

Funny figures

I rely a lot on official statistics to read trends and make policy suggestions to government. The problem is the figures themselves are very unreliable and need careful interpretation. Recent extreme movements caused by lockdown and closures on an unprecedented scale here and in most overseas economies makes it both revealing and hazardous to live by official figures. The experience has also blown apart many official forecasts, as the ranges are extreme and well outside past behaviours.

We have recently been told that there are over 5.5 million EU citizens living in the UK when throughout the referendum we were told it was around 3 million. We do not know how many illegals there are living here from around the globe. It means that the official figures for the population are likely to be understated by a substantial margin. This affects figures for public service provision. It may depress income per head unless there is an offsetting amount of undeclared income by the unregistered or partially registered. What are we to make of productivity, as clearly there are more workers but maybe more work is being done as well.

The inflation figures have been under stress. They are based on a typical basket of goods and services that people buy. Our buying habits were transformed by lockdown. Gradually the weights and contents of the basket were changed, only now to need changing back as we come out of lockdown. Trying to forecast the inflation index has meant first trying to forecast what will be in it before then trying to forecast price moves of the components.

Official forecasts of the economy went haywire over Brexit as I forecast at the time. A series of grim and stupid negative forecasts were duly proved wrong by events. Then the official forecasters greatly exaggerated the debt and deficits forecasts for the pandemic lockdown period. These were more difficult to get right.

During the pandemic as reported here it was very difficult getting accurate figures for NHS capacity, for death rates and other crucial figures, and difficult getting meaningful comparisons between countries. We need better and more honest data. A hospital admission does not tell us anything about how ill someone is, how long they will stay and whether they will need intensive care.

We cannot have an informed public debate about health or the economy without better official figures from the state. We need those in the media citing the figures to understand what the figures are actually counting and how inaccurate they may be.

Public spending review

This autumn will see a major public spending review. There will be the usual pressure for higher sums for the NHS, for education and other crucial services. There will be some good cuts to announce, as the subsidies and support payments needed during lockdown fall away. There also needs to be some detailed work done on problem areas where expenditure has been rising in ways that are not offering value for money or reflecting preferred policies and outcomes.

I will start examining some of these areas. They include the need to get better control of our borders to cut the costs imposed by illegal migration, as the government seeks answers through new legislation and policing. There is the big question of what should the railway look like post pandemic if as many think there will be a big decline in peak hour commuting which has been the high volume staple of the passenger business. Whilst the government is wedded to HS2, a very expensive project, there remain other pressures on capital spend to examine. There is the issue of how much money should be spent on housing subsidy at a time when the housing market is awash with private money. Do we need to subsidise the provision of homes given the way we offer financial help to those who cannot afford the homes on offer without benefits?

We need to look at the issue of how much the UK state buys from abroad, and whether there could be cheaper procurement from UK sources when you take into account tax flows on the businesses producing the items. We need to ask why the UK is still sending so much cash to the EU after we have left, with insufficient push back on the EU's view of the cost of the Withdrawal Agreement. Your thoughts on areas where reductions in spending could happen would be welcome.

A conservative green revolution

Yesterday I pointed to the dangers of net zero enthusiasts backing ways of life and products they do not adopt themselves but require others to do. Today I ask, what does make sense and what is a saleable green policy?

The UK has advanced on the road to net zero for electricity generation. This should be one of the easiest ways to journey to less fossil fuel use. It is not however a good idea to do so by coming to rely more and more on imports from the EU, when they in turn rest heavily on Russian gas and German and Polish coal. Our first aim should be to get back to self sufficiency in electrical power for environmental and strategic reasons.

We should also have more uninterruptible renewable power in the mix and less

unreliable wind and solar. Another pump storage scheme would greatly help flexibility and avoidance of power cuts. Water power more generally is more reliable and wind by harnessing water flows down rivers or the power of the regular tides and waves. We need much more capacity if the government's ambition electrical revolution is to sweep on. I doubt we can make do without combined cycle gas, especially now there are difficulties in replacing our old nuclear stations let alone expanding nuclear.

The advance in domestic heating and cooling will come first from better insulation. More help to exclude draughts, include better standards of insulation and ensure hot water systems are well protected would lower costs and demands for fuel to heat. Anything which lowers energy use and energy bills is a very saleable proposition.

We can do more to recycle and control waste, to protect farmland and woods and to look after our landscape. Conserve and recycle is good. Forcing premature replacement of existing heating systems and vehicles with new products that are dear or not so good may not even help to net zero, given the resource cost of scrap and replace.

Advocates of net zero need to live the brand

It is not a sensible approach to green matters to impose more and more rules and restrictions on the lives of the many, only for the establishment to show scorn for such rules in the way they themselves behave. I think all those who preach the green revolution should ask themselves two things before saying anything. The first is, have they done themselves what they are telling others to do? If not it is hypocrisy, and will damage their cause. The second is to check that their advice to everyone else offers practical and sensible ways of conforming with their views that people can afford and accept.

I remember attending a presentation on the need for electric cars sometime ago before the pandemic in Westminster. The person presenting on how we all needed to switch to electric vehicles invited questions at the end. I asked him the simple question of when had he bought one, what was it and how had it worked out for him. It was not meant to be a trick question and it never occurred to me that such a devoted advocate would not have bought one, but he confessed he had not yet made the purchase. I asked the supplementary of when would he, and he still fluffed it, refusing to commit!

I still have not met people with a heat pump on their wish list and when I last made enquiries of heating engineers they guided me off any such idea on grounds of high cost and poor effectiveness. Sales of diesel and petrol cars are down as people have grasped the government intends to make owning them dearer and more difficult, but sales of electric cars are far from replacing

the lost sales. People are not reassured about range and battery performance, and think the products are still dear.

The Green revolution needs popular good value products promoted by people whose own lifestyles conform with their net zero doctrine.

Foreign travel and the dangers of overseas infection

There has been much criticism both ways of world and UK policy towards international travel. All those who like travel or need to travel across frontiers have been very critical of the big hit airline travel has taken, as many countries have closed their borders or greatly restricted flying. Meanwhile many others have been very critical of countries including the UK who have not closed enough air borders quickly enough with signs that a major source of infection could come from overseas, as CV 19 did originally from China. Surely people ask, isn't a quick and full close down of air and shipping routes the best way of stopping spread, and wouldn't such a lockdown allow much less internal damage through internal closures?

We have ended up globally with a prolonged closure of much of the international travel system. It has not proved possible to reach global agreement, so sometimes your country allows you to travel to another but the other country does not want you to, or vice versa. Rules change rapidly and often, making it a very unappetising idea to go on a foreign holiday as you may get stranded there, or you may be forced into a long sojourn at your expense in a non holiday hotel in your return. All this implies that maybe being tough on global travel for any individual country is sensible, as travel patterns will be disrupted anyway by other countries and most of the new virus strains originate elsewhere and need to travel to your country.

In order to save the rest of the hospitality and travel sector the market did need to adjust to the idea that this year many more UK people would take holidays in the UK and foreign visitors would not. The industry needed to show flexibility to offer sufficiently attractive UK holidays to locals to replace the type of tourism they sold to foreign visitors. I wish the UK industry well in serving the many UK holidaymakers keen to have a domestic holiday. Maybe it will win more people over to UK holidays in future.