

# Clearing the asylum backlog is a national emergency

Right now, 90,000 men, women and children are stuck in the UK's asylum backlog. Most have been waiting over six months just for the Home Office to make an initial decision on their asylum application. 28,000 have been waiting more than a year.

People who came to the UK seeking safety – fleeing war, persecution and unimaginable trauma – now find themselves trapped in a cruel Home Office limbo, banned from working or renting a home, living in unsuitable accommodation, unable to move on with their lives.

Now, with protests outside asylum hotels over the summer reaching new heights, many are also living in fear of violence and intimidation.

The former Conservative government deliberately created this humanitarian crisis by telling the Home Office to stop processing claims, causing the backlog to grow and grow. They claimed it would act as a deterrent to stop people coming here – but of course it didn't.

Labour has so far failed to get a grip of the crisis. At the current rate of people claiming asylum and the Home Office deciding cases, it would take five years to clear this backlog.

The Liberal Democrats are not willing to stand by and let this continue. We urgently need to deal with this backlog, so people are not trapped in limbo and refugees can get on with their lives in the UK.

That's why we are calling on the government to declare the asylum backlog a national emergency and set up Nightingale processing centres – like the Nightingale hospitals we saw during the pandemic – to clear the asylum backlog within six months.

These centres should be independent from the Home Office – part of a dedicated new unit to take over processing asylum claims. The Home Office has shown, time and again, that it is not fit for this job. Decisions are wrong the first time far too often, leading to appeals and causing costly delays.

By creating a new unit and staffing it with double the number of caseworkers, we can clear the backlog in six months and restore some humanity to the system.

Until the Government treats this crisis with the urgency and seriousness it demands, nothing will change and the vulnerable people caught in the system will continue to suffer.

*Image: Steve Cadman, CC BY-SA 2.0*

## Making the UK-EU Reset Count

Nearly five years on, the Conservatives' botched Brexit deal continues to hold back British people, our businesses and our economy. Mountains of red tape still stand between UK companies and their European customers, stifling growth and fraying vital ties with our closest neighbours.

At May's 'Reset Summit' with the EU, the Labour Government took some positive, but limited, steps toward repairing this damage. Making progress on new agreements and frameworks for defence and security cooperation was welcome.

**But genuine ambition to rebuild our economic and security partnership remains lacking.** This ambition is urgently needed as we face a hostile, imperial Putin and an unpredictable Trump on the world stage.

Liberal Democrats are calling on the Government to go further and faster. That means pushing Labour to drop its red lines and commit to a new, bespoke UK-EU Customs Union by 2030 – unlocking growth, security, and opportunity for the British people.

**Today, our members have passed policy calling on the Government to:**

- Immediately open talks on a bespoke **UK-EU Customs Union** to reduce barriers and support exporters.
- Move rapidly to agree a **Youth Mobility Scheme** with the EU, expanding reciprocal opportunities for young people.
- Secure UK association with key **EU regulatory agencies** such as the European Chemicals Agency, Aviation Safety Agency, and Medicines Agency.
- Provide certainty and a clear timeline for implementing the new **Sanitary and Phytosanitary (SPS) framework agreement**.
- Confirm the UK's associate membership of the **European Defence Agency** and deepen engagement with Permanent Structured Cooperation (PESCO) projects.
- **Expand defence-industrial cooperation** between the UK, EU member states, NATO, and the Joint Expeditionary Force.

