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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Monday 13 July 2015**



# House of Commons

*Monday 13 July 2015*

*The House met at half-past Two o'clock*

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### DEFENCE

*The Secretary of State was asked—*

#### Helicopter Fleets

1. **Jeremy Lefroy** (Stafford) (Con): What plans he has to invest in the armed forces helicopter fleets. [900906]

**The Minister for Defence Procurement (Mr Philip Dunne)**: The Government are investing to transform the helicopter fleets supporting our armed forces. Last week's news of a bigger budget and confirmation that we will meet NATO's target of 2% of gross domestic product reinforces confidence in our equipment plan, which sets out our plans to spend more than £12 billion on helicopters over the next 10 years.

**Jeremy Lefroy**: I thank the Minister for the welcome investment in the helicopter fleet, which is underpinned by the commitment to spending 2% of GDP. The tactical supply wing of the RAF, which is based in my constituency of Stafford, supports UK, NATO and allied helicopters around the world by performing hot refuelling, which means that the rotors are running. Will he confirm that sufficient resources will be made available to TSW so that it can support the investment in the new fleet?

**Mr Dunne**: I congratulate my hon. Friend on taking such an interest in the tactical supply wing, which is based in his constituency. I believe that he has seen it on duty, supporting our training activities in Kenya. I join him in paying tribute to the unit, which provides invaluable support to deployed helicopter fleets, at extreme and very high readiness. It recently supported our Merlin helicopters on HMS Bulwark to assist in the fight against Ebola in Sierra Leone and in the human trafficking efforts in the Mediterranean. I know that he takes a great interest in both matters.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Minister will know that it is not only what we buy that is important, but where it is manufactured. What percentage of our helicopters are made in the UK, and what about the other defence industries that seem to be declining? We are relying too much on imported defence equipment.

**Mr Dunne**: I confirm that of the five principal helicopter fleets, two are manufactured by AgustaWestland and supported from Yeovil; one is supplied by Eurocopter, which has activities in Oxfordshire; and the Chinook and Apache fleets are Boeing.

**Mr Peter Bone** (Wellingborough) (Con): Does the Minister agree that we want the best helicopters for our forces? It is right that there is a spread, but we want the best, not necessarily just ones that were made in this country.

**Mr Dunne**: I completely agree with my hon. Friend, who has some knowledge of this subject; I met his son flying one of the Chinook aircraft in his constituency. It is right that we invest in the best capability and provide our forces with the best equipment that is available across the world, irrespective of where it is manufactured.

### Cadet Units: Schools

2. **Mr Robin Walker** (Worcester) (Con): What steps he is taking to increase the number of cadet units in schools. [900907]

**The Parliamentary Under-Secretary of State for Defence (Mark Lancaster)**: I am sure that my hon. Friend will have welcomed the Chancellor's announcement in last week's Budget of an extra £50 million to expand the number of cadet units in schools to 500 by 2020. That is excellent news and will ensure that more young people get to experience the life-enhancing activities that cadet service brings.

**Mr Walker**: I do, indeed, welcome that excellent investment. I recently met members of the cadets and reserves association for Hereford and Worcester at the Three Counties show, where they told me about their excitement at more state schools being able to host cadets. Will the Minister update me on the progress of that project in Worcestershire?

**Mark Lancaster**: I am delighted that, in addition to the existing combined cadet force units in Kidderminster and Stourbridge, four more schools in Worcestershire will give their pupils the chance to join a CCF unit as a direct result of the cadet expansion programme: the Tudor Grange academies in Redditch and Worcester have established new units; and North Bromsgrove and South Bromsgrove high schools have forged partnerships with the CCF unit at Bromsgrove school. This is a real success story and I am delighted that many more young people will reap the benefits of belonging to a cadet unit.

**Mrs Madeleine Moon** (Bridgend) (Lab): Community-based cadet forces heard with great envy about the £50 million of additional funds for school-based cadet units, but what will be the impact of that funding on community-based units? There is great concern that students will be seduced into staying in school, rather than attending community-based units. Some instructors in community-based units are extremely anxious that they will be wound down and lose their important role within their communities.

**Mark Lancaster:** The hon. Lady is right that the cadet expansion programme applies to schools, and that there are two types of cadet unit. We are absolutely determined that the programme will not have a negative impact on community cadets, and to that end I am looking carefully at how we can continue to enhance the role of our adult volunteers, for example by considering the expansion of Frimley Park, where they are trained.

### Reserve Forces: Recruitment

3. **Andrew Griffiths** (Burton) (Con): What progress he has made on recruitment to the reserve forces. [900908]

4. **David Morris** (Morecambe and Lunesdale) (Con): What progress he has made on recruitment to the reserve forces. [900909]

15. **Mr Nigel Evans** (Ribble Valley) (Con): What steps he is taking to ensure that reserve forces are at full strength. [900921]

**The Parliamentary Under-Secretary of State for Defence (Mr Julian Brazier):** Six thousand, eight hundred and ten personnel joined the reserve forces in the last financial year, an increase of 65% on the year before. We have made significant improvements to recruiting processes, the offer to reservists and the support we give employers. As a result, recruitment continues to improve, and we remain committed to meeting our overall target.

**Andrew Griffiths:** I congratulate the Minister not only on the fantastic decision to spend 2% of GDP on our armed forces but on his decision to save William Coltman House, the Army reservist centre in Burton. Will he join me in commending Major Marvin Bargrove and everybody else involved for their work in increasing recruitment and showing people in Burton the opportunities that are available through being part of our reservist force?

**Mr Brazier:** I share my hon. Friend's delight both at the announcement of the 2% commitment and at the fact that we have been able to save the centre in Burton. He will be aware that 4 Mercian, which has a detachment there, has recently been deployed in a number of interesting exercises, as well as providing two formed platoons for an operational deployment in Cyprus.

**David Morris:** What progress has the Department made in getting employers to recognise the benefits of their employees becoming reservists, and of hiring reservists?

**Mr Brazier:** This year, we have already awarded 160 new bronze awards and 25 new silver awards for employers. We are also building links between companies in industry sectors and their equivalent reserves. For example, the Royal Signals is formalising links with BT, Vodafone, HP and Virgin Media; Defence Medical Services has an excellent arrangement with the NHS; and the Military Provost Service is partnering with Serco.

**Mr Nigel Evans:** I, too, welcome the 2% commitment, which will ensure that the right level of reserves will be reached.

Does the Minister agree that it is absolutely right that reservists who see action get the right equipment to protect them, which would include the use of drones manufactured by some of my constituents at BAE Systems?

**Mr Brazier:** The 2% commitment enables us to reconfirm the additional £1.8 billion for the reserves. All reservists today are routinely supplied with the same uniform and personal equipment as their regular counterparts, and last year we were able to bring forward earlier than expected £45 million of investment for dismantled close combat equipment. I am afraid that it is above my pay grade to answer my hon. Friend's question about drones.

**Derek Twigg** (Halton) (Lab): The Prime Minister has said today that he wants an increase in the number of special forces. Given our armed forces' greater reliance on reservists, what are the Minister and the Government doing to ensure that we still have a good pool from which to pick our special forces?

**Mr Brazier:** As a former Defence Minister, the hon. Gentleman will know that Ministers of the Crown never talk about special forces in the Chamber. On his wider point about the size of the pool in the armed forces as a whole, our commitment, as shown most recently by the 2% announcement, is to outstanding armed forces in quality and equipment.

**Mr John Spellar** (Warley) (Lab): I understand that the coroner is due to give his judgment shortly, possibly tomorrow, in the case of the reservists who died in the Brecon Beacons. Will the Minister undertake to come to the House and make a statement following that judgment?

**Mr Brazier:** We will have to wait for tomorrow's judgment before making a decision on that.

**Mr Kevan Jones** (North Durham) (Lab): Two weeks ago the Secretary of State said that he was confident that the Government's target for reserve recruitment would be met. He said that the programme was "now back on schedule". However, last month the Major Projects Authority downgraded the Future Reserves 2020 project from "doubtful" to "unachievable". Who is right, the Major Projects Authority or the Secretary of State?

**Mr Brazier:** The Major Projects Authority reviewed the Future Reserves 2020 programme almost a year ago, in September 2014. By convention the review is published six months behind, and because of purdah and the election it was published something like 10 months behind. A great deal of water has flowed under the bridge since then.

**Mr Jones:** Indeed. Last week's Budget Red Book committed the Government to maintaining a Regular Army of 82,000, but there was no mention of reserve forces. Can the Minister confirm whether the target of 30,000 reservists announced at the beginning of the process will be met?

**Mr Brazier:** The target of 30,000 Army reservists—indeed, 35,000 trained reservists across the three services—was firmly in the Conservative party’s manifesto, and this Conservative Government are committed to delivering it.

**Mr James Gray** (North Wiltshire) (Con): I warmly welcome the maintenance of that target, and I congratulate the Minister on what has been achieved so far. He will recall that the purpose of the target was to enable the reserve and regular forces to be interoperable—change backwards and forwards between each other. A reserve force was to do precisely the same job as the regulars who, in the case of the Army, we were then cutting by 20,000. Will he confirm that the excellent plan that he laid out before the last election—and which has been laid out consistently in the House since—will remain? Will there be any change in that way that we use reserves?

**Mr Brazier:** As my hon. Friend knows, the Government do not accept that the expansion of the reserves was a direct swap with regulars in the way that he describes. The purposes of the reserve forces were set out in the commission—which, as he says, carried my signature—and were threefold: to provide extra capacity at slightly lower readiness; to provide skills not available to the military; and to rebuild the connection between the military and society. We are committed to all those things, and the commitment of £1.8 billion over the next 10 years for reserves, which was recently reaffirmed by the 2% commitment to defence spending, further underlies that.

**Mr Speaker:** If the Minister would look at the House we would all be deeply obliged to him. I understand the natural temptation to turn round, but if he could face the House it would be helpful.

**Keith Vaz** (Leicester East) (Lab): I welcome the Prime Minister’s commitment to increase by 10% the number of our armed forces from ethnic minorities. Can the Minister confirm that that will include members of the reserve forces?

**Mr Brazier:** Yes, I can. We are strongly committed to our black, Asian and minority ethnic targets. It is a fact that the attraction of UK citizens from ethnic minorities—as opposed to Commonwealth citizens—to the reserve forces, has consistently run ahead of figures for the regular forces.

### Aircraft Carriers

5. **Mrs Sheryll Murray** (South East Cornwall) (Con): What assessment he has made of the potential contribution to the economy of the building of the Queen Elizabeth class aircraft carriers. [R] [900910]

**The Secretary of State for Defence (Michael Fallon):** At its peak in 2013-14, the carrier programme created or sustained around 8,000 jobs at shipyards in Glasgow, Portsmouth, Devon, Birkenhead, Newcastle and Rosyth, with a further 3,000 jobs in the supply chain. These are the largest and most powerful warships ever built for the Royal Navy, and they will be flagships for British technology and innovation for the next 50 years.

**Mrs Murray:** The House will know of my special interest because my daughter is an officer in the Royal Navy, and I know that she and her colleagues will welcome the 2% commitment. The excellent initial sea training facility in my constituency at HMS Raleigh contributes to the economy of Torpoint and the surrounding area. Is the Minister confident that we are meeting the training requirements necessary to ensure that we have the manpower to run those ships?

**Michael Fallon:** I pay tribute to the service of my hon. Friend’s daughter in the Navy. Although three times the size of HMS Invincible, the new carriers will operate with approximately the same number of crew. The Royal Navy is already planning to ensure that it has the suitably trained and qualified people it needs, which includes training at HMS Raleigh in my hon. Friend’s constituency and at Devonport nearby.

**Brendan O’Hara** (Argyll and Bute) (SNP): As the Secretary of State points out, the Queen Elizabeth class was partly built on the Clyde where the Type 26 frigates are to be built. Can he explain a quote from the Cabinet Office, reported in yesterday’s edition of *The Sunday Times*, which stated that the Type 26 frigates will now be ordered in small batches

“to bring realism to the programme”?

What does that mean, and what was so unrealistic about the initial order?

**Michael Fallon:** We confirmed earlier this year that we are spending £859 million on the design of the Type 26 frigates and on some of the long-lead items for the first three.

**Brendan O’Hara:** I have no doubt that the Type 26s are on the order book, but could the Secretary of State explain the quote from *The Sunday Times* yesterday about the need

“to bring realism to the programme”?

What was so unrealistic about the initial programme?

**Michael Fallon:** Only the Scottish National party could regard £859 million as somehow half-hearted. We will finalise the design of the ships shortly, but we have to make sure that we get good value for taxpayer pounds.

### Armed Forces Covenant

6. **Nigel Adams** (Selby and Ainsty) (Con): What plans he has to strengthen the armed forces covenant. [900911]

9. **Rishi Sunak** (Richmond (Yorks)) (Con): What plans he has to strengthen the armed forces covenant. [900914]

16. **Marcus Fysh** (Yeovil) (Con): What plans he has to strengthen the armed forces covenant. [900922]

**The Parliamentary Under-Secretary of State for Defence (Mark Lancaster):** The Government are honouring their pledges under the covenant and encouraging wider society to think about its contribution. The Secretary of State has written to the chief executive of every company

in the FTSE 350 asking them to consider what they might do better to support our armed forces community, including by signing a corporate covenant.

The demands of service life can impose obstacles for personnel, for example in credit ratings, mortgages and even mobile phone contracts. We are taking forward work to combat commercial disadvantage as a priority.

**Nigel Adams:** I am keen for companies in my part of north Yorkshire to sign up to the corporate covenant. Can the Minister update the House on what plans he has to extend the scheme across the country?

**Mark Lancaster:** As I mentioned, the Secretary of State has already written to the chief executives of the 350 largest companies, but the House could do worse than follow the example set by my hon. Friend who is, I know, a champion of the armed forces in his constituency. In light of that, I intend to write to all hon. Members to offer them an information pack and to encourage them to engage with companies in their constituencies, so that we can extend the corporate covenant across the UK.

**Rishi Sunak:** My constituents at Catterick garrison welcome the 2% commitment, but commercial disadvantage often bedevils them when it comes to areas such as insurance and mortgages. Can my hon. Friend update the House on how he is working with companies to tackle that disadvantage?

**Mark Lancaster:** The Government have taken a number of steps to level the playing field for those in the military who seek financial products. We have secured a pledge from the UK Cards Association, the British Bankers Association and the Council of Mortgage Lenders to notify their members that those who serve in the armed forces should not be disadvantaged because of their occupation, and that applications for credit and mortgages should be treated fairly and consistently.

**Marcus Fysh:** May I start by expressing my gratitude for the covenant funding that Somerset has received, including for the Tall Trees family centre in Ilchester, which serves the Fleet Air Arm at Yeovilton and their families? It has been brought to my attention that the criteria for fertility treatment for those serving in the Army can be more restrictive on the issue of existing children than those of some clinical commissioning groups. Will the Minister please look into that as a matter of urgency so that we can continue to ensure, in the spirit of the covenant, that no one is disadvantaged by serving in the forces?

**Mark Lancaster:** The NHS has committed to providing fair treatment to the armed forces community. I would be concerned if any policies discriminate against our service personnel, but I am not aware that that is the case for the assisted conception policy. That said, if my hon. Friend has evidence to the contrary, I would be delighted to meet him in support of his constituents.

**Marie Rimmer** (St Helens South and Whiston) (Lab): It is over a year since the Labour party called on the Government to undertake an audit of what local authorities are being asked to do and what resources they are being given to meet the expectations laid out in the community covenant—which we are all committed to. When will the

Government carry out such an audit, so that we know once and for all what is actually happening on the ground and can start to take steps to rectify problems and meet the spirit of the covenant and the Government's intentions?

**Mark Lancaster:** I am delighted to say that all local authorities in England, Scotland and Wales have now signed the covenant, and that is excellent news. I am keen that we should have best practice across local authorities, and we have the annual report to Parliament, which has now been published on three occasions. I am more than happy to look at this matter and come back to her.

**Mr David Hanson** (Delyn) (Lab): Last Friday, I attended a military covenant event in Flintshire, organised by the county council, which brought together employers to look at how they could recruit reservists and provide employment to former military personnel. The outputs of that are very successful. Will the Minister give an indication not just of the number of those who have signed the covenant but of the outputs of their involvement with the covenant, through a proper audit?

**Mark Lancaster:** I am delighted to hear the good news. Word is finally spreading across the land and we are seeing some areas of best practice. I recently awarded Barclays a gold award. Its AFTER programme is a fine example to other companies of the outputs the right hon. Gentleman desires.

**Yvonne Fovargue** (Makerfield) (Lab): The problem with the military covenant is that it is not being properly observed and veterans still remain a disadvantaged group in civilian society. A poll carried out for SSAFA last month makes it clear that seven out of 10 people believe not enough is being done to support ex-armed forces personnel. The same poll found that eight out of 10 people had never heard of the covenant. Many of the veterans who face the biggest problems are under 35 and, although that is not the group people think of when they imagine a veteran, they do struggle greatly. SSAFA says that one in 20 has been forced to take out a payday loan. What in particular are the Government doing to address the problems faced by younger veterans?

