

## My intervention during the debate on Local Government and Social Care Funding, 24 April 2019

**John Redwood (Wokingham) (Con):** My area is one that got a really bad deal under past Governments and is still getting a bad deal. Let me build a bit of cross-party support. It is obvious that the Government have to find more money for social care for future year budgets, and it needs to go to my area and some areas represented by Opposition Members. It needs to be done fairly, but what is Labour's current thinking on how much individuals and families should contribute, because in social care, one of the big issues is how much of the family asset and income is at risk? Does it have any new thinking on that?

**Andrew Gwynne (Denton and Reddish) (Lab):** Of course, individuals and families are taking the hit from all the cuts, and they are having to step in.

**James Cartlidge (South Suffolk) (Con):** rose—

**Andrew Gwynne:** Let me answer the right hon. Member for Wokingham (John Redwood) first. We have to have a sensible discussion about how we are going to fund social care. Yes, it is about money, and we have pledged to ensure that there is £8 billion for social care—that was in Labour's manifesto in the 2017 general election—and we need to make sure that that commitment remains in our future manifesto and is updated, because it needs that immediate cash injection to start with. However, we also need to look very seriously at how we provide adult social care.

I really do wish that we could try to break down some of the politicking that has gone on for far too long—[*Interruption.*] Members can heckle, but it is a fact that before the 2010 general election, Andy Burnham, the then Health Secretary, sat down with the Liberal Democrat health spokesperson and the Conservative health spokesperson to try to work out a way forward. We went into that 2010 general election with poster boards about Labour's "death tax". That serves nobody. We need to make sure that we will have something that is sustainable for the long term, and I hope that we can genuinely get to a place where we can do that and talk about how we fund adult social care and children's services going forward.

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## The case for free enterprise

Listening to debates in the Commons, the air is often thick with criticisms of companies and entrepreneurs. To many MPs companies are sources of tax

revenue for their pet projects, run by people who will do harm unless regulated strictly against every risk. MPs who think like this should get out more.

Many of the things that are essential to our lives are supplied by free enterprise, and most of the pursuits that people most enjoy are supplied from private sector innovations and sources. Our food is grown by competing farmers and supplied by competing manufacturers and retailers. Our homes are built by competing construction companies. Our entertainments are private sector creations, delivered on innovatory technology that comes from a range of technology and consumer goods companies.

Parliament has to spend much of its time (when it is not groundhog day on Brexit again) debating the delivery of those services which are public sector provided and are appropriately the topic of many debates and rows. The NHS, schools, railways and roads are largely or wholly public sector provided and are appropriately the topic of many debates and rows. There is scarcity built into most public sector supply. We are short of GP appointments, short of roadspace, short of good quality school places in fast growing parts of the country, and short of commuter rail capacity at peaks when we most need the provision. There are problems raising quality and efficiency levels in parts of these public services. Top down allocation of cash causes arguments about its adequacy and distribution. The providers so often look upwards to the cash allocators, rather than outward to the users of the services.

The free enterprise model builds in natural incentives to innovate, to raise quality and to drive efficiency. If Company A fails to grasp the move from blackberries to ipads, Company B will and will take the business. If Company C fails to adopt better technology and machine power to make its employees more productive, Company D will and will be able to undercut Company C. If Company E gets a bad reputation for safety, people will switch to Company F that takes it seriously. If Company G treats its employees badly, they can shift to Company H who treats them well and gets a much better result for customers and shareholders as a result.

The public sector model has to try to find ways to substitute for the lack of consumer power in driving innovation and quality. Various ways have been tried, but these often are less good. The Highways Authority regularly shuts down sections of main routes without thought for the delays and problems caused to users, because it suffers no financial penalty for its failure and there is no alternative network to turn to. Network Rail regularly experiences signal failures and bottlenecks on its network delaying passengers and preventing innovative new services to meet demand, because it does not have to do better to survive. If it makes a mess it just demands more taxpayers cash to put it right. Obvious bypass track and short sections of new track to create extra capacity and new links do not get put in because they cannot be bothered to respond to potential demand or to improve the traveller experience.

The popular thing about main public services including schools and hospitals is they are free to users at the point of use. The main political parties are united in defending this principle. Other public services like railways rely

on user charging, and roads rely on heavy taxation of motorists well in excess of the cost of provision. None of these financing models need rule out greater consumer choice, which could help raise quality and efficiency.

