

The Energy Bill

Last night just 19 of us voted against the Energy Bill. The Bill was supported by Labour, SNP, Lib Dems , and the Green MP. These parties tried to amend it to stop UK oil and gas earlier and to increase the costs on UK business more. The Conservative government voted these unhelpful amendments down with large majorities but stuck with a Bill which intervenes too much with people's preferences and with an energy market already distorted by windfall taxes, subsidies and complex rules.

We had too little time to debate it as the united parties stuck with a timetable motion that allowed backbenchers around just 2 hours to discuss 426 pages of law and 146 amendments. Because there were 6 votes there was no time for any debate on Third reading which would have provided chance to review the Bill as amended.

In my time restricted remarks I stressed the need to carbon account more realistically. As energy policy is driven by net zero rather than by affordability and availability it is important to count carbon sensibly. It makes no sense for the UK to tax and price and regulate the end of high CO₂ activities here if we simply import the high energy goods from somewhere else adding to world CO₂ totals. It makes no sense to dump your petrol car early to buy an electric car if you do not do a high mileage as the CO₂ generated by making the EV and destroying the petrol car will be greater than the savings in use. When looking at CO₂ outcomes you cannot assume all UK electricity is green when we often generate more than half from gas. When assessing the electrical revolution you need to include all the CO₂ generated by making steel for new pylons, by smelting new copper for cables, making new bitumen to repair the roads after digging them up to put in cables, all the CO₂ in mining the materials for batteries and fabricating them.

How is the Energy and net zero policy going to work?

I did not vote for the Climate Change Act of 2008. I was critical of the lack of costings and forecasts of what would be needed to undertake such a fundamental change of the energy we used and the ways we used it. No one proposing it could tell us what technologies would work and would be needed to decarbonise diets, aviation, heavy plant, industry and home heating.

This week I am unable to support the government's latest essay in energy policy geared to hitting the net zero targets. The Bill continues the development of a complex web of subsidies, windfall taxes, price controls and

regulations that run the risk of imposing dear energy on us. The UK seems to think cutting our CO₂ output by closing factories and steel works here is good for the planet when importing these items will add to world CO₂.

I am concerned about the UK spending an estimated £20 bn on carbon capture and storage. This is all extra cost which will either be paid for by taxpayers through subsidies or by energy users through higher prices. Either way it is bad for inflation, jobs and business here in the UK .

The UK should not be putting our own energy using businesses or our domestic consumers at a disadvantage. The UK does not have to pioneer carbon capture before other far larger CO₂ producers like China and the EU get around to using carbon capture.

Homes to rent

Around the country especially in the hotspots there is a shortage of rented accommodation. There are reports of high and rising rents and little or no choice of homes for people needing them. There are demands for further changes to the law to give tenants more rights, as tenants worry about the affordability and lack of choice.

There are also lobbies from landlords. Many smaller landlords are thinking of giving up. They have to pay more tax following changes. Their mortgages and loans to finance the properties are now much dearer. Many are finding it difficult to make the numbers work, with cost escalation over finance, maintenance, management and tax . If they sell to another landlord the home remains available, but if they sell to an owner occupier the property is no longer helping ease the rental market.

There are many who say second homes need to be made dearer. Some communities report too many second homes, which can be bad news if the people who own them do not spend much time in those communities. They help drive up the price of homes making it more difficult for local people to afford them, whilst they do not spend enough in local shops or join in with local life and services as people would who live there all the time. In such conditions the wish is to see restrictions on purchase.

Others say that second home owners can provide additional spending power coming in with higher incomes and wealth, and may stimulate demand for additional services and goods. Some people with jobs in two places may need modest accommodation in the place they visit less, as with MPs.

Where ever rent controls and strict regulation have been tried the supply of rented accommodation has fallen and things have got worse for tenants.

ONS, OBR and Bank of England forecasts and figures

The recent revisions to the ONS GDP and national income figures for recent years show they do not know what has happened to our economy. It is good news the UK has leapt from bottom to third from top amongst G 7 nations for post pandemic growth. It is worrying the figures for the outturn alter so much. It makes it even harder for those trying to forecast what might happen next.

Meanwhile the OBR has regularly overstated the deficit for the immediate year by more than £100 bn .The Bank of England forecast inflation staying at 2% as it rose to 11%. It then said the rise would be short lived yet we are still way over target.

Despite this inability of these 3 bodies to tell us what has happened and what will happen next, the government remains wedded to tax and spend policies based on these inaccurate numbers. Worse still it accepts as the main guide on whether tax cuts can be afforded the OBR forecast of the deficit in five years time. No one can forecast that accurately as who knows what world growth will be in five years time, who will be President of the USA or Chairman of the Fed or what their policies will be. To ask the OBR to get that right when they cannot get the current year right and then to rely on it as if it were right to a few billions is absurd. The OBR task is made more difficult by past ONS understatements of GDP and therefore of productivity as these figures matter for the 5 year forecast . If you cannot rely on the Bank forecast of inflation you cannot know whether the Bank in 5 years time will need high rates to cut another inflation it has caused, or need low rates to end a recession it has brought on.

So what needs doing? All 3 forecasting and retro casting official bodies need to be asked to revise their models until they can predict and define the past more accurately . They need to back test their models and agree how to compute outturns.

The government needs to get rid of the 5 year deficit target. It should steer the economy with a 2% inflation target and a 2% growth target. It should use forecasting models with a better track record than the OBR, and make judgements taking into account money and credit conditions and allowing for how growth boosts tax revenues and can be boosted by lower tax rates. It should stop making tax the only flexible part of the package and see the importance of better spending controls and priorities to good outcomes.

School Buildings

The law lays down that the maintenance and safety of school buildings is the responsibility of the Council acting as the Local Education Authority or the Educational Trust in the case of Academy schools. The Governors and senior management team of each school should also take a close interest in the state of the fabric and the safety of pupils, and are best placed day by day to see faults, cracks and problems with the building structure. They report to the LEA or Trust and should be accountable to them.

It was apparently well known and much discussed over recent years that any building built more than 30 years ago with RAAC concrete contains beams and sections in this material that may have gone beyond the end of its useful life. For some years those in charge of buildings or responsible for maintenance should have been on watch to see if there were any signs of loss of strength, cracking or other signs of degeneration in RAAC concrete components. It was clear to all concerned that if there were there might be a temporary fix of providing extra support to beams or sections that could weaken or snap , preparatory to replacement.

It appears that the government was also monitoring this problem as it may well have direct responsibility for other public sector structures. It decided it needed to intervene with schools, sending them a questionnaire to see how many RAAC buildings at possible risk there were. It then circulated more guidance about the issues this concrete poses and put in Inspectors to review those buildings that did have RAAC. Now the government is being attacked for telling the schools to take tougher action with some of these given recent evidence that there can be RAAC failures in beams or sections that did not show signs of decay. The government has also promised central taxpayer money to fix the issues.

Surely we need to ask how come more of the expensive local bureaucracies that control our LEA schools did not take stronger action earlier, and why they had not reviewed and surveyed on their own initiative? We have many examples of power delegated to local government or to quangos in the UK, yet whenever anything goes wrong blame is usually transferred by the Opposition and media back to the government. If the government is to be to blame for everything maybe we should save the money on the delegated authorities that are not doing the job.

We need to ask what role did LEAs have in using RAAC concrete in the original buildings? Did they not keep a record of how the building was built? What actions had they taken in recent years when it came to light this concrete can deteriorate and has a limited useful and safe life in various cases? You would have thought LEAs and Governing bodies of schools would know the details of how the schools were built and the risks in the form of construction undertaken. They could have taken action to avert problems before the beginning of term. The idea of delegation is based on the simple fact that the school and LEA managers know these buildings and visit them daily or regularly. Ministers have visited very few of them.