**Mark Lancaster:** I am slightly disappointed by the hon. Lady's tone. I think this Government have done more than any previous Government to address these matters: it was this Government who enshrined the military covenant in law; it was this Government who, for the past three years, had a report to Parliament; and we have invested nearly £150 million of LIBOR funding. Yes, these things do take time, but we are moving forward in a positive way. The hon. Lady seems to quote rather selectively from the SSAFA report. I would much rather come to this Dispatch Box and work with her to ensure that we can move this forward, rather than simply try to pick it to pieces.

#### **Submarines: Irish Sea**

7. **Ms Margaret Ritchie** (South Down) (SDLP): What discussions he has had with the Northern Ireland Executive on submarine activity in the Irish sea in the past 12 months; and if he will make a statement.

[900912]

**The Minister for the Armed Forces (Penny Mordaunt):** There have been no such discussions between the Secretary of State, or other Defence Ministers, and the Northern Ireland Executive.

**Ms Ritchie:** The Minister is well aware that I have been in correspondence with her regarding an incident on 15 April, when a Northern Ireland-registered fishing vessel had its gear snagged. The Ministry of Defence confirmed that it was not a vessel belonging to the Royal Navy. Would it be possible for the Minister and the MOD to pursue the matter of jurisdiction and who undertook such activity, in order to obtain compensation for the loss of fishing days?

**Penny Mordaunt:** I know that the hon. Lady is very concerned about this issue. She will know that the Royal Navy takes its responsibilities very seriously. Since 1993, it has adhered to the comprehensive code of practice and conduct for operations in the vicinity of fishing vessels, which ensures not only the safety of our ships and submarines, but other vessels. I can tell her that any NATO submarine under UK operational control would also have to conform to that code of practice, but obviously we are not responsible for other people's submarine operations.

**Andrew Bridgen (North West Leicestershire) (Con):** Does my hon. Friend agree that under the Scottish National party's deeply flawed defence plans, this country would have far less ability to detect, intercept and deter potentially hostile vessels in the Irish sea and elsewhere? *[Interruption.]*

**Mr Speaker:** Order. Let me just remind the hon. Gentleman, in the most genial spirit but in terms that are unmistakable, that questions must relate to the responsibilities of Ministers, not of other parties. Let us leave it there.

#### Recruitment: Ethnic Minorities

8. **Andrew Stephenson (Pendle) (Con):** What plans he has to increase the proportion of recruits to the armed forces who come from ethnic minority groups. [900913]

**The Minister for the Armed Forces (Penny Mordaunt):** The Prime Minister has made a clear commitment to have at least 10% of armed forces recruits from black, Asian and ethnic minority backgrounds by 2020. Increasing the diversity of our workforce is an operational imperative, which is why we have set up a diversity programme. Each service has developed a range of initiatives to achieve this aim. An increasing defence budget and the regeneration of our capabilities will be an attractive proposition to any potential recruit, no matter what background they come from.

**Andrew Stephenson:** Pendle residents have a strong tradition of service in our armed forces. I was pleased that the Duke of Lancaster's Regiment exercised their freedom of the borough of Pendle in May with a parade through the town of Colne. Is my hon. Friend aware of any outreach work being done by our armed forces to ensure that we are recruiting from all of Pendle's diverse communities, including our sizeable Pakistani heritage community?

**Penny Mordaunt:** I am pleased to tell my hon. Friend that a great deal is being done in the Pendle area in this regard. That same regiment also conducted an adventurous training event over a weekend in May with community leaders from Pendle and surrounding areas, including the chairman of Lancashire council of mosques. The Army will be holding a personal development engagement event at Burnley College and at the mosque in Nelson. As my hon. Friend is aware, the Army promotes regular and reserve opportunities at its annual jobs fair in Pendle, an event my hon. Friend has been instrumental in organising.

#### ISIL

10. **Karen Lumley (Redditch) (Con):** What steps his Department is taking to degrade and defeat ISIL. [900915]

13. **Sir David Amess (Southend West) (Con):** What steps his Department is taking to degrade and defeat ISIL. [900918]

**The Secretary of State for Defence (Michael Fallon):** In addition to over 300 strikes, the Royal Air Force's sophisticated intelligence surveillance and reconnaissance aircraft are making a crucial contribution—some 30% of the total intelligence effort—to the counter-ISIL coalition air campaign. We have trained over 1,600 members of the Iraqi security forces, and last month we announced that up to an additional 125 personnel will train Iraqi security forces in countering improved improvised explosive devices and in other vital skills.

**Karen Lumley:** It is clear that we need to defeat ISIL in Iraq and Syria, but will my right hon. Friend confirm that if and when further action needs to be taken, Government time will be allocated for a debate and there would be a vote in this House?

**Michael Fallon:** RAF intelligence surveillance and reconnaissance aircraft are already operating over Syria at the moment. As the Government have made clear, we will need to return to Parliament for approval if we propose to undertake air strikes against ISIL in Syria. ISIL has its command and control centres in north-eastern Syria, from where it is directing forces against the democratic Government of Iraq and from where it is planning terrorist attacks against the west, including Britain.

**Sir David Amess:** A key part of defeating and degrading Daesh is to destroy its propaganda campaign and not to give it legitimacy by calling it Islamic or a state. Will my right hon. Friend join middle east countries such as Kuwait, United Arab Emirates, Saudi Arabia and other countries such as France, Pakistan and Turkey by calling it Daesh?

**Michael Fallon:** Understanding the appeal of ISIL and its recruitment approach is a key focus of the coalition's communications strategy. The term "Daesh" is now regularly used by Ministers in our Government and officials within the middle east and when engaging with many of our coalition partners. However, the term "ISIL" is still used when addressing UK audiences as this, at the moment, is better understood.

**Conor McGinn** (St Helens North) (Lab): It is good that the Government have invited the Leader of the Opposition and my hon. Friend the Member for Gedling (Vernon Coaker) to tomorrow's National Security Council meeting to discuss these important issues—and I very much welcome that. In the same spirit of co-operation and in the national interest, will the Secretary of State commit to a comprehensive, transparent strategic defence and security review with full parliamentary scrutiny?

**Michael Fallon:** We are committed to a full and comprehensive strategic defence and security review. It is already under way, and at Question Time last month I invited any Member to contribute to it, and we will invite other stakeholders with interests in defence matters to make a similar contribution.

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): Does the Secretary of State agree that this Chamber has a great opportunity to set an example by using the terminology “Daesh” on each and every occasion that it is mentioned here?

**Michael Fallon:** I note what the hon. Lady says. As I said, I use the term “Daesh” when I am in the middle east, talking to our partners in the coalition or the media there. Until now, ISIL has been the term that is better understood here in the UK, but it is certainly worth reflecting on whether we should now seek to move on to using Daesh, which does not confer the sort of legitimacy that the title ISIL—involving the word “state”—does.

**Vernon Coaker** (Gedling) (Lab): Clearly, we all wish to see this country defeating terrorists and terrorism. Let me say again that they must not win and cannot be allowed to win. What assessment has the Defence Secretary made so far of the actions we have taken to defeat and degrade ISIL?

**Michael Fallon:** The coalition, which involves over 60 countries, about two dozen of which are taking military action, has been assisting the legitimate, democratic Government of Iraq in checking the advance of ISIL, and has had some success in pushing it back—in the recapture of Tikrit, for example, and in other areas up the Tigris and west along the Euphrates. This is clearly going to be a long campaign, however, and it will involve further necessary reforms in Iraq itself, including reforms of its army and the introduction of a national guard that can give the populations that have been liberated the confidence and security that ISIL will not return.

**Vernon Coaker:** What the Secretary of State has said shows that this is a complicated picture. As I have said, we stand ready to work with the Government to defeat ISIL and will consider carefully any Government proposals for further military action, but will the Secretary of State reassure us that any proposals that he does present will have clear objectives in respect of defeating ISIL? Will he, in presenting such proposals, also make it clear what support will be provided by other countries in the region, and explain how the proposals fit in with the Government's overall foreign policy objectives in the region and beyond?

**Michael Fallon:** I can give the hon. Gentleman that assurance, and I welcome the approach that the Opposition are adopting. We do not currently intend to present proposals to the House, but we have a strategy to help the Government of Iraq defeat ISIL, which we are pursuing in Iraq. We are also flying reconnaissance flights over Syria, and helping to train members of the Syrian opposition. As I think the hon. Gentleman implied, the situation in Syria is very different from and more complex than the situation in Iraq, and any strategy in Syria must properly reflect that.

### Future Reserves 2020

11. **Mr John Baron** (Basildon and Billericay) (Con): What assessment he has made of the implications for his policies of the decision by the Major Projects Authority to give the Future Reserves 2020 programme a red rating. [900916]

**The Parliamentary Under-Secretary of State for Defence (Mr Julian Brazier):** My hon. Friend will have heard my earlier answer.

Since the MPA report, governance has been shaken up, with each service delivering its own programme alongside a defence-level enabling structure. My hon. Friend will know from many earlier answers that our improvements in recruitment, selection and training processes are bearing fruit. We remain committed to delivering the FR20 requirement.

**Mr Baron:** The Minister will nevertheless know that the MPA declares as red projects that it believes risk being unachievable. Given the delays, cost increases and capability gaps, and given reports that superannuated reservists and those who do not regularly attend parades are remaining on strength, at what point will the Government consider scrapping their plans and increasing the size of the regular Army?

**Mr Brazier:** We recruited nearly 7,000 reservists across the three services last year. That was a rise of 65%, and the rise was even greater within the Army Reserve. As for my hon. Friend's reference to superannuated reservists, I visited 3 Royal Welsh last weekend, and the average age of that battalion has dropped from 41 to 31 over the past three years.

### Helmand Province

12. **Paul Flynn** (Newport West) (Lab): If he will establish an inquiry into UK armed forces operations in Helmand province in 2006. [900917]

**The Minister for the Armed Forces (Penny Mordaunt):** No decisions have been made about an inquiry, but we have been learning tactical lessons throughout our operations in Afghanistan. We will also want to look at the broader lessons that can be learnt from the campaign. However, combat operations have only recently ceased, and our focus remains on supporting the Afghan Government through NATO's current mission.

**Paul Flynn:** Five of our brave British soldiers lost their lives in the first five years of the Afghan war. An additional 448 lost their lives following the decision to invade Helmand with impossibilist aims and a hope

that not a shot would be fired. Do not the loved ones of the fallen, and the House, deserve to know the truth of what was a major blunder, certainly before we contemplate sending more troops into a four-way civil war in Syria?

**Penny Mordaunt:** I thank the hon. Gentleman for raising that important issue. The matters to which he has referred, particularly the incidents in 2006, have been the subject of a Defence Committee report, and I suggest that he read the report and the Government's response to it. Along with the Under-Secretary of State for Defence, my hon. Friend the Member for Canterbury (Mr Brazier), who is the reserves Minister, I served on the Committee at the time.

Having recently returned from Afghanistan, and having spoken to some of the next of kin at the recent Para memorial, I would say that we have a legacy to be proud of. Afghanistan has never had what it has now. There are millions of people in education, including girls; there is a strong army and a strong police force; and economic regeneration is taking place. Although it has cost us much in blood and treasure, we have a legacy to be proud of in Afghanistan, and the United Kingdom is safer.

### Typhoon

14. **Scott Mann** (North Cornwall) (Con): What capability upgrades are planned for Typhoon jets. [900919]

**The Minister for Defence Procurement (Mr Philip Dunne):** The Eurofighter Typhoon is a dynamic multi-role combat jet whose capability is continuously evolving. Tranche 2 and tranche 3 aircraft are now fitted with the Paveway IV bomb. Integration of the Storm Shadow deep-strike weapon is under way. The Meteor beyond visual range air-to-air missile and the Brimstone 2 precision effect missile will add world-class air-to-air and precision strike capabilities to the aircraft.

**Scott Mann:** I thank my hon. Friend for his response and I am sure he and the whole House will join me in welcoming the Chancellor's announcement that this Government are committed to spending 2% of GDP on defence. How will this improve our air force capabilities?

**Mr Dunne:** I am glad that my hon. Friend recognises the importance of the 2% commitment, and I welcome him to his place. We have successfully intercepted all potential incursions that have been shadowed by our quick reaction Typhoon aircraft and we can be confident that the Typhoon's exceptional performance makes it capable of combating any threats sent in the direction of our shores.

20. [900926] **Victoria Atkins** (Louth and Horncastle) (Con): Typhoon jets fly from RAF Coningsby in my constituency, as does the Battle of Britain memorial flight. Will the Minister join me in congratulating the RAF on a magnificent flypast last Friday of Spitfires, Hurricanes and a Typhoon to mark the 75th anniversary of the Battle of Britain?

**Mr Dunne:** I also welcome my hon. Friend to her place and she is right to highlight the importance of the magnificent flypast last Friday to mark the 75th anniversary

of the Battle of Britain. I am very happy to join her in congratulating today's RAF pilots on this fitting tribute to their predecessors in years gone by. These events highlight the bravery and professionalism of the men and women who have served and continue to serve our country so well. She might like to know that my hon. Friend the Minister for the Armed Forces will be visiting RAF Coningsby to congratulate them in person later this week.

### National Security

17. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent discussions he has had with the Foreign Secretary on the relationship between the national security strategy and the strategic defence and security review. [900923]

**The Secretary of State for Defence (Michael Fallon):** I have regular meetings with the Foreign Secretary as well as cross-Government meetings such as at the National Security Council, where we discuss a range of strategic matters.

**Diana Johnson:** Given the Chancellor's announcement in the Budget to spend 2% of GDP on defence, can the Secretary of State tell the House whether the single intelligence account and the £800 million-worth of military pensions spending are now to be included as part of the defence budget?

**Michael Fallon:** I hope the hon. Lady will welcome the announcement last week that we are going to continue to meet the NATO target. If pensions are on the defence budget, then of course they count as defence expenditure, and they have in fact been on the defence budget for a very long time now. So far as intelligence matters are concerned, money that is spent on defence should properly be counted as defence.

**Hannah Bardell** (Livingston) (SNP): Is it not sheer hypocrisy by the Government to criticise others on maritime patrols and investment when it is their party that has downgraded and stripped our defences to the bone, to the point that we now have no maritime defence, and NATO sea patrols have had to come in and look for alleged Russian submarines that have been dragging Scottish fishing boats under the sea?

**Michael Fallon:** We have plenty of maritime defence, but when we took office we had to end the Nimrod programme, which was years behind schedule and about £700 or £800 million over-budget. Some 23 Nimrods were ordered back in the 1990s by a Conservative Government, but when we came to office 13 years later not one had actually been delivered.

**Andrew Gwynne** (Denton and Reddish) (Lab): The point is that since the Government scrapped Nimrod the UK has been without a maritime patrol aircraft, so may I gently ask the Secretary of State to confirm whether the next strategic defence and security review will contain a commitment to an MPA?

**Michael Fallon:** First, I should make it clear that we do, through other means, still have some maritime defence capability without maritime patrol aircraft, but we will of course look at a whole range of capabilities as part of the current SDSR which is now well under way.

### Military Co-operation: Saudi Arabia

18. **Stewart McDonald** (Glasgow South) (SNP): What recent assessment he has made of the effectiveness of the UK's military co-operation with the Government of Saudi Arabia. [900924]

**The Secretary of State for Defence (Michael Fallon):** The UK has a long-standing relationship with the Kingdom of Saudi Arabia, which is a key strategic partner of ours. I spoke with its Defence Minister, the deputy crown prince, only last week. Our co-operation helps to keep Britain safe from terrorism.

**Stewart McDonald:** At that meeting, did the Secretary of State highlight the fact that last year 90 people were executed in Saudi Arabia and that figure was reached by the end of May for this year? Sweden has dropped its memorandum of understanding on defence co-operation over the mistreatment of the Saudi blogger Raif Badawi and other human rights concerns. When will we see some urgency and action from the Secretary of State?

**Michael Fallon:** We do raise these cases at most senior levels with the Government of Saudi Arabia and we maintain a regular dialogue with them on a range of human rights issues. We strongly support the right to freedom of religion and belief. But let me be very clear: our relationship with Saudi Arabia is of long standing. It is based on a number of different pillars—trade, economy, education, defence, culture and security—and there is no other middle east country in which we have such a diverse and important set of interests to maintain.

### Defence Spending

19. **Kirsten Oswald** (East Renfrewshire) (SNP): How existing and anticipated threats to UK interests will be taken into account (a) as part of the strategic defence and security review and (b) in future allocations of defence expenditure. [900925]

**The Minister for Defence Procurement (Mr Philip Dunne):** The SDSR will consider the broad range of threats we face, both now and in the future. The national security strategy is being reviewed and will draw on the latest version of the national security risk assessment. As my right hon. Friend the Chancellor made clear last week, this Government are committed to increasing the defence budget by 0.5% in real terms and meeting the NATO pledge to spend 2% of GDP on defence each and every year of this decade.

**Kirsten Oswald:** I thank the Minister for his answer. When considering the SDSR, we are all aware of the highly skilled workforce on the Clyde who are waiting to build Type 26 frigates. Can he explain what was meant by the article in *The Sunday Times* which stated that the Government would be “bringing realism” to this programme? What does that mean for the future of this vital project? Can he guarantee that there will be no further delays or doubts cast upon it?