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## [European elections](#)

The European elections on the continent should be gripping and important for a change. In dispute is the future of the Eurozone and the economic policy that has brought them slow growth or no growth in the deficit regions. They need to resolve how far and how fast they intend to go in pursuit of full economic, monetary and political union. They need to have a proper argument about the German vision of an economic Europe where the weaker economies accept the discipline and the rules without receiving large transfers to ease the pain, in contrast to the southern vision of a proper transfer union where money passes from the rich regions to the poor regions to create greater equality and solidarity.

They do organise loose groupings of parties that campaign on a Europe wide basis instead of sticking to national electorates and preoccupations, but have difficulty in getting a more co-ordinated conversation about transfers, a common Finance Minister and budget across the varying countries and viewpoints that still disagree strongly about the future. The political landscape is fracturing more, with the once dominant centre left and centre right coalitions of Social Democrats and Christian Democrats no longer likely to command more than a quarter of the vote and seats each. The PR system, the complexity of the EU architecture and the angry audiences in many countries are creating a wide range of new parties and movements, mainly organised in single nations. There is no obvious parallel to En March in France, Cinque Stelle in Italy, Vox in Spain or France Insoumise in other countries. Each have their own populist movements with a range of views.

It should be obvious to anyone that the UK should not be joining in these elections. Our preoccupation should be orderly and speedy exit. We do not have a view or even a right to a view on how much political union the others want and need when we are meant to be on the way out. The UK government is placing us and the rest of the EU in an impossible position by delaying our exit for no good reason. We do not want to pay for the next stage of their journey so should leave it to them to battle out just how big a budget they want and who from amongst the remaining members is going to pay the bills.

<http://johnredwoodsdiary.com/>

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## St George's Day

A happy St George's day to all.

Today England should be celebrating our freedom out of the EU. England voted by 53.4% in favour of Leave, with a large 1.921 million vote margin of Leave over Remain. English voters expected us to be out by now. Once again England has been let down by UK and EU politics.

The negotiations with the EU have reminded us of the way England's wishes are so often ignored or sidelined. There has been no Ministerial or representative voice of England in the negotiations at a time when the Scottish government has been most vocal setting out their views on the topic. The EU itself has always tried to split England up into artificial regions, and has not wished to hear an independent England view.

I have judged trying to reach a rapid and successful conclusion to the UK's exit from the EU is the most important constitutional task confronting us. Once we are out we do need to revisit the issue of England's representation. The Coalition reforms gave us the right to avoid Union legislation placed upon us against our will. We need next to turn to acquiring the ability to initiate measures for England without needing a majority in the Union Parliament, where those issues are devolved to Scotland.

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## The leadership of the Conservative party

Many members of the Conservative party are feeling let down that we are still not out of the EU. They warmed to the Prime Minister's approach that no deal is better than a bad deal, and accepted her assurance we would be out by 29 March 2019. Many Conservative MPs are unhappy about the plunge in the polls brought on by the news that we might be holding European elections after all, and by the fall in the general polls following announcement of delay in getting out.

There are moves to see if the question of the leadership can be revisited before the expiry of a year since the last confidence vote in Theresa May. Some MPs and some members of the voluntary party with their Associations are looking at what scope there is under the rules to test support again for the Prime Minister. It is reported that sufficient Associations have demanded the matter be examined by the party Board. Many MPs are sending letters to the Chairman of the 1992 Committee demanding action.

Mrs May herself has said she would resign as leader after the Withdrawal

Agreement has gone through. She said nothing about what she would do if it did not. It is looking increasingly unlikely it will go through, as Labour have many difficulties with the Political declaration and the future partnership which is an integral part of the Agreement. As a result there is doubt about her intentions. Nor has she stated a definite leaving date were the Agreement to go through. Her wish to get it through with Labour votes is also unpopular with many Conservatives.

I do not favour the attempt to broker a deal for the PM to step aside in return for getting through a bad Agreement. I am urging the PM to lead us out on May 22nd, by cancelling the European elections. Under the Extension Agreement with the EU we would then automatically leave on May 22nd. We should offer further talks to secure more agreements on a range of things, led by tabling a free trade proposal, to start as soon as we leave.

If the Prime Minister did this the difficult problem of the European elections vanishes, and the Conservatives would go back up in the polls as Leave voters returned, grateful that we will be out on May 22nd. If she does not do this a very unhappy party will look for a legal means under its constitution to force a meaningful vote of confidence in the Prime Minister.