

UK GDP – careful with the numbers

The poor UK GDP figures for 2020 are not comparable with many other countries. As I explained on 12 August on this site, the UK statisticians reported a large fall in health output with the big drop off in non CV 19 work, and a big fall in education output with the closure of schools from the second quarter of the year. Other countries with large state sectors in education and health report the cost rather than the output, so they do not show any decline in these large areas of activity.

I agree with the UK statisticians that GDP should be based on output. It is a pity other countries do not use the same basis. If we included all the UK spending instead of output in the state sector then the UK had a relatively good GDP performance last year compared to other European countries.

The Health White Paper

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It set out three aims.

- 1, Better health and wellbeing for all
2. Better quality health service for all individuals
3. A sustainable use of NHS resources.

I have no problems with these very general aims. 2 and 3 should be the main drivers of NHS care, whilst 1 of course will entail individuals and the private sector to continue to apply our energies to the task which is so wide ranging.

The main reorganisation entails creating two new bodies in each local government area. The first will be an Integrated Care System (ICS) NHS body to control, procure and direct local NHS services and to supervise capital budgets of the local NHS Trusts. The second will be an Integrated Care System Partnership to work with local government and presumably with private sector care providers to ensure good services and relevant procurement.

The White Paper envisages removing some of the competition provisions in current health regulations, to take away powers to control trust mergers, and to limit competitive tendering. They wish to go over to a more collaborative

model. NHS England will be merged with Monitor and the NHS Trust Development Authority. The Clinical Commissioning groups are absorbed by the new ICS bodies.

I need to know more about how joint working will take place between Councils and the NHS under these arrangements. I also want more detail over what additional powers the NHS will have over private sector care providers, and how if at all the relationship between care homes and the NHS will alter.

As I consider my response more fully I would be interested in any comments.

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The state of the pandemic

The world figures show accumulated cases of 107m or 1.3% of the world population with deaths at 2.365 million or 0.03%. These figures are by nature of variable quality, depending on how much testing was done throughout in each country, and subject to variations in definitions. There is the perennial issue of death with covid or death definitely from covid, In some places people will have died at home and not been tested. In other cases there will be tests with false positives. They are nonetheless important figures and invite some comparisons, subject to analysis of how they were collected in each country, how much reliable testing took place and how deaths were certified.

The figures show that the Europeans and Americans have suffered more than the rest of the world. The USA has had a very high caseload, at 8.4% of the population compared to the UK at 5.8%, Portugal at 7.6% and Germany at 2.75%. Belgium has had the worst death rate apart from a few small countries at 0.186%, with the UK and Italy also quite high by world standards. The USA at 0.1456% shows that it has a better recovery rate from its high infection levels. India has only had a case rate of 0.78% and a death rate of 0.01%.

Case numbers have been higher in the advanced world and have been higher in winter than in summer. Clearly high levels of international travel can introduce a community to more variants and cases of the virus, and large cities like London, New York and Paris see spread from more social contacts using mass transit systems and enjoyment of the social facilities of hospitality, leisure and entertainment which attract more people there. Asian countries in general have fared better than Europe or the Americas. Could there be something in the diet, or in past exposure to Asian flu types which has given Asian populations better resilience to the disease? Did they handle test and trace better than the Europeans?

It would be good to have more commentary from experts on how and why, for example, Taiwan had practically no deaths from the virus and was able to get her economy back and running fully, so GDP is now higher than a year ago. Why has Germany done so much better than Italy or Spain? How does the USA manage cases of the virus to achieve a lower death rate as a proportion of cases? Is it partly that the USA tests more and so identifies more mild or otherwise invisible cases of the virus? Is it a greater range of approved medicines and treatments?

This week I was pleased to be sent an update by Ministers on all the tests underway in the UK of existing drugs and treatments. It will be good to see

more results soon, as a wider range of treatment options would probably help doctors and their patients.

My speech during the debate on Local Government Finance (England), 10 February 2021

I thank the Government for their generous assistance to councils to help us through the pandemic crisis. My constituency is served by West Berkshire Council and Wokingham District Council—both are unitaries. They certainly needed money to assist with the extra costs that covid-19 has caused, and there was a scheme, the pressures grant, to do that. The councils certainly needed assistance to deal with losses of tax revenues, and there was a scheme to reimburse 75% of lost tax revenues during these extraordinary times of business closures and business stress.

There were clearly difficulties with shortfalls on sales, fees and charges, and again a scheme was introduced—I am pleased to see today that that is being extended for another quarter, because it looks as though there still will be an overhang into the second quarter of this calendar year. I am particularly pleased that there is additional assistance to allow councils to be sympathetic to people who are struggling to pay their council tax. The one little niggle that Wokingham has still suffered from is that where the council has brought in private sector management for a leisure sector, there can be difficulties with reimbursement for lost revenues. I would like to see further progress in sorting that out.

In the past, both West Berkshire Council and Wokingham Borough Council have suffered from pretty tight, or low, social care grants, and I am pleased to see a reasonable increase in social care grant going through for the next year. I urge Ministers to continue to look at that grant, because there is growth in demand and need, and we want high standards of care for people who require assistance. Certain councils, particularly the two serving my constituency, which were right at the bottom of the pack in terms of the amount of grant in relation to population, needed some tweaking of the sums. It is a very difficult situation. It is as costly looking after the elderly or children in Wokingham and west Berkshire as it is in the rest of the country, so we need at least as much, proportionately, as other places. We have often suffered from that.

I want to reinforce the Secretary of State's important message about the role that councils can and should play in getting the country back to work and, in particular, in revitalising, refreshing and renewing our town centres, our village shopping areas and some of the shopping centres in which councils are

engaged or have a stake. It is true that councils are very important agents in setting the tone, providing the regulations, sorting out the planning, and sometimes, as co-owners or landlords, creating the right kinds of spaces in our town centres and facilitating or providing the right environment for a return to vibrant life.

Let us be in no doubt: this is going to be a big ask and a difficult task, because the covid crisis and the resulting closures have accelerated a number of trends that were already under way. There will be more online shopping relative to shopping in shops, even after we get some return to normal and people can get out more and more shops can open. People will need to be tempted back to the restaurants and the cafés. We will need to work carefully with the businesses that own and run the shops and manage the cafés and restaurants to make sure that government, where it can, assists them and allows for the adaptation and development of town and village centres so that they can flourish again, with probably a different mix of services and businesses from that which preceded the covid crisis.

For example, as councils are usually the highways authority and they control access to town or village centres, surely the first thing they need to do is to review that access. A lot of families are going to need the car for elderly people, for children or because of the distance they are from the town centre in order to get there in the first place. They may need the car because if they are buying too much shopping to carry easily, they will need the boot to take the shopping back home. We need to make sure that car access is permitted. That requires looking at junctions to smooth them and make them safer, but also to improve the safe flow of traffic. I was pleased to hear the Secretary of State mention that there will be money for bridges, because quite often impediments to getting into towns are created by railway lines and rivers, and we may need more bridging capacity. I hope that the Government will look particularly at light-controlled junctions, because those with the wrong phasing can be clumsy and impede progress for people into town, city and village centres.

Councils often either own the parking provision or are important in making sure that it is adequate, and they sometimes regulate the car parks. I therefore hope that they will understand that in order to tempt people back into these centres to turn them back into the vibrant spaces we want, there may need to be a discount or a generous offer, certainly in the early days, to give people the idea that it is safe to go back into the town, that they are wanted there, and that they can then park for long enough. Increasingly, visits to our towns and shopping centres will not just be for an hour or so to go and do a bit of quick shopping—people will want to sit down and have a coffee or lunch. They may want to take advantage of some of the services in the town centre, as well as actually buying physical goods. They may wish to enjoy the experience of lingering a bit longer in the shops, having been denied that for so long. I hope councils will look carefully at parking arrangements, and be generous.

I hope planning authorities will look carefully at flexibility so that owners, who may include the councils themselves, are allowed to carry out sensible plans for optimising the use of the building. The Secretary of State

has been doing a lot of work on ensuring that planning restrictions and designations do not get in the way of sensible flexibility. Indeed, we will need plenty of flexibility and imagination, because a number of businesses that operated in town and city centres a year or more ago will not be available.

A great number of large chains of shops have gone through receivership or made major reductions, having come to the conclusion, one way or another, that they want fewer physical stores. Even if they have a good online offer, which will work with their favoured locations, we will see a lot of those chains retreat from high streets and shopping centres. I also fear that, wherever possible, a lot of small shops may need a friendly arm around them from the council and the Government, as otherwise we could lose a lot of capacity in the small shop area.

I trust that councils and the Government will work to make the situation as attractive as possible. A bit of money may need to be spent on beautifying towns and village centres, and ensuring they are in good order to welcome people back. Councils often have town or shopping centre managers, who need to be given backing in order to come up with imaginative solutions.

This huge task is in everybody's interests, including shoppers, landlords, employees and the councils. Above all, councils need to help the Government to rebuild the tax base of our towns, cities and village centres, and ensure that there will be that flow of business revenue in future—not just business rates, but the trading revenues that the national taxation system can collect and reroute to local government. Without prosperity there is not sufficient money for great public services, and councils must be part of the process through which that prosperity is rebuilt. I thank the Secretary of State for the help he has offered local councils. I urge him to please be generous on social care, and to do everything he can to promote the recovery we desperately need.