**Mr Dunne:** My right hon. Friend the Secretary of State has already answered that question in response to a previous one. The workforce on the Clyde are currently manufacturing three offshore patrol vessels commissioned

by the previous coalition Government. We want to make sure that before we enter the full manufacturing contracts, the contracts' structures are robust and we can hold the contractors to account, unlike what happened with the aircraft carrier contracts, which blew up to more than double their original cost.

**Sir Gerald Howarth** (Aldershot) (Con): I am a great fan of my hon. Friend and my right hon. Friend the Secretary of State, but we need a little more clarity on the question of defence spending. Paragraph 2.22 of the Treasury Red Book states:

“The Ministry of Defence budget will rise at 0.5% per year in real terms to 2020-21.”

Given that the economy is growing at about 3%, can my hon. Friend tell me how we are going to meet the 2% commitment when there is to be only a 0.5% increase in the budget? Is it to be done by raiding other accounts?

**Mr Dunne:** I am very much aware of my hon. Friend's success in securing a position in the private Members' Bill ballot to introduce legislation on this very subject. I have the privilege of confirming to him and to the House that I will be answering those debates, so we will have plenty of opportunities to discuss this issue. The bald fact is that we are meeting the 2% commitment this year, and as I have just said, we will meet it each and every year of this Parliament.

### Equipment

21. **Will Quince** (Colchester) (Con): What plans he has to invest in new equipment for the armed forces. [900928]

**The Minister for Defence Procurement (Mr Philip Dunne):** Once again, this Government, in stark contrast to what happened during 13 years of the Labour Government, have not relied on a wish list of unfunded equipment projects. Instead, we have balanced the budget and committed to a real-terms increase in the defence budget. We will be meeting our NATO commitments, not just—I will say it once more—on spending 2% of GDP on defence, but on investing 20% of the defence budget on equipment.

**Will Quince:** Colchester is home to 16 Air Assault Brigade, the Army's rapid response unit. Will my hon. Friend ensure that it has the best possible equipment to tackle the many challenges that we may ask it to face?

**Mr Dunne:** I am very pleased to welcome my hon. Friend to the House. He has a considerable military interest in his constituency, not least the 16 Air Assault Brigade. The new A400M Atlas air transport aircraft is being introduced to replace the C-130 Hercules fleet, and the third of those aircraft was delivered to the RAF last week. The ongoing development trials of the Atlas will mean that parachutists and their equipment from the UK rapid reaction force will be able to parachute from both sides of the aircraft and the ramp, and it will become the air mobility transporter of choice for rapid reaction forces—

**Mr Speaker:** Order. We are grateful to the Minister. Alistair Carmichael. Not here.

### Topical Questions

T1. [900946] **John Pugh** (Southport) (LD): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Defence (Michael Fallon):** My immediate priorities are our operations against ISIL and the strategic defence and security review. Last week's welcome announcement that the defence budget will increase every year and that we will continue to meet NATO's 2% target means that we can now decide the capabilities and force structure that we need to keep Britain safe.

**John Pugh:** In 2013, an estimated 9,000 ex-servicemen were classified as homeless. Can the Minister update us on how we are getting on with that problem, and what the current statistics may look like?

**The Parliamentary Under-Secretary of State for Defence (Mark Lancaster):** The Ministry of Defence does not collect figures on homelessness. However, it is a matter that we take very seriously, and I would be delighted to look into the matter and get back to the hon. Gentleman.

T2. [900947] **Richard Graham** (Gloucester) (Con): The Gloucestershire-based, UK-led Allied Rapid Reaction Corps is deploying on NATO exercises later this year. I am sure that the Defence Secretary will join me in wishing everyone involved, including my constituents, a successful exercise at this sensitive time. Will he confirm both that the NATO mutual military support clause is sacrosanct and never to be diluted and that this Government take a cautious approach to any suggested proposal of expansion?

**Michael Fallon:** Our commitment to European security, including to article 5, remains unwavering. We stand by the open-door policy, which allows any European state in a position to contribute to the alliance to apply to join. That process requires consensus among all 28 existing allies, and there can be no short cuts to membership.

**Vernon Coaker** (Gedling) (Lab): Further to the question from my hon. Friend the Member for Kingston upon Hull North (Diana Johnson), will the Defence Secretary confirm that, according to the NATO definition, only intelligence operations in support of the military can be used to contribute to the 2% figure? Do the Government use that correct definition, and how much is it?

**Michael Fallon:** I was hoping that the shadow Defence Secretary might welcome the 2% commitment. Let me be very clear that it is for NATO to classify, according to its guidance, what is counted as defence expenditure. Money being spent on defence in our defence budget should of course count towards the 2% total.

T3. [900948] **Robert Jenrick** (Newark) (Con): I welcome the additional training that my right hon. Friend announced last month for the Ukrainian armed forces. Will he tell the House what further support the UK is offering? Following the news that plucky Lithuania will become the first country openly to arm the Ukrainians, will he now consider providing anti-tank weapons, drones and other technology that the Ukrainian armed forces desperately require?

**Michael Fallon:** I can today update the House by saying that the RAF has now delivered more than 3,000 combat helmets, goggles and first aid kits to Ukrainian troops. We have already trained some 850 personnel. We will step up our training over the summer and we will be providing further equipment, although not of the lethal variety. We stand firm with Ukraine in the face of Russian aggression, and we continue to assist its defence of its sovereignty, independence and territory.

T4. [900949] **Ian Blackford** (Ross, Skye and Lochaber) (SNP): The Minister will be aware of concern in my constituency about the implications of the expansion of the British Underwater Test and Evaluation Centre, particularly the threat of the closing off of the fishing grounds which would threaten the livelihoods of 70 fishing boats and 120 families in my constituency. Will the Minister tell us when the consultation exercise that we have long been promised will begin?

**The Minister for Defence Procurement (Mr Philip Dunne):** I am slightly surprised that the hon. Gentleman feels the need to raise this matter again, three weeks after his Adjournment debate in which I addressed those questions very directly. The consultation exercise is part of 200 defence establishments' bylaws being consulted on—we will be beginning that later this summer. There is a separate exercise with the fishermen, who will not lose their livelihoods as he is suggesting, and that will be undertaken by QinetiQ shortly.

**Mr Speaker:** Of course, repetition is not a novel phenomenon in the House of Commons.

T6. [900951] **Simon Hoare** (North Dorset) (Con): Does my right hon. Friend agree with my analysis that the very welcome investment in both Typhoon and the joint strike fighter to provide the Royal Air Force with the best aircraft possible is a direct result of, first, a growing economy and, secondly, sorting out the basket case of an MOD budget that we inherited?

**Mr Dunne:** My hon. Friend lights on a very important point—that defence plays a part in the prosperity of this nation. ADS, the trade association, has estimated that some £22 billion of economic activity is attributable to the defence industry and it employs some 200,000 people in this country. The combat jet component of that is significant.

T5. [900950] **Mr Graham Allen** (Nottingham North) (Lab): Does the Secretary of State believe that after the invasion of Iraq and the intervention in Afghanistan and Libya, we have less international fundamentalist religious terrorism or more?

**Michael Fallon:** I believe that our contribution in Libya to preventing an imminent massacre in Benghazi, the work that we have done in Afghanistan, which my hon. Friend the Minister for the Armed Forces described, and our support for the legitimate democratically elected Government of Iraq have all been worthwhile endeavours.

T7. [900952] **Mr Nigel Evans** (Ribble Valley) (Con): BAE systems at Samlesbury is about to hit another milestone with the manufacturing of the 200th aft fuselage of the F35. Will the Minister come to BAE Systems at Samlesbury during this period to see at first hand some of the most dedicated and skilled workforce in the United Kingdom?

**Mr Dunne:** My hon. Friend is right. As the only tier 1 partner in the F35 programme, the United Kingdom is playing a very significant role. Every aft section of every F35 is manufactured at Samlesbury in his constituency, providing high- skill jobs to many of his constituents. I am quite certain that I or one of my ministerial colleagues will have the pleasure of visiting his constituency soon.

T10. [900955] **Mr Douglas Carswell** (Clacton) (UKIP): The Government have given a commitment to implement my party's policy and spend at least 2% of GDP on defence. This target has been achieved by including the single intelligence account as defence spending. When might the Government meet the 2% target without cooking the books?

**Michael Fallon:** I have already made it very clear that no books are going to be cooked. Anything that is included has to meet the NATO guidelines. Where there is expenditure on defence intelligence which comes out of the defence budget, it is right that that should be included in our defence totals. The NATO figures will be there for everybody to see.

T8. [900953] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): Does the Minister share my concerns that a number of our ex-servicemen and women, having served our country with distinction, end up suffering from mental health issues, family breakdown and homelessness—yes, even on the streets of Dorset? What steps can be taken to help to prevent this?

**Mark Lancaster:** Naturally, I want the very best for our entire armed forces community and I must emphasise that the vast majority of our service leavers make a smooth transition into civilian life. The Government have put in place a great deal of support for those who find the process difficult, including the allocation of £40 million to a veterans accommodation fund. The best evidence available suggests that the mental health of veterans is as good as that of the civilian population, but where problems do occur the highest standard of support is made available, and over £13 million from the LIBOR fund has been awarded to programmes.

**Steven Paterson** (Stirling) (SNP): I am sure the House will be as concerned as I am about reports that Daesh is now targeting Russian parts of the former Soviet Union as a recruiting ground. What action can the UK Government take as part of the international community to combat that?

**Michael Fallon:** A coalition of some 60 countries has come together to tackle ISIL in Iraq and in Syria, but the hon. Gentleman is right: ISIL is directing or inspiring terrorist activity in many other countries outside. That is why it is all the more important to ensure that it is degraded and ultimately defeated in both Iraq and Syria.

T9. [900954] **Karen Lumley** (Redditch) (Con): Many of us in the House will welcome the commitment that the UK will meet the NATO defence spending target, but what assessment has my right hon. Friend made of the impact that this will have on our defence capabilities?

**Michael Fallon:** Defence capabilities will be determined in the strategic defence and security review, which is now under way, in the context of the threats we face at the moment and an assessment of the threats we may face in future. Those choices will now be framed and made easier by the Chancellor's welcome announcement that the defence budget will grow for the rest of this decade by 0.5% ahead of inflation.

**John Woodcock** (Barrow and Furness) (Lab/Co-op): I trust that the Secretary of State was impressed by the extraordinary engineering he saw in Barrow shipyard last week. Will the delay in Artful's exit have any impact on Successor? Will he join the shadow Secretary of State here on 21 October for our wonderful submarine manufacturing enterprise day, to which all Members of the House of Commons and the House of Lords are invited?

**Michael Fallon:** I think I attended that event last year, and I look forward to attending it this year if I am invited. I was extremely impressed by my visit to Barrow to see HMS Artful, the latest of our super submarines, as she prepares to sail. She will join Astute and Ambush to help to keep the sea lanes open and contribute where necessary to the fight against terrorism. I hope the whole House will wish her well. We expect her to sail in the next few weeks.

**Several hon. Members** *rose*—

**Mr Speaker:** I call the Chair of the Defence Committee, Dr Julian Lewis.

**Dr Julian Lewis** (New Forest East) (Con): Will the Secretary of State confirm that there is no question of ordering fewer than 13 Type 26 frigates? How much would we fall short of spending 2% of GDP on defence if we did not include items of expenditure normally borne on the budgets of other Government Departments?

**Michael Fallon:** As I have made clear, it is ultimately for NATO to classify from each member's return what properly counts as defence expenditure in the table that is published each year. As far as the Type 26 programme is concerned, my right hon. Friend will know that we have already committed nearly £1 billion to the design phase and to the purchase of some of the long-lead items for the first three frigates in the series.

**Kate Green** (Stretford and Urmston) (Lab): Bidders in my constituency report a worrying picture of the Crown Commercial Service's handling of defence procurement contracts, with unreasonable timescales, inappropriate specification, and tenders being issued and then withdrawn. What steps are being taken to improve matters, especially for SME bidders?

**Mr Dunne:** The Crown Commercial Service is run through the Cabinet Office, and we are in a long series of discussions with it about transferring commodity-type

procurement from Defence Equipment and Support to the CCS. I believe it currently has nine separate categories of activity accounting for over £1 billion of our spend. We are regularly in discussion with it to ensure that its processes are as smooth and efficient for the supply to our armed forces as they are for the contractors involved.

**Mark Pritchard** (The Wrekin) (Con): The Secretary of State will be aware that hundreds of Syriac Christians have been murdered by ISIL in Syria. What discussions could he have with the Kurds to see what non-lethal assistance could be given to the Syriacs? Certainly, the Syriac Military Council has four battalions of men who are prepared to fight ISIL in Syria.

**Michael Fallon:** Syria is already the focus of our largest humanitarian aid programme. I have had regular discussions with the authorities in the Kurdish areas about what more assistance we could provide in training and equipment to the peshmerga, who are taking on ISIL in the north of Syria. Of course, our RAF surveillance aircraft continue to fly intelligence missions in that area.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): What assurances can the Secretary of State give that military spending in Scotland will increase proportionally following the departmental increase outlined in the Budget? Between 2007 and 2012, Scotland received £1.9 billion less than its population share of Government

defence spending on major projects. Perhaps he should stop paying lip service and take the opportunity to put things right.

**Michael Fallon:** With respect, I do not think it is lip service that, as I said, we have committed nearly £1 billion to building the next generation of frigates in Scotland. We are already building offshore patrol vessels in Scotland. Scotland is getting the bulk of the work on the two aircraft carriers. It will be home to one of our three fastjet fleets, and it will constitute the entire home submarine base of the Royal Navy. Scotland does very well out of the defence budget inside a United Kingdom.

**Mr Speaker:** Order. I am very grateful for the Secretary of State's reply, but we are pressed for time.

**Richard Drax** (South Dorset) (Con): While I warmly welcome the 2% of GDP we have committed to spending on defence, which is excellent news, we must not be complacent, because although the quality of what we are ordering is brilliant, for future events—perhaps, God forbid, a serious and more widespread conflict—we are still down on the quantity.

**Michael Fallon:** My hon. Friend is right. The SDSR that is now under way has to evaluate not merely the current threats to our country but the future threats that may emerge over the next few years. It is only by sorting out the defence budget—the mess that we inherited—and putting it on a proper footing that we are now able to increase it and to spend on the equipment that our armed forces need.

## **Parks and Playing Fields in Public Ownership (Protection from Sale)**

*Motion for leave to bring in a Bill (Standing Order No. 23)*

3.35 pm

**Tom Pursglove (Corby) (Con):** I beg to move,

That leave be given to bring in a Bill to require public consultation to be carried out in local areas where the sale of park or playing field land owned by a public body is proposed; to require referendums on such proposals in certain circumstances; and for connected purposes.

This Bill has come about in support of thousands of my constituents who are concerned about the proposed selling of a school playing field in Oundle at the site of what will be, in September, Oundle primary school. Recently, there has been a restructuring of the local education system that has led to a three-tier system becoming a two-tier system. In March this year, parents and the school's governing body were shocked to learn that proposals had come forward for over 50% of the playing field to be sold off. At present, the playing field is well used by the school at breaks and lunchtimes, as well as for games lessons. It is also well used by local community sports clubs. I know that because, as I explained in my maiden speech, only two or three years ago my bowling was dispatched to all parts of the ground by an arguably very lucky batsman. Not only would local school children be adversely affected by this, but losing part of the playing field would have a dramatic effect on local sports clubs, including Oundle Town cricket club.

In response, a petition was immediately started by Julie Grove, a local Oundle mum, whose children will be directly affected by this sale. Then came the brilliantly organised Oundle recreation and green spaces group, who have got out there, spoken to local people and businesses, created campaign videos, and galvanised support for this campaign. I would like to give a special mention to the committee—Lucie Platt, Jo Trott, Paul Kirkpatrick, Ian Talbot, Tristan MacDougall, Jennie Grove and Christina Cork, under the excellent chairmanship of Julie Grove—for all their hard work to date on the campaign. As things stand, the petition has been signed by over 3,750 people, and the numbers are growing by the day. That is very impressive considering that the number of electors in the Oundle ward currently stands at 4,750. It is a very high turnout by any measure. This clearly demonstrates the strength of feeling from the local community, who do not wish to see the land sold off.

Local town councillors have also expressed their opposition to the sale, hosting a packed town meeting back in April. I would like particularly to mention district councillor Rupert Reichhold for his involvement in and support for this campaign. Interestingly, the site in question has not previously been identified for housing development, nor, I am told, does it feature in the emerging neighbourhood plan that the town council is developing. With the Government's planning changes, this would make it almost impossible to obtain planning permission on this land, although Northamptonshire County Council could still sell the land to developers.

Talking about the level of support brings me to the substance of my Bill. Despite over 3,750 local residents signing the petition, there is no obligation on Northamptonshire County Council to take that into

consideration when reaching a decision, nor does it have any binding effect. With such overwhelming local concern formally registered, how can that possibly be right?

This comes at a time when we already suffer from a chronic lack of pitches in Northamptonshire. Indeed, I know of sports clubs whose members have to travel out of the county to play a home game. I want local youngsters to be able to play sport in the towns and villages where they live. When I was growing up, I was very fortunate to be able to play my sport locally. With that, came lessons for life—teamwork, respect and healthy living. Not everyone has the luxury of transport, which means that travelling out of the county is simply not an option and prevents them from playing for their local club.

