaves us dependent on the goodwill of foreign suppliers, which can prove difficult and expensive as we saw over the Ukraine war.

The Supreme Court should not set energy policy.

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## This website

As the title page makes clear this is the John Redwood website.

It is not a Conservative or election website. I am not a candidate in the election and no longer have any formal role in the Conservative party.

My aim is to contribute independent and original analysis of economic and political issues of wider interest. My work on the Bank of England, OBR and Treasury poor forecasts, wrong frameworks and bad out turns is an example of what I am offering to those interested.

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# The Bank of England insists on getting it wrong

Headline inflation has come down to 2%. The European Central Bank has made its first cut in interest rates. Suspicious Conservatives think the Bank wanted to deny them a rate cut before the election, to offer up an introductory one in August to the new Labour government all the pollsters and most commentators say we are going to get.

It shows the difficulty for a so called independent Central Bank to keep out of politics. To the main parties this decision was a crucial one. Cut rates and reinforce the Prime Minister's message that we have turned a corner, the economy is on the mend. Leave rates up for a few more weeks and reinforce the Opposition view that it is all a mess.

So let me show balance. The Bank given the ludicrous way it seeks unsuccessfully to keep inflation down followed its own method in deciding on further delay. It could argue that service sector inflation is still elevated and not coming down as quickly as the forecast it made so the Bank needs to be cautious. The Bank also of course yet again needs to thoroughly review how it forecasts inflation as it got it wrong again.

Housing inflation remains elevated within services. Rents keep rising in part because migration still runs hot. Owner occupiers face mortgage hikes thanks to Bank policy. There are "reasons" for the Bank to hang tough.

The disgrace however comes in the key Bank policy most media and politicians refuse to talk about – the Bank's wrong decision to keep selling bonds at huge losses and send the bill to taxpayers. No other Central Bank does this. Even the Fed, cutting its bond portfolio aggressively as bonds mature has reined this in in recent months, realising the damage it can do.

When I was asked to comment yesterday on the lack of rate cut the media would not consider the far more important Bank decision to keep on selling bonds. Why?

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## Just one billion more

If putting more money into the NHS solved its problems we should see much reduced difficulties now. Record amounts and large increases in cash have been provided since 2019.

The truth as Labour acknowledges is you need reform, improvement in how it is spent, as well as extra money.

In this election various parties offer a few billions here and there to solve problems in the NHS or other public services. They offer to “pay” for this with tax hikes that they hope will just hit the rich, leaving most voters unaffected. It is nonsense to suppose these modest sums in relation to the total will make much difference.

In order to properly fund the NHS we need large sums, tens of billions, to pay the big bills. In recent years there has been plenty of wasteful spending.

The government paid a large sum to provide Nightingale hospitals, then scarcely used them. If they had been used for COVID the main hospitals could have done other work, providing more timely treatment and keeping waiting lists down.

The government spent a lot on taking over the capacity of many private hospitals. The NHS then failed to use all that capacity for non COVID cases, wasting much of the spend. Worse still the private sector couldn't perform operations in its own hospitals, adding further to waiting lists.

PPE was in short supply worldwide. Taxpayers had to pay large sums to get PPE from worldwide suppliers where they could. Why didn't the NHx have bigger stockpiles? Why didn't the NHS have flexible contracts with long term suppliers that allowed bigger deliveries in a crisis?

The NHS has been underpaying some medics. As a result expensively trained staff have got medical jobs abroad where pay is higher or have left for other occupations. The NHS hires staff back as contract staff at much higher rates.

There is no easy answer to improving management. I am not proposing another expensive reorganisation, What we immediately need is to make key managers more accountable and to get to tackle the staff, property and supply problems which are still widespread.

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## [Posting to this site](#)

A few people are going in for more and longer contributions. I am going to start deleting some for length and multiple posting.

Some want to make comparisons with Hitler and Nazis. This is usually inappropriate. Make points using proportionate language,

One wannabe poster every day submits a variant of the same posting alleging a couple of billionaires run the world and control the governments. We have discussed this in the past. I have no intention of posting these. Go elsewhere to pursue.