

## Out and about on the doorsteps

My recent sessions on the doorsteps have been of particular interest. Despite the saturation coverage of the tragic war in Ukraine no-one has raised any Ukraine related issue with me in recent visits to Earley, Shinfield, Wokingham and Winnersh. There have been some issues raised about the Spring Statement and what more the government could do to tackle the cost of living crisis. There have been no questions or suggestions about covid despite the large numbers of cases currently being reported. The occasional person has explained from a distance they are infectious and do not wish to pass it on.

Most of the conversations have been about local issues, often related to levels of development, traffic congestion, road closures and other Council matters. Emails and letters have broadly reflected the same pattern, with just three writing in on Ukrainian issues and many more on cost of living and energy matters.

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## Nuclear, wind and gas – the energy question

I read that the government is debating amongst itself how much additional commitment to make to new nuclear and new wind energy as it responds to the current energy crisis. As one of the few that has been advising successive governments over the last ten years of the pending energy shortage and the need for more national self sufficiency I am glad they are now actively discussing these matters. It is quite clear today we import too much and have too little spare margin to keep the lights on and the wheels of industry turning.

I have no objections to government making a substantial commitment to new nuclear . It could well make a good contribution to our needs in fifteen years time. It needs to do so understanding three crucial matters.

1. Whatever it now does nuclear will represent a considerably smaller part of our electricity output in 2030 than today because all but one of the existing stations are scheduled to close, with only one new plant coming on stream. Nuclear agreed in principle today will not be producing any power this decade.
2. To bring off this nuclear growth the UK will need to rebuild our nuclear industry and secure good intellectual property under our control. We should not want to have the Chinese or others controlling the IP and capable of using it as leverage over us.
3. The state will need to be involved in financing. A way would need to be found to ensure some competitive discipline and genuine risk for the

private sector partners to avoid the taxpayer ending up with plants that are much delayed and massively over budget bankrolled by the taxpayer.

I have no objections to the government encouraging more offshore wind farms. I would accept more onshore windfarms as long as landowners and Planning authorities had a veto over locations, and could share in the revenues as compensation. The government needs to understand that whilst windfarms could be put in much more quickly than nuclear, they too will not solve our current energy shortage without tackling three problems they pose.

1. On Monday wind energy supplied just 1% of our electricity. On Saturday writing this wind was only supplying 5% of our electricity. If you are going to rely on more wind there has to be breakthroughs in storage technology to allow you to harvest the wind power when it is not needed and supply it when the wind is not blowing.
2. If you press ahead with more wind energy you need to understand that will still leave us short of total energy, as renewable electricity only accounts for around 5% of our total energy. Most energy is still needed as gas to heat our homes and fuel industry, and as petrol and diesel to fuel our trucks and cars. We cannot rely on more renewable electricity all the time most of our transport, heating and industrial energy is not electrified. It will take time for the electrical revolution to convert every home, factory and vehicle to allow electricity to take more of the strain away from directly used fossil fuels.
3. If you encourage more renewable power you need to allow more back up power generation for the times when the wind does not blow. All of this entails more cost.

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## [Balance of trade affected by change of accounting](#)

The January trade figures were disappointing, showing a marked fall in exports to the EU which has caused some concerns by those who did not study the figures. The ONS has decided to change the basis for compiling the import and export figures, and by its own admission there was a one off hit to reported exports to the EU by delaying the dates of record.

During the first year after leaving the EU customs union both exports and imports were higher for non EU than EU. In the first half of 2021 we had a welcome balance in total trade, with a strong services surplus offsetting the usual large goods and food deficit. EU trade continued to be in deficit and the rest of the world in surplus. In the second half the trade deficit we were used to in the EU returned, with a total deficit of £24 bn for the six months. The top five imports are vehicles, medicines, gas, non ferrous metals and oil.

The strains on the balance of payments will increase this year given the high oil and gas prices. It underwrites the need to extract more of our own oil and gas. The government has said it has now shifted policy on this and I look forward to the executive decisions being taken to make this a reality. The UK offsets a substantial part of the vehicles deficit by strong exports of UK made vehicles mainly to non EU markets. It will be important to invest in and retain a strong car industry as EVs become more common. It should be a welcome challenge to the UK motor sector to seek to make and sell attractive products to home consumers that can substitute for the high volumes of EU vehicles still coming in.

The balance of payments was still sandbagged in the last quarter of 2021 by a large £5.8bn payment to the EU. One of the big balance of payments wins from Brexit will be the ending of these payments. It is a pity the UK offered such an attractive deal to the EU on payments after exit, as this has slowed down getting the benefits.

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## Cost of living

Dear Constituent

This month the price of gas and electricity will shoot up, following a period of price control. I have been arguing that the government does more to help offset the impact of these higher bills on living standards.

I was pleased the government did offer a reduction of Council tax to many. It adopted the advice I and others offered to make a cut in fuel duty and to remove VAT from green products that can help cut energy use and bills. It has sought to delay some of the rise in bills. In the Spring Statement it raised the threshold for National Insurance, abating some of the impact of the National Insurance rise the government is imposing.

I do not think this is sufficient offset so I am pressing for more action. I wanted to see the cancellation of the National Insurance rise and the removal of VAT on domestic fuel.

I am also pressing for changes to energy policy to increase the supply of domestic energy to ease some of the shortages. I am hoping some of my proposals will be included in the Energy statement we are expecting soon from the government.

I am very worried about the cost of living pressures and will continue to press for more action to ease the impact. Government needs to bend all its powers to controlling the inflation, cushioning the impact and increasing supply where there are shortages. Pensions and benefits will need further review as prices rise, and the tax burden needs to be reduced.

Yours sincerely

John Redwood

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## [Extension to the Household Support Fund](#)

I have received the below letter from the Government Minister for Welfare delivery regarding the Household Support Fund which I would like to share:

Dear Colleague,

### **EXTENSION TO THE HOUSEHOLD SUPPORT FUND**

Our new Way to Work campaign aims to get half a million people who are out of work into jobs in the next four months. It will support employers who need to fill their vacancies, whilst also helping claimants by improving their financial situation. Alongside this initiative, we have announced around £400 billion since the start of the pandemic protecting jobs and incomes.

The economy is in recovery, with a record number of people on the payroll, but we recognise the inflationary challenges and that people are concerned about pressure on household budgets. That is why we are extending the Household Support Fund to provide cost of living support for households most in need, shifting the focus of the fund to include more of those people who cannot work. From April, the government is providing an additional £500 million to help households with the cost of essentials. This brings the total funding for this support to £1 billion. In England, £421 million will be provided to extend the existing Household Support Fund from 1 April to 30 September inclusive. The devolved administrations will receive £79 million through the Barnett formula. In England, the allocation for Councils is the same as for the previous 6 months.

In England, the fund will be distributed via upper-tier Local Authorities. This support will continue to help those who are struggling to afford energy and water bills, food, and other essentials, to prevent the escalation of problems. We know energy bills may be of particular concern to low income households and so Local Authorities are being encouraged to focus on supporting households with the cost of energy.

At least a third of the extension funding (£140m) will be spent on pensioners on low incomes and at least another third (£140m) will be spent on families with children.

This will ensure that the most vulnerable, including those unable to work to boost their income, will continue to receive vital support to help with the

costs of household essentials throughout the next six months.

This extension is just one way that we are helping families with the rising cost of living and other global inflationary pressures. The government has recently announced a three-part plan of support to help households with rising energy bills, worth £9.1 billion in 2022-23. This includes a £200 discount on energy bills this Autumn for all domestic electricity customers in Great Britain, to be paid back automatically over the next 5 years. This also includes a £150 non-repayable rebate in Council Tax bills for all households in bands A-D in England, as well as a £144 million discretionary fund for Local Authorities to support households who are in need regardless of their council tax band.

We continue our focus on getting people into work. The National Living Wage will increase to £9.50 an hour this April, providing an extra £1000 pay for a full-time worker. This has risen every year since it was introduced in 2016. The cuts to the Universal Credit taper rate and the uplift to the work allowances will also put, on average, an extra £1,000 a year into the pockets of 1.7 million low-income families.

These initiatives, alongside the Household Support Fund extension, will work to help those most in need over the coming months. For MPs in English constituencies, please direct constituents in need of support to their local authority who will be able to help them access the Household Support Fund. Your Council will be required to produce a plan taking into account the new conditions and guidance. I encourage you to give your thoughts directly to your council leader on how you think their scheme could be improved. For MPs in Scotland, Wales and Northern Ireland, I would encourage you to speak to the Devolved Administrations about their plans to use their allocations.

Kind regards,

**David Rutley MP**  
**Minister for Welfare Delivery**