While preparing my Bill, I did a bit of research and found that many right hon. and hon. Members on both side of the House have supported similar campaigns to protect local playing fields and parks in their constituencies. For example, only last week I talked to my hon. Friend the Member for Gower (Byron Davies) about his campaign in support of residents trying to protect local playing fields in his constituency. During my time as a councillor in Wellingborough, I remember the numerous conversations I had about how foolish it was for the site of the John Lea school to be sold off by the county council. The playing fields were also sold, with the result that we had a lack of school places and a lack of playing field provision.

I am aware that Education Ministers have real concerns about landlocked schools. That problem has been exacerbated by school playing field sales. Such short-sighted decisions then make it impossible to expand when housing growth comes, and that is a particular concern to residents in Oundle.

As I have mentioned, this is a truly national issue. Between 2001 and 2010, the total number of playing fields sold for development was 242. During the last Parliament, another 103 playing fields were lost. Interestingly, there are no national figures for parkland and other green spaces that have been sold for development. That could be due to the fact that there is no statutory consultee.

The irony of all this is that, although successive Governments have promoted the importance of healthy living and the role that sport and walking plays in that, we have seen dwindling open space to get out and get active. Indeed, when I was joined this morning on BBC Radio Northampton by Dr Richard Benwell from the Royal Society for the Protection of Birds, he made the point that providing every household in England with access to quality green space could save the NHS an estimated £2.1 billion in healthcare costs. Furthermore, these spaces are also lifelines for nature. With 60% of UK species in decline, public spaces are more important than ever for conserving British wildlife.

My Bill seeks to build on the localism agenda and the Government's excellent measures for protecting assets of community value. The Bill would enshrine in law that a local authority wishing to sell off parks and playing fields must go through the process of a statutory consultation. One of the biggest complaints made has been that consultation on such sales nationally has been shockingly woeful.

I therefore propose that should a verifiable 10% of electors in any ward affected sign a petition, it will trigger a local referendum, of which the result will be binding.

Essentially, that would provide a localist lock and ensure that the strength of local feeling is reflected in any decisions taken in relation to local parks and playing fields. In other words, it would be very difficult for the 3,750 people in Oundle to be ignored.

I particularly want to make the point that this Bill does not seek to stop the selling of parkland and playing fields per se; it merely ensures that those who use these important green spaces make the case for them to be kept. Of course, if a public body can demonstrate the benefits of selling any such land, such as alternative provision elsewhere as a direct swap or the introduction of better facilities, it has nothing to fear.

To my mind, not only is the Bill common sense, but it upholds the principle of localism and the big society. In the last Parliament, Ministers did much to progress this agenda, and I believe that the Bill advances the cause further. The Bill is about ensuring that local communities have a genuine say and a real opportunity to influence decisions about the future shaping of their area, because once these green spaces are gone, they are gone forever.

*Question put and agreed to.*

*Ordered,*

That Tom Pursglove, Mr Peter Bone, Byron Davies, Ms Gisela Stuart, Kate Hoey, Bob Blackman, Stephen McPartland, Mr Philip Hollobone, Zac Goldsmith, William Wragg, Simon Hart and David Morris present the Bill.

Tom Pursglove accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 23 October, and to be printed (Bill 53).*

## Ways and Means

### Budget Resolutions and Economic Situation

#### AMENDMENT OF THE LAW

*Debate resumed (Order, 9 July).*

*Question again proposed,*

That—

(1) It is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

(2) This Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

- (a) for zero-rating or exempting a supply, acquisition or importation;
- (b) for refunding an amount of tax;
- (c) for any relief, other than a relief that—
  - (i) so far as it is applicable to goods, applies to goods of every description, and
  - (ii) so far as it is applicable to services, applies to services of every description.

3.45 pm

**The Secretary of State for Communities and Local Government (Greg Clark):** Just over five years ago, on Friday 7 May 2010, another emergency summit of Finance Ministers from across Europe was convened to save the economies of Greece, Spain, Portugal, Italy and Ireland from falling over like a row of dominoes. Here at home, unemployment was galloping away and had passed 2.5 million, 1 million more people than five years before. The Government had lost control of spending, spending nearly £150 billion a year that they did not have in the biggest structural deficit in the western world, which meant they had to borrow one pound in every four they spent. That very day, a note was waiting in the desk drawer of the Chief Secretary to the Treasury, telling his successor with brutal bluntness that “there is no money”.

The Cabinet Secretary had to intervene in the discussions between the political parties to impress on them the consequences of delay in forming a Government. *As The Daily Telegraph* reported that day:

“UK bond investors, facing huge borrowing demands from the Government this year, started selling... The fear stalking investors is that a delay in forming a coalition will set back plans to tackle Britain’s record Budget deficit, triggering a full-scale run on the pound.”

**Emily Thornberry** (Islington South and Finsbury) (Lab): Will the right hon. Gentleman give way?

**Greg Clark:** On that fateful day, in those dramatic circumstances, a Conservative-led Government did what history has regularly called on Conservatives to do and begin to pull the nation back from the brink of ruin after the disastrous denouement of a period of Labour Government. During the five years that followed, Britain’s prospects have been transformed, with the deficit cut by half, 1 million low earners taken out of income tax and spending on the NHS and schools safeguarded. More people are working than ever before in our history and Britain’s economy is the strongest growing in the western world. Thanks to the hard work and enterprise of the

[Greg Clark]

British people, our nation is on the rise again, but our task is far from complete. On 7 May this year, the British people looked at the past, looked to the future and asked us to finish the job. We are determined to repay their trust.

The Chancellor's Budget puts our economic security first by cutting the deficit at the same pace as in the last Parliament until we have a surplus and ensuring that Britain pays its way in the world. It will help working people, support aspiration and boost productivity. It will reward work and allow people to keep more of the money they have earned. As the Chancellor said last week, the Budget is a new settlement for Britain.

Let me be frank: not every Budget goes according to plan. Some are cheered and others are jeered, such are the ups and downs of government, but it takes a special kind of genius to have an omnishambles Budget while in Opposition. I am sure that the whole House is eagerly awaiting the latest news from the hon. Member for Wolverhampton North East (Emma Reynolds) on whether the Opposition have a view on the Budget. Yesterday, the acting Leader of the Opposition announced that Labour would support the welfare cap and the restrictions on family tax credits, but within hours of her announcement three of the four leadership contenders—the right hon. Members for Normanton, Pontefract and Castleford (Yvette Cooper) and for Leigh (Andy Burnham) and the hon. Member for Islington North (Jeremy Corbyn)—denounced her and a policy that they had presumably agreed. We await the view of the hon. Member for Leicester West (Liz Kendall), but we have her representative on earth here—the hon. Member for Wolverhampton North East, who supports her campaign—and we want to find out whether the chaos is complete or partial. After the disarray of the last 24 hours, who could disagree with the hon. Member for Stoke-on-Trent Central (Tristram Hunt) when he said yesterday:

“The speed and rapidity with which we are beginning to be regarded as irrelevant...is really terrifying”?

We on the Government Benches have a settled view on the matters at hand. This afternoon, I will talk about two aspects of the Budget in particular: the opportunity that it offers to every part of the country to participate in our national success; and the imperative that it sets to move our economy to one of high productivity by addressing vital challenges, at the centre of which is building more homes.

**Andy McDonald** (Middlesbrough) (Lab) *rose*—

**Emily Thornberry** *rose*—

**Greg Clark:** I will give way to the hon. Member for Middlesbrough (Andy McDonald)—the Member for my home town.

**Andy McDonald** (Middlesbrough) (Lab): May I tell the Minister what is truly terrifying? It is his Government's proposal to introduce a two-child policy that will punish the most vulnerable and the poorest in our society. That is the terrifying thing about this Budget.

**Greg Clark:** The hon. Gentleman can make that intervention in the parliamentary Labour party meeting later this afternoon, because I understand that that is the official Labour party policy.

Let me say a few words about devolution. As we recover from the recession and look to the future, it is clear that economic progress cannot come from London alone. One of the most striking achievements of the past five years is that the recovery has come from every part of our country. Businesses have created 2 million jobs over the past five years. Before 2010, only one in three jobs was created outside London and the south-east; now the figure is three in every five.

Where are exports growing fastest in the country? Is it in London? No, it is in the north-east, the home region of the hon. Member for Middlesbrough and myself. Where in England has the largest trade surplus? Is it London, or the south-east? No, it is the north-east again. Where is employment rising fastest? Is it in the south-east? No, it is in the north-west of England. For Britain to succeed, every part of the country must be firing on all cylinders.

That requires that we ask every city, town and county what they need to prosper. No two places are the same—Manchester cannot be confused with Margate, nor Newcastle with Newquay—so it should be obvious that a central plan for everywhere will end up working nowhere. For decades, however, that is exactly what central Government Departments tried to do; they prescribed blanket solutions for diverse local problems, which were enforced through unaccountable and expensive regional bureaucracies.

During the last Parliament, we made great strides towards reversing the failures of centralisation by devolving powers on planning, housing and economic growth. The Chancellor has already set out a bold vision for building the northern powerhouse, and this Budget will take us further.

**Jonathan Ashworth** (Leicester South) (Lab): I know that the right hon. Gentleman is committed to devolving powers to the regions. However, in the last Parliament Conservative Ministers made a commitment to deliver the electrification of the midland main line. Why will the Government not get on with that, because it would be good for the east midlands economy?

**Greg Clark:** I share the hon. Gentleman's view that that project is very important, and we are committed to it. However, to the regret of, I think, every Member, it has been necessary to pause it, to ensure that it can be done according to prudent budgetary principles. Nevertheless, the Transport Secretary has made it absolutely clear that such transport projects are very important for the hon. Gentleman's constituency and others.

**Mr Nigel Evans** (Ribble Valley) (Con): Did the Minister also welcome the news that BAE Systems announced last week that it wishes to take on 2,000 apprentices by 2018, which yet again reinforces the image of the northern powerhouse?

**Greg Clark:** My hon. Friend is absolutely right; that is marvellous news and a reflection of the confidence in the economy of the UK and of the north-west. It also underlines the point that that is happening not only in our country's big cities, important though they are, but in all parts of the north and, indeed, all parts of the country.

The Chancellor made it clear in the Budget that we have reached agreement with the 10 councils in Greater Manchester to devolve additional powers to them, beyond those powers that were devolved previously. A land commission will help to release public land to build new homes; fire services will be put under the control of the new mayor; and new powers will encourage further collaboration on children's services and employment programmes. This historic process of devolution is now available to other cities and other parts of the country. The Chancellor made it clear that we are in active negotiations to devolve powers to the Sheffield city region, to Leeds, west Yorkshire and its partner authorities, and to the Liverpool city region. Each area will receive far-reaching devolved powers and resources in return for the election of a directly elected mayor. We are also in advanced negotiations with Cornwall on the first devolution for a county in this country.

This is just the start. The Cities and Local Government Devolution Bill, which is before the House of Lords, will enable us to negotiate with cities, towns and counties right across the country to give them the power that they need to galvanise their local economies. Such deals are in their local interest, but also in the national interest. At a time when limited public resources must be invested wisely, it is right to offer our cities, towns and counties a bigger share of the funding that is available. Why? Partly, it is because they have already demonstrated that they can make funding go further by managing it more creatively and attracting private sector investment.

**Mr James Gray** (North Wiltshire) (Con): I absolutely agree with my right hon. Friend about the importance of devolving power in the way that he describes. However, he will recall that it was a Conservative Government who abolished Avon, Humberside and Cleveland—those much-hated examples of regionalisation. Will he make a commitment today that, although devolution is a good thing, it will not become a substitute for regionalisation, and that if counties like Wiltshire, for example, do not want it, we will not have to have it?

**Greg Clark:** I can give that reassurance to my hon. Friend. That is the essential difference between the programme of devolution that we are offering and what has been attempted in the past. Every proposal will come from local people. I do not have the power, still less the inclination, to force local people into any arrangements other than those for which they are enthusiastic.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): Will the Secretary of State explain to me and the residents of Greater Manchester how the devolved £6 billion health and social care budget marries with the £7.1 billion that is currently spent in Greater Manchester? What will happen to the residents of Greater Manchester when that money runs out?

**Greg Clark:** The hon. Lady, who is a Greater Manchester Member of Parliament, should talk to her leaders in Greater Manchester who put the proposal to the Government. The proposal was not invented in Whitehall and visited upon Greater Manchester. The leaders of Greater Manchester made the very good point that when there is a strong connection between the needs of the national health service and the social care of residents across

Greater Manchester, it makes complete sense for them to be managed together. That was their proposal and, in line with what my hon. Friend the Member for North Wiltshire (Mr Gray) said, we were very pleased to endorse it.

As I said, this is just the start. We want to build on the ingenuity and experience of local councils and civic and business leaders in an area to attract private investment to match the public investment. The city and local growth deals that we implemented in the last Parliament have transformed £7 billion of funds from central Government Departments into £21 billion of local investment. This Budget represents a golden opportunity for local leaders to repeat that success on a grander scale. Furthermore, with measures such as the creation of new enterprise zones, for which an invitation has gone out to places across the country, and the extension of the coastal communities fund, we are determined that this invitation should be extended to all parts of the country.

**David Morris** (Morecambe and Lunesdale) (Con): Would my right hon. Friend look favourably on an enterprise zone application for Morecambe White Lund and on a coastal communities investment, because Morecambe needs more money on top of the £1 billion that was delivered by the previous Government? I am sure that, with the Secretary of State's help, we can do better.

**Greg Clark:** I know from the last Parliament what a fighter my hon. Friend is for his area. I would welcome an application for Morecambe not just for an enterprise zone, but for the coastal communities fund—announcements were made on those two important policies in the Budget. I say to Members from all parts of the House that this is a big opportunity for them to work with the council and business leaders in their area to put forward a compelling bid for funds and, indeed, the devolution arrangements.

**Sir Edward Leigh** (Gainsborough) (Con): The Secretary of State is a most cerebral Minister, so I wonder whether he can help with a problem that I am grappling with. One way in which the north has competed with the south in the past has been through lower wages. I am not saying that that is right, but how will the living wage impact on it? When employers increase wages, they normally do so as a result of an increase in productivity. If there is a living wage imposed by the state, how will we avoid increased unemployment or lower productivity—or both?

**Greg Clark:** I served my apprenticeship with my hon. Friend on the Public Accounts Committee, and partly as a result of the rigour that he imparted to the Committee's members, I believe that the key to driving productivity is to invest in education and skills. One of the most important announcements in the Budget was the transformation of our apprenticeship system. There is a serious commitment on the Government's part to ensure that all regions have the ability to invest in the skills that will drive productivity and justify the new wages.

In the proposals that places across the country have started to draft in response to my invitation to have more local arrangements, the common denominators

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are greater local involvement in skills and engagement with local employers. That is absolutely right, and I will back it in devolution deals.

**Bridget Phillipson** (Houghton and Sunderland South) (Lab): I have listened carefully to what the Secretary of State has said about giving local people a say and not forcing areas to do things against their will. Why will the Government not devolve further powers to the north-east without a directly elected mayor, and why do they refuse to give local people a say on whether they even want a mayor in the first place? Will the Secretary of State listen to the north-east?

**Greg Clark:** I listen to the north-east all the time, and I have met its civic leaders in recent days and will no doubt have further conversations with them. I have always had a strong and fruitful dialogue with them. In fact, I have a letter from the leader of the hon. Lady's own council, Sunderland City Council, who said: "The support you provided to Sunderland was crucial to us securing the deal which is so vital in helping boost the economy of our area. Your thorough understanding of the issues in our region should be commended and demonstrates this Government's commitment to putting the north of England at the heart of its plans to strengthen the economy of the whole country." I have good dialogue with city leaders across the country, and the hon. Lady should talk to them.

I am conscious that many hon. Members want to speak, so I will move on and say a word about housing. I am convinced that our communities will rise to the challenge of devolution, but I have made it clear to authorities across the country that in doing so, they must deliver the homes that their people need for this generation and the next. Much progress was made during the last Parliament, which began with the lowest level of peacetime house building since the 1920s and first-time buyers locked out of the housing market. Housing starts and the number of first-time buyers have doubled since 2009 and are continuing to rise. Last year alone, the number of first-time buyers rose by 20%, but we must go further. That is why the Government are committed to encouraging home ownership and building homes that people can afford to buy.

**Tom Pursglove** (Corby) (Con): There is a real desire in Corby for a new enterprise zone, not least because of the success of enterprise zones in the original wave back in the 1980s. We are also seeing enormous housing growth. Does the Secretary of State agree that the areas that are taking that growth should be rewarded when it comes to jobs and infrastructure?

**Greg Clark:** I do agree, and I encourage my hon. Friend and his local business and civic leaders to make an application for an enterprise zone on behalf of his constituents. I am sure that that would further enhance the prosperity of the Northamptonshire economy.

**Emily Thornberry** *rose*—

**Greg Clark:** The hon. Lady has been very patient, so I will give way to her now.

**Emily Thornberry:** I am grateful to the Secretary of State for his generosity.

What would the Secretary of State say to the 19,000 families in Islington who are on the waiting list for social housing about how long they might need to wait to be rehoused?

**Greg Clark:** I would say to the people of Islington that they should be pleased that the highest rate of affordable house building took place in the last Parliament, and that we will increase that rate during this Parliament.

