

# Quangos and independent government bodies

There is no such thing as truly independent government body. In a democracy Parliament and Ministers can always change the guidance, funding or law applying to any independent body. Governments are held to blame by Oppositions and the public when an independent body makes a big error. In a tyranny or single party state then of course all bodies are under the control of the tyrant.

In the last three decades in the UK there has been a fashion to pretend bodies can be truly independent, and a wish to transfer more and more decisions and budgets to independent bodies. I accept the case for independence when we are talking about quasi judicial roles or the technical implementation of complex matters under an approved guiding aim or policy that Parliament and people want. The UK system is good at stressing the limit of elected power when it comes to investigating, prosecuting and punishing people for breaking the law. There is a need for politicians to stay out of criminal law enforcement and out of individual cases where businesses or people have violated regulations set by Parliament and quangos.

The Post Office scandal shows the limits of belief in independence. The Post Office is 100% taxpayer or state owned. It is an independent body with its own Board, Chief Executive, Statutory duties and aims. The idea is to have experts running the service, with Parliament and Ministers largely confined to deciding any financial matters as shareholder owner and setting overall objectives or standards. Ministers however still have to report the results of the Post Office to Parliament, and be willing to answer when the independent Board and management of the Post Office gets itself into difficulty and public controversy. Opposition in Parliament is happier blaming Ministers and demanding answers from them than making CEOs and Board members more famous by naming them as responsible for errors.

Labour, Coalition and Conservative Ministers have all presided over the long period when Postmasters and Postmistresses were being falsely accused and prosecuted by the management and legal advisers of Post Office Ltd. They were all doubtless told that they should not intervene in these operational and legal matters and should leave it all to the independent Board and management. Now all accept that grievous errors were made the cry goes up that the Ministers should not have respected the independence but should have gone in and demanded a change of attitude and approach and if necessary changed the management.

What this tragedy reveals is the truth of the proposition that in a democracy where Ministers can with the backing of Parliament change the management, aims, budgets and legal frameworks of these bodies the state owns, Ministers do need to be sufficiently hands on to know if intervention is needed. I will write another blog about how I used as a Minister to monitor and influence quangos reporting to departments I served in in ways which respected

independence but where important matters were part of government policy and were properly reported to Parliament. Parliament needed to know how the body was doing, what government expected of it, and if change was needed.

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## Tougher carbon targets

Leading governments are as expected coming up with tougher targets to reduce carbon dioxide output, and are accepting the discipline of setting shorter term intermediate targets on the way to net zero by 2050. This week the German Green party moved in to the lead in the polls for the September 2021 Federal election. They have pledged to increase Germany's target of a 55% cut in CO<sub>2</sub> by 2030 to a 70% cut. To achieve this they say they want to phase out all new internal combustion engine vehicles and stop all coal use by 2030. President Biden is talking of halving 2005 levels of CO<sub>2</sub> output by 2030 in a major reversal of President Trump's cheap energy policy based on domestic oil, gas and coal.

The question to ask is how will these targets be hit without major changes of consumer behaviour? How will they encourage or incentivise people to change their gas boilers and scrap their diesel and petrol cars? Germany is still reliant on coal and imported Russian gas for industry and homes. Why put in another gas pipeline from Russia if this all has to be displaced? The German motor industry is trying to develop and display electric cars to replace its current successful model ranges, but so far there is no sign of a mass surge in demand on the scale needed given issues over prices, battery life and charge times. Governments are now talking about green hydrogen alternatives to battery electric travel and mains electric heating, but the products based on it are not yet available to purchase. More uncertainty about what technology will prevail puts [people off early adoption.

These carbon warrior governments need to work with the private sector to decide what is feasible. They need to understand this transformation can only go at the fast pace they now want if the cars, heating systems, diets and the other things they want to change appear as products people want to buy at prices they can afford. There has been no need for government to push the mobile phone revolution. Most people wanted one and most embraced the new capabilities of the phone. There was no need for governments to subsidise or regulate to get people to use Google searches or buy on line from Amazon. Their service was readily taken up by people.

The EU talks about the twin revolutions, the green and the digital. The truth is the digital revolution is bottom up, led by willing consumers seeking film and music downloads, wanting social media and welcoming on line shopping. The green revolution is still top down. Without the products that fly off the shelves because they are good and good value it is going to take a lot of law, tax, regulation and subsidy to force the changes the quangos and

governments want. The more they do it by law, the more people will come to resent it.

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## My Question during the Statement on Post Office Court of Appeal Judgment, 27 April 2021

**Sir John Redwood (Wokingham) (Con):** Will the Minister understand that there has to be compensation, and urgently, and this compensation has to cover not just the Horizon losses but the legal costs and the loss of business and income that people suffered from the damage to their reputation?

Many MPs, including myself, told past Ministers that this was an accounting scandal—it was not a sudden outbreak of mass criminal activity by good public servants. They deserve better, and this Government must now apologise by making sure they get proper compensation.

**The Parliamentary Under Secretary of State (Mr Paul Scully):** Indeed, it is important that the Post Office engages with all the appellants who have had their convictions quashed. As we are getting those answers, we will work to ensure that we can get fair compensation.

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## The Post Office systems scandal

It has taken many years, much suffering and plenty of legal bills for the Postmasters to get justice over the Horizon scandal. MPs including myself told past Ministers there was no sudden outbreak of mass criminality by Postmasters, but there was a systems and accounting problem created by new computers. This has at last been admitted by the Post Office and the government.

Yesterday in the House the Minister made a statement about how the Post Office and government intend to proceed following the Court decision to quash past convictions for fraud, false accounting and theft by some of the Postmasters. They plan an Inquiry and a compensation scheme. There was widespread anger in the House about what has happened and how long it has taken the Post Office to accept its errors. I stressed to the Minister that they should as a matter of urgency grant compensation to all those falsely accused and many falsely convicted. The compensation should cover the Horizon

losses themselves, but also the extensive legal fees to right the wrongs and the lost earnings and business revenue caused by these false actions. People have lost their livelihoods and seen their reputations savaged. The least the Post Office should do is offer generous compensation along with their belated apology.

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## **My Question during the Urgent Question on the Overseas Development Aid Budget, 26 April 2021**

**Sir John Redwood (Wokingham) (Con):** Is the UK now stopping making overseas aid payments through the EU, given the way it has been spending money on a country such as China, which has \$3.2 trillion in reserves?

Is this not an opportunity for the UK to express its own moral priorities, and secure better value for money by making more of its own direct choices and payments? Can that include being very generous in response to the current Indian crisis?

**The Minister for the Middle East and North Africa (Mr James Cleverly):** My right hon. Friend makes the important point that, having left the European Union, the United Kingdom can now make its own decisions. In many instances—not in all cases—the positions that we take now are similar to those that we took as members of the European Union.

He will note that we have significantly—almost completely—reduced our aid support to China; the only expenditure now is in support of human rights and open societies. As I said in response to an earlier question, we will be focused very much on how we can support our friends around the world in their times of need.