

When will tipping points be reached?

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Since waking rather early this morning, and without the benefit of any alarm clock, Nigel Farage's by-election result (I hesitate to call it a victory) has been dominating my day. That includes recording a video on what I think the consequences of this might be, which will be out before lunchtime.

It would be all too easy in that case to ignore other political stories this morning, and yet some very clearly stand out and merit comment.

Wildfires

The first of these concerns wildfires here in the UK. These become very personal and rather more alarming when the news reports on people's homes catching fire and being lost, as a [wildfire spreads through a domestic housing estate in Stourbridge in the West Midlands](#). **It is not yet clear how many houses have been lost, but aerial footage suggests that perhaps 10 houses were simultaneously ablaze. To pretend that this is an issue affecting only the rest of the world is now impossible. Also pretending that it only affects open land is similarly implausible. Climate change is now threatening domestic life and the security of people's homes here in the UK, whether through fire, flood, overheating, or system failures.**

As a matter of fact, there is no market defence against the threats posed by these issues. The defence against fire, flood and other natural catastrophes has always been a public good, and can only be funded and provided by the state. So when will we start talking about that, and the need to enhance these defence mechanisms, as well as to tackle the root cause of this problem?

So far, I have seen mainstream broadcast commentators make clear that these issues are the result of human-created climate change, and that is welcome. However, those same commentators are not asking, straight to camera, whether people are willing to change their behaviour to tackle this

issue.

Are they willing to give up their holidays abroad?

Are they willing to reduce their consumption?

Are they willing to cut their energy use?

These uncomfortable questions remain off the news media, just as questions about the creation of additional resources, particularly in the fire service, are not subject to any serious comment that I have seen as yet.

In that case, I have one question which is, when will the tipping point be reached? Isn't the sight of people's homes burning through no fault of their own the moment for that to happen? If not, what will be needed to make people take this issue seriously?

Water

The second issue is that Ofwat approved increases in water prices yesterday for a range of English water companies, including Thames Water. The farce of privatised water continues in that case, and the government insists that the cost of any alternative is too high, yet permits the dumping of the excess cost of the existing system onto all households.

In doing so, they continue to use fabricated data on the costs of nationalisation of this industry that suggests that all shareholders and bondholders would have to be compensated in full for their losses, when any such suggestion is clearly unsustainable, and payment of the negligible market value of many of these assets would undoubtedly survive any legal challenge from those who own them.

Yet again, my question is, when will the tipping point arrive and when will this issue have to be tackled?

Universities

My third concern is another issue about which the same question could be asked.

The success of young people sitting A-level and other exams, who receive their results this week, has shifted the media focus onto the plight of our university sector. It is thought that at least 40% of our universities are now running deficits, including some in the supposedly elite Russell Group. I believe that this has the potential to create what might fairly be called a macroeconomic crisis in the UK.

The survival of any one university is, in itself, a microeconomic issue. However, I have long argued that when an institution has such economic significance in the local

economy in which it is located that its failure would have major local economic ramifications, it should be considered a public interest entity (or a PIE, as they are termed in accounting), and these are characterised by the fact that they have macroeconomic significance, even if only in a locality. Their failure always poses the risk of major economic distress in the location where they are based, and if the risk of failure is systemic rather than individual, as appears to be the case here, they can, in combination, create the possibility of major macroeconomic risk. I think that this is possible in the university sector now.

As we now know, it seems as though it will be hard for all our universities to survive in a world where deliberately promoted government agendas that are racist in tone have excluded UK universities from world education markets in which they once competed very successfully.

I make the point in this way quite deliberately. It is not universities that are failing. It is government policy that is failing universities, and the people who work in them, the students who attend them, and the communities who host them.

To pretend that the policies created in response to the racism promoted by Nigel Farage, and now by Restore, would be cost-free was absurd. The fact is that we are going to see that consequence in the failure of universities, and this current Labour government, like its Tory predecessor, has indicated that it will not necessarily prevent such failures by providing financial support.

Let's put aside for a moment the fact that this victory for racist politics is something that this country cannot and should not tolerate, and instead consider the economic incompetence of a government that likes to pretend that universities are outside the state sector, not least when that is clearly not the case.

As a matter of fact, the cost of the vast majority of domestic students' education is currently borne by the UK government as it is incurred. I am well aware that the pretence is made that this cost creates an asset on the government balance sheet as a consequence, which the student will then, supposedly, be required to repay over their working life, but this accounting artifice does not avoid the fact that the government is, in reality, meeting the cost of this education day in, day out and, therefore, the vast majority of the cost of supporting ongoing domestic university student education is being borne by the UK government. This is a matter of fact, and will be in the future when those loans are not repaid, as many of them will not be.

In that case, to pretend that there is no issue here for the UK government, or that it can wash its hands of all those towns and cities that might face massive local macroeconomic disruption as a consequence of the failure of their university, and of the employment opportunities it provides and the spending power that it creates within those places, is quite staggeringly negligent.

As with water, the pretence that the privatisation of universities has worked has to be abandoned. It has not, and the fact that universities are only in trouble because of the failure of government policy, from both this administration and previous Tory ones, is clear evidence of that. If the risk of failure is, as I suggest, being created by government, then the government has also to accept the cost of making good the problem it has created.

That requires three things.

The first is to bring the universities back into the state sector.

The second is to bring to an end the fiasco of student loans, both for those now at university and for those who have been in the past, and where those loans have been sold to the private sector, the use of newly created government bonds to provide compensation to those who now own those debts is a necessity.

Third, we need to integrate universities more fully into the needs of society, local communities, and the broader needs of employers, people, and other types of organisations with whom graduates work. The pretence that universities are just another component within the neoliberal market structure has failed. We need to move on to recognise that, like the fire service and the provision of water, universities are public goods that require public funding for a public purpose.

Whilst Farage is trying to distract, it is our job to understand that the failure of the politics he and other arch-neoliberals promote is now evident all around us. The job is not just to reject him, his racism, and that racism seen in too many other political parties now, but to put in place the policies that we need to deliver a politics of care and an economics of hope.

The Binfance factor

Maybe I should sign Count Binfance up to the cause. The reality is that he could do no worse, and may do a great deal better, than all those neoliberal politicians who currently vie for votes, and successively fail, with that failure becoming more apparent, which is the issue that he has so clearly highlighted in this morning's election result.

We are in trouble

We are in trouble. It is time to acknowledge it. It is time to take action. It is time to cast aside all those parties who have created this trouble, whether deliberately or through inaction. Both behaviours have failed us. We need to move on and take action if we are to have any chance of success. The moment for that - the tipping point - has arrived.