**Mr Clive Betts** (Sheffield South East) (Lab): On that point, the Budget changed the future rental income forecast for social housing from the consumer prices index plus 2%, to minus 1%. The National Housing Federation said that that will reduce housing association revenue by £3.9 billion in this Parliament, and that a conservative estimate suggests a reduction of 27,000 homes being built because of measures in the Budget. How does the Secretary of State begin to justify that?

**Greg Clark:** The justification is clear: over the past three years the rate of increase in rents for social tenants was twice that of private tenants. Since 2012-13 the increase in social rents has been 9.1%, and 4.8% for private tenants. It seems not unreasonable to reset the baseline—if I can put it that way—to reflect the experience in the rental sector of people in the country. I would be interested to hear from the hon. Member for Wolverhampton North East whether the Labour party will share our enthusiasm for the cut in rent for social tenants of 1% a year, when it has been increasing above inflation. It is an important move.

We want to encourage home ownership and build homes that people can afford to buy. We are extending Help to Buy, which has already helped 100,000 people to buy their own home. In autumn we will introduce the new Help to Buy individual savings account, and we will give more than 1 million housing association tenants the right to buy. The Budget and the productivity plan that the Chancellor published on Friday will free up brownfield land for development, speed up the planning system, and deliver thousands of new homes for aspiring homeowners.

**Roger Mullin** (Kirkcaldy and Cowdenbeath) (SNP): The Secretary of State mentions the great productivity plan, but what a damp squib that is. It fails to address the key fundamentals of productivity, whether lending to business, raising intermediate and higher intermediate skill levels that are a major drag on our productivity, or other facets. Surely we deserve better than the damp squib that was produced on Friday.

**Greg Clark:** I do not think that the hon. Gentleman has read the productivity plan. If he does he will find it a substantial document. That this early in the life of this Government there is a clear focus on ensuring that our country is equipped to prosper in the long term is a mark of the Government's seriousness, and I am surprised that he disparages that.

**Mr Mark Prisk** (Hertford and Stortford) (Con): The plan includes important planning reforms such as new transport hubs that many Conservative Members welcome,

as well as new powers for the Mayor of London. There was, however, one glaring omission because there was nothing about permitted development rights, and many people are concerned about a policy that has helped to turn empty offices into family homes. When will the Government publish their policy on that?

**Greg Clark:** My hon. Friend, who made a distinguished contribution as housing Minister, is right. Permitted development rights are important to bring otherwise disused spaces, such as offices, into use for homes. He will not have long to wait before we announce the continuation of those arrangements.

**Andrew Gwynne** (Denton and Reddish) (Lab): I am interested in the Secretary of State's proposals to reform planning regulations, but will he look carefully at unintended consequences? We all want an increase in the number of homes being built, but we do not necessarily want to lose valuable employment land.

**Greg Clark:** The hon. Gentleman makes a reasonable point in a reasonable way. He is absolutely right, which is why article 4 directions are expressly available to local authorities to make sure that land is kept for a particular use where it is important to do so.

Some of the proposals will be contained in the housing Bill this autumn and the House will have the opportunity to debate them. The Bill will create a new register of brownfield land to help fast-track the construction of homes, with the principle of development being agreed on 90% of suitable sites by the end of this Parliament. In London, I am pleased that my hon. Friend the Mayor will create an additional 10 housing zones, all on brownfield land. Those additional zones will bring the total number in the capital to 20, which, combined with the 20 housing zones outside London and the eight shortlisted areas that we have agreed to work with, could deliver nearly 100,000 more homes.

**Boris Johnson** (Uxbridge and South Ruislip) (Con): Will the Secretary of State give way?

**Greg Clark:** I will indeed give way to the Mayor.

**Boris Johnson:** I just want to thank the Secretary of State and the Minister for Housing and Planning for their work in helping us to deliver those housing zones, which are enabling London to build more homes than at any time since the 1980s and a record number of affordable homes. In fact, in the next few years we are on target to build more homes in London than at any time since the 1930s.

**Greg Clark:** My hon. Friend is right, and it is part of his record as Mayor of London of which he can be very proud. He and my hon. Friend the Minister met just before they came to the House to discuss the London Land Commission and further plans to build on the success that my hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) has enjoyed. It is vital that we make sure that the capital has homes for the next generation of Londoners, just as he has provided them for this generation.

Local plans have been another success story, as they have helped to drive progress on both the quantity and quality of new development. In the productivity plan, we said that we want to take steps to ensure that there

are local plans in every community. We will also make it easier to build 200,000 starter homes on underused commercial land, which can then be offered to first-time buyers under the age of 40 with a 20% discount.

We will update legislation and guidance to ensure that neighbouring councils co-operate on local plans—something that the Communities and Local Government Committee has taken an interest in over the years. The Chair was hopeful that I might listen to the representations from the Committee during this Parliament. We have listened and we are reflecting some of its thoughts in the productivity plan. We want to make sure that planning decisions are made as quickly as they can be; that major infrastructure projects can include some new homes as part of their plan; and that smaller firms have quicker and simpler ways of establishing where and what they can build, particularly on land in the new brownfield registers.

We also want to ensure that our existing housing stock supports working people, which is why the reduction in social housing rents—to bring them in line with the increase that has taken place in private rents—is an important step forward.

**Mark Pawsey** (Rugby) (Con): If I may bring the Secretary of State back to the importance of local plans, part of the problem has been that some local authorities have been slow in bringing forward their plans. I therefore support the Government's moves to encourage local authorities to get their plans in place, because the Government will do the work if local authorities fail to do so.

**Greg Clark:** I am grateful for the support of my hon. Friend, who has contributed to the Select Committee's deliberations. Local councils have now had plenty of time to get on with their plans. More than 80% have published a plan, so we are pushing at an open door.

The Budget and its accompanying documents make clear, in tangible form, our commitment to provide the land and a simplification of the planning system to allow the homes that are needed to be built.

**Peter Dowd** (Bootle) (Lab): On the issue of brownfield sites, my constituency has areas that are heavily contaminated and need significant remediation. Can the Secretary of State advise local authorities and developers where they can get support for that remediation?

**Greg Clark:** One of the benefits of devolving some of the powers and funds to local authorities is that by combining investment in transport infrastructure, housing and commercial development it is possible to get private sector investment in some of those regeneration projects. The hon. Gentleman has a valid point and, in recognition of the issue, we are establishing a brownfield fund that will help with the remediation of some brownfield land.

We have important themes in the Budget. It is an opportunity for our country to be even bolder over the five years ahead than we have been in the past. I am pleased that the shadow Secretary of State is on record as being a moderniser in her party. She supports a leadership candidate who says that she wants to challenge her party to be bolder. I hope that she will take the opportunity to do that. A vigorous debate on these matters—on housing, on planning and on furthering

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the devolution agenda—is very much to be commended in this House. Reflecting ruefully on the past five years, I found that I had a fruitful dialogue with leaders of local government, not just with Conservative leaders, such as my hon. Friend the Member for Uxbridge and South Ruislip, but with Labour leaders across the country, too. However, I did not, and they did not, get the support from Labour’s Westminster politicians. I hope that will change this time.

The hon. Member for Stoke-on-Trent Central, again providing wise words, said that this needs to be a summer of hard truths. That is good advice to the hon. Lady and I hope she will be bold. As the former shadow housing spokesman and now shadow Secretary of State, if she is not going to be bold, who is? Will she support tenants who dream of owning their own home, or not? Will she support our plan to build 200,000 starter homes? Will she back our register of brownfield sites with automatic planning permission so that builders can get on with building and young people can get a home of their own? Will she back our plans to extend home ownership through Help to Buy, right to buy and the starter homes initiative, or will she sit it out, a would-be radical afraid to speak out lest she finds that her leader is an old Labour figure who takes fright at confronting the future?

Britain has come a long way in the past five years, a journey that has taken us from the brink of ruin to the fastest growing advanced economy in the world. Confidence has returned and living standards are rising. Local economies are prospering and house building is on the rise. Businesses are growing and more people are in work than ever before. This progress bears testament to the hard work and sacrifice of the British people. It is their economic recovery and their hard-fought gains will not be squandered. Having come this far, there will be no turning back to the age of irresponsibility that caused so much damage to our country. The Budget sets out a new settlement for Britain to keep our country on the straight path to economic security and prosperity. It will give cities, towns and counties across the country the power to make their own decisions and to galvanise their local economies; it will help local communities to build the homes they need; and it will ensure that social tenants benefit from a fair rent. It is a Budget for working people and for one nation, so that whoever you are and wherever you live, you can benefit from Britain’s progress. I commend it to the House.

4.17 pm

**Emma Reynolds** (Wolverhampton North East) (Lab): I welcome the opportunity to open the third day’s debate on the Budget on behalf of the official Opposition. I will focus my remarks on two of the most important long-term challenges that we face as a country: devolution and housing. First, however, I want to make a number of points about the Budget as a whole.

Last week, the Chancellor presented his Budget as a Budget for working people. Regrettably, the grim reality is that millions of hard-working families will be worse off as a result of this Budget. The Chancellor gave with one hand, but took away so much more with the other. Of course, we welcome action to tackle low pay. The minimum wage was, after all, a Labour policy and one

of the proudest achievements of the previous Labour Government. We first introduced it in the face of fierce Tory opposition. More recently, we campaigned to increase it. Let us be clear about what the Chancellor has actually done. He has not introduced a national living wage; he has attempted to rebrand the national minimum wage. Admittedly he has increased it, but at the same time he has decimated tax credits, leaving 3.3 million families worse off and 500,000 families without any tax credits at all.

The independent Institute for Fiscal Studies says that the Chancellor’s claim that the increase in the minimum wage will compensate working people for the changes to tax credits is “arithmetically impossible”. For example, a working couple in full-time employment earning the minimum wage who have two children will earn £1,500 more, but will lose £2,200 as a result of the cuts to tax credits. Far from making work pay, the IFS says that the Government’s changes would

“reduce the incentive for the first earner in a family to enter work”.

In effect, what the Chancellor has done is introduce a work penalty.

As my hon. Friend the shadow Chancellor said last week, the Government are “pulling the rug from beneath people’s feet while higher wages are not yet available.”—[*Official Report*, 9 July 2015; Vol. 598, c. 473.]

Young children in the families affected are likely to grow up to become poor adults, which is not only wrong and unfair, but will cost society more in the longer term. Yet again, this Government are hitting women the hardest, with women losing twice as much as men. Yet again, too, this Government are putting more of the burden of clearing the deficit on to the shoulders of young people. The Government seem absolutely determined to deepen and entrench the inequality in our country and the inequality between generations.

**Mr Prisk:** The hon. Lady’s acting leader, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), has made very clear what she thinks about tax credits. Will the hon. Lady be voting in favour or against our reforms tomorrow evening?

**Emma Reynolds:** Let me be absolutely clear. The Budget presented last week is regressive. It hits some of the poorest people in our country the hardest—people on lower incomes who are working hard and doing the right thing. We will vote against the Budget tomorrow, and that is why—because it is regressive and fails all the tests around productivity and all the big decisions on infrastructure that the Prime Minister and the Chancellor have been ducking for some years.

There were, however, some things in the Budget that we welcome. It seems that the Labour manifesto found its way into the Chancellor’s Red Box. I know the Chancellor likes to wear “high vis”, but I did not know he was into cross-dressing. From increasing the national minimum wage to abolishing permanent non-dom status and reducing tax relief for landlords, the Chancellor seems to be a late convert to Labour party policy. The overall test of the Budget, however, is whether it benefits working people and meets the long-term challenges facing our country. It is clear that working families up and down the country will be worse off, but let me now turn to the long-term challenges we face.

**Richard Fuller** (Bedford) (Con): Will the hon. Lady confirm that even with the changes to working tax credits, they will still be higher as a proportion of gross domestic product at the end of this process than during any period of the Labour Government prior to 2004, and that at that stage there was no commitment to a national living wage?

**Emma Reynolds:** I say to those on the Government Benches that they are simply out of touch with the lives of working people up and down this country. Of course we want an economy in which people are highly paid and highly skilled, but the course towards such an economy has to be charted before the support is cut off.

Let us deal with the crucial issue of devolution. We urgently need to rebalance our economy to drive growth and prosperity in all parts of the country. We are one of the most centralised countries in Europe. London dominates our economy, and its growth surpasses that in all of our major cities, which is not the case in either Germany or France where other cities beyond Berlin and Paris are true engines of economic growth. I agree with what the Chancellor said last week—that we will not achieve a better settlement by pulling London down. We should be proud of the dynamism and success of our capital city—and long may it continue. We must, however, reverse the long tradition of British politicians of all parties and of civil servants who have hoarded power in Whitehall and failed to trust local government.

There is a huge political and economic imperative to devolve power as close as possible to local communities. As ever, the Chancellor's Budget speech on devolution was heavy on rhetoric, but rather light on substance. This Government boast about bringing about a "northern powerhouse", but their rhetoric rings hollow, given that no part of the country has faced bigger cuts to local authority budgets over the last five years than those in the north of England. Indeed, the shelving of the electrification of the Manchester to Leeds trans-Pennine railway means that the Government's plans are closer to a power cut than a powerhouse. We need a settlement for every part of the north, but as one of my hon. Friends pointed out to the Secretary of State earlier, there was barely a mention of the north-east in the hour-long Budget statement or in the 123 pages of the Red Book.

Ahead of the Budget, we know that there were briefings about which deals would be announced, and we know that the Secretary of State did what some might call a frenetic round of local government speed-dating during the Local Government Association conference two weeks ago. We welcome, for instance, the extra powers that the Government are planning to devolve to Greater Manchester. We also welcome the progress that three combined authorities—Sheffield city region, Liverpool city region and Leeds, West Yorkshire and partner authorities—are making towards a devolution deal, and the progress that Cornwall is making. As a Wolverhampton MP, I particularly congratulate the leaders of the local authorities that are working so hard to create the West Midlands combined authority. We are proud of the fact that Labour leaders in local government are making the weather on devolution.

While we welcome that progress, we also believe that the Government should not impose a one-size-fits-all approach to devolution, and should stop putting obstacles

in the way. In his first major speech after the election, the Chancellor said that he would not impose the mayoral model on anyone, but in the very same breath he said that he would not settle for anything less. Why are the Government running scared of letting local people decide, and when will they clarify exactly what different areas and combined authorities can expect to achieve from devolution if they do not opt for a mayor?

**Robert Neill** (Bromley and Chislehurst) (Con): I know that the hon. Lady has a good memory. Does she recall regional spatial strategies? What were they but an imposed one-size-fits-all policy from above? Has she forgotten that so quickly?

**Emma Reynolds:** It seems from the details of the Government's productivity plan, which were published on Friday, that the hon. Gentleman's party is introducing a nationalised spatial strategy.

Our amendment to the Cities and Local Government Devolution Bill, which is being debated in the other place today, would ensure that areas that did not want a mayor would not get a second-class deal. A Labour amendment that was passed in the other place earlier this afternoon proposes the introduction of a "devolution by default" test for every new Bill that the Government introduce to Parliament. If the Government did not push down as much power as possible to local level, they would have to give and justify their reasons. I hope that they will agree to retain that new provision, because it will be a test of their commitment to devolution.

**Andrew Gwynne:** Like my hon. Friend, I strongly support the devolution of powers to Greater Manchester, but does she agree that not just devolution to the strategic city-wide level but devolution to the local level is crucial, given that many authorities in Greater Manchester are now struggling to deliver basic services?

**Emma Reynolds:** I could not agree more. When we were in office we devolved power to the Scottish Parliament and the Welsh Assembly, but I know from our colleagues in Scotland that they are very disappointed that there has not been much devolution from the Scottish Parliament downwards. As my hon. Friend says, if we are devolving to combined authorities, we need to ensure that there is real devolution to communities as well.

The Budget also reinforced the Government's piecemeal approach to devolution. We are calling on them to deliver a more ambitious and comprehensive devolution agenda to every part of the country—to all our cities, towns and counties. Doing a small number of one-off deals is not a one nation approach.

This Secretary of State is certainly better liked than his predecessor—[*Interruption.*] I accept that it is not a particularly high bar. It remains to be seen, however, whether he will live up to the reputation that he is trying to forge for himself. We hope that he will fight the corner of local government, but we will judge him on the outcome of the comprehensive spending review in the autumn, on the settlement that he achieves for local government, particularly in areas of high need, and, crucially, on the impact that any settlement will have on the vital public services on which people rely. Local government areas where more children are in care, where there are more vulnerable elderly people and

[Emma Reynolds]

where the needs of the local population are more complex and difficult are the areas where the Government have made the deepest cuts in the last five years. Let me say this to the Secretary of State: he cannot champion local government if he is impoverishing it at the same time. Devolution must not be a smokescreen to bring local government to its knees.

Housing is the other long-term challenge with which I want to deal. In our first debate in this House since the election I said to the Secretary of State, when debating the Queen's Speech, that tackling the housing crisis was a key test for him and his Government. He agreed; he said it was an "issue of huge importance" and that this Government would

"build more homes in every part of the country"—[*Official Report*, 10 June 2015; Vol. 596, c. 1231.]

