Improving the UK’s Test and Trace System

I have received the below enclosed letter from the Health Secretary about improving our test and trace regime.

Dear Colleague,

Strengthening our testing regime

I am writing to provide an update on what we are doing to strengthen our testing regime in the light of unprecedented demand across the UK.

Testing has played a key role in our response to COVID-19 – we’ve used testing to find cases, protect those most vulnerable (such as in care homes or hospitals) and to help keep children in face-to-face education.

More recently our testing capability has enabled us to take further steps towards normal life, including by reducing self-isolation periods to re-unite individuals with their loved ones during the Christmas period, keeping venues that would otherwise pose a much greater risk open through use of the COVID Pass and allowed vaccinated people who have had contact with someone who is positive to take daily tests instead of having to self-isolate.

In contrast to many countries, the UK Government provides both symptomatic and asymptomatic testing free of charge, and provides isolation support payments to those who need them, demonstrating our focus on keeping the country running smoothly and avoiding unwanted restrictions (particularly during the festive period where many families come together). To enable this, we are doing more testing per head than any comparable country and we have focused recent communications on encouraging testing before seeing friends and relatives, particularly those who are vulnerable, over the festive period.

The arrival of the Omicron variant has caused record case numbers and unprecedented demand for both PCR and Lateral Flow Device (LFD) tests. This has inevitably placed strain on the testing system, despite the impressive scaling-up of supply, logistics and laboratory capacity. Other countries have faced similar challenges.

Since the beginning of the pandemic, over 350 million PCR and LFD tests have been registered in England (nearly 400 million in the UK), and we now see an average of around 1.5 million tests reported each day. In response to recent challenges, the UK Health Security Agency has more than doubled LFD deliveries from 120 million tests to nearly 300 million in December, more per head than any other country.
To respond to anticipated demand over the coming few weeks we are buying hundreds of millions more LFD tests, bringing new products on board and accelerating their deployment to the public. We are also doubling our total

delivery capacity with Royal Mail to 900,000 test packs and PCR tests a day. We are tripling the supply of LFDs in January and February from our pre-Omicron plan of 100 million to 300 million per month.

We are constantly reviewing system performance and ways to maximise its response to the demand for tests. However, in light of the huge demand for LFDs seen over the last three weeks, we expect to need to constrain the system at certain points over the next two weeks to manage supply over the course of each day, with new tranches of supply released regularly throughout each day.

Our daily PCR capacity has also been ramped-up, from around 530,000 per day in November to up to 700,000 per day now, excluding the tests for NHS patients and staff being processed in hospitals. Our world-leading Lighthouse Laboratory Network has and will continue to work 24/7 over Christmas and the New Year to process tests, despite like many sectors being impacted by staff sickness.

We will continue making tests available to everyone who needs them, particularly vulnerable groups such as care home residents and those who work in critical sectors such as the care workforce. Today, for example, there was particularly high demand from care homes with 190,000 PCR tests submitted to laboratories for processing, and these groups were rightly and will continue to be given priority. Everyone who may be eligible for anti-viral medication will be receiving a PCR kit in the post by mid-January, which they can store at home to use if they get symptoms. These will also be prioritised at laboratories.

I would encourage you and your constituents to continue testing when engaging in activities that carry the greatest risk, and before coming into contact with people at risk of serious illness. If people cannot get tests through GOV.UK they should try local pharmacies or see whether their local authority is distributing tests. Tests can also be collected from some community places such as libraries. If your constituent attends or works at a school, college or nursery they can get rapid tests through these too. I would like to thank your constituents for their continued understanding and patience during this unprecedented time.

Finally, I’d like to thank the men and women on whom our testing system relies. Whether working in the labs, on test sites or in our logistics network, they are rising to the challenge, volunteering to work extra shifts and extra hours to deliver the testing capacity our country needs at this challenging time. We owe every one of them our gratitude.

Yours ever,

RT HON SAJID JAVID MP

The coming income crunch

It is strange watching a government advance towards a predictable crisis without it taking any of the obvious actions to avert the worst and tackle the underlying problems.

Yesterday a think tank put a figure on the hit to average incomes from tax rises and energy bills next spring. They said it would be £1200 per household. The government did not deny or correct the figure. They said they were spending £4bn on helping people with the cost of living.

Both these disputants might be right. The problem with the government’s response is it does not tell the person on average earnings facing the £1200 hit how much of the £4bn they will receive, nor whether this will be additional money or money they are already collectively receiving. It is not an effective counter to any individual complaint to say that the government is spending extra billions on the problem. People want the problem resolved and want to to know how it affects them. Taxpayers do not welcome the knowledge that spending has gone up a lot if there is no evidence that the spending is doing good and stopping the problems.

I have been urging the government to take this cost of living crisis more seriously. Much of it can be tackled by government actions. The Treasury needs to cancel its tax rises which will be damaging. Ironically if they help slow the economy too much they might even end up raising less money for the Treasury than not putting the rates up. The sooner they confess their error the better.

The Business department should heed advice on the need to expand domestic gas and electricity supply urgently. It needs to cancel plans to close the remaining coal power stations until we have reliable replacements. It needs to give permission for Jackdaw, Cambo and other oil and gas deposits in the UK . It needs to speed up the small nuclear reactor proposals and consider commissioning new gas capacity for this decade and next. More subsidies and shuffling around who pays the bills for dear imported energy does not solve the problem.

Does the Business Secretary think markets work?

Many commentators tell us the Business Secretary is a free marketeer who thinks the private sector and free enterprise is often the best answer to supplying things like energy.

There is absolutely no evidence of this at all.The Department he presides over the opposite policy. Price controls bankrupt supplying companies. Then the replacement suppliers put the prices up anyway when the cap lifts. They stop investment in new gas and oil supply in the U.K. that companies would like to carry out. They end up nationalising a large energy supplier that price controls bankrupted.

They tells us the answer to our chronic energy shortage is more wind power.This year the problem has been a lack of wind to blow the windmills, leaving us in need of more gas and coal to replace it.

The Business Secretary tells us a bewildering myriad of price controls, taxes, regulatory interventions, bans on fossil fuels, carbon prices, nationalisations and subsidies are the answer. They are not. They lead directly to shortages, power cuts and big price rises. Ironically they also lead via more imports and more stand by power to more CO 2 emissions as well.

Time to cut through the energy subsidies, taxes and controls to keep the lights on

Yesterday the Business Secretary met the wrong people to solve the energy crisis. He met the companies caught up in a nightmare of controls which threaten their solvency but lead inexorably to large consumer price rises after a delay.

He needs to meet the primary energy producers, the companies that produce gas and generate electricity in the U.K. The basic problem we face is we produce too little energy for our needs. This makes us dependent on very expensive imports, on the goodwill of Mr Putin and the ability of an energy short Western Europe to help us.

Many of the taxes, subsidies and controls on energy production have been imposed in pursuit of net zero. The policy is an abject failure in its own terms, because it forces us to import plenty of gas from abroad adding transport CO_2 to the total, and to import electricity that makes the continent burn more coal for power to meet their overall needs.

The government needs to cut its interventions and to licence more U.K. base energy delivery. More electricity needs to be generated here with cost and availability having more of a role in allowing its use.Proper costing of wind needs to allow for the costs of back up or in due course the costs of storage in batteries or through green hydrogen.

In the short term the government’s only options are to transfer some of the extra energy cost from consumers to taxpayers by yet more subsidy to companies, or to beef up benefits to people on lower incomes so they can afford the surge in bills. Every day’s delay in producing and investing more in domestic energy is another increase in bills and in total costs to consumers/ taxpayers. A general subsidy to companies would be yet another undesirable increase in public spending to dodge sorting out the underlying problem.

The Norwegian and Swiss approach to economic management

When we left the EU our per capita GDP was $41,124 , a useful one fifth higher than the EU average and 8% above the Eurozone average.

We were well behind the cluster of smaller non EU countries of western Europe who have adopted different economic models that served them well.

Switzerland at $86,601 and Norway at $67,389 are the largest and well above our levels and higher than the USA at $63,413. The Channel Islands, Greenland, Iceland and the Isle of Man are also well above.

Luxembourg and the Republic of Ireland have managed high gdp per capita within the EU by defying its dislike of lower taxes and setting themselves up as corporate tax havens. This has attracted substantial investment by large foreign companies, and head offices to book business legally through a low tax jurisdiction.

The Norway model rests heavily on large exports of oil and gas, with the country investing tax on this activity in a sovereign wealth fund. This fund now owns an impressive $1.4 trillion of assets on behalf of the Norwegian people. Norway has attracted substantial investment in reliable renewable power in the form of hydro for most of its own energy neds. Hydro power produces 95% of it electricity and 63% of its total energy. It has allowed the country to establish a large investment in heavy energy using industry, including aluminium production.

The Swiss model has rested on building commercial success in pharmaceuticals and chemicals, watch and jewellery design and fabrication and banking. Switzerland produces most of its electricity from hydro and nuclear, but imports a lot of oil and gas for other energy needs.

These countries demonstrate the huge opportunities for a smaller nimble country outside the EU bloc. Lower tax rates are central to most of the success stories, though Norway has done well by exploiting her advantages in energy. The UK should copy parts of both these strategies to get incomes per head closer to these achievements.