

Councils show how much you lose with government investment and trading

Labour and Liberal like to blame the government for the Councils that go bankrupt or have to cut essential services to make ends meet. It is easy to just say government should give them more money. The truth is many of the Councils get into a financial mess by mismanagement, excess spending and bad investments.

Take the cases of Labour Bristol and Nottingham. Both embarked on investing taxpayers money in their own energy company. Both spent millions, both overstretched, both incurred huge losses and had to sell off their customers as they went through administration. Bristol lost £46 m in 4 years and Robin Hood £38 m. 8 Council energy companies lost over £110 m between them.

Or take the cases of some Councils who spent a fortune of taxpayers money on building property empires, only see them fall in value leaving the Council to pay huge interest on the debts. Or consider Thurrock who thought solar farms would be a good bet as well as property, only to lose big time on these bets.

Birmingham got itself into big losses by failing to pay its female staff in past years equal pay under the law. It is now struggling with the bills to reimburse.

Councils got punch drunk on relatively cheap loans. They bought property and trading assets from the private sector for high prices, failing to realise the grave risks. Interest rates went up, trading losses mounted and several go into the public sector equivalent of bankruptcy. Yet still some Councils persevere with wasting taxpayers money on assets they do not understand which they pay too much for.

It is difficult to sympathise with Councils that effectively go bust through bad investment. Why did so many Councils think it a good idea to buy property from the private sector when it was expensive and interest rates were too low? Did they not understand those properties would fall sharply in value when rates went up?

The fate of public sector trading companies run by some Councils should act as further warning that nationalised businesses can lose taxpayers a lot of money. Labour has failed to produce any back up to the soundbite that a Great British Energy Company could make money for the state and deliver lower energy prices. History suggests it would lose money and cost us more.

Changes to website

I am considering changes to the website and content once we know the results of the General election.

I will be providing an analysis of the run up to the election by the Conservatives soon after the election. Knowing the result will enable judgements then to be made about the different views and positions taken by Ministers and backbench MPs in the many discussions held over election timing and content this year. We will not of course be getting any inside analysis from Labour about their disagreements and rapidly changing policy pitch before polling day. They seem riven over employment law, spending levels, speed to net zero and how to get anything from migration control through NHS waiting lists to nationalised businesses to work. It is best to let people concentrate on the election.

During the election period I will comment on the issues and campaigns as they unfold. I want to highlight big issues like net zero, debt and deficit, growth strategy, productivity falls in public service, living standards, bad central banking, the role of so called independent bodies and much else. An election is a good time to get change in party positions and to encourage more differentiation of offer to allow better choice.

How to have lower taxes and faster growth

I have been critical of the government for putting up with unacceptable losses by the Bank of England, the railways, the Post Office, HS 2 and other nationalised concerns. I have criticised the handling and reporting of high borrowings and interest charges. I have highlighted the unaffordable collapse in public sector productivity. I have successfully urged government to find ways to get more people off benefits into work.

The fashionable establishment gloom tells us we need to put up taxes further to alleviate spending pressures, and to cut debt relative to GDP. They refuse to see the imperative need to stop the waste and losses of the public sector or to accept that cutting the right taxes can boost growth and overall tax revenues. The huge cost burden of net zero compounds the problem, seeking to rip out fossil fuel use in the UK only to import energy and products at dearer cost from abroad, losing us huge tax revenues.

Labour would make all this worse. They want to end fuel duty sooner by accelerating the end of petrol and diesel cars. They do not propose a replacement tax on the use of electric vehicles. So what would they do about

the revenue black hole? They want to find off balance sheet ways to borrow more. They have delayed hugely expensive net zero plans whilst not changing the aims or targets. They have no plans to boost public sector productivity. They oppose some of the measures to get more people into work.

Their proposal to charge VAT on school fees might produce very little net revenue after allowing for all the extra costs of lower income parents switching children to state schools. Toughening non dom tax just drives more rich people out or keeps them away, to the point where we get less revenue from them. In the 1970s penal tax on foreigners and high earners led to the brain drain, an exodus of successful people.

Accepting the control of the five year out OBR figure for the deficit is absurd. No-one knows what the deficit will be in 5 years and government can borrow too much in the four years before the control. The government's use of this control did not stop a big debt build up. Labour want to double up on OBR influence, though they want to allow more borrowing to "invest". The way the public sector does that is often a licence to lose money, as with some Council energy and property investments and the Bank's lamentable bond dealings.

We need a commitment to cut this years deficit by taking the actions on the loss making Bank and nationalised industries I have set out, and by moving fast to return to 2019 levels of public service productivity. We need growth promoting tax cuts. The build up of interest charges can also be curtailed. Why do the main parties ignore many of these billions spent on mismanagement?

[Election kicks off with debate about energy](#)

The UK imports too much energy, making us reliant on the goodwill of foreigners. All parties to the election should renounce the mad carbon accounting which says if you use your own gas you are adding to world CO₂ but if you import the energy you are not. The import model increases world CO₂, costs us lost jobs, means we do not get the large tax revenues on extracting the gas and undermines our energy security.

Labour has come under fire from its own side for ruling out new oil and gas fields. I side with the Unions who say it makes sense to create the jobs and extract the energy at home.

The idea that setting up a Great British Energy nationalised company would solve our shortages and lower prices is wrong. If you wanted to do this there would need to be a huge expansion in grid capacity to accommodate the switch to electricity. There would need to be plenty of new back up gas fired power stations for when the wind did not blow, or plant for large scale

production of hydrogen to fuel home boilers and vehicles. Our current nationalised industries send huge bills to the taxpayer to cover their losses, legal claims against them and their investment programmes.

The Conservatives now say they are net zero realists. They see a need for a rapid roll out of nuclear, a more reliable source of low carbon power. They want more home oil and gas. They need to adjust policies on roll out of EVs, heat pumps and smart meters to reflect consumer choices and realities.

Greens and Lib Dems live in a slogan world where a windmill is the answer to every problem and comes with lower bills. Dream on.

[Thank you to Wokingham](#)

I have decided not to put my name forward in the forthcoming election. I have other things I wish to do.

It has been a privilege to represent Wokingham in nine Parliaments. I have drawn many of my campaigns from the views I have heard on doorsteps and read in my email box. We have achieved good things together for our local community and the wider nation.

I was pleased to help local Conservative Council candidates win seats in the recent local elections. We stopped the Lib Dems winning a majority despite their forecasts by highlighting the big damage they are doing to our roads, the money they waste, their neglect of public spaces and the way they are worsening our refuse service.

I will be continuing my website, maybe with some changes. I will continue to contribute to the debates about public policy. Any references remaining on this site to my work as an MP will after next Thursday be about the past.