Something for something – better pay and better productivity in the public sector

The big decline in public sector productivity over the pandemic, and the failure to get back to previous levels now we are well past lockdowns is disturbing. The government needed to accept the Pay Review Body recommendations, as it did last year when they were tough on staff. It also needs to impart a something for something approach to senior public sector management so better paid and better motivated people deliver more.

In parts of the public sector leaving rates are high and sickness rates are high. These are usual signs of low morale that can become self reinforcing. If too many people leave or are absent the rest of the staff feel put upon and may have unrealistic workloads. If too many people feel their grading and job specification is unfair there will be more people leaving. If an organisation has to rely on temps and recently appointed staff too much it will be more difficult to get things done efficiently and smoothly. Experienced staff will need to devote more time to informal training and mentoring to get things done reducing their own effectiveness.The NHS employs far too many temps at agency rates well above regular wage levels for the same job as a result of not retaining enough payroll staff.

The NHS workforce plan sets out to tackle some of these issues, but it will only succeed if management buys into the need to ease the tasks of the medical staff, provides good back up and removes some of the burdens of form filling and training not central to the medical tasks of treating patients well. Management success requires each team member to feel they are valued, to know they are good at what they do, and to take an individual and a team pride in delivering great quality at a realistic cost. Promotions, rosters and back up need to be organised to get the most out of people, the most important resource of these public services.Senior managers who cannot lead the staff, end the strikes and raise morale need to be trained and mentored to do so, with bonuses and promotions dependent on success.

Saving the UK car industry

The UK and much of the EU needs to wake up to the reality that China has gained control over much of the raw materials and fabrication capacity to make vehicle batteries for electric cars. China is about to unleash more competitive car products onto the wider world market, from her large home base where electric cars are already a quarter of new car sales. Indeed a

Chinese company acquired the MG brand to have a more familiar name on some of their products for a western market.

The UK and other European countries that do make cars are in a scramble to attract investment in electric vehicle assembly, and in battery and component manufacture. Much of the value of an EV lies in the large battery which typically forms the base plate or chassis of the vehicle. Making this is central to making an electric car and confirming it is a UK or EU product with sufficient added value from local sources. There is also a scramble to acquire lithium, nickel, graphite, copper and manganese amongst other materials to produce the batteries. There are sources of these in friendly parts of the world, but for the time being China dominates in turning the products from the mines into the usable metals.

The result is a subsidy war, just at the time when the last thing the UK government needs is more demands for public spending. The problem with excessive subsidy is it allows a private company to invest with less concentration on how commercial the product will be and with less discipline over how the investment pounds are spent. The taxpayer is a co venturer taking much of the risk but not eligible for any of the reward should the investment pay out well.

The truth is the western industry is not ready for an early ban or withdrawal of all new diesel and petrol cars which several companies here, in Germany and elsewhere have excelled in making. The UK should put back its ban which will now act to divert private sector investment away from the UK and will terminate successful factories prematurely. The UK and other European countries also needs more time to make provision for more electric cars. It will require a huge expansion of both generating capacity and grid capacity to provide the power to recharge a large fleet of electric vehicles. It will also give the industry more time to design affordable popular electric cars that people want to buy. They cannot make people buy new electric cars,but they can lose us a lot of jobs and prosperity by early bans.

The government should scrap the proposed penalties from next year on car producers who do not sell 22% of their cars as so called net zero vehicles. Not enough people want to buy all battery EVs. They are anyway not net zero. They run off a grid dependent on gas, wood and coal for much of its power.

My Conservative Home Article: After Uxbridge, how to go green without soaking consumers

We should be grateful to the voters of Uxbridge. They have posed the main parties some important questions about environmental policies – even though the one most in question was in pursuit of the admirable aim of cleaner air. Many voters objected strongly to imposing a heavy charge on the owners of older vehicles, trying to force them off the road at a time of cost of living pressures. It is not a good look to undermine the precarious budgets of those who need to use an older car or van to earn a living at a time of high inflation. By definition, they cannot afford the newer greener vehicles that the Mayor of London insists on, leaving him defending a policy of cars for the better off only.

This result will lead to a wider rethink of green issues. The Government does need to reconsider some of its policies undertaken in the name of net zero. It has listened to those of us who pointed out its former policy of leaving more of our domestic gas and oil in the ground will increase world CO_2 output in a self-defeating zealotry.

And for as long as most people have gas boilers at home and industry fires its factories with fossil fuels, our choice is not to use less of them. It is: do we import more or produce more ourselves? Importing gas in LNG form generates more than twice as much CO_2 as piping our own gas to users, thanks to the energy it takes to liquify, ship and convert back. Some say that the cost can be several times as much CO_2. Far better then to pipe our own gas and spare the CO_2. It also is far better in every other way. We get more better paid jobs at home, far more tax revenue from taxing the production and a big saving on the balance of payments. Another net zero idea which produces more CO_2 is to spend UK grant money on stopping farmers in the UK growing food or rearing animals, only then to import the food instead. All those extra lorry miles and shipping routes burn more diesel in transport. And once again we lose the jobs, the investment and the tax revenues at home whilst adding to our balance of payments deficit. It is time to spend the grant money on investing in more automated and modern home food production instead.

The UK imposes the highest carbon tax and most penal emissions trading of the main economies. This makes such UK industries as steel and ceramics uncompetitive here. Government is then forced to hand some of the tax back as subsidy. Furthermore, there is the loss of more UK capacity, leading to more imports of high energy based products. This, too, can often increase total world CO_2, given the extra fossil fuel consumed in long distance transport. We may also be importing from factories and furnaces abroad that generate more CO_2 from their processes.

The way to net zero requires many more people to change their heating from gas to electricity, more electricity to come from renewables, more transport to be electric and more people to eat less meat. All this requires innovation and new products. Voters cannot afford some of the current green options, if they think they are inferior to what they already have.

So if the UK persists with the idea of banning new gas boilers as early as 2025, people will not be persuaded that heat pumps are cheap enough or good enough. They will make do with their old gas boiler. If the Government stops the sale of new petrol and diesel cars in the UK in 2030 before the other main car producing countries do, we will face early collapse of our car industry. Customers will want to buy nearly new imported petrol and diesel vehicles from countries that have not banned their sale.

The UK could help to find new products that work and are sensibly priced. Our innovative businesses, entrepreneurs and academics should be encouraged to do so. Government can use research grants, low business taxes and pro-innovation policies to resolve the difficulties. It makes little sense to plough on with taxes and bans that clobber our jobs and tax revenues whilst increasing world CO2 as we become ever more dependent on imports.

Government also needs to review its often speculative or poorly directed spending on net zero projects. Unresolved questions such as whether electric heating or hydrogen heating will prove more effective need answers that worldwide research and development can help determine. The Government should not think these can all be sorted by its grants and directions, given the scale and complexity of the task. It needs the best of large company research and entrepreneurial flair worldwide to drive a successful revolution. Government has not had to tax, ban and subsidise people into using mobile phones and laptops. Where is the iPad of the domestic heating world or the Beetle of the electric car ranges? That is the crucial consumer challenge on the road to net zero. More UK imports will make things worse, not better.

Bank accounts

Every UK citizen has a right to a bank account here. Mr Farage praised the UK government today for its words and actions over cancellation of accounts. The Nat West CEO has apologised for her conduct and left the job. I have not been involved in this issue but post this so people can comment on the matter if they wish. As usual contributions making personal attacks and unsubstantiated allegations will not be posted.

Nationalisation versus privatisation

There are pressures today to identify core public services and claim they need to be nationalised again. The list is often strange. Water is on but food is not. Rail travel is on but air or road travel is not. Electricity is on but broadband is not.

As I was pointing out yesterday there are very few monopoly provided services using state employees and equipment and offering a free service. We could not afford many of them given the large tax costs they entail. Prices that people have to pay provide a necessary curb on excessive demand in many cases and send signals about scarcities. Whilst the UK has made clear it has no wish to ration health care by price when people are in need of care and help, it is generally agreed that for most things in life charging makes sense. To make sure people can afford enough of the basics like water and energy all parties believe in income support, minimum pay and other means to ensure people can afford what they need. Offering free power or water to the family that can afford the heated swimming pool or the six bedroom mansion would not be a good idea.

So the case for nationalisation is the case to restore public monopolies that have powers to charge people for energy, water or whatever they produce. When we had public monopolies for water, energy, and some transport modes in the 1960s and 1970s there were constant problems. These bodies did not do a good job in keeping prices down. There was no competitive threat to keep them honest or to press them to greater productivity. Rail fares, water and power bills often went up too much and there was little anyone could do about it. There was no opportunity to switch provider.

Nationalisation was bad for innovation and investment. Our telecoms system fell way behind the USA in terms of technology and efficiency, sticking with electro mechanical systems when the US was going electronic. Our electricity industry stuck with inefficient and dirty coal stations. Our water industry carried on running a pipe system that was creaking from age and inadequacy. They rationed access to a phone making people wait for a line or sharing a line with the neighbours. Water was often rationed in a dry summer with hose pipe bans or worse. The nationalised industries were always at the back of the queue for extra money to invest behind key services like the NHS and education. All their capital had to be approved and formed part of the state budget.

Service levels were often disappointing. The water industry regularly fouled our beaches . Trains were often late or cancelled. The telephone system limited the devices you could add to the network and could not provide good quality data lines for business in some cases.

Were the UK to want to renationalise it would be a monumental waste of taxpayer money. The UK could not confiscate the privatised assets like some communist autocracy, needing to respect international laws of ownership and trade rules. The money spent on buying the existing assets would balloon state debt without adding a penny to the amount the industries could invest. No prudent Chancellor would want to find big sums for additional utility investment on top of the other many budget demands. There would be no guarantee that prices were lower or service better than the current privatised levels. Indeed, history suggest they would likely to worse, as the absence of competition blunts achievement.

We were prisoners of nationalised monopolies when we had them. Taxpayers had to bail them out and pay their losses. Customers were treated badly, faced rationing and poor service