

The UK government backs UK fish

I was sent this from the Fishing Minister:

Love Seafood Campaign

The Trade and Cooperation Agreement has set a new relationship with the EU on fisheries. This marks an important step in the right direction. Over the course of the last year we've taken our independent seat at the Regional Fisheries Management Organisations, and reached a partnership agreement with Norway, our most important partner on fishing interests and with whom we have responsibility for shared stocks in the North Sea.

As we move forward, we are determined to do all that we can to support our coastal communities. As a nation, we should be eating more of the fish that we catch.

In the coming weeks, Defra and Seafish (the public body that supports the UK seafood industry) will be working together to deliver a UK-wide 'Love Seafood' campaign, featuring UK fish and shellfish.

The campaign will focus on increasing domestic consumption of UK seafood. It will promote species including: langoustines, crab, lobster, scallops, oysters, clams, mussels, squid, cuttlefish, turbot, plaice, sole and monkfish.

The campaign will run throughout March, and will feature in national and regional press titles. We see this as a first step, and part of our wider ambition to ensure greater domestic consumption of UK-caught seafood.

Invest in import substitution

The OBR forecasts yesterday do not show a sufficiently sustained investment boost from the private sector. They also show a continuing high balance of payments deficit. The forecasts may be too pessimistic, but it does highlight an opportunity which the government could grasp.

The Chancellor rightly wants to lead a big investment revival. He is also making large sums available in public sector capital, and hybrid capital through joint financings. There are obvious opportunities in putting in more electricity capacity to cut our use of the interconnectors, substituting U.K. timber for imports for many uses, growing and catching more of our food and ensuring our defence orders are supplied from U.K. yards and factories. These are all areas where government intervenes and spends a lot giving it influence.

The Budget – this year's borrowing down £39bn from last forecast

As expected the OBR cut their forecast of borrowing in the year to March 2021. They have lopped £39bn off the total compared to the November forecast and may still find their figure a bit high with only one month left to go. In contrast they have raised their borrowing forecast for 2021-22, partly to reflect the extension of measures announced in the budget to cushion some of the effects of continuing lock downs and social distancing policies. They wisely stress the difficulties of forecasting given the big impact lock down policies have on jobs and business. They rightly draw attention to the fall in debt interest thanks to low interest rates and the purchase of state debt by the state owned Bank of England. It seems to me premature to form a view of what might be needed to control the deficit in a few years time when it is so clear that the deficit is massively swelled by the impact of anti pandemic spending and some loss of tax revenue from less output and income. As their figures confirm it will take a vigorous recovery to get the deficit down, but only a good recovery can straighten out the public finances.

So the budget needs to be judged by how big an impact will it have on that recovery? My questions include

1. When will the Freeports be up and running? Will the areas demarked be substantial? How generous will the tax and tariff reductions be? I strongly support a Freeport led recovery but to be effective they need to be available soon, to be given good incentives and cover substantial areas.
2. How will the supercharged investment allowances work? What is the net effect on a potential inward investor of the improved allowance against the higher CT rate stated to come in in 2023?
3. What more will the government do to back the self employed and small business, as they will be crucial to recovery given their flexibility and enterprise?
4. What plans does the government have to address the issue of productivity performance, which affects the longer term growth rate?

I will develop these and related themes tomorrow as part of the budget debate.

Budget day

There have been many mini budgets over the last year. Never have the official figures for the outlook changed so drastically so rapidly, as forecasters rushed to bring their estimates in line with the big lurches in

activity created by anti pandemic policies. Today we await new forecasts from the Office of Budget Responsibility. We should do so remembering that they like all forecasters were of course hopelessly wrong footed by the arrival of the virus. They will now find it difficult to gauge the pace of recovery and the sustainability of growth against an uncertain health policy background and given the damage done to many businesses shut down by lockdown. In an economy where a 0.5% variation in growth was a big movement prior to CV 19 we have gone to a world where a 5% variation is modest.

The lack of clarity and reliability in the forecasts provides a good reason why this is not the budget to raise taxes to tackle the deficit, as the authorities have no reliable idea of what the underlying deficit will be once we are out of lockdown and into recovery. Some are suggesting there is a gap of £40bn or even £60bn that needs filling by tax rises. Yet the forecast budget deficit for 2020-21 is £400bn or ten times the alleged underlying gap. Let us assume this forecast was too high and the 2020-21 deficit comes in lower than that. Who can say what the 2021-22 deficit will be when we need to know how fast the recovery will be in 2021-2. What we do know – or should know – is the bulk of the deficit this year is the result of the pandemic. It comes from a collapse of tax revenues as many people and businesses are not at work earning wages and profits. There was a big fall in VAT on everything from eating out to travel. It comes from a huge surge in pandemic related spending on everything from furlough through the self employed scheme, small business loans to the train subsidies and vaccine costs. As soon as we get out of lockdown most of the extra costs of the pandemic will fall away, and there will be a surge of tax revenue.

What we can also say is that were the Treasury to impose new taxes and higher tax rates on the economy now, or even propose such changes for later this year, it will slow the recovery before it has properly begun. It will prolong the need for special measures spending, and lower the tax take. It will damage confidence at the very moment we need to encourage businesses back to work. Small businesses and the self employed include many who are approaching retirement who could decide not to bother to reopen. It includes people who were not earning a good sum prior to lockdown who might decide it was no longer worth the struggle. The brightest and most energetic will of course be able to reopen and succeed even with tax rises, but we need a more democratic small business and self employment policy that helps the many who provide a good local service but who are not going to be able to battle against heavy odds stacked against them by an overtaxing government.

Reduction in NHS beds to control infection

Question:

To ask the Secretary of State for Health and Social Care, how much bed capacity has been reduced by to improve infection control in hospitals in England during the covid-19 outbreak. (156227)

Tabled on: 22 February 2021

Answer:

Edward Argar:

The latest data shows that the average daily number of beds open overnight in Quarter 3 2020/21 was 121,524 compared to 128,326 in Quarter 3 2019/20.

Hospitals continue to flex their bed capacity as part of planning to meet the demand from both elective and emergency streams. We are working hard with trusts to maximise the number of open beds while maintaining safe care through the pandemic.

The answer was submitted on 02 Mar 2021 at 12:35.