

Mrs May as a political leader

Mrs May inherited a working majority from her predecessor. She chose to hold an early General election which lost her the majority. Her last series of local elections saw major Conservative losses with the Conservative vote down to just 28%. Her dreadful decision to delay Brexit and hold European elections saw the Conservative party slump to an all time low of 9.1% in a national election. This is a very poor record and explains in itself why the party wanted her to go.

There were few silver linings. It is true she managed to get the Conservative vote back up to 42% in the 2017 election, reuniting Eurosceptics from UKIP with Conservatives under a banner of delivering our exit from the EU in a timely and positive way. That was her high point. She asked the whips to consult the Parliamentary party over whether to hold the 2017 election or not. She had always ruled it out when asked. I was one of those who advised against, but I assume she must have got many saying they wanted to do it. I wanted us to complete Brexit before going to the country, then setting out a post Brexit agenda.

She found it difficult understanding the cross currents of groups and voting blocs within the Parliamentary party. She always seem to exaggerate the numbers and strength of the Remain forces and in her last months in office seemed to delight in opposing the Leave majority on the backbenches, ignoring our advice and offers of support.

The most difficult thing to understand is why she ever thought the Withdrawal Treaty would pass, and why she persevered with the strategy of attrition trying to get more and more MPs to give in to vote for it. As I pointed out to her, even if in the very unlikely event that all Conservative MPs gave in the DUP were never going to accept the provisions on Northern Ireland so the legislation could not pass. Worse still insistence on the legislation threatened her whole government, which needed DUP votes to validate it and keep it in office.

The sorry procession of Ministers leaving office over the same issue would have alerted most politicians to the need to trim. The PM who was always willing to trim for the EU was never willing to trim for the Leave voting majority in the country or for the MPs who sought to represent them. It made her downfall inevitable. It means her successor has to rescue the country from Brexit delayed, and rescue the Conservative party from its historic 9.1% low in an election. Fortunately both tasks require the same positive action to get us out of the EU and to use the freedoms that brings for a better UK.

Dear energy fuels de industrialisation in the UK

Much of industry needs plentiful supplies of low cost energy. Industry is about transforming basic materials taken from the earth into materials, and then cutting, shaping and assembling these into manufactured goods. Transformation of silica into glass or iron ore into steel or oil into plastic requires very large amounts of heat energy. Creating components and final products from materials requires substantial energy to cut, shape, bend, bolt, glue and assemble.

The UK following EU rules and guidance has decided on a dear energy policy. Unsurprisingly this has triggered de industrialisation. The government says it has an industrial strategy, but its energy policy makes it more and more likely that industry will gravitate to cheap energy USA or lower cost China than stay at home. In the name of decarbonising our industry we will end up importing more industrial products from countries that burn as much or more carbon per unit of output but at cheaper prices. We have already lost most of our aluminium industry from this problem, and seen a big reduction in our steel industry and petrochemical capacity.

Let's take the current case of the steel industry.

British Steel made a profit of £92m to March 2017, and a loss of £29m to March 2018. Losses have probably got worse since March 2018. Turnover rose in the year 2017-18. The main problems were

1. The crippling costs of the EU carbon permits scheme. BSC had to find more than 10% of turnover for this item alone, leading to a UK government loan to cover the £120 m carbon tax.
2. Dear energy costs, with UK electricity substantially dearer than US electricity thanks to the EU/UK energy policy
3. Intense competition lowering steel prices in Europe, as countries like China diverted steel away from the US market following tariff impositions there. Prices fell around 15%.
4. High cost of debt finance introduced by rescue company Greycor who took the company over for £1 in 2016

The business is being offered for sale in whole or parts by the Receiver with bids closing 12 June.

Possible solutions

The business needs cheaper energy one way or another. It needs assistance to counter the high costs of the carbon tax, if we are to use energy here to make steel instead of import it. There will be some kind of refinancing with a probable reduction in debt service costs as a result of the Administration. It can work at more sales of specialist steels with higher value added, as they seek to do, and can ask for more sensible help in gaining UK domestic

orders for the their rail and construction steel products. Many of the solutions needed to help them require permissions within EU rules over contracts, competition, and subsidies, or are simply illegal.

The single biggest cause of the financial collapse of this business is the huge energy bill from dear energy combined with carbon permits. I have always urged the EU and UK government to understand dear energy means de industrialisation, but they refuse to listen.

The company owns some crucial plants – 4 blast furnaces, a Basic Oxygen facility, 4 casters and 3 mills.

I used to be responsible for Darlington Simpson rolling mills (not a BSC facility)) to make long and flat product so I have past working knowledge of part of the industry.

[Visit to Luckley House School](#)

Yesterday I visited Luckley House School, to the south of Wokingham.

The Head and Bursar wanted to review the issues surrounding tax and money for a fee paying school. I reassured them that I support charitable status for schools, and do not propose placing VAT on school fees. Private sector schools face large rate bills for their properties, and substantial tax on employing people, in addition to the taxes paid by their employees. There are limits to how much additional tax many private schools could afford.

The state is a double beneficiary of fee paying schools. It collects these taxes on the schools and their employees, and saves the money on providing places for the young people themselves in state financed schools. It would not be easy finding the extra money and providing the places necessary were some future government to ban private schools or tax them out of existence.

The main argument behind policy suggestions to tax them more is that parents who can afford fees for their children's education are buying privilege. The best answer to this criticism is to make sure the standards at all state schools are good so there is no great educational advantage out of going to a fee paying school.

In order to earn and maintain charitable status these days some think a fee paying school has to do more than offer a good education to the children of those who can pay. Private schools are encouraged to provide access funds or scholarships, so children from lower income backgrounds can attend. Schools often provide sporting and cultural facilities that are available for community use as well as school use. They may invite in pupils from state schools for various events and lectures they are organising, share their sporting facilities or otherwise make a contribution to better and wider

ranging education elsewhere in the area.

I toured Luckley House School which has some good facilities, and wish it well for the future. The theatre at Luckley is particularly good and available for others to hire for their events.

No renegotiation in prospect with EU

Mr Barnier has warned Conservative leadership hopefuls there will be no re opening of the Withdrawal Treaty. He says the choice is sign that Treaty or leave without it.

It confirms my view that MPs should not vote for leadership candidates who offer a renegotiation to seek an amended and less damaging version of the Withdrawal Treaty whilst ruling out or disliking simply leaving. The EU has said they would be wasting their time. They need to re think their prospectus to MPs.

Several of the long list of possible candidates are struggling to get 8 MPs to support their Nomination as now required, so there is likely to be a shorter list of candidates following close of Nominations on Monday.

Mrs May in government

Yesterday Mrs May's tenure as Leader of the Conservative party ended, though she remains as acting leader and Prime Minister until her successor is appointed. As her neighbour and friend I have sought to help her and give her positive advice in office. I wish her a good future however she wishes to develop her life as she stands down from the biggest political job in the country. She has given a lot of energy and determination to the job of PM, and has a strong sense of public service and duty.

Her tenure as Home Secretary from 2010 to 2016 was long lived, demonstrating her ability to avoid some of the pitfalls of life in the Home Office that had tripped up previous Home Secretaries who lasted for shorter periods of time there. The main promise she made that was an important part of the Conservative 2010 Manifesto was the promise to cut net migration from the high levels of the later Labour years to 100,000 or below, still double the typical figure under John Major. She never got anywhere near hitting this target. She stuck with it, recognising the importance of it to some Conservative voters. Her efforts to do so were hampered by membership of the EU at a time when freedom of movement rules required us to welcome a large

number of migrants from eastern Europe. She did not, however, manage to control non EU migration as promised either. She did good work on highlighting and curbing modern slavery and on opposing discrimination against people on grounds of race and sex.

In 2016 after Mr Cameron's resignation she won the leadership when the second placed candidate from the MP ballot decided not to pursue her challenge through a ballot of the wider party membership. She commanded a clear majority of the MPs. Her tenure as PM began well, with all the party including those of us who had not voted for her willing her to succeed. With Nick Timothy as her adviser she listened to those of us who had backed Leave. We worked together well to craft the legal framework needed to get us out of the EU. This successful collaboration saw the government pass the EU Withdrawal Notification Act to send the letter of notice to the EU with big majorities. We went on to help her get through the EU Withdrawal Act itself, to take us out in UK law. Though we faced a united opposition from all other parties in the Commons apart from the DUP, and although there were some rebel Remain Conservatives, the co-operation worked and the government carried the Bill.

As soon as the Bill was passed Mrs May ceased co-operating with the large Leave group of Conservatives and adopted in secret what became the Chequers plan. She made a series of damaging concessions to the EU in the negotiations and trusted a few politicians and civil service advisers who shared her view that the UK needed a comprehensive partnership with the EU after leaving, and needed to accept a very disadvantageous Withdrawal Treaty. This entailed breaking the Manifesto promise to negotiate any withdrawal issues in parallel with the future relationship.

I and others urged her not to adopt or to pursue the Chequers proposals, and not to attempt to agree or put through the draft Withdrawal Treaty. At crucial moments we urged her to refuse more concessions to the EU and to make more demands for the UK, but she did not want to. As we warned her, the draft treaty went down to a calamitous huge defeat. She also suffered an unprecedented run of Ministerial resignations over the same single policy. Instead of heeding the warnings and telling the EU the draft Treaty was unacceptable she spent her last months in a futile series of attempts to get it through the Commons. When she decided to delay our exit and fight the European elections she reached the tipping point where a majority of the Parliamentary Conservative party no longer had confidence in her approach and she had to resign. More importantly she lost the confidence of a large section of the Leave voting electorate, with dire consequences for the Conservative party in recent elections.

Tomorrow I will look at other parts of her legacy.