

State trading monopolies often serve us badly

Choice, innovation and competitive challenge drive higher living standards and better goods and services. Private monopolies can wallow in complacency, knowing they can charge enough to suit them and not feeling any great need to improve or change. State monopolies seek to persuade us that their pursuit of the public sector ethos allows them to rise above the complacency and poor quality of monopoly, yet so often as with British Rail or the nationalised energy and water utilities they did not do so. Nationalised industries often charged a lot, passed inefficiencies on in ever higher prices, sacked employees instead of finding new jobs for them from growth and innovation, and sent big bills to taxpayers as well.

One of the worst features of nationalised industries or of heavily state regulated utilities is the way they fail to supply enough of what they are meant to provide. The nationalised water industry used to introduce water rationing in any hot dry summer. They saw no duty to supply water to us to keep our vegetable plot alive or to support the flowers in a good July. The regulated utilities we now have are prevented from providing comfortable extra capacity by controls over the amount of permitted investment spending, so we remain on a knife edge of supply should we ever have the joy of a long hot dry summer again like 1976. They are not even encouraged to add to capacity to deal with the large rise in migrant numbers in the last two decades.

The nationalised railway specialised in cutting back track and routes. The Beeching cuts were the worst example, but the process of retreat in services and slimming the workforce was remorseless. It always argued it could not make sufficient capacity available for the crucial commuting demand that was its passenger mainstay, condemning generations of commuters to standing room only, to crowded trains and poor services. The regulated partly private industry of recent years has allowed some good growth, but prior to the big change of the pandemic measures there was still inadequate capacity on many important commuter lines at peak.

The worst example of deliberate shortage of supply is the monopoly provision of roadspace. Local and national highways management has persevered with ancient narrow streets and been slow to build a comprehensive network of motorways, by passes and trunk roads to keep more of the traffic away from homes and High Streets. Some argue this is the green option, yet it means many more vehicles stuck in traffic jams, more pollution near where people live and less fuel economy. It is also a lot less safe, encouraging more tensions between vehicles, cyclists and pedestrians on mixed narrow roads.

The telephone industry was way behind US technology and coverage when it was privatised and opened to some competition. It caught up well, and has shown considerable ability to handle vast increases in data and download demands in recent months, though there is still need for more fibre into homes. The

highly regulated electricity industry now leaves our country short of power and dangerously dependent on imports for no good reason. Given the government's ambitions for an electrical revolution putting in a lot more power capacity into generation and distribution must be a crucial priority.

As the government seeks to interpret its version of the fashionable Build back better mantra it should make substantial increases in capacity in our main networks and utility provision central to that task.

[My speech during the Third Reading of the Environment Bill, 26 May 2021](#)

I welcome cleaner air and cleaner water, and I wish the Bill well as it completes its passage. I hope that we will be nicer to nature and better to the other species we share our islands with.

I would like briefly to make a few points to the Secretary of State and the ministerial team, who have worked hard to get this far. The first point is on water. I urge them to work with the water industry and the regulators to put in more reservoir capacity. We have had many homes and new families coming into my area of Wokingham and West Berkshire, but there has been no increase in potential water supply. Nationwide, we still have a rising population, and they will need good provision of clean water.

There are two great natural advantages of having more reservoir capacity. First, when we have long periods of excessive rainfall—we seem to be having one at the moment—and there is the danger of the rivers overtopping and causing flood damage, we need more good places to park the water, and we could then recharge the extra reservoir capacity. Secondly, were we once again to have one of those long, hot summers with long dry spells, as we have had from time to time in the past, we would be able to draw down in more comfort, knowing that we had adequate reservoir capacity, without having to run the streams and rivers too low or draw excessively on the natural aquifers.

On Report, I talked about the excellent news that there will be many more trees and urged Ministers to ensure that they help to build a much bigger forestry and timber industry. We import far too much and need to replace it with home production and fewer wood miles. I also urge the Secretary of State to bring forward those great schemes to promote more food production here at home. We lost too much market share, particularly in areas such as vegetables and fruit, in our CAP days. I do not think it is morally right to be drawing so much of that food from a country such as Spain, which is parched and in great difficulties eking out its inadequate water supplies, when we have plenty of water at home and could do so much more to promote a good domestic industry, cutting the food miles and giving confidence in the environmental

benefits of having the home product.

