

Answers to my Written Parliamentary Questions – average retail pump price

Department for Energy Security and Net Zero provided the following answer to your written parliamentary question (198580):

Question:

To ask the Secretary of State for Energy Security and Net Zero, how much and what proportion of the average retail pump price for a litre of petrol is tax as of 11 September 2023. (198580)

Tabled on: 11 September 2023

Answer:

Amanda Solloway:

As off 11 September 2023, average retail pump price for petrol was 153.1 pence/litre the total tax for this was 78.47 pence/litre or 51.3% of the pump price. This is comprised of fuel duty, currently held at the reduced rate of 52.95 pence and VAT amounting to 25.52 pence.

At Spring Budget 2023 the government announced continued support for households and businesses by maintaining the rates of fuel duty at the same levels for an additional 12 months, by extending the temporary 5p fuel duty cut and cancelling the planned inflation increase for 2023-24. That represents a saving for drivers this year of overall around £5bn and for the average car driver around £100 and around £200 since the 5p cut was introduced.

The answer was submitted on 19 Sep 2023 at 13:31.

HS 2

I voted against HS 2 when Parliament was asked to make decision on going ahead with the project. I had read the business case, which was as thin as it was stretched. Returns were poor on a modest planned spend. How much worse they now look given the huge cost overrun.

The original case placed emphasis on shorter journey times by allowing the trains to travel at speeds which cars and coaches are banned from trying for green and safety reasons. When people objected that those on business could work on a train lowering the costs travel time the government switched the defence of the project to needing more capacity.

It was never clear we needed extra north-south capacity . The shortages were on prime commuter routes at peak hours. This ceased to be true after covid lockdowns led to much more home working.

It would be a good idea to pause additional contracts to build more. The railways need to come up with a new business model now commuting is no longer so big. Railway capacity where needed can be increased with digital signalling.

Getting people back to work

I have drawn attention to the loss of nearly 800,000 self employed since February 2020, and proposed tax changes to reverse the losses. I am surprised Ministers have allowed this to happen and have accepted the official argument that the loss is down to covid, when the losses have continued after the end of lockdowns. There may well be people on benefits who would be both better off and happier if they worked for themselves, who have been put off by the paperwork and tax issues it raises. the rules now make it difficult for a self employed person to get a contract from a company.

The collapse of self employment is part of a wider problem Ministers are trying to address. They say maybe 500,00 people of working age are now signed off from work owing to ill health who would like to return to work. Whilst no-one who is badly incapacitated should be required to work, those with some physical conditions impeding mobility may well be able to work with computer assistance or from home, whilst those with mental health issues might find work can be part of the answer or part of the way of managing the condition.

The Secretary of State has announced various initiatives to tackle some of these problems. There is considerable delay, with elongated timetables for consultations to be followed by possible legislation. It should be time to accelerate the possible. I cannot believe it is against the law to run the Employment and benefit system to encourage and help people back to work. After all, that was the main point behind the legislation and reforms bringing in Universal Credit.

Ministers need to push harder. The economy will grow faster and the budget deficit will fall if we can persuade and help more people into work. They will also be better off.

The five targets for government

I have always supported the Prime Minister's five targets. Of course they should curb illegal migration, bring down health waiting lists, cut inflation, boost growth and control public sector borrowing. Being competent at doing these things is an important part of reassuring people about the quality of the government. The fact that the Opposition would make some of these things worse with their misguided approaches does not absolve government of the need to deliver.

With others I did raise the question with him of how they would stop all the boats, desirable though the aim was. It was never going to be easy given the criminal persistence of the boat trip organisers. I have always thought you can get the three economic variables all moving in the right direction at the same time, but you need to reduce tax rates and to control public spending to do so. It was always clear to get NHS waiting lists down you need to get the full engagement of NHS staff, which is not helped by strikes and disputes over pay and conditions of employment.

The NHS pledge is important. Too many people complain of the lottery to get a doctors appointment with the system some practices in some parts of the country use with the need to ring first thing in the morning when everyone else is and then finding the appointments for that day have gone. Too many people wait for months to get access to hospital appointments for diagnosis or for treatments.

One way to help get the waiting lists for treatment down would be for the NHS to buy in more capacity from the private sector, as it did during covid, to get routine items like cataract removal and knee surgery done in private facilities, providing it free for NHS patients. Specialising and making full use of operating theatre capacities would accelerate productivity and quality, as doing many of the same types of operation improves skills and reduces handover time between different teams using a general operating theatre.

A thorough review of the needs of those on long waiting lists would also be a good idea , with administrators updating needs and producing plans to maximise capacity to tackle the big areas of delay.

Even better than all such thinking would be a workable plan from the Chief Executive of NHS England with defined targets and methods to cut the waiting lists, that met Ministers' urgings to cut the list. The Chief Executive should have that as her priority after patient safety, and should have plans to at least get NHS productivity back to where it was in 2019 as quickly as possible.

The productivity and output problems in the public sector

I have pointed out before that the UK uses a different statistical presentation of public sector health and education to comparable countries. The UK attempts to proxy output of these services, rather than just including their costs. This led to a faster decline in UK GDP when the lockdowns occurred, as both services cut back on the measured outputs which included numbers of pupils attending schools and numbers of doctors consultations. This same scoring system is now losing us GDP because these core services have not got back up to pre covid levels of output despite big increases in spending. Indeed, the latest poor figure for GDP with a 0.5% fall in the last month had as its largest negative a further decline in health output thanks to strikes in the NHS.

The quirky presentation is telling us something real and of importance. It would not be right to bump up our output figures for all that extra public spending when it is not delivering gains in output. There has been a large decline in public sector productivity in the last three years which has coincided and maybe resulted from the excessive increases in spending committed to the services. This productivity problem now lies behind some of the big political rows going on, though there is still a reluctance by the opposition parties to discuss what you should do about the way putting more money in does not necessarily result in more service coming out.

The one row where productivity has been openly discussed is over the backlog of illegal migration cases. The Opposition accepts there was a bad decline in the number of cases dealt with by each employee in the service. Their answer to the problem is to recommend more staff, and to propose better paid and more senior staff. Ministers have committed more money to the budget and have recruited more people to try to shift the backlogs and report that more cases are now being decided per employee after a period of very low output.

We live in a world where Ministers are responsible for the productivity but rarely have the powers to directly hire, fire, and manage the staff. The case seems to raise the issue should Ministers have removed senior managers when output fell off? Should they take more powers to reward, offer incentives and become more involved in recruitment? Why did productivity fall off so far? Why didn't senior managers in the department take action to tackle it, or alert Ministers and ask for assistance and resource to do so? I cannot believe any recent Minister wanted there to be a collapse in productivity or who would have blocked moves to tackle it if it had been accurately reported early enough. Ministers were setting targets to get more done and had as a policy reducing the backlog.

The bigger one that is similar is the target to get NHS waiting lists down. The Ministerial wish to cut these has been clear throughout. Ministers have provided large general increases in money to the NHS, and have offered additional specific sums to get waiting lists down. Why hasn't that worked? I

will develop these issues in future blogs.