

Great British Energy: Profit bonanza for big business and monarchy as Starmer builds a war economy

Margot Miller
6 August 2024

Britain's Labour government has introduced a bill to "Make Britain a clean energy superpower."

Secretary of State for Climate Change and Net Zero Ed Miliband has launched Great British Energy (GB Energy), a publicly owned company with headquarters in Scotland. Former chief executive of UK Siemens Juergen Maier will be company chair.

In GB Energy's founding statement, Miliband outlines an unprecedented partnership between GB Energy and the Crown Estate, which has a £15.5 billion portfolio including ownership of vast swathes of land, virtually all the seabed 12 nautical miles around Britain's coast and significant parts of London.

The monarch, King Charles, owns the Crown Estate "in right of the Crown". Its enormous assets and profits are controlled by the Treasury from which is funnelled the sovereign grant to the private purse of the royal family at an index linked 12 percent of total assets.

Private companies will be encouraged to build windfarms, and develop tidal energy, solar, hydropower and carbon capture projects, under leasing arrangements with the Crown Estate, which is already involved in the world's largest floating windfarm project in the Celtic Sea.

GB Energy will be voted through in parliament on September 4, as Labour has a majority from its landslide election victory, with the stated target of providing 20 million homes in the UK with clean energy, reduced bills for households, and a claimed 650,000 new jobs by 2030.

Another bill to be pushed through will enable the Crown Estate to raise loans, used to make seabeds ready for offshore turbines.

To conjure up a mythical national unity in a society rent by grotesque levels of social inequality, GB Energy is sold as part of "national renewal" and a spur to economic growth ushering in "wealth for all."

Speaking about the involvement of the monarchy in the project, which Labour has been negotiating with for months,

Crown Estate chief executive Dan Labbad said, "The Crown estate exists to serve the national interest, including stewarding our natural resources to deliver a decarbonised, energy secure and sustainable future."

Miliband made a xenophobic swipe at the French government owned energy firm EDF, which is one of the main six energy providers in Britain, as if both Labour and the Tories have not encouraged the energy giants to rip off customers for years since privatisation. Labour came to office specifically opposing the nationalisation of the energy providers, despite this being voted for as policy by delegates last October at Labour's last annual conference before taking office.

The energy producers, energy grid controllers and providers have amassed even greater profits since Russia's invasion of Ukraine in February 2022 pushed up the price of fuel. According to research by the End Fuel Poverty Coalition, the energy giants have pocketed over £420 billion in profits since the energy crisis started. These include "the declared profits of firms ranging from energy producers (such as Equinor and Shell) through to the firms that control our energy grid (such as National Grid, UK Power Networks and Cadent) as well as suppliers (such as British Gas)."

The government pledges to stump up £8.3 billion in investment for GB Energy over the next parliament, on the basis that the royal seal of approval will attract private investment to the tune of £60 billion. Another £7.3 billion is available through the Treasury owned UK Infrastructure Bank, set up by Prime Minister Sir Keir Starmer's Conservative predecessor Rishi Sunak when he was chancellor of the exchequer. The government subvention is much less than Labour's original pledge to invest £28 billion in green energy, which was abandoned as demanded by the City of London.

As a sweetener, a "British Jobs Bonus" offers up to £500 million a year for each of the five years of government to incentivise private firms to get involved.

The foreword of the founding statement by Miliband declares, “Great British Energy stems from a simple idea: the British people should have a right to own and benefit from our natural resources. That these resources belong to all of us and should be harnessed for the common good.”

The only real benefactors, however, will be the private corporations and the Crown Estate. The statement emphasises repeatedly that, despite the pose as a publicly owned company, the purpose of GB Energy is to form “an enduring partnership with business” and the purpose of business is to make profits for shareholders.

It continues, “The government is determined to work with the private sector” and that the “transition to clean energy will require the role of both government and the private sector...”

“Great British Energy will engage with investors and wider markets to create an investment offer that seizes the opportunities of the transition to our clean energy future.”

As a prince, Charles established a highly lucrative business from his life-long advocacy of clean energy and organic projects. Taking over as head of state from Queen Elizabeth, he and the royal parasites will be more handsomely rewarded than ever.

The Crown Estate is already reaping growing profits from renewable energy projects. Last year its profits more than doubled to a record £1.1 billion, up by £658 million during the year ending March 31, from £443 million the previous year—mainly from leasing patches of seabed to existing windfarm companies. The royal stipend soared as a result, from £86 million to £132 million.

That one of the first acts of the new Labour government is to help swell the bloated wealth of the royal family was rendered particularly obscene when followed up with Chancellor Rachel Reeves announcing that 10 million pensioners will be robbed of the £300 winter fuel allowance, including almost 2 million of the worst off. This comes hard on the heels of the government’s maintaining the Tories two-child benefit cap.

GB Energy will not sell or produce clean energy, but will be involved in procuring private investment, planning and organising supply chains. The company will make “land assessments and environmental surveys through to securing planning consent and grid connection”—providing the infrastructure with taxpayers’ money for the capitalists to make greater returns.

Critics of the scheme like Cornwall Insight, an energy market intelligence consultancy, are sceptical of the timeframe and suggest the costs to developing the necessary infrastructure will run into many billions more.

The Labour government’s energy programme is predicated on its agenda of building a war economy. Its

election manifesto stated that it was “failure to invest in clean British energy that left us exposed when Putin invaded Ukraine.”

GB Energy states that it will “cut bills for good and boost energy security and we’ll pay for it with a windfall tax on those oil and gas giants that have been making record profits.”

The windfall tax is nothing new and is already baked into the soaring profits of the energy suppliers. A 25 percent windfall tax on energy companies was introduced by Sunak, as chancellor in May 2022, and increased to 35 percent by chancellor Jeremy Hunt in January 2023. In the 2024 budget Hunt extended the tax until 2029.

The promise of lower bills doesn’t stand scrutiny. While Miliband declared that profits would begin rolling in after five years for the private concerns who invest in GB Energy, neither he nor Starmer when questioned repeated their election promise that GB Energy would cut household bills by the stated at least £300 annually.

The trade unions will be on board GB Energy, with “a voice and representation”, said the government, relied on to police the workforce in line with their own nationalist agenda.

Unite General Secretary Sharon Graham “welcomed” the launching of GB Energy, while the UK’s largest union Unison echoed the government’s hype, writing, “GB Energy will boost the economy and bring bills down.”

Public concern over the climate catastrophe and soaring energy bills is being leveraged by the government to boost GB Energy, created to further the Labour government’s profit and war aims.

The consequences of global warming is among the most pressing challenges facing mankind today. The technology exists to decarbonise the world economy and transition to clean energy without job losses, but this requires massive investment and central planning nationally and globally. These problems will only be resolved when the world is rid of an economy based on production for profit and competing nation states that drives the ruling elites to trade and military war.



To contact the WSWs and the
Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)