

Starmer's plan works as means to get this issue on the ...

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I have just [posted this thread](#) on Twitter:

We know more about Keir Starmer's energy plan. I was critical yesterday when the first sketchy details appeared. Am I any more enamoured today when we know a bit more? A thread...

First, the good news. Highest on the list is that this is a plan, and that in itself is welcome. When the Tory leadership candidates have virtually ignored the issue Labour doing anything is good news.

Second, the plan could work. I am not convinced by it all for reasons I will note below, but it has, given the objectives Starmer has set for it, a level of plausibility.

Third, this means that debate on this issue has to move up the political agenda. I welcome that.

However, the plan remains deeply flawed for many reasons. First of all, it's only for six months. I admit to being baffled as to Starmer's thinking on this. Is the energy price going to fall so dramatically in those six months that this problem will go away by then?

I do expect inflation to fall next year, and energy prices do undoubtedly tend to go down after peaks like the one we are in. But it is an optimist who thinks that this crisis will be over by next Easter.

Second, the fundamental flaw in the plan is that it only addresses the issue for households. There is no mention of how schools, hospitals and care homes will pay their bills, or how many businesses will survive this winter.

If many of them collapse this winter we will still have a crisis of epic proportions even if household debts might be constrained. This is far from a comprehensive plan as a

result, and that scares me. The scale of this crisis is still not being appreciated.

Third, the debt obsession is running through this plan. It is designed as much about not costing the supposed taxpayer money as it is about meeting need.

This is deeply depressing. Labour remains committed to the idea that everything it does is constrained as if the macroeconomy must be run like a household, when that is exactly not the way to run it. I strongly suspect that this has stopped any further plan to help the economy.

Fourth, I rather suspect that within this constraint the idea that £8bn might be raised from a windfall tax on energy companies is optimistic, but I need to see the data.

A windfall tax on banks would be easier, or at least complementary, reclaiming their gains from increasing Bank of England interest rates, and £8bn from a windfall tax on that source would be very easy to secure on top of any gains from energy companies.

Fifth, the plan still delivers a significant gain to the best off households. I remain unsure that this is well targeted as a result. It certainly does not meet the IMF's suggested criteria for support on this basis.

Sixth, I am presuming much of the planned Tory support for lower income households remain under this plan, although some will actually be quite generous now. I have not seen this confirmed though.

Seventh, the plans for prepaid meters look to be good, but I have not seen clarity on standing charges, which I think have to go.

To summarise, given that Labour cannot actually deliver any plan this one has the merit of getting the issue firmly onto the agenda. The Tory leadership candidates will not be able to avoid it.

But there is still poverty in Labour's thinking that suggests it is not addressing all the issues, like the cost to public services and businesses, which may be just as serious as the household cost. Their debt obsession may be preventing that and this worries me, a lot.

And, the plan is for too short a period and is not well focussed. It's welcome, but we need better. I hope to publish my own plan later today. It's a lot more comprehensive than this, but it does tackle all the issues.

It will also cost a great deal more but we are now facing an economic crisis as large as those in 2008 and 2020, in which case spending is required and debt obsession is not. I have not made my last comment on this issue, in other words.