I would also like to draw Ministers' attention to the unresolved business that they have promised to work on as we complete this piece of legislation: the possible conflict between the Office for Environmental Protection and the Climate Change Committee. I urge Ministers to recognise that they need to supervise both bodies and give them clear public guidance on their remits. The Government will need to bring forward that piece of work to explain what the relative roles of the two are and how the different sets of targets—the natural UK targets on the one hand and the climate change targets on the other—will knit together and be compatible, rather than cause tensions.

For example, we need to know what the thinking is about the pace of carbon dioxide reduction and transition and how that impacts on our natural landscape, because if we are going to accelerate the move to electric vehicles or from gas boilers or both, there will need to be massive investment. That investment includes the production of a lot of steel, glass and batteries. Mining activity somewhere is required to produce those raw materials and fashion them into something that can then be part of an electric product. We need to know whether we will be doing any of that in the UK, or whether the idea is that we should import much of it because we do not wish to husband our own natural resources for this purpose.

If we are going to import, we should properly account for it, because it is not helping the planet if we say, "Well, we're not putting the mine here or burning the coal to smelt the steel here," but it is happening somewhere else. Indeed, it may be happening somewhere else where environmental concerns are taken much less seriously and the environmental damage of producing that product is far greater than if we had done it at home.

I hope that more work will be published on the pace and cost of transition. Again, the Bill seems to point us more in the direction of repair, maintenance, recycling and reuse, and not wanting a throwaway society but reckoning that, if we make good things, they could last for rather longer. How is that reconciled with the idea that we want a rapid transition to get rid of our existing fleet of petrol and diesel vehicles and to rip out all our gas boilers and solid fuel heating systems? Has there been proper carbon accounting on all that, and how is that reconciled with the very good aim in this Bill that we must consider the impact on our earth and the amount that we take out of our earth in order to fashion the things we may need?

There is a lot of work ahead for Ministers, who have already been very busy. As others have said, the Bill is only the first step, and it will then need to be fashioned into popular products and feasible programmes: things that business will want to collaborate with and things that people will want to do. There is an educational process involved. We also need to ensure that we know what the costs are and that they are realistic, that they are phased and that they fall fairly. I would still like to hear more from the Government on the total cost of all this work, because we need to ensure that it is realistic, that it does not get in the way of levelling up and greater prosperity, and that it reinforces our prime agenda, which is the health and welfare of the British people.

My speech during the Report Stage of the Environment Bill, 26 May 2021

There is much to welcome in the Government's aims. Like most MPs, I look forward to cleaner water and cleaner air. It is right that we take more care of the other species that we share our islands with, and I look forward to those greener and pleasanter lands having more protection and more support. I also welcome the idea that we should plant many more trees. However, at this point in our deliberations, we should ask the Minister to give us a bit more background and information about the costs of this transformation so that we can know that it is realistic and that it will be properly shared.

When we look at the legislation itself and at the impact assessments, we see that there is very little by way of hard information about how much cost may be entailed and who should primarily bear that. There are wide-ranging powers to introduce more waste charges, for example, but the statements in the impact materials say that an impact cannot be assessed and that it will depend, in due course, on what actual charges are brought in. When we look at the very expensive rules on producer responsibility—taking more responsibility for packaging, batteries, waste, electrical equipment and end-of-life vehicles—we are told that a partial cost of the first item is about £1 billion a year, but there is no information on the full cost and there is no information on the others. There is a bit of information on the cost on housebuilders for the habitat provisions, and there is not a lot of worked-through financial information on the deposit return scheme.

I think that there are ways forward where we can make sure both that we have a better environment and that we are earning more revenue from suitable and sustainable exploitation of nature's abundance. I hope that the Government will work hard on finding ways that enable livelihoods to be increased and improved, just as we are also doing the right things by the environment.

Let us take the case of trees, for example. I do hope that, as we plant many more trees, there will be more sustainable forestry. I always thought it quite wrong that we import so much wood from across the Atlantic to burn in the Drax power station, when surely we should be looking for sustainable sources at home. It is also quite wrong that we import so much of the timber that we need for our big house building projects, when, again, this is a good climate for growing softwood. Surely we can go about our task of finding sustainable ways. We need to cut the wood miles and to have that sustainable forestry here, as well as having the beautiful and diverse trees in our landscape in suitable places where the Government will offer their own taxpayer-based financial support.

Let us hear a little more about the livelihoods and the opportunities. Let us show how we can have both a beautiful countryside and a working countryside,

so that we can cut the wood miles and the food miles. We should ensure more buy-in from business and individuals to these great aims of having a better natural environment because of the opportunities to do more at home, and have that happy conjunction of success in business, harnessing nature's abundance and the beauty of nature's abundance, while respecting all the other species that share our islands with us.

Promotion of British food and drink

I recently enquired about what the Government is doing to promote British food and drink and I received the enclosed response:

Question:

To ask the Secretary of State for Environment, Food and Rural Affairs, what steps he is taking to help promote UK food at home and abroad. (2852)

Tabled on: 18 May 2021

Answer:

Victoria Prentis:

The Government is stepping up delivery of its manifesto commitment to build demand and promote British food and drink both home and abroad.

We are working with the sector to raise domestic and international awareness of the UK's growing reputation for high-quality food and drink produced to high standards of food safety, animal welfare and sustainability. This will provide a catalyst for growth for all regions of the UK and increase global recognition of the UK as an innovative food nation.

We are supporting the UK's farmers and growers to increase domestic production through the Agriculture Act 2020, which offers financial assistance for producers who are starting to grow fruit and vegetables or are seeking to improve their productivity.

By showcasing the UK's excellent food and drink, we will encourage consumers to explore more of our local and regional products, including iconic geographical indications (GIs), such as Welsh lamb and Cornish clotted cream.

We are refreshing public sector food procurement to place a greater emphasis on local, seasonal and sustainable produce. This will support local business and can play a key role in promoting healthy diets and reducing environmental impacts of food supply. A consultation on strengthening the Government Buying Standards for Food and Catering Services (GBSF) will be launched later this year.

We have supported the Agriculture and Horticulture Development Board (AHDB), Seafish and other organisations as they develop consumer-facing marketing campaigns for the meat, dairy and seafood sectors. One example was our

support for a campaign by VegPower that encouraged the public to buy local, seasonal vegetables. Additionally, we supported the Seafish 'Love Seafood' campaign to raise consumer awareness of fresh seafood caught in UK waters and connecting communities with local producers.

To support this range of domestic promotion initiatives we are also providing food and drink companies with advice and tools to build export capability. The Department for International Trade (DIT) recently launched their Open Doors campaign with a focus on the food and drink sector. This provides companies with access to online tutorials, webinars, mentoring and specialist advice to help them capitalise on export opportunities across the world.

Defra works in tandem with the Department for International Trade to deliver the Food is GREAT campaign, which helps businesses to succeed in overseas markets by building global recognition of UK excellence in food and drink. Food is GREAT is a key element of the joint Defra and DIT agri-food 'bounce back' package of trade support and promotion measures announced last June to help support businesses that have been impacted by coronavirus.

The Food is GREAT campaign is focused on priority markets, including the USA, China, Japan and the UAE. Activity is being planned across all priority markets for the coming year, where we will work with UK businesses and UK overseas posts to promote the best of UK food and drink on the international stage.

[The costs of environmental policies](#)

Yesterday in the Commons I raised the issue of the costs of both the nature and habitats policy we were legislating and the much higher costs of the planned transition to net zero carbon dioxide. I will be saying and doing more about this in the long run up to COIP 26. I will post this morning my two speeches on the Report Stage and Third Reading of the Environment Bill which contain more of the detail.

As the government starts to translate a net zero 2050 target into a set of shorter term and more specific targets we need to explore the impact these will have on jobs, total output and incomes and public spending. My main contention with government is that they can only realistically go for a successful green transition on cars, boilers and the rest as and when there are affordable good products that people want to buy because they offer us something as good or better than what we currently have.