Read our new policy in full

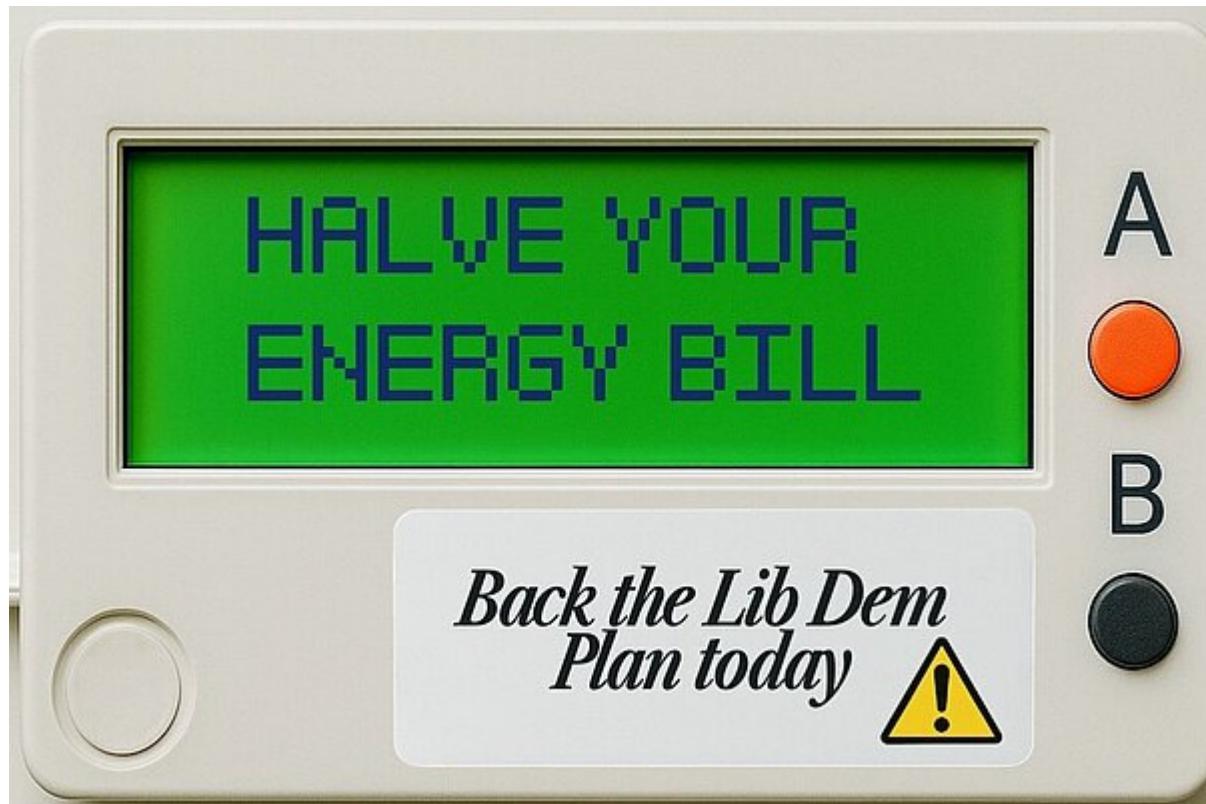
The Conservatives broke Britain's links with Europe and left our economy weaker. The Labour Government's timidity is failing to make the progress needed to repair Britain's relationship with our closest neighbours.

Liberal Democrats will keep pushing for a new UK-EU Customs Union and closer cooperation. **The UK's security and prosperity is tied to Europe's. It's time to make the Reset Summit count.**

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Author:

## Our plan to halve energy bills by 2035



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Sky-high energy bills are a massive problem for families, pensioners and businesses across the UK. A typical household is having to pay £50 a month more than they did five years ago – just to keep the lights on, or heat their homes in winter.

**Nigel Farage and Kemi Badenoch are peddling the myth that it's the fault of renewable power.** They say the reason energy bills are so high is that we're investing too much in solar panels and wind turbines, and if we just stopped that investment – and relied more on oil and gas instead – then bills would magically come down.

That's rubbish. What's caused energy bills to soar in recent years isn't renewables; it's fossil fuels. The prices of oil and gas rose sharply when Vladimir Putin invaded Ukraine, and we've all felt the impact in our bills.

But Farage and Badenoch are right about one thing: we are paying too much for renewable energy – just not for the reasons they claim.

After nearly a decade of negligent Conservative energy policy that sent bills soaring, the right energy policies will be able to send them back down and cut them in half within ten years.

Energy policy in service of the British people, not a Farage policy in service of Putin.

– [Liberal Democrats \(@libdems.org.uk\)](https://libdems.org.uk) 2025-07-20T14:01:24.066Z

Generating electricity from renewables is now significantly cheaper than gas, and half of the UK's electricity comes from renewables, but people aren't seeing the benefits in their bills. That's because the wholesale electricity price is set by the most expensive fuel in the mix – and in the UK, that's almost always gas. In 2021, the cost of electricity was set by the price of gas 97% of the time.

**So if we're going to bring energy bills down – and make sure people see the benefits of cheap renewable energy – we have to break the link between the cost of electricity and the price of gas.**

Back the plan

Liberal Democrats have a plan to do just that, which would see energy bills cut in half by 2035. Here's how:

- Investing in cheap, clean renewable power.
- Making homes warmer and cheaper to heat with a ten-year emergency

upgrade programme – starting with free insulation for those on low incomes, and ensuring that all new homes are zero-carbon.

- Moving older renewable projects off expensive Renewable Obligation Certificates and onto cheaper Contracts for Difference – which were introduced by the Liberal Democrats in government. This was proposed by the UK Energy Research Centre in 2022, and three major energy sector bodies – Energy UK, RenewableUK and Solar Energy UK – have all backed these proposals.
- Taking other steps to bring down the cost of energy, including:
  - Using new technologies to help people use energy more flexibly, at times when it's cheaper – and pay less as a result.
  - Working together with the EU to trade energy more efficiently, cutting costs and reducing reliance on gas.
  - Extending the life of new Contracts for Difference from 15 to 25 years.