He even invoked the spirit of Harold Macmillan, but last week the Chancellor delivered a Budget that contained no proposal to tackle the housing crisis. Worse still—[*Interruption.*] Conservative Members should listen. Worse still, the Office for Budget Responsibility confirmed that the Budget would lead to 14,000 fewer affordable homes being built, which is contrary to what the Secretary of State said today. His desire to emulate Harold Macmillan appears to have been rather short-lived. If he thought that private house builders would compensate for his Government's policies, he was mistaken, because the OBR says that it does

"not expect private sector house-builders to offset this effect to any material degree."

Then there was the Government's so-called pay-to-stay measure. I was interested to read that the Prime Minister had reservations about these proposals because he was not sure of the wisdom of describing people earning £30,000 as high earners. Indeed, these proposals would mean that a couple working full-time on the living wage would be classified as high earners, with a combined income of just over £30,000 a year. We have not seen the details of these proposals yet, but that couple could have to pay, on average, an additional £3,600 a year according to the Government's own figures. Those who secure a promotion or more hours could thus be hit by this measure.

**Mr Betts:** The details of this new measure are going to be interesting. Either we are going to have a cliff-edge where people suddenly start paying a lot more rent because they have earned a little more money, or we are going to have to bring in a taper system, which is another form of taxation. Does my hon. Friend agree that we will have a system whereby local authorities are in effect going to have to know the incomes of every single tenant so they can check when people go over this threshold? A massive bureaucracy will have to be created simply to implement this very small measure.

**Emma Reynolds:** Indeed, and the Government introduced a similar measure in the last Parliament, but the threshold was £60,000 a year. In their consultation on those changes, the Government said that putting the threshold below £60,000 a year would result in "perverse incentives" and a "disincentive to work". Why have they suddenly changed their mind, and why was there no mention in the Red Book of the Government's plan to extend the right to buy? Once again, it fell to the OBR to mention

what the Government were not prepared to refer to. It warned that the policy risked adding £60 billion to public debt.

We welcome some measures—for example, the raising of the rent-a-room relief and the tackling of some of the over-generous tax reliefs for private landlords which help to squeeze out first-time buyers—but they are not going to end the housing crisis. Last week the Chancellor and the Business Secretary were busy announcing planning reforms, which unless I have missed something are the responsibility of the Secretary of State. While the Chancellor was plundering the Labour manifesto, the Business Secretary appears to have been pillaging Labour's housing review. We welcome the following, given that these were our policies anyway: tougher measures to ensure that local areas have a local plan; strengthening the Government's duty to co-operate; reform of compulsory purchase powers; and a new dispute mechanism for section 106 agreements. But these were only some elements of our Lyons housing review, which is a comprehensive plan to tackle the housing crisis—something that this Government are sorely lacking. Sadly, one thing the Government are not taking forward is Labour's commitment to zero-carbon homes. Pulling the plug on this policy will damage the house building industry, cost jobs and investment and mean higher energy bills for consumers, and I am wondering how on earth they can justify it.

The Government's wider proposals announced on Friday also raise a number of questions. We welcome plans to build homes on brownfield sites, but if the Government were serious about building on brownfield why did they withdraw five years ago some of the investment and neighbourhood renewal fund which helped towards the costs of remediating polluted land—a fund that we put in place in our time in government? If brownfield sites are to get automatic planning permission, how will the Government ensure that local communities continue to have a say, that there is sufficient infrastructure for the plans to be delivered, that the quality of new homes is guaranteed, and that section 106 agreements are applied to ensure that developers fulfil affordable homes obligations? Given that a move to a zoning system represents a significant change to the planning system, will the national planning policy framework have to be amended? Will it perhaps be more accurately renamed the "national planning system"? It seems curious that the Conservative party spent so much time and energy attacking Labour's spatial strategies in the name of localism, yet now appears to be nationalising planning. I cannot keep up with the Secretary of State: is he trying to be Macmillan or Lenin? I know the Secretary of State has been on a political journey from the Social Democratic party to the Conservative party, but this journey is rather unbelievable.

**Andrew Bridgen** (North West Leicestershire) (Con): Is it still Labour party policy to re-establish the regional development agency, which inflicted the regional spatial strategies on my constituents and many others?

**Emma Reynolds:** We support the local plans. It seemed that the Minister for Housing and Planning was not that bothered about them—I remember an interview he did with *Inside Housing* in which he said it was not that important whether local areas had local plans—but the Government seem to have done an about-turn on that as I received a nice letter from him today, spelling out how important the local plan process is.

We think it is important for local people to have a say over what goes on in their areas. We have big questions about the Government's proposals, which we have only just seen and on which we would like more detail. How will the Government still ensure that local people have that say? How will they ensure that local infrastructure is delivered? And how will they ensure that affordable homes are also delivered on some of these sites? Those are serious questions, we would welcome answers to them and we would like to see more details of the proposals that the Government put forward on Friday.

We are facing the biggest housing crisis in a generation. In England, we are building only half the homes we need. I know we have heard from the Mayor of London—perhaps I should call him the hon. Member for Uxbridge and South Ruislip (Boris Johnson)—but in London we are building only one third of the homes we need. We have had the lowest level of home ownership for 30 years under a Government who claim to be a party of home ownership. The Government urgently need to get a grip of this problem. The result of their Budget will be £60 billion of public sector debt added because of their changes and 14,000 fewer affordable homes, according to the OBR. That is hardly a record worthy of Macmillan.

In conclusion, this should have been a Budget to support working people.

**Emily Thornberry:** What does my hon. Friend think of the fact that the housing benefit bill has gone up by 60% and that we are talking about working people here, 98% of whom are tenants in the private rented sector? We continue to have an unsustainable housing benefit bill because of the rise in private sector rents.

**Emma Reynolds:** My hon. Friend raises an important point. In this area, we spend a lot of government money—95%—on housing benefit, and only 5% on bricks and mortar and building affordable homes. That clearly is not a sustainable or wise use of public funds. The way to bring the housing benefit bill down is by tackling the underlying drivers of low pay and high housing costs, but this Government are tackling neither.

**Rebecca Pow (Taunton Deane) (Con):** I was back in my constituency this week, where I had long talks with people from my local council. They told me that in just the past year 778 new council houses have been built. That is the highest number of council houses built since the mid-1990s and it is far more than were built under Labour—and 29% of them are affordable.

**Emma Reynolds:** It is wonderful that the hon. Lady has been visiting her constituency—I was in mine, too. Since the reforms of the housing revenue account were brought forward—the last Labour Government proposed them but, to be fair, they were carried on by this Government in the last Parliament—Labour councils have been outbuilding Tory councils quite considerably.

**Boris Johnson:** The reality is, as I am sure the hon. Lady would acknowledge, that the Conservative Government are now solving a crisis that was caused by Labour. Does she accept that when the Labour Government left office in 2010 there were a net 200,000 fewer affordable homes in this country than when they began?

**Emma Reynolds:** I will not take lectures from somebody who believes that 80% of market rent is affordable for people in London, or from somebody who calls in planning applications, such as the one for Mount Pleasant in the constituency of my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), to drive down, not up, the number of affordable homes. That is not what I call a good record on affordable homes.

**Lilian Greenwood (Nottingham South) (Lab):** Having visited my constituency, my hon. Friend knows that one thing the local authorities are doing is investing in our social housing and ensuring that it is of a decent standard. Does she share the consternation of the chief executive of my local arm's length management organisation, Nottingham City Homes, who notes that the reduction in social rents will lead to a reduction in investment and a failure to invest in the housing standards that tenants would like?

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. As we have so many Members who wish to speak, we need short interventions.

**Emma Reynolds:** We will look at those proposals in detail. As for what my hon. Friend has just said, we need to ensure that social housing providers are in a position to build more homes. We want housing associations and councils to build more homes, as there is, I think we can all agree, an acute shortage of affordable housing in this country. We also need to ensure that housing associations have the funding mechanisms in place to continue to invest in their stock. One of the proudest achievements of the previous Labour Government was the decent homes programme. Those homes were refurbished some 10 to 15 years ago, and there is a continual process of investing in the existing stock.

In conclusion, this Budget should have been about supporting working people and those who want to get on, rather than about punishing hard work. It should have been about tackling the long-term challenges facing our country—the productivity challenge, the balance of payments deficit, the housing crisis, the devolution agenda and so much more. Instead, this is a Budget that will hit hard-working people on low incomes, families with children, women and young people. It is a Budget that the OBR says will result in fewer homes, not more. It is a Budget that was more about politics than economics. It is more about the short-term needs of one man whose real mission is to move next door and take over the keys to No.10, rather than the long-term needs of the country.

4.42 pm

**Robert Neill (Bromley and Chislehurst) (Con):** I normally regard my right hon. Friend the Secretary of State as one of the most generous-hearted men in politics. When I listened to the opening of his speech, I thought he was being a bit harsh on the Opposition, but having heard their reaction, I think he was, if anything, over-generous. When one of the more thoughtful Members of the shadow Cabinet is reduced to tripping out every stereotypical canard in the socialist book and attempts to take refuge in the same view that was adopted by the last Bourbon King of France, Charles X, who was wholly and genuinely convinced that the French revolution

[Robert Neill]

was a terrible aberration, and that people would wake up one day and realise that they had got it wrong and that the divine right of kings was the only answer, I realised the difficulty that any Blairite on the Labour Front Bench faces. If it is any help for the historians here, Charles X lasted three and a half years before he was got rid of. I shall be interested to see how long the next leader of the Labour party lasts.

I also felt genuinely sorry for the current leader of the Labour party. After trying to inject a modicum of realism in relation to benefits and welfare reform, she was entirely disavowed by her own party. It is rather sad when the official Opposition of this country take as their role model the ostrich. They expose their thinking parts to us and bury the realities in the sand, and the country deserves better.

**Kwasi Kwarteng** (Spelthorne) (Con): Has my hon. Friend heard anything today about the Opposition's current view on the welfare cap? Has he learned anything interesting about what their actual position is?

**Robert Neill:** Not at all. As there are probably something in the order of 230-plus different views, we could not cover them all in time. It is also rather remarkable that the Opposition have adopted an entirely different stance to elected mayors from that which I remember when I was the leader of the Conservative group on the London Assembly and facing the first ever elected mayor in this country—the first Mayor of London. I am glad to say that things have improved since then. As some may remember, the office of Mayor of London came into being as a result of legislation introduced by the Labour party. It comes back to the same trope. Why does the Labour party now regard any elected mayor as anathema? Because it was an idea of Tony Blair's, and must therefore be cast into utter darkness.

I find it truly bizarre that a normally thoughtful party that wants to talk about devolution objects to the opportunity to take up city deal models with an elected mayor. The idea has not been forced upon Labour; it is Labour's choice whether to have it or not. It was Labour that imposed more central control over local government, not just in planning, not just in terms of whether there could be a committee structure or not, not just in terms of whether a very strict and rigid standards regime was imposed, not just in terms of the comprehensive area assessment, not just in terms of planning policy, and not just in terms of financial policy and the cap. After all that, Labour had the gall to complain about an offer—take it or leave it—put forward by my right hon. Friend.

**Emma Reynolds:** I always enjoy debating with the hon. Gentleman. To clarify, we are not anti-mayor. We believe that local areas and local communities should have a say over whether they have a mayor or not. We are in favour of true localism, not imposing structures on people.

**Robert Neill:** That is useful and I regard it as a step forward. I hope the hon. Lady is able to remain in place after the leadership election. Let me explain why. With all respect to her, being on the campaign team of a

Blairite in the Labour leadership election probably makes the prospects of the ostrich pretty good in terms of species survival, so I wish her well for the future.

The Labour party has ducked the real issue, which is that my right hon. Friend the Secretary of State and the Chancellor of the Exchequer have offered genuine devolution of power to local authorities. The issue is not so much about the badge on the top of the tin, although there is a good reason for a single focal point in city areas. It is hugely important to remember that we have offered that to Cornwall too, and we are starting to see the good work of city deals rolled out to the shire counties. That should be applauded. The ability to join up adult social care, one of the principal cost pressures on top tier authorities, with the health service should be applauded by everybody in the House, not greeted with the rather curmudgeonly response that has come from Opposition Members.

**Jonathan Ashworth:** The hon. Gentleman has moved on, but may I extend an invitation to him to come to Leicester where we have an elected mayor? The opponents of that are members of the Leicester Conservative association.

**Robert Neill:** I believe there is a Blairite in Leicester. It might be too difficult for me to go up there.

It is sad that the key issues are being missed. We ought to be prepared to work across the House on opportunities to improve the offer available to local government. Whether Opposition Members like it or not, a good deal of work was done under the coalition Government and more is being done now to hand power down to local communities. That is a good thing in itself. It must be right to give significant economic drivers—London and the other major cities—the power to raise revenue and invest it more for themselves. Could we go further? I think we should, but we should recognise this as a very important first start.

**Bill Wiggin** (North Herefordshire) (Con): Will my hon. Friend give way?

**Robert Neill:** I must be careful with the number of interventions I take, as other Members want to get in, but I shall give way to my hon. Friend.

**Bill Wiggin:** I am grateful to my hon. Friend. He referred to some excellent legislation introduced by the previous Government. There is no finer bit than the Localism Act 2011, but in Herefordshire we are seeing brakes put on the powers of local people by the local authority. Does he find that happening elsewhere?

**Robert Neill:** Sadly, it does happen. One of the disappointments I have had is, I am sorry to say, that local authorities have been slower than I would wish in putting in place up-to-date local plans. There is a good deal more movement on that than previously, and I hope that the political certainty we have since the general election will encourage local authorities to move forward on that. I hope we can do more to encourage the uptake of neighbourhood plans, which my right hon. Friend pioneered and which offer a chance to give granularity to local communities' involvement.

We should look again at the sort of fiscal incentives we can offer local authorities to support growth. The new homes bonus is important, as is the ability of cities like Manchester to retain 100% of the uplift in business rates. Personally, I think we should aim by the end of this Parliament to make that the norm across the country, rather than the exception. Those are the things that we ought to be talking about, rather than re-running history.

We need to offer other incentives in the housing field. A great deal more needs to be done. There is an issue with skills in the construction sector. When I talk to people in the sector, they tell me that as well as the planning side, which we can tackle, we need the skilled trades—the carpenters and the bricklayers, the supply systems. The Government are tackling that through their apprenticeship schemes, and we need to push that forward with great rigour. We need to ensure that the planning system deals not only with housing issues, but with the need to supply aggregates and other materials that are critical to the building trade. I hope we all recognise that we should be ruthless in prioritising building on publicly owned land. Today we had—I congratulate my hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson) on this—the first meeting of the London Land Commission, which is bringing forward something that has been mooted for a very long time.

I shall say one more thing about London. Devolution to other cities is welcome, but I hope that the Government do not think that means London has had enough devolution. I say that not only as a London MP but as joint chair, alongside the hon. Member for Croydon North (Mr Reed), of the all-party group on London. The truth is that London, as a major powerhouse, can and should have further fiscal devolution. I commend to hon. Members a thoughtful piece in today's *Financial Times* by Professor Vernon Bogdanor, in which he writes that it is important that our major cities and powerhouses have devolved powers. I am very happy for them to have elected mayors, but the developer will ask not only "Have you got a mayor?" but "Can you give me a tax incentive? What breaks can you give to make it attractive?" I hope that we can build on that, too.

The Budget presents great opportunities for local government. Let me end by pressing one final reform upon my right hon. Friend the Secretary of State. We have done a great deal to boost the structural arrangements and we have started on the right track in relation to fiscal devolution. I hope that we can do more to encourage the supply of housing through the various initiatives I have suggested. The final thing we need to do is deliver infrastructure planning more effectively. One thing we could do is have a serious reform of compulsory purchase legislation, which is overdue, and which I have talked about before. It will be the work of a Parliament, but it is worth starting now. I think we could achieve cross-party consensus on that, because delivering the underpinning roads, rail and other infrastructure will speed the sustainable delivery of housing, which is critical.

My constituency was once represented by Harold Macmillan. I can tell hon. Members that he would have been very proud of my right hon. Friend the Secretary of State and of this Budget.

Several hon. Members *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. Before I call the Scottish National party spokesperson, I warn Members that a six-minute time limit will apply after this speech.

4.53 pm

**Alison Thewliss** (Glasgow Central) (SNP): It is a dubious honour to be called to speak in this Budget debate—not because I am not keen to speak on behalf of my party and my constituents, but because so many things about it still upset me deeply. I raised the issue last week, but I have yet to receive an answer on the provision set out at the top of page 88 of the Red Book. Specifically, what kind of system will the Department for Work and Pensions and Her Majesty's Revenue and Customs introduce to ask women who have been raped to prove it in order to qualify for child tax credits? I still seek clarification on that appalling clause, and I hope that the Secretary of State will eventually be able to give it. I know how hard my constituents and people across these islands will be hit by the Budget. I stand here on behalf of my party to do my best to represent them and fight their corner today. I will speak first about the impact on communities, and then I will discuss investment and city deals.

The Secretary of State for Work and Pensions once claimed he could live on £53 a week. I am not clear whether he tried, but I know that more than 480,000 people signed a petition asking him to do so. As Members of this House, we are comfortably off. Even if we were suddenly to lose our jobs, as so many hon. Members' colleagues in Scotland did in May, I suspect that none of us would starve. That is not the daily reality of life for many people across the United Kingdom today. Even when people are in employment, they do not earn enough to live more than hand to mouth. We in this House do not have the right to pull up the ladder and leave them behind. Let us be in no doubt—this is not because our lowest-paid do not work hard enough. Many work extraordinarily hard for long hours doing difficult, dirty and dangerous work. They need our support and they need our respect. Most of all, they need fair pay—a real living wage, not some hastily badged imitation—and access to Government support mechanisms such as tax credits to help them live with dignity. This Government should apologise to the Living Wage Foundation for stealing the campaign it has worked so hard to build.

I was glad to hear of the shadow Secretary of State's conversion, because an Opposition who oppose opposing are no good at all. I urge all Labour Members to remember the toil of many people in our country struggling to make ends meet when they consider backing the Tories' Budget. Those people elected Labour Members to stand up for them, not for the Secretary of State.

This Tory Budget has been assessed by groups such as the Fawcett Society as being disproportionately hard on women. The Fawcett Society considers that this Budget gives with one hand and takes away with two, stating:

"Women are going to be pushed further into a poverty trap following a Budget that offers little to help them increase their income... We fear that many more will find themselves in a low benefit, low wage situation that is increasingly difficult to escape."

The House of Commons Library says that, since 2010, 85% of the £26 billion-worth of cuts made to benefits, tax credits, pay and pensions has been taken from women's incomes. That is unacceptable. I ask all feminists in this House to consider it very carefully.

[*Alison Thewliss*]

The communities I know best are resilient. They look out for one another and make sure their neighbours are okay. They collect for food banks. They donate what little they have to ensure that their vulnerable neighbours are looked after. The sharp increase in food banks in this country is a stark example of a community response to crisis. Visits to food banks increased from 25,899 in 2008-09 to 1,084,604 in 2014-15, according to the Trussell Trust's figures. This speaks to a crisis in our policies in this nation and a very human response by ordinary people to that crisis. We should not have a requirement for food banks in a wealthy nation such as ours. Being ahead in our GDP and our status is not important when people are starving.

What shocks me most is the role of our social security system in forcing people to use food banks. The Trussell Trust's figures show that just shy of 30% of people are using food banks because of benefit delays: families cannot feed themselves because of an administrative problem. That is absolutely unacceptable and shameful. Twenty-two per cent. of people use food banks due to low income. These people have jobs, but because of their pay and the uncertainty around zero-hours contracts they do not earn enough to eat. This is not right. We must act and not accept the Tory narrative, shake our heads, and throw up our hands.

The benefits statistics from advice agencies such as the citizens advice bureaux show further evidence of an unfair system that exacerbates the poverty in our communities. In the category of benefits, tax credits and national insurance advice, one single citizens advice bureau in the Bridgeton area of my constituency saw an increase in its caseload from 4,092 in 2011-12 to 7,266 in 2014-15. Its evidence shows that delays are built into the social security system at every stage, through application, mandatory reconsideration, and appeals. When people are supported by agencies such as the CAB, they are far more likely to be successful in those appeals. That clearly speaks to a system that is off-putting and difficult to navigate; it is not people-friendly. On Friday I learned of a person who waited over a year for his personal independence payment case to be processed—a whole year, for someone who needed support more than most. Who picks up the pieces? Neighbours, friends, churches, and community organisations filled the gaps when this Government forced citizens to the brink. The Government's Budget undermines people's sense of community and puts unsustainable strain on the vital services so many rely on.

I have seen the impact of cuts to local government over the past few years. During that time, the Scottish Government have done their utmost to protect local government from the worst of the cuts it has faced, but decisions have already resulted in significant detriment to services. Cuts were made to the flesh, with efficiency savings, reductions in office costs, and the need to work smarter. Cuts were then made to the muscle—to the staff—

**David Rutley (Macclesfield) (Con):** I am listening to the hon. Lady with interest. Does she believe that there is any room at all for reform of the benefits system or the welfare approach to encourage more people to get into work, or support them into work, or is everything perfect in Scotland?

**Alison Thewliss:** When the powers this Government have force people into poverty and do not help to support them at their time of need, I say that that is a crisis and that we are hamstrung in our ability to help people. This Government expect the Scottish Government to mitigate the worst of their policies, but we should not exist to do so. Give us the powers, and we will do what we can.

Cuts have now come to the bone. Service provision has been removed, including things that make no logical sense to cut because such low-level interventions save money down the line. Sheltered housing services, which keep the elderly active, and services such as the Glasgow Association for Mental Health, which prevents those with mental health problems from slipping into crisis, have had their funding removed. This makes no sense: we can spend to save by investing at a certain level, but the cuts now mean that local government has to make such choices.

I do not know what the full impact will be of cuts that are starting to amputate huge chunks of our local bodies, but I very much worry that they will threaten the life of the patient. Local government serves both a social and an economic purpose, and the shrinking of public services takes well-paid and useful jobs out of areas and damages small business. In the past few days, the Local Government Association analysis has suggested that a £3.3 billion cut in 2016-17, or some 12%, will mean potentially devastating choices in many areas. These are not arbitrary cuts or figures on a balance sheet; they affect lives.

The proposed housing changes will have a significant impact. In Scotland, we take the attitude that a house is a home. That does vary depending on whether someone's house is a bought house or a rented one. I know from my case load that a social rented home in Glasgow is very desirable indeed. The huge numbers on housing waiting lists highlighted by organisations such as Shelter certainly seem to bear that out.

A lot of what has been said in the Budget seems to assume that markets will take care of the housing crisis in this country, but I would turn that contention on its head. The commercial rental market has driven up rents to the point at which people on average or even generous wages cannot afford to live, particularly in this city.

**Richard Fuller:** The acting leader of the official Opposition has said that their goal is not to oppose just for the sake of doing so. The hon. Lady has not mentioned anything in the Budget with which she agrees. Does she disagree with the acting leader of the Opposition?

**Alison Thewliss:** The hon. Gentleman will find that the Scottish National party takes its own stance on many issues and does not follow the Labour party.

The problem with market rents is not, as the Red Book implies at paragraph 1.154, with social rents. I believe that, by and large, council and housing association rents are fair, not subsidised. I was glad that the shadow Secretary of State mentioned the proposed pay-to-stay policy, and I agree with a lot of what she said on that. The policy will drive people out of the communities they call home, push out key workers on modest salaries and all but ghettoise swathes of our towns and cities. The proposals are unfair in that local authorities will not see the benefit of the policy, because their share

from increased rents will go back to the Exchequer, while local housing associations get to keep the funds. If the Government insist on pursuing this daft policy, they should at least give an even playing field to all housing providers to allow them to invest in new housing.

I note that there is a proposal to end so-called lifetime tenancies. Long tenancies can contribute positively to the fabric of our communities by ensuring that people stay and make their lives in an area and that they belong to it. They are part of what make renting with a housing association or a local council attractive, as opposed to the uncertainty of the private sector, where people have to move all the time.

**Andrew Bridgen:** The hon. Lady is making her case, but is there anything in the Budget with which she agrees? Does she support the new national living wage and the cut in rents for housing association tenants?

**Alison Thewliss:** I have made it abundantly clear that it is not a living wage; it is a rebranding of the national minimum wage, and it is not good enough. *[Interruption.]* Would Government Members give me a break?

Long tenancies give a degree of certainty and reduce costs to housing providers, who know that a tenant is there for the long term and do not constantly have to manage the turnover of stock. That is costly for housing associations and local councils to manage, so knowing that a tenant will stay reduces their costs. The Government should think very carefully about this policy's impact on well-established and strong communities.

This Government seem to be making a further attack on the social rented sector and its tenants, following the distress caused by the bedroom tax. The Joseph Rowntree Foundation has found that only 6% of affected tenants were actually able to move, and that 50% of those who did not move fell into arrears. I am glad that the Scottish Government were able to mitigate that, but it is another example of a policy built to deal with a London problem that did not exist in Scotland, and which simply punishes people for their circumstances. The Scottish Government should not exist simply to mitigate the policies of another Government. That is unfair and unsustainable.

The Government are also in real danger of undermining their own work on city deals. One of the intended outcomes of the Glasgow and Clyde Valley city deal is to help long-term unemployed people back to work, and if the actions of this Tory Government undermine that by slashing benefits and making life harder for people who are looking to work that will undermine the potential success of the deal. We must co-ordinate and work together. We need job-creating powers in Scotland and more than the simple power to mitigate the wrongheaded approach of this Government.

Although I say that, the hon. Members for North West Leicestershire (Andrew Bridgen) and for Bedford (Richard Fuller) will be glad to find that I welcome the further development of city deals in the Budget. They will go some way to redressing the imbalance in the UK economy, and not before time. Looking at the rhetoric about the northern powerhouse, I would suggest that it is perhaps a final admission of the fundamental failure of the UK economy. London is indeed the giant suction machine that the former Business Secretary spoke of, and the map on page 67 illustrates that investment

in the south and east of England is focused through the prism of how best to serve London rather than to build up those areas in their own right and advance the economy.

I have attended Adjournment and Westminster Hall debates on city deals for Aberdeen and Cardiff and I listened with great interest to the debate on elected mayors. I have also followed discussions on the Cities and Local Government Devolution Bill in the other place. I am keen to see the development of deals that meet local needs and have been disappointed in some of those debates to find that the wishes of local people seemed to rank behind the pet project of some local authorities and the requirements of business. If more powers come to cities, it should be to serve the ambitions and priorities of local people to raise their opportunities in life and to make things better according to local demands. They must also be the devolution of funding to match those powers, as devolution and the reform of local government cannot be a cover for passing on cuts.

I am of course delighted to see continued commitment to the city deal for Glasgow and Clyde Valley, which the UK Government established in partnership with the Scottish Government, each putting in £500 million, with £130 million coming from the eight local authorities involved. I hope, too, that the deal will involve listening to local people. It is early days and the work of the joint board is just getting under way. I commend the fledgling city deals for Aberdeen and Inverness, which are mentioned in the Red Book, and ask that attention be paid to potential deals in Scotland's other cities.

In considering city deals, we must also consider how we support areas outwith large conurbations. Rural areas should not be left behind, and if they are it will only exacerbate the difficulties of rurality. The approach in Scotland has been about collaboration through the Scottish Cities Alliance rather than cutthroat competition, and I believe that that is more productive. Setting regions against one another and failing to seize the opportunities to make links will only waste money in the long run. I note with interest that an Oyster-type system is being considered for Manchester. That is of course welcome, but it should not operate in a way that builds barriers between different regions. There is much opportunity for interoperability rather than running in entirely different directions and I note with some concern the comments made by the hon. Member for Bromley and Chislehurst (Robert Neill) about incentives for businesses. If we are not careful, that could lead to a race to the bottom on standards in different areas.

I would also guard against the temptation to reach for shiny prestige projects at the expense of more sustainable projects that benefit local communities and urge that further attention is paid to the importance of community benefit policies within public contracts. They were used effectively in Glasgow during the Commonwealth games and on other projects and are a simple way to ensure that local people get jobs, training and investment in every large or small infrastructure project that comes along.

A Westminster Hall debate last week touched on the fact that elected mayors had been rejected in some areas in local referendums. It would seem to me to be unwise to overrule that democratic right, but the Under-Secretary of State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones), said:

"I reiterate that where there is a request for the ambitious devolution of a suite of powers to a combined authority, there must

[Alison Thewliss]

be a metro mayor, but no city will be forced to take on those powers or to have a metro mayor, just as no county will be forced to make any governance changes.”—[*Official Report*, 9 July 2015; Vol. 598, c. 187WH.]

That seems to make no sense and to disrespect local democracy. People can have the funding, but only if they have the mayor. If people do not want a local mayor and think that the power is better vested in their local authority and local democracy, the Government should respect that. Members might also like to note that there is no such obligation for the Glasgow and Clyde Valley plan to come with an elected mayor.

**Robert Neill:** The hon. Lady is making an interesting point, but if she trusts local authorities in that regard it is legitimate to trust them to vary certain levels of taxation within an area and to increase their prudential borrowing against a revenue stream. Would she support us on such measures?

**Alison Thewliss:** Having come from local government, of course I trust it to do those things, but it should not be forced with a gun put to its head.

I will close by asking the Secretary of State to reflect on the purposes of power being devolved, and on how best we support local communities. People will be unsurprised that we in the SNP reject the austerity agenda, and the people who voted for us support our policy. That austerity agenda has already led to so much damage to the fabric of our communities, and there is only so much that people can take.

**Several hon. Members** *rose*—

**Mr Deputy Speaker:** Order. I remind Members that there is a six-minute limit on speeches.

5.10 pm

**Oliver Colville** (Plymouth, Sutton and Devonport) (Con): Thank you, Mr Deputy Speaker, for calling me to speak. It is a pleasure to serve under you for the first time in this Parliament.

This Budget debate is on local growth. It is a real delight to be able to continue to speak up for my Plymouth, Sutton and Devonport constituency as its MP after a hard-fought campaign. I am also delighted that my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer) won the neighbouring seat and that he will join me in speaking up for Plymouth in this House. He, my hon. Friend the Member for South West Devon (Mr Streeter) and I will be a formidable force, speaking up for our great city.

Plymouth has a global reputation for marine science engineering research. Yesterday, I was delighted to be able to go to St Andrew’s church to commemorate sea Sunday, which is an incredibly important part of our heritage.

Plymouth is a significant home for the Royal Navy. It includes Devonport dockyard, which is the base for the refitting and refuelling of the UK’s nuclear submarine fleet, and the deep maintenance of our surface ships. It is also home to 3 Commando Brigade at Stonehouse; Royal Marines Tamar, which hosts the amphibious capability and the Royal Marines; HMS Drake, which

base ports seven Type-23s; HMS Ocean; HMS Bulwark, which I was on last Thursday to welcome the crew back from their activities in the Mediterranean and dealing with Ebola; HMS Albion; and HMS Protector, which is the Antarctic survey ship. In addition, 29 Commando Regiment Royal Artillery is based at the Royal Citadel, in which both my hon. and gallant Friends the Members for Plymouth, Moor View and for Filton and Bradley Stoke (Jack Lopresti) served before going out to Afghanistan to support our country.

Although the Royal Navy’s presence is the cornerstone for Plymouth’s global reputation, we are also delighted to host the national aquarium, Plymouth Marine Laboratory, the Marine Biological Association and, of course, Plymouth University, as well as Princess Yachts, all of which are key economic drivers and deliver not only growth but employment.

Before the election, the Government released land in the dockyard as part of the city deal, to create a maritime industrial production campus that will create at least 1,800 new jobs. I pay special tribute to my right hon. Friend the Secretary of State, who has worked so hard to make sure that we deliver that city deal. That has been a major assurance. In the March Budget, the Chancellor announced that this land would be given enterprise zone status subject to an acceptable business case being made. I hope my right hon. Friend the Secretary of State will tell us what progress is being made and that he has received the information required to press on with this project, which will deliver the city deal much quicker than might otherwise be the case.

As my right hon. Friend knows, Plymouth is a low-wage, low-skills economy. Some 38% of the people who work in the city are employed in the public sector. I understand that those public sector employees receive a 13% premium over their private sector equivalents. In the run-up to the 2010 election, Plymouth was considered to be one of the most vulnerable places and it was thought that the reductions in public expenditure would result in significant increases in unemployment. I thank my right hon. Friend the Secretary of State for Work and Pensions for ensuring that that situation was handled in a sensitive manner, which has resulted in a 42% reduction in the claimant count over the last five years.

I remain fully committed to making sure that we rebalance the Plymouth economy and that we never again find ourselves facing such a threat. Key to that is ensuring that we have more apprenticeships. We need more apprenticeships on top of the 5,000 that the coalition Government created, and the largest urban conurbation west of Bristol also requires better transport links to and from the rest of the country. The situation in February 2014—whereby storms led to us losing our railway line at Dawlish and being cut off—must never be allowed to happen again.

I therefore very much welcome the Government’s commitment to invest £7 billion in the south-west’s transport infrastructure, including in the dualling of the A303 and the A358. Unfortunately, the Labour party said in the course of the general election that it would not dual the A358. I found that disappointing and it demonstrated what that party is about. Progress is being made on improving our railway network. I would be most grateful if my right hon. Friend the Secretary of State for Transport made a statement to the House in the near future on the progress that is being made to

ensure that our economy can flourish. It is only through investment in skills, training and transport infrastructure that we can deliver our promises and continue to rebalance our economy.

Finally, I remind SNP Members that the Conservatives now have more than 50 Members of Parliament in the south-west. They might like to note that we are on the Chancellor's side, whereas they are interested in opposing his policies. That is why we need a Conservative Government who continue to deliver for the south-west and to deliver growth.

5.16 pm

**Mr Pat McFadden** (Wolverhampton South East) (Lab): Budgets, perhaps more than anywhere else, are where rhetoric meets policy. Rhetoric is an inescapable part of politics, but Budgets are the hard end of policy, where we decide our tax rates and revenues, decide on the benefit position and hear about the national accounts. I will spend the few minutes allocated to me discussing those two sides of the Budget.

First, when the Conservatives were elected in 2010 as the lead partner in the coalition, they pledged to get rid of the deficit in five years. We fought that election on a pledge to halve the deficit in five years. That policy was derided as the height of fiscal irresponsibility, but what the Chancellor announced in his Budget last week was that the Government had halved the deficit over one Parliament. They followed the Darling plan, rather than the Osborne plan when it came to the reality of deficit reduction in the last Parliament. They claimed success for their deficit reduction plan, but it was so successful that it now requires austerity for two Parliaments, rather than one.

Secondly, there is a clash between rhetoric and policy in respect of the next five years. The Conservatives fought the election just a couple of months ago on what the Office for Budget Responsibility described as a "rollercoaster" pattern of public expenditure cuts, with the deficit to be eliminated in 2018-19. Yet last week it was announced that the rollercoaster had been ditched, deficit elimination was to be put back a further year and there would be a smoother path of deficit reduction. Again, that is much closer to the plan on which Labour fought the election.

The third area is the mixture between taxes and cuts. The Conservatives fought the election saying that there was no need for tax increases at all and that the deficit would be dealt with entirely by expenditure cuts. Yet this Budget has been audited independently and it will result in a net increase in taxation of £6 billion a year—exactly the kind of plan that they would have denounced at the election.

**Mr Robin Walker** (Worcester) (Con): Does the right hon. Gentleman not welcome the fact that the Budget closes tax loopholes and helps to make our tax system fairer? Surely that is something that we can unite across the House in supporting.

**Mr McFadden**: I do welcome parts of the Budget, but I do not welcome a party fighting an election on a platform of denouncing one set of policies and then adopting them right after the election.

To continue with my list, the Chancellor's most blatant example of shopping around was lifting wholesale the plan to deal with the tax status of non-doms—something that was never mentioned by the Conservative party until we raised it in the election campaign. Fifthly, we fought the election on a plan for a staged increase in the national minimum wage over this Parliament—another policy that has been adopted by the Conservative party.

There are parts of the Budget that I welcome, particularly those that the Conservative party roundly denounced when they were being voiced by someone else before the election. However, it is not all agreement, because we have to consider the Budget in the round rather than just individual measures that we agree with. We cannot agree with a Budget that has been denounced as regressive because it attacks the incomes of the working poor, leading 3 million families to lose £1,000 a year. That will cause real hardship for families in my constituency and in many others like it. We cannot agree with priorities such as increasing the inheritance tax threshold for people who already have assets, while at the same time abolishing student grants, which are targeted at low-income families, making it harder for young people to pursue higher education and gain the opportunities that they deserve.

We also have to question the abolition of housing benefit for people under 21. I recently met the YMCA in Wolverhampton, and many similar charities deal with the most vulnerable young people. How will the Government ensure that those young people are not forced into destitution, and that the work of such excellent charities is not destroyed by the change?

Overall, the Budget is regressive. It is not just a march on to Labour territory, as we have read in recent weeks, but a plan that will attack the working poor and hurt incentives to work rather than increasing them. As we have heard, being in opposition is not just about blanket opposition. Shouting "Fight the cuts" is not enough. If we did not learn that over the past five years, we should certainly learn it now. Our attitude to the Budget should be to welcome the parts of it that are stolen from us and that we can agree with, but to oppose firmly the parts of it that are not in the interests of the country and our constituents.

Looking forward, the next few years will not just be about the fiscal path. They will be about equipping young people for the future, because too many of them are denied opportunities; about making sure that an economic recovery can be shared by every part of the country, not just based on a property-fuelled boom in one part of the country; and about our place in the world. On all those issues, we will be a sensible Opposition. We will not abandon the ground that we hold because the Conservative party walks on to it, but we will stick up for what we believe in and oppose firmly and with determination where it is deserved.

5.22 pm

**Anne Marie Morris** (Newton Abbot) (Con): The Prime Minister has a vision—a vision of one nation—but recognises that it must be built from the bottom up. I applaud the view that devolution is the way forward, and I very much look forward to the creation of the south-west powerhouse.

**Oliver Colvile:** Does my hon. Friend agree that if Cornwall is to be given devolution, it should have to work with all of us in the south-west?

**Anne Marie Morris:** I have no doubt that it will.

Before the election, the Government set out a six-point plan for the south-west. They said that we needed to increase the long-term growth rate; sustain job creation and create 150,000 more jobs by 2020; transform connectivity, by which they meant transport and broadband; support the region's key industries, defence and high technology; boost science and promote skills; and support tourism. That was a great agenda, but let us see how it has been delivered on.

The Government have a good record so far, and the measures in the Budget show a degree of promise. On growth, as my hon. Friend mentions, there is the prospect of devolution in Cornwall, and I am absolutely convinced that Devon and Somerset will be looking at exactly the same thing. We have a number of key enterprise zones—Plymouth has been a great success story, and my local enterprise partnership, the Heart of the South West LEP, had an incredible settlement under the local growth fund. We get £103 million in 2014, one of the top 10 awards, and £65 million in 2015, the top award. That is great news.

On job creation, the south Devon link road will produce 7,960 jobs, and the growth deal will deliver 13,000. The city deal in Plymouth will deliver 9,000 jobs, which is great. Unemployment has fallen. In the south-west in 2010 it stood at 83,769; in 2015 it is 38,410. There is the same good story for youth unemployment. In 2010 it was 22,525 in the south-west, and in 2015 it is 8,250. That is a great result.

On connectivity, rail is dear to my heart and the railway line at Dawlish has been preserved, and will be preserved for the future—good on the Government! They have also promised £4 billion on electrification and more frequent trains at 140 mph. There is a new stations fund of £20 million, which is definitely good news and—best of all—we look forward to a dedicated south-west rail franchise. Great!

On the roads, the story has also been good, and as has been mentioned, £7.2 billion has been spent on a number of projects such as the A30, A303, M5—the list goes on. We now have the road fund that was created from the excise duty changes. That will enable Devon, which has more roads than Denmark, to move forward and get some of those potholes filled. Pinch point funding has been increased by £3.5 million for local congestion. Newton Abbot welcomes that, and would love a chunk of it.

On broadband, yes there have been challenges but we got £32 million in phase 1 and £22.75 million in phase 2. Some of the highest settlements in the country were for Devon and Somerset—bring it on! Broadband Delivery UK is considering providing an extra £25 million, and in the Budget we were promised an extra £10 million for ultrafast broadband. Doesn't that sound great for those of us who live in those areas and are rather cut off? Mobile 4G connectivity is also promised, which is fantastic compared with the Labour promise of 2 megabits per second. We are doing very well. I will not say that there have been no problems, but the Government have taken some good steps forward and we will keep pushing them.

On industry, defence is key for Plymouth—as my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) said—and with a 2% promise of GDP spend we are moving in the right direction. On high tech, we have Hinkley Point C nuclear power station, and South Yard in Plymouth has been redeveloped to improve marine businesses and advanced manufacturing. On science and skills, £23 million has been put aside for new digital economy centres, and Bath will be one of them. GCHQ has already recruited 150,000 new cyber-specialists, and 200,000 more are promised. We also have science parks: Exeter, Plymouth, Bridgwater—fantastic! Better still, there will be a network of national colleges to look at the skills gap, and I am pleased that some of that will be in the south-west. For tourism, the jewel in our crown, there will be an additional £90 million for the coastal communities fund, and we in the south-west will benefit from £10 million of that. I have already benefited in Teignmouth with my Carlton theatre—good on the Government!

In general, the Government have done a first-class job, but more could be done and I am sure that they will be listening to my request, alongside those of the other 50 south-west MPs. We have a challenge with underfunding. The Education Secretary recognised that and last year gave us an extra £16 million, but health and social care is a challenge. The south-west is a wonderful place to live. Lots of people come and retire there, and many are rather elderly and the costs are significant. I urge the Minister and his colleagues in the Departments for Education and of Health to consider reviewing the formula so that we get a fair share and can properly support individuals who live in our beautiful south-west.

This is a great Budget and I commend it to the House. It is excellent for local growth in the south-west.

**Andrew Gwynne:** On a point of order, Mr Deputy Speaker. I inform the House that today I have been contacted by a police officer from Greater Manchester police regarding correspondence between me and some of my constituents about Audenshaw school in my constituency. It is not my intention to release the information requested by the police because I consider letters between constituents and me as a Member of Parliament to be confidential unless I am instructed to release them by a court. May I place that on the record and ask you, Mr Deputy Speaker, whether that is also your understanding?

**Mr Deputy Speaker (Mr Lindsay Hoyle):** The hon. Gentleman is correct in what he has said, and whether or not to release those letters is a decision that he must take, based on the information that he holds. The point is certainly on the record because we are all aware of it and people will read about it tomorrow.

5.29 pm

**Mr Iain Wright (Hartlepool) (Lab):** Productivity is the pressing economic challenge of this Parliament. Unless the country addresses productivity, especially the widening gap in output per hour between ourselves and our main competitors, wage levels and living standards will not rise, and our competitiveness and position as a leading economic nation will be severely under threat. It is welcome that the Chancellor himself has now acknowledged the issue. In his Mansion House speech on 10 June he said:

“Britain must address its poor productivity.

We don't export enough; we don't train enough; we don't save enough; we don't invest enough; we don't manufacture enough; we certainly don't build enough, and far too much of the economic activity in our nation is concentrated here in the centre of London." I hope to address all those points in my speech, and ask how the Budget will address them.

Today is the first day in debate on the Budget that the House is able to consider the Government's productivity plan, which was published on Friday. It is curious that the plan was not published alongside other documents at the time of the Budget statement, as is the norm. That suggests either that the Government fancied another hit in the 24-hour news cycle 48 hours after the Budget or that the productivity plan was not ready for publication on Budget day, and that Whitehall was trawled in a desperate attempt to scabble together some half-baked measures in order to publish something—anything—in the immediate aftermath of the Budget. Indeed, the plan is littered far too much with phrases such as "will be published shortly", or

"the government will set out more details of these reforms in the autumn."

That suggests that the productivity plan has not been thought through as much as the Government would have liked.

On the question of exporting enough, it is a huge concern that there was nothing in the Budget to help to increase the number of firms exporting, or to address the persistent structural trade deficit. The Red Book shows that that is getting worse: in 2014, exports grew by 0.5% but imports grew by 2.4%. The Office for Budget Responsibility forecast that net trade this year is going to be more of a drag on GDP growth than it predicted even in the March Budget. The Red Book predicts a widening gulf between growth in world trade and growth in UK exports in every year of this Parliament. This country is not taking advantage of the growing opportunities throughout the world, and the Government should be helping to address that.

The productivity plan states:

"The government will remodel its delivery on trade, exports, investment and prosperity".

But it does not give much else in the way of explanation. I hope that the Business, Innovation and Skills Committee can play a role in helping to shape that aim to ensure the Government meet their targets of £1 trillion by 2020 and 100,000 more companies exporting—an important aim that I am very keen to see the Government achieve, but I fear that it is looking increasingly unlikely.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): While my hon. Friend is on the subject of exports, can he tell us how he thinks withdrawal from the European Union would help our export drive?

**Mr Wright:** I pay tribute to my right hon. Friend who speaks eloquently on these matters. With regard to our largest trading partner, I certainly think that withdrawal would not be conducive to hitting our export targets. I hope that the Select Committee will look at the costs and benefits to British businesses of EU membership, which will be important in the run-up to any referendum.

On the matter of there being enough training, the apprenticeship levy is a welcome step, although businesses, training providers and learners need more clarity. The

Red Book says that the levy will support all post-16 apprenticeships in England and that

"firms that are committed to training will be able to get back more than they put in."

What will that mean in practice? Given that the apprenticeship levy will be confined to large firms, will small and medium-sized businesses—which often find it difficult to train apprentices on the grounds of size, capacity and uncertainty over the order book—also benefit from the "get more out than you put in" principle? What happens to excellent large companies that are already exemplary when it comes to apprenticeship training, such as Nissan—in my region—Rolls-Royce and Airbus? Will the levy apply to them? I think it will and, if so, will the levy be used to cascade skills through prime companies' supply chains, so that entire sectors are as competitive and productive as possible?

I mentioned Airbus a moment ago. The Red Book states that the apprenticeship levy applies in England, so how will it take into account large companies such as Airbus, which has a multinational operation throughout the UK, including at Filton in England and Broughton in north Wales? Will the levy apply to trainees in Filton in the south-west of England and in Broughton in north Wales? In addition, how does the levy link in with existing post-16 provision of education, skills and training, particularly in relation to further education cuts, which undermine colleges' capacity to provide the training that firms want? Does the Minister anticipate that the levy will offset in full the proposed cuts to further education provision?

On the matter of investing enough, I really want to praise the Government on the measure to make the annual investment allowance permanent and at least £200,000. This is a very welcome step to encourage more firms to invest, with certainty in the long term. Hopefully, it will do much to boost productivity. However, more could be done to encourage innovation, product design, development and manufacture here in the UK. I would therefore have liked to have seen consideration of the expansion of the R and D tax credit, too.

To make us more competitive and productive, it is essential that we have a modern infrastructure. The Red Book and the productivity plan both prioritise road building. There is also mention of airport capacity and broadband connectivity, but for an island nation there was a striking omission. UK ports handle about 95% of all UK import and export tonnage, and 75% of all trade by value. Our ports are vital to our export capability, yet I find it odd that there was no mention of them in the Chancellor's statement. Will the Minister explain how ports will play a part in boosting productivity? What do the Government intend to do to ensure our ports are as competitive as our rivals' ports across the continent?

I am keen to see this country at the forefront of innovation, business creation and growth, and for the Government to provide a framework for competitive and productive firms employing highly skilled and well-paid employees. Where the Government have done the right thing to help to achieve that, such as with the annual investment allowance, I will say so, but I am afraid the Budget does not do enough of what is needed to address our massive productivity challenge.

5.37 pm

**David Warburton** (Somerton and Frome) (Con): May I say what an extraordinary privilege it is not only to speak for the first time in this House, but to follow so many eloquent, lucid and persuasive maiden speeches over the past few weeks? They all make my job a lot more difficult.

My predecessor, David Heath, is a hard act to follow. He was a Member of Parliament for 18 years, and a Minister and Deputy Leader of the House in the previous Government. He served in this place with great experience and distinction and he served his constituents with great loyalty and care. I was delighted that I did not have to fight an election against him. It is not for me to say, but it may well have been because of that that we managed to turn what was a long-held Liberal Democrat seat into a Conservative seat with a majority of more than 20,000. It is also not for me to point out that, because of the far-sighted and very intelligent constituents of Somerton and Frome, that represents the largest Conservative swing in the country. I say Conservative swing, because I know there are Scottish Members for whom an 18% swing is pretty small beer.

This was an extraordinary election. It has thrown up an extraordinary opportunity for all of us, as we have been hearing during this Budget debate. It also presents a great opportunity for the west country. It was 1,066 years ago that an earlier form of Parliament, the Witan, sat at Somerton in my constituency, which proves that Somerset has a parliamentary tradition some three centuries older than the modern building that we find ourselves in today. I say that because if the unhappy occurrence of having to pack our toothbrushes and Order Papers and decant to the provinces arose, Somerton would be only too pleased to welcome us back. If that did happen, perhaps it would provide an opportunity for us to get the connectivity for which we have been waiting for so long in Somerset. My constituency is 640th out of 650 when it comes to broadband access, which means that about 140 towns and villages are all stumbling along on 1990 dial-up style retro-internet connections.

Let me take Members on a little tour of my constituency. It starts with the suburbial villages outside Bath, goes down past exciting Frome and the Mendip hills through burgeoning Bruton, racing Wincanton, ancient Somerton, blossoming Langport and on to the Somerset Levels and red-brick Martock—and, of course, the village of Muchelney, which became the island of Muchelney during the Somerset floods last year. That iconic view of the marooned village of Muchelney stands for much more than just the floods. Many people in my constituency in the past felt rather cut off and rather distant—set aside from the machinery of economic growth. That is something that I am glad that the Government are now beginning to address through the Budget.

A flurry, or perhaps more a flood, of activity has been aimed at the south-west, as my hon. Friend the Member for Newton Abbot (Anne Marie Morris) mentioned. We have the dualling of the A303, enormous amounts of investment and railways coming in, all of which will elicit huge yelps of excitement from my constituents—and perhaps reverse some of the exodus of youth that we have seen. About 75% of young people are running away and leaving Somerset, so I hope we can begin to bring them back.

It starts with education. One of my predecessors as MP for Frome was Thomas Hughes, who hon. Members will know as the author of “Tom Brown’s Schooldays”. Although I hesitate to mention Flashman on the Conservative Benches, he was a strong advocate for universal education, and we cannot have universal education without fair funding for rural schools—so I will be fighting for that.

Let me finish by citing another former constituent, Walter Bagehot, who said:

“The great pleasure in life is doing what people say you cannot do.”

Those are the words that have led me here and are the words with which I hope we can lead the west country forward.

5.43 pm

**Ian Paisley** (North Antrim) (DUP): I commend the speech of the hon. Member for Somerton and Frome (David Warburton). I have spent a career doing what a lot of people told me I could not do, and I shall certainly continue to do so. I wish him well as he fills the big shoes of his predecessor. I hope things go well for him in this House.

I welcome the aspirations set out in the Budget statement. I believe that this Government are committed to balanced growth, to increased productivity and living standards and to make work pay. I welcome, too, the 2% commitment to defence spending. That is most welcome as something for which we campaigned strongly during the election campaign.

The Budget missed many points that the Government could have delivered, but I welcome the ongoing commitment to reduce corporation tax. That is a welcome stