

# What a recovery package would look like

We soon will need to put the worst of the pandemic measures behind us and concentrate on the promotion of prosperity for the many. Controlling the disease should rest on the offer of vaccinations, better treatments, individual decisions about reducing the risk of infection and better air extraction and cleaning in public buildings.

The Treasury needs to acknowledge that its policy is going to squeeze the economy too much in the first half of next year. If they persist with their raft of tax rises in April, hitting just when energy prices rocket with the shifting of the price caps, we will see an unwelcome relapse in confidence, incomes and output.

The Treasury should announce now that it will not impose the hike in national Insurance, a tax on jobs and on take home pay, at the peak of the cost of living troubles. It should remove VAT on domestic fuel to ease the large rise in energy costs for consumers.

The Treasury should work with the Business department to increase the supply of domestic energy. Gas is a so called transition fuel which will be much needed this decade before new nuclear and other reliable carbon free electricity comes on stream. Gas also remains the dominant way of heating homes, as people are not yet ready to adopt electric and heat pumps based home heating. The government should give the go ahead of additional UK gas production, starting with the Jackdaw field and other projects ready to go. The government should also commission more gas storage capacity to help smooth wild fluctuations in spot market prices of gas.

The government should procure more reliable electricity supply from domestic sources as we are too dependent on imports when there is little wind. The Treasury should work with the Environment Department to fashion support schemes to promote more food production at home instead of offering money to prevent farming here, supporting imports.

All the time government advisers tell us to avoid social contact the Treasury needs to offer help to social contact service businesses. It needs at least to continue business rates relief and lower VAT, and should offer direct assistance for cash flow problems of otherwise solvent businesses.

---

## NHS Ministers/planners do not trust

## the scientific forecasts of more Omicron cases to plan capacity

### **Question:**

To ask the Secretary of State for Health and Social Care, what recent estimate he has made of the number of hospital beds that will be needed for cases of the Omicron variant of covid-19 in January based on the latest forecasts. (91819)

Tabled on: 13 December 2021

### **Answer:**

**Maggie Throup:**

In the absence of any data on disease severity or the likely transmission rates in the community, it is not possible to make any reliable estimates of predicted future hospitalisation rates or the number of hospital beds required for cases of the Omicron COVID-19 variant. As data on transmission rates becomes clearer over time and the initial hospitalisations allow assessment of severity and care needs, the UK Health Security Agency (UKHSA) will be able to generate projections of predicted future hospitalisation rates. The UKHSA and NHS England and NHS Improvement are working together to collate this data as quickly as possible.

---

## Mr Javid's arguments for greater Lockdown

Yesterday the Secretary of State for Health took to the pages of the Daily Telegraph to explain why he wants a more cautious policy. The crucial passages said

“We face a tsunami of infections in the coming days and weeks. Omicron spreads at a pace we have never seen before and has been doubling about every two or three days. Yesterday saw more than 90,000 new cases reported across the UK....The ultimate risk is that hospitalizations overwhelm the NHS”

Of course an easily transmitted disease will show very fast growth on first arrival on a small base. You would also expect the percentage rate of increase to slow as the number of people infected by it rises. It cannot go on doubling or growing at all were every one to get it, and well before it reaches that level you would expect a slower growth rate before subsiding again. It doesn't take many days to cover the whole population if it did go on doubling in less than two days.

But note the confusion in this statement between total covid cases including all variants, and numbers of Omicron cases. In recent days there has not been anything like a doubling of covid cases as a whole. Some of the fast growth in Omicron has been offset by declines in other versions of the disease. The last four days produced 87,565 (16 Dec), 92,503 (17 Dec) and 89,074 (18 Dec) and 82,886 (19 Dec).

We now know that the modellers have not been modelling better outcomes, distorting the task for decision takers of weighing risks and probabilities of bad outturns. When the scientists rightly warn that they cannot yet know how fast this will spread or how serious an illness it may give people until they have more data it is very important to provide good as well as bad scenarios to inform a sensible discussion about how much risk to run.

Hospitalizations were running at a recent peak of 9.345 on the seven day average on 6 November. This had fallen to 7549 by 16 December. This compares with an all time covid peak of 38.389 in Jan 2021.

Many people are fed up with alarmist scientific forecasts which turn out to greatly exaggerate the numbers who will suffer a serious illness. The data used needs to be accurate, relevant and presented fairly.

I have delayed the economic piece until tomorrow as this CV 19 issue is even more topical.

---

## Experts often get it wrong

The idea of democratic politics is to elect Ministers who can draw on the best possible expert advice, but then apply commonsense and judgement to it to fashion acceptable policy. Always Ministers have to balance advice on topic A against advice on topics B and C because government is rarely allowed one single simple objective. In the world of the pandemic Ministers need policies that control deaths from non covid as well as from covid, and allow the country to produce food and energy so we do not freeze or starve. They need to balance a range of needs and aims. They also often have to adjudicate between conflicting expert advice. They should not just take the official advice from government advisers if there is a danger it is wrong.

We see these tensions at play with the official advisers on covid understandably wishing to lock everything down as much as possible as their sole aim is to eliminate the disease and only by stopping all contacts between people could you guarantee to do so this. I also note these experts honestly tell us they do not yet know how far and fast Omicron will spread nor how serious an illness it might induce. That does not stop them putting out estimates of a surge in cases and possibly in serious cases too to try to bias the decisions of a government trying to find an appropriate balanced response.

I see the dangers of relying on expert opinion more obviously in the world of economic policy, where the OBR/Treasury and Bank of England have been spectacularly wrong about many things in recent years. It is easier for me to criticise as I did offer alternative forecasts and policy advice at the time. They disastrously forced through membership of the European Exchange rate Mechanism causing a savage boom/bust. They failed to control excess credit in the banking bubble of 2005-7 and then decided to bring the banking system to collapse by over correction in a hurry. After rightly offering substantial stimulus and low interest rates to offset some of the damage of the first general pandemic lockdown, they more recently have misread the inflationary pressures and then decided to sandbag the economy just when the next wave of the virus is slowing things down anyway.

The Chancellor needs to break free from the tyranny of the OBR debt and deficit austerity economics, and set about promoting growth and removing supply bottlenecks by helping boost capacities at home. I will tomorrow set out a package of measures he could announce that would start to tackle the looming cost of living crisis and the slowdown induced by too many tax rises to come.

---

## [Why not provide some more hospital beds for all purposes?](#)

The Department of Health and Social Care has provided the following answer to your written parliamentary question (90313):

**Question:**

To ask the Secretary of State for Health and Social Care, what plans he has to increase the number of beds in NHS England hospitals. (90313)

Tabled on: 09 December 2021

**Answer:**

**Edward Argar:**

National Health Service bed capacity is not fixed and can be flexible to meet changes in demand.

The seasonal flu and COVID-19 booster vaccination programmes also aim to reduce the level of hospital admissions and increase bed capacity. We have also provided an additional £478 million to the NHS for the rest of this year to continue the enhanced hospital discharge programme, to maximise the number of available beds.

The answer was submitted on 15 Dec 2021 at 16:16.

Let me begin by repeating my gratitude to all those NHS staff who worked beyond the call of duty and took risks themselves to look after all too many covid patients. My criticisms of senior management below do not take anything away from their covid work done.

The issue I have been raising for a long time is why does the NHS run down the number of beds or fail to increase them? This government has made available very large extra amounts of money both to improve the mainstream NHS and to respond to the special challenge of covid 19. As we found during past periods of accelerated funding increases as well there has been a marked reluctance to ever use this to expand bed capacity. Staff numbers have expanded, but maybe not enough of the specialists needed for crucial clinical and nursing teams to staff additional beds. There has been plenty of expansion of the overhead, with more regulatory and policy quangos.

When the NHS was persuaded to spend substantial sums on setting up and equipping the Nightingales they obtained around 5000 extra beds with space to expand that further. I urged them to make these the covid hospitals, isolating patients who would otherwise go to the District Generals who could get on with their regular work. Of course the NHS had to re purpose medical staff so more worked on covid all the time it was raging and had to recruit as many extra as possible for temporary or more permanent work. Instead the NHS insisted on putting covid patients mainly into the District General hospitals. This created cross infection problems and reduced the capacity of the NHS to carry on with non covid work. The NHS then shut the Nightingales as soon as possible for a total cost of around £500 m. As you can see from a recent Parliamentary answer I received we are not allowed to know where all those beds and equipment have gone to. Surely they should be put to good use?

The non answer to the two questions above shows a strong reluctance to even countenance expanding the number of beds. Why? When money is available it is a good time to do so.