Together, our analysis shows that this plan could cut energy bills in half for a typical household: from £1,720 today to £850 in 2035.

What's your plan to invest in renewable energy?

In our 2024 General Election Manifesto, we set out plans to invest in renewable power so that 90% of the UK's electricity is generated from renewables by 2030.

We would drive a rooftop solar revolution by expanding incentives for households to install solar panels, including a guaranteed fair price for electricity sold back into the grid. And thanks to Max Wilkinson's Sunshine Bill, the Government has committed to requiring all new homes to have solar panels installed as standard.

To succeed we need to upgrade Britain's grid, we would create a strategic Land and Sea Use Framework to facilitate this, and reduce access costs for grid connections.

We would invest in energy storage, including green hydrogen, pumped storage and battery capability. And we would empower local authorities

to develop local renewable electricity generation and storage strategies.

How would you make homes more energy efficient?

In our 2024 General Election Manifesto, we set out plans to make homes warmer and cheaper to heat.

We would launch an emergency Home Energy Upgrade programme, with free insulation and heat pumps for low-income households and a central role for local authorities in delivering this programme. And we would introduce a new subsidised Energy-Saving Homes scheme, with pilots to find the most effective combination of tax incentives, loans and grants, together with advice and support.

We would immediately require all new homes and non-domestic buildings to be built to a zero-carbon standard, and progressively increasing standards as technology improves. We would introduce requirements for landlords to upgrade the energy efficiency of their properties to EPC C or above by 2028.

What are Contracts for Difference? Why would moving onto them cut energy bills?

Contracts for Difference – introduced by the Liberal Democrats in government – give energy companies the certainty they need to invest in renewables. If the wholesale price drops below the agreed strike price, the government pays them the difference.

But crucially, they give consumers a fair deal too. If the wholesale price goes above the strike price – like they did when gas prices soared when Russia invaded Ukraine – energy companies pay back the difference, taking money off household energy bills.

If all renewables were on Contracts for Difference, the electricity market would be a lot fairer and people would see the benefits of cheap renewables in their bills when gas prices are high.

The problem is, only about 15% of renewable power is generated under Contracts for Difference. The rest is still governed by the old Renewables Obligation Certificates (ROCs) scheme – introduced by the last Labour Government in 2002 – when renewable power was much more expensive so companies were given lucrative deals to invest.

Unlike Contracts for Difference, companies with ROCs get paid the wholesale price – in other words, the price of gas – with a subsidy on top that adds £90 a year to energy bills.

The UK Energy Research Centre has proposed moving those older renewable projects off ROCs and onto Contracts for Difference. In 2022, they estimated that it could save around £15 billion a year – cutting the typical household energy bill by more than £200.

Why would generators move onto cheaper Contracts for Difference?

This would be voluntary, but renewable generators have every incentive to move onto Contracts for Difference. They would get a guaranteed fixed price for the next 25 years – which is much better for them than being dependent on very volatile gas prices.

And with the current Renewable Obligation Certificate deals all expiring over the next 12 years, switching to a long-term Contract for Difference now would give them the certainty they need to secure investment in refitting and upgrading renewable infrastructure.

That's exactly why Contracts for Difference have proved so successful at attracting investment since we introduced them more than a decade ago, and it's why three bodies representing the UK's energy companies – Energy UK, RenewableUK and Solar Energy UK – all backed these proposals when the UK Energy Research Centre put them forward in 2022.

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Author:

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## Ending the suffering in Gaza and the West Bank

**We can't turn a blind eye to the devastation across the Occupied Territories if we want to achieve a permanent peace for Palestinians and Israelis.**

When the ceasefire in Gaza came into force on 19 January, we all felt an enormous sense of relief – and hope – at the prospect that this horrendous conflict might come to an end, enabling the alleviation of the humanitarian catastrophe in Gaza and the release of all the hostages.

But since the resumption of Netanyahu's military campaign in Gaza, the suffering of Palestinians' in the Strip has reached new extremes. We've been collectively appalled at the abhorrent aid blockade – with food being used as a weapon of war – and the reports of indiscriminate attacks against Gazans seeking life-saving supplies.

Mass starvation in Gaza and over 1,000 Palestinians killed while seeking aid since May. The government says the situation is intolerable yet they continue to tolerate it.

The UK needs to stop all arms exports to the Israeli Government – today.

– [Ed Davey \(@eddavey.libdems.org.uk\) 2025-07-23T10:34:47.165Z](#)

That's why it's Liberal Democrats who have been the leading party in Parliament pushing the Government to apply more and genuine pressure to Netanyahu's Cabinet.

At Prime Minister's Questions on Wednesday 16 July, Ed Davey condemned Netanyahu's plan to create a guarded compound for all Gazans near Rafah. He called on Keir Starmer to sanction Netanyahu for this plan for ethnic cleansing.

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Liberal Democrats want to see a ceasefire agreed immediately. That's the only way to move towards a permanent peace which provides dignity for Palestinians and Israelis. But we can only get there by drawing power away from the extremes, and empowering moderates in both societies.

We were pleased, then, that the Government finally moved to sanction the far-right extremist Israeli Ministers Ben-Gvir and Smotrich – who have long advocated for the forced dispossession of Palestinians. This was a full [15 months after Ed Davey called for this step](#) to be taken – the first major party leader to do so.

And Lib Dems have consistently led the way in pressing the Government to do more, including:

- Ed Davey using the first Prime Ministerial statement after the 2024 General Election to [call on Keir Starmer](#) to uphold the ICJ's ruling on Israel's occupation of the Palestinian territories as illegal.
- We were the first major UK wide party to [call for a full ban on all military exports to Israel](#).
- We are also the leading party in Parliament campaigning for the immediate recognition of Palestine as a state – in June, [all 72 Lib Dem MPs wrote to David Lammy](#) calling on the Government to finally enact this.

As part of that effort, we must also never forget that the Hamas terrorists continue to hold up to 50 Israelis hostage in the tunnels under Gaza, following their barbaric attack on Israel on October 7th. The hostages have been held now for over 650 days, and have been subject to the cruelty and brutality of their captors.

Deeply moved to hear the testimony of Aviva and Keith Siegel of their captivity and torture by Hamas terrorists. They bravely spoke of their experience and of those still held whom they – and we – are dedicated to freeing.

– [Calum Miller \(@calummillerld.bsky.social\)](#)  
[2025-07-16T17:07:49.833Z](#)

A number of our MPs and Peers listened to the testimony provided by Aviva and Keith Siegel – two of the hostages taken by Hamas on October 7. Their

experiences – and bravery in retelling their stories – should impress upon the UK Government the importance of committing every diplomatic lever at its disposal to apply pressure to Hamas and secure the release of the remaining hostages.

*Image: [Jaber Jehad Badwan](#)*

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Author:

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## My liberal vision for a thriving economy



I've just got back from the IPPR think tank, where I gave a speech setting out our Liberal Democrat vision for the economy.

You might have seen the headlines about **our plans to cut energy bills in half over the next decade**. I think that's so important to boost our economy and

tackle the cost of living crisis that's hurting families across the UK.

**We have to take on the myths peddled by Nigel Farage and Kemi Badenoch**, who say renewable power is why energy bills are so high, and tying ourselves to fossil fuels will somehow bring them down. That's rubbish – and it's up to us to win the argument.

Back our campaign to halve energy bills

But our vision for the economy is much broader than that. And **our economy badly needs a vision – after years of chaos under the Conservatives, and now a Labour Government with no strategy for growth.**

In my speech I spoke about the centuries-old Liberal belief that **free trade is good for businesses, good for consumers, and good for individual liberty**. That's why we're championing a much closer trading relationship with Europe – including a [UK-EU customs union](#) – and standing up to Donald Trump's destructive trade war.

I spoke about our commitment to **backing Britain's small and growing businesses, start-ups and scale-ups, entrepreneurs and the self-employed**. People and businesses who have been let down badly by both the Conservatives and Labour – but who we recognise as the engines of our economy and the beating heart of local communities.

I also spoke about **the importance of education and training** – something we have always emphasised as Liberal Democrats, as the way to expand opportunity and equip people with the skills our economy needs, now and in the future.



I'm proud that once again it is the Liberal Democrats leading the way, with our vision for an economy that is growing strongly, where everyone feels the benefits. An economy that is truly innovative, dynamic, prosperous and fair. **An economy underpinned by our proud Liberal Democrat values.**

I can't wait to make it happen!

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[Watch Ed's speech](#)

## **Read Ed's speech in full**

Thank you very much. It's lovely to see you all this afternoon – as I hope to make a splash... this time, on dry land!

I don't know if someone planned it, or if it is just a coincidence that my speech on the economy comes a day after the Chancellor's Mansion House speech. But I'm grateful both to the Chancellor for being my warm-up act, and to the IPPR for such a timely invitation.

Let me start by taking you back 12 months...

Just a few weeks after taking office, the Government quietly decided to cancel plans for a brand new "exascale" supercomputer at Edinburgh University

– a supercomputer that could perform a billion billion calculations every second. 50 times more powerful than any computer in the UK. The announcement didn't attract much attention at the time. It was rather overshadowed by Labour's incomprehensible decision to withdraw the Winter Fuel Payment from millions of struggling pensioners. But just like Winter Fuel Payments, Ministers were forced to admit they'd made a mistake, and last month they U-turned on that decision too.

So why am I talking to you about a supercomputer? Partly because I think that computer in Edinburgh, and other projects like it, will be essential to growing our economy over the years and decades ahead. If we are going to support Britain's amazing tech start-ups and scale-ups... If we are going to attract investment and entrepreneurs from around the world... If we are going to be the home of the next big breakthroughs in science and medicine and artificial intelligence... Then we have to show that we are absolutely committed to investing in the digital infrastructure that those companies and researchers need.

So I am glad that Ministers U-turned, but they cost that project a year. And we all know that in the world of scientific and technological innovation – especially when it comes to artificial intelligence – a year is an awfully long time to lose.

But the other reason I bring up that story is that I think it encapsulates what has gone so badly wrong in government over the past year – especially when it comes to fixing the economy. Labour came into office, opened the books, and found a terrible mess left by the Conservative Party. In this case, Conservative Ministers had announced a new £800 million supercomputer in a glittering press release full of boosterish language and self-congratulation. Just one problem: the project was completely unfunded. So, faced with the challenge of finding the money to make this crucial investment, Labour chose short-term penny-pinching instead.

Just like when it came to Winter Fuel Payments, or bus fares, or family farms, or Personal Independence Payments, or the National Insurance hike that is hurting British businesses so badly. Mistakes made by a government with no vision for our economy, no strategy for growth. Just a desire to find some cash to keep the Treasury spreadsheet happy, no matter what.

Now let me be clear: fiscal responsibility is essential. The Conservatives showed what happens when you let borrowing spiral out of control and don't grow the economy.

Borrowing more than £100 billion a year, just to pay the interest on our existing debts. More than the entire education budget. Enough to fund the whole of the National Health Service for six months. At a time when government debt is 100% of national income. So managing the public finances carefully, to bring down those borrowing costs and the national debt, and to give businesses the confidence they need to invest, is critically important.

Yet in truth, this started before the last Conservative Government – even before the 2008 financial crisis. For decades now, Britain's long-term fiscal

future has been weakened because the big budget challenges haven't been faced up to – by governments or oppositions. And I think a key reason for this is the way we do the Budget itself.

The Treasury, hoarding power behind those intimidating walls on Horse Guards Road. The Chancellor, emerging every six months to make a fiscal statement, with a new set of forecasts and a scorecard of policies carefully tuned to meet her fiscal rules. And then what? No real debate.

In theory, MPs have to approve spending for each individual department every year. It's called the "estimates" process. In practice, it's a sham. Last month, Parliament "approved" £1.1 trillion in government spending with just three hours of debate. That's about £6 billion every minute. So instead of real debate and scrutiny, all we get is endless speculation about what new black hole the Chancellor will face in six months' time, and what tweaks she will make to bring the numbers back into line.

Having tough fiscal rules and sticking to them is critical. But the way we scrutinise the budgets prepared to meet those rules, is nothing short of lamentable. And we need nothing less than a major overhaul of the whole system.

I think we should look at a budget process more like the one Sweden brought in when it faced its own budget crisis in the early nineties. When its debt soared to just over 70% of GDP. Now the Swedish Parliament gets to debate the Government's budget – and can propose alternatives and amendments – before it is finalised, and gets a proper period of scrutiny and accountability in the months that follow. And now, Sweden's debt is down to 30% of GDP.

It matters how a country takes its decisions on the budget. It may be less exciting, but process matters. So I think we should put more power in MPs' hands to hold the Treasury and every Department properly to account on behalf of our constituents. Supported by a new Office of the Taxpayer, based in Parliament. That alone would rock Whitehall to its core. It would make MPs roll up their sleeves, get their hands dirty and take more responsibility. The trade-offs and choices that get hidden and ignored by Britain's opaque system, would become stark and unavoidable. And without such a major system change like this, I fear British politics will never deliver the fiscal responsibility so desperately needed.

But let's remember: fiscal responsibility alone is a means to an end. Not the end in itself. And certainly no substitute for an economic vision. You won't be surprised to hear that my economic vision is a liberal one. With free trade, investment in education, support for enterprise. And rigorous competition policy to stop bigger businesses rigging the system. But if we are to build a liberal economy, we have to start with a clear-eyed analysis of where liberal economic policies have gone wrong in recent years.

We cannot celebrate the advances in overall prosperity without recognising that, too often, that prosperity has not been properly shared. Individuals, communities – even whole regions have been left behind.

Boris Johnson's point about the need to "level up" was right, even if the execution left a lot to be desired.

People from all over the world have enriched our economy and our society – but when governments lose control of immigration, as they so clearly did under the same Boris Johnson, it can impose social and financial costs too.

And sometimes comfort and complacency has led liberal economists to neglect the importance of security. Food security. Personal security. National security.

Our new liberal economics can't afford to repeat those mistakes. It can't be about going back to the world as it was – before Trump, before Covid, before Brexit, before the crash.

What we need is Liberal Economics 2.0. Retaining all that worked so brilliantly in version one. But recognising its errors and correcting them, too.

Grasping the new realities of our changing world – from AI to climate change, to demographic trends that make the fiscal outlook even more challenging.

From the need to increase defence spending to the strength of new economic superpowers like China and India.

The era of interdependence is over. We need cooperation, but not dependence.

But even in this new world, some old truths remain. Some are even truer than before. Like the importance of trade.

Trade was how Victorian Liberals overturned protectionism imposed by the Tories – to usher in a period of free trade and growth.

We champion free trade because it enlarges individual freedom. As one of my predecessors as Liberal leader put it – free trade "gives the freest play to individual energy and initiative and character, and the largest liberty both to producer and consumer".

And of course, free trade brings growth and lowers the cost of living.

That is why we opposed the Conservatives' Brexit deal – the biggest and most destructive act of protectionism in our lifetime.

It's why Liberal Democrats have pressed for a new bespoke UK-EU Customs Union.

Why we are pressing Labour to go well beyond its timid "reset" with Europe and tear down Tory trade barriers as quickly as possible. To free British businesses from reels of costly red tape and bring down prices in our shops.

And why Liberal Democrats are arguing for a new economic coalition of the willing, for more free trade not just with Europe, but with Commonwealth allies, and Asian allies too.

The anti-free trade politics of Donald Trump have to be taken on. We can't let the tariff man's bullying approach to trade and geopolitics succeed. We know where that ends.

That's why appeasing the White House isn't smart. Remember, Donald Trump isn't forever. And as ordinary Americans suffer the costs of his idiocy, the tide will turn.

Let the Conservatives and Nigel Farage champion Trump. We Liberal Democrats will champion Britain, and defend free trade so hard-won by those nineteenth century Liberals.

The party of trade. And as Liberals, we are also the party of people.

Because underpinning our vision for the economy is an understanding of what the economy really is. It isn't just a series of abstract percentages and meaningless slogans.

We understand that, when you strip everything else away, an economy is its people.

So growing the economy means getting the right people, with the right skills, in the right jobs.

That starts with a new approach to education and training – which across the UK has got narrower and narrower, when the rest of the world has got broader.

But my local university, Kingston, is reversing that trend with its Future Skills programme. Every undergraduate – whatever they are studying – now also studies everything from creative problem solving to digital competency and artificial intelligence, from empathy to resilience, from adaptability to being enterprising.

Skills they need. And skills businesses say they want.

That's the kind of education I want for all our young people. And anyone else who wants it later in life.

And because the economy is about people, I believe that means that to get growth, to boost productivity, we need to focus far more on incentives. We need to build an incentive economy.

An economy that gets the incentives right – to motivate people, to encourage people, to reward people who do their bit and play by the rules. And to stop people who break the rules.

In Government, Liberal Democrats focused on getting the incentives right.

Introducing the pupil premium. An incentive for schools to take more of the most disadvantaged children – and focus on them.

Raising the personal income tax allowance by four thousand pounds. Taking the lowest paid out of income tax. Incentivising work for everyone, but

especially the less well-off.

So the Liberal Democrat record shows we've long been the party of incentives – and so many of our big ideas today are about how we encourage people to do the right thing.

When it comes to backing Britain's small and growing businesses, for example. The start-ups and scale-ups. The entrepreneurs and the self-employed.

They are the engines of our economy, the beating heart of local communities, but they've been so let down in recent years.

Just remember how the Conservative Government shamefully excluded over a million self-employed people from financial support during Covid. Leaving only us – the Liberal Democrats – to stand up for them in Parliament.

Because we prioritise growth, we have long championed the self-employed and the small business owners. For them too, it's about government getting the incentives right.

That's why we'd abolish the unfair system of business rates and replace it with a better Commercial Landowner Levy – to increase the incentive to invest and grow.

It's why we're opposing Labour's misguided job tax and its unfair tax raid on family farms and other family businesses.

It's why I've proposed the idea of "Employment in a Box", to force every Government department – especially HMRC – to come together to make the UK the easiest place in the world for a business to take on its first employees.

Because we need to stop holding back small firms that want to grow, and free them – encourage them – to do so. And getting the incentives right also means getting rid of the wrong incentives.

So a ban on bonuses for water company CEOs who keep polluting our rivers and seas – and fines if they don't stop – fit my vision of an incentive economy. We've got to stop rewarding failure.

And, of course, we need to think totally afresh about how we incentivise more people into work.

With our focus on care and carers, Liberal Democrats have argued for a special higher minimum wage for care workers – £2 an hour higher than the national minimum wage – to incentivise more people into the care sector.

And for family carers – where millions have given up work to look after their loved ones, and millions more have had to reduce their hours – we have argued for an overhaul of the crazy Carer's Allowance system.

So it properly supports carers and enables them to juggle work and care – instead of penalising them for taking on more hours. Getting the incentives right.

And that inevitably takes us to the unsustainable welfare bill – and the Government's shambolic attempt to reform welfare.

Cutting Personal Independence Payments from disabled people and their carers was indefensible and it's right those plans were dropped.

But what got lost in the Government's desperation to make the sums add up was an important truth: we need to get more people who aren't working into work.

It's better for their dignity. It's better for their families. And it's better for the economy.

The problem is, the Government's proposed solution would have made the problem worse. Taking away the very support that enables many disabled people to work at all.

What we need to do – and what our party will always champion – is to put in place the flexibility, security and support people need in order to work. Working from home, if that's what their condition requires. Part-time, if that's all they can manage. Helping employers to make whatever reasonable adjustments their workers need.

Again, it comes back to Liberal values. Seeing people as individuals, and treating them fairly.

It's what makes me so angry about the assessment process. The impenetrable forms that show no comprehension of what life is like for disabled people or their carers. The dehumanising nature of it all. Trying to turn everyone into a box to be ticked or crossed. Not an individual to be engaged with and understood.

Let me give you an example. Before the pandemic, 83% of PIP assessments were done face-to-face. There were often problems with such face-to-face assessments, no doubt about it. But at least they happened.

Then during lockdown, they understandably switched to being done on the phone or by video. But when the pandemic ended, Conservative Ministers chose to make that switch to phone assessments permanent.

So, last year, just 5% of PIP assessments were face-to-face. I think that was a massive mistake. That Conservative policy opened the door to error, abuse and fraud. And I strongly suspect it's one of the main reasons the welfare bill has ballooned – and why public trust in the system has been undermined.

We must go back to face-to-face assessments as soon as possible – so those who need support get it, and those who don't, don't.

And of course we need to invest in people's health. Physical and mental health. To get the welfare bill down, and more people back into work.

How can we rebuild the economy, when more than six million people are stuck on NHS waiting lists? How can we grow the economy when 2.8 million people are shut out of the labour market by long-term illness? When people are

waiting weeks for a GP appointment?

A healthy economy needs a healthy population, and a healthy NHS.

So Liberal Democrat campaigns on GPs and dentists and hospitals and social care are about giving people the healthcare they deserve, but they are also core to our economic vision too.

And while we're thinking about people, let me turn to the cost-of-living crisis people are facing right now, and the number one thing driving it: energy bills. With inflation rising to 3.6% last month, this needs tackling urgently.

Families and pensioners are being clobbered with energy bills that are still more than £50 a month higher than they were five years ago.

So many people, who were already struggling to make ends meet, having to find an extra £50 a month – just to keep the lights on, or keep their homes warm this winter.

And businesses are suffering too. Even with the welcome extra help promised in the new Industrial Strategy, parts of British industry will continue to face some of the highest electricity prices in the OECD.

We have to get those prices down – to boost living standards and grow our economy.

A big part of that are the things Liberal Democrats have consistently championed...

Generating far more electricity from cheap, clean, renewable sources: solar, wind, tidal, hydro-electric.

Insulating people's homes and making them more energy efficient, so they are much cheaper to heat.

Things the Liberal Democrats had a great track record on in government. Things the Conservatives put into reverse after 2015. And – when it comes to home insulation especially – something I'm afraid this Labour Government simply hasn't made enough of a priority so far.

But there's another part of this problem that we haven't spoken enough about, that I want to address today.

And that's the narrative – seized upon by Nigel Farage and Kemi Badenoch – that says the reason energy bills are so high is that we're investing too much in renewable power.

And if we just stopped that investment – and relied more on oil and gas instead – bills would magically come down for everyone.

The experience of record high gas prices in recent years shows that's not true. And even when gas prices are softer, the long history of volatility in

fossil fuel prices means it's only a matter of time before high prices return.

So we know that tying ourselves ever more to fossil fuels would only benefit foreign dictators like Vladimir Putin – which is probably why Farage is so keen on it.

But I think we also have to be honest and admit that we have done a really bad job winning that argument.

Those of us who understand how important renewable energy is for our economy – how only renewable energy can deliver permanently low and secure energy prices, today and in the future – have too readily dismissed the rantings of Farage.

But refusing to engage hasn't stopped his myths from spreading. From gaining traction in the new world of fake news.

So we must change that. Starting with the kernel of truth that underpins the myth.

People are currently paying too much for renewable energy. But not for the reasons Nigel Farage would have you believe.

Because generating electricity from solar or wind is now significantly cheaper than gas – even when you factor in extra system costs for back-up power when the wind isn't blowing or the sun isn't shining.

But people aren't seeing the benefit of cheap renewable power, because wholesale electricity prices are still tied to the price of gas –

Even though half of all our electricity now comes from renewables, compared to just 30% from gas.

That's because the wholesale price is set by the most expensive fuel in the mix – and in the UK, that's almost always gas.

97% of the time in 2021, the cost of electricity was set by the price of gas.

And what does that mean for families, pensioners and businesses? It means we're all paying that higher gas price in our bills, even though most of the energy we're using comes from much cheaper sources.

Not only is that manifestly unfair, but it is also undermining public support for the investment we need in renewable power.

When people don't see the benefits of cheap, clean energy in their bills, we shouldn't be surprised if they're sceptical about building more of it.

So we have got to break the link between gas prices and electricity costs. We have to.

It's something both the Conservative Government and now Labour have spoken

about. But when it came to it, both of them put it in the “too difficult” drawer, and just left the problem to fester.

So, as with social care, as with sewage, it falls to us – the Liberal Democrats – to say: it might be difficult, but we have to do it. We can’t afford not to. Not when the price is Nigel Farage.

Now this happens to be a problem we’ve grappled with before – that I grappled with before – back when we were in government.

It was part of the thinking behind the incentive mechanism we created for new renewable projects: Contracts for Difference.

These contracts give energy companies the certainty they need to invest in renewables. If the wholesale price drops below the agreed strike price, the government pays them the difference.

But crucially, they give consumers a fair deal too. If the wholesale price goes above the strike price – like they did when gas prices soared when Russia invaded Ukraine – energy companies pay back the difference, taking money off household energy bills.

If all renewables were on Contracts for Difference, the electricity market would be a lot fairer and people would see the benefits of cheap renewables in their bills when gas prices are high.

The problem is, only about 15% of renewable power is generated under Contracts for Difference.

The rest is still governed by the old Renewables Obligation Certificates scheme – or ROCs – introduced by the last Labour Government all the way back in 2002 – when ministers didn’t have the foresight to realise that renewable power would get so much cheaper over the next two decades.

Unlike Contracts for Difference, companies with ROCs get paid the wholesale price – in other words, the price of gas – with a subsidy on top. Subsidies paid through levies on our energy bills – costing a typical household around £90 a year.

It shouldn’t be this way, and it doesn’t have to be any longer. The Government should start today a rapid process of moving all those old ROC renewable projects onto new Contracts for Difference.

It’s an idea from academics at the UK Energy Research Centre that they call “pot zero”. And in 2022 they estimated that it could save around £15 billion a year – not only encouraging the end of those Renewable Obligation Certificate levies, but in the process cutting the typical household energy bill by more than £200.

So my challenge to ministers is this. If you want to bring people’s energy bills down, if you want to tackle the cost of living, if you want to build support for renewable power – stop tinkering, stop dithering, stop deliberating.

Start phasing out those unfair Renewable Obligation Certificate schemes today, by offering instead new Contracts for Difference we Liberal Democrats brought in.

The incentive scheme is there. We created it. Please – use it.

One simple trick to save everyone at least £200 a year.

And there are so many ways we could do more to cut electricity bills for people and businesses.

One example: why aren't we pushing much harder for more interconnectors, cables that allow us to import electricity from Europe when it's more expensive here, and export electrons when it's more expensive there?

Of course, Brexit was bad news for this trade – for both existing interconnectors and worse news for new projects. But one potentially big benefit for the UK rejoining the EU's internal energy market is greater cross-border trade in power, and so lower electricity bills for consumers.

After nearly a decade of criminally negligent energy policies under the Conservatives, that pushed up everyone's bills, I believe the right policies now could cut energy bills in half – at least – within ten years.

That should be the goal. Nothing less.

A Liberal Democrat energy policy in service of the British people. Not a Nigel Farage energy policy in service of Vladimir Putin.

So just imagine what our economy could look like, in the next decade or so.

Energy bills slashed – easing the pressures on families and businesses.

People helped into work, instead of trapped on NHS waiting lists or discarded as "inactive".

Education and training to equip people with the skills for the future.

British start-ups and scale-ups thriving with the support they need.

Entrepreneurs and the self-employed recognised for the risks they take.

Trade boosted, especially with our neighbours in Europe.

The public finances, carefully managed and properly scrutinised in Parliament.

And a supercomputer or two, hopefully not putting think tanks out of business!

An economy growing strongly, where everyone feels the benefits.

An economy underpinned by our proud Liberal Democrat values. Proud British values.

An economy that is truly innovative, dynamic, prosperous and fair.

That is our vision – and I can't wait to make it happen.

Thank you.

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Author: