[New management should take a fresh look at the NHS]

Today the new Health Secretary will seek to focus the NHS on a new alphabet. A is for ambulance use, B is for backlogs or waiting lists, C is for transfers to care and recovery homes and D is for doctors and dentists. I wish her well in getting ambulance waiting times down , treatment waiting lists down, transfers from hospitals up and numbers of medical professionals up.

None of this can be done without learning from the mistakes of the last two years. Huge sums have been thrown at the NHS but the non covid services have suffered, with unhappy staff and too many patients in an ever growing queue. So where has all the money gone and why didn't it buy success? Just throwing more at it will not solve the problems.

Let me begin by repeating that I like many am grateful for the hard work and risks run by the teams that responded to covid before medical science knew which medicines helped and before there was a vaccine.
Unfortunately the senior management refused to use the Nightingale capacity to create covid specialist hospitals. That meant many non covid wards in general hospitals were unable to work fully, leading to many other untreated conditions. Money spent on the Nightingales was written off. Large sums were also spent on taking over the capacity of private hospitals to do non covid work, only for that capacity to be too little used.

The NHS then spent a fortune on a Test and trace scheme of very variable quality which some people gamed to carry on their normal lives. This spending has now rightly been wound down.

The management needs to share its manpower plan and detailed budget with Ministers and Parliament. Ministers who take the blame need to be more engaged with the use of all the cash.

[Energy Prices Support Package]

I have received the letter below from the Secretary of State for Business, Energy and Industrial Strategy outlining support for businesses, charities & public sector organisations (such as schools and hospitals) against rising energy prices. Further information can be found on the following weblink: [Energy Prices Support Package]

Please note that this weblink is regarding support for non-domestic customers only. I will publish the link to updated support for households once it becomes available:

Dear Members,

ENERGY PRICES SUPPORT PACKAGE

Following the Prime Minister’s announcement on 8 September, the Government is today publishing further details of the support we are offering to people and businesses in the face of soaring energy prices. This package of unprecedented assistance for the whole UK provides the certainty families and business owners need to help them manage their energy bills.

Details of the Energy Price Guarantee for domestic consumers and the Energy Bill Relief Scheme for business and non-domestic properties are available on gov.uk. The Chancellor of the Exchequer will set out more details of the costs of the Government’s support as part of his fiscal statement on 23 September.

We have designed the schemes to be simple for energy consumers. Families and eligible businesses do not have to take action or apply for support, energy suppliers will automatically apply the appropriate reduction via their energy bill. Households will receive an equivalent level of financial support wherever they are in the UK. The same is true for businesses across the UK too.

The Energy Price Guarantee for Great Britain will ensure that a typical household pays an average £2,500 a year for their energy, from 1 October 2022 for the next two years. On average usage, a household will save £1,000 a year. This is in addition to the already announced £400 Energy Bills Support Scheme for households across the UK. The most vulnerable UK households will also continue to receive £1,200 of support. For consumers in England, Scotland and Wales who pay for their energy through a monthly, quarterly or other regular bill, the Energy Price Guarantee will be applied when their bill is calculated. The Guarantee limits the amount the bill payer can be charged per unit of gas or electricity, so the exact bill amount will continue to be influenced by how much energy is used.

The Energy Bill Relief Scheme will provide protections for all businesses, voluntary sector and public sector organisations in Great Britain which face excessively high energy bills over the winter period, whether they are on existing fixed price contracts agreed on or after 1 April 2022, signing new fixed price contracts, variable or deemed tariffs or flexible purchase contracts To administer support, the Government has set a Supported Wholesale Price – expected to be £211 per MWh for electricity and £75 per MWh for gas, less than half the wholesale prices anticipated this winter – which is a discounted price per unit of gas and electricity.. Suppliers will pass the reduction in the wholesale price through to their customers.

The Energy Bill Relief Scheme will run initially for 6 months covering energy use from 1 October 2022 until 31 March 2023. We will publish a review of the scheme after 3 months. This review will consider how best to offer further support to customers who are the most vulnerable to energy price increases.

These are likely to be those who are least able to adjust, for example by reducing energy usage or increasing energy efficiency.

As the Prime Minister said on 8 September, the Government is bringing forward emergency legislation to underpin the delivery of our support package. We will introduce a Bill immediately after Parliamentary Recess. It will include measures for the GB Energy Price Guarantee for domestic consumers and Energy Bill Relief Scheme for businesses and non-domestic properties so all of GB receives equivalent support; and enable the delivery of comparable schemes in Northern Ireland. It will provide powers to enable low carbon generators to move onto fixed prices to end the situation where electricity prices are set by the marginal price of gas ensuring consumers pay a fair price for their energy.

With every good wish,

Jacob Rees Mogg

Changing EU rules

One of the most bizarre features of the few Remain supporters who come daily to this site to rubbish anything good the U.K. does or could do with its freedoms is their refusal to analyse the impact of past EU laws and policies. They neither want us to change any of them, nor admit this big panoply of law has been guiding and controlling us in so many ways.As during the referendum itself the pro EU side always played down the ambitious scope of economic, social and political union and the extent of EU power already achieved in its pursuit.

This week they have been in denial that the energy system we have followed came from the EU and was based around the twin objectives of cutting our domestic supply of coal,oil and gas to help net zero policies whilst making us more dependent on imports by encouraging many more interconnectors, pipes and cables. They ignore the recent speech of Mrs Von Der Leyden, EU Commission President, widely condemning the current EU legal and regulatory framework for energy and calling for urgent and radical change. I agree with her and want the U.K. to get on with its own national changes to the common EU regime we currently follow. We can serve our own interests and help the EU by working to restore national self sufficiency.

In all the debates I undertook over staying or leaving the EU I never once was able to debate the EU vision of Union unless it was with someone from the continent. The refusal to admit the truth about ever closer Union took away the argument that European countries would best be governed together. That may well make sense for Belgium, Netherlands and Austria, and for France and Germany, given their histories.If their voters want it I wish them well with it. It never seemed likely or attractive to many U.K. people given our past which is I guess why the Remain contributors here still try to pretend the EU was just some glorified trade arrangement for independent states!

[Time to reverse EU damage to our industries and economy]

It is necessary for government to offer some cash help to business to stave off more closures forced by sky high energy bills. I do not welcome more public spending on subsidies, but it is the price of failure of the EU energy policy we have been following.

I want the Business Secretary tomorrow to set out a much better U.K. energy strategy that puts domestic self sufficiency and security of supply back as the prime aim, replacing the 2019 EU legal framework based on more imports from EU countries via interconnectors, interdependence and ultimate reliance on EU imports of Russian gas. Relying on more imports from an energy short Union of states was always a dangerous risk to run. The EU claimed to put decarbonisation as the main aim, only to need more coal and gas when the wind refused to blow.

In a necessary drive to cut the costs of energy he should confirm the removal of the green levies, suspend the carbon tax and carbon emissions trading , with the Chancellor removing VAT on domestic fuel .We need a new regulatory framework for power generation with more back up for intermittent renewables.

There are so many industries damaged by EU laws still in place in our law codes. The Business Secretary could abolish the droit du suite and VAT impositions the EU used to divert part of the global art market from London to New York.Maybe they thought it would help Paris but it just made the whole EU less competitive.

He could lower costs of buying a home by removing anti money laundering checks from any U.K. citizen buying and selling their main home and using a U.K. regulated bank. He could make energy certificates for homes a matter of choice for buyers and sellers.

He could work with Defra to use farm grants to promote growing more food here and to foster investment in more glasshouses and new farming techniques instead of subsidising wilding policies, and relying on more imports from the EU.

He could simplify the expensive bureaucracy created by the EU data protection legislation.

He could repeal the EU Ports Regulation which was widely opposed by our ports when it was introduced. It gets in the way of port investment and expansion.

He could repeal the railway rules which require the separation of track ownership from train ownership.Integrated ownership of routes by private companies should be an option.

He with the Treasury should allow more people self employed tax status, removing the penal elements of IR 35.

He should repeal the on line digital tax.

Treasury orthodoxy and Black Wednesday

As published in Telegraph:

The new Prime Minister and Chancellor are clear that we need to challenge Treasury orthodoxy. They want to do so not because they want more inflation, or care less about the prudent management of the public finances than those who went before. They recognise that the current orthodoxy has failed. It has given us 10 per cent inflation and put us through several violent cycles in the past few decades that could have been avoided.
Indeed, yesterday marked the 30th anniversary of Black Wednesday, when the UK crashed out of the European Exchange Rate Mechanism (ERM). Part of today's orthodoxy is derived from the self-same Maastricht Treaty thinking on debt and deficits which caused our grief in 1992, allied to the exchange rate requirements to prepare us for the euro.
The ERM was a case study in Treasury groupthink. It recommended joining the ERM strongly to successive chancellors. John Major finally drove the policy through against a prime minister who knew it was wrong. I had advised Mrs Thatcher that the ERM would be destabilising, lurching from creating too much money and credit to too little. Nicholas Ridley was a lone voice in the Cabinet making the case against joining. I wrote a pamphlet describing the possible difficulties. I took the listed company I chaired out of the CBI in protest at the group backing the ERM policy, telling them it was bound to damage business and the rest of the country. And so it proved.
But the ERM disaster was not unique among official advice in the last 50 years. There was the early 1970s secondary banking crash, made worse by the Opec oil price hike. There was the end of 1970s policy depression meant to purge the high inflation that loose monetary policy and Labour's fiscal policy caused. There was the great banking crash of 2008-9, which followed a period of over-easy money when we were told by government that banks could lend far more without bad consequences. These were all boom-bust cycles like the ERM one, all of which harmed us and slowed the longer term growth rate.
Treasury orthodoxy has evolved as it has drifted from one bad international fashion to another. If there is a single leaden thread, however, it has been an unwillingness to take money and credit growth seriously, ending in them each time expanding excessively and then contracting too far and too fast in shock at the error.

Today the orthodoxy that needs changing is the one which said it would not be inflationary to carry on creating money and buying bonds. The Treasury throughout the last 13 years ignored inflation in financial assets. It was only a matter of time before asset inflation spread into general inflation. I assume the new team will rightly rule out any more special bond buying . The Treasury also needs to grasp that lurching from excessively easy money as in 2020-21 to excessively tight money is the way to bring on a slump.
Steering the economy to achieve lower future debt ratios when forecasts are often wildly out on tax revenues and inflation is also not a good model. In the last two years, revenues have outperformed the official forecasts, meaning we borrowed a lot less and worried needlessly about the deficit. In the recession which official policy now seems to favour, the opposite is likely to happen with revenues falling short and the deficit rising. The new policy needs to take money and credit seriously. But it also needs to set tax rates that help grow revenue, not stifle it, as well as removing obstacles to growth throughout the private sector, which the old rules failed to do.
Leaving the ERM allowed us to reduce interest rates and get out of the recession it created. Today, we have to see off the recession the Bank is forecasting. That requires new thinking. The only way to work our way out of our present difficulties is to produce more energy, make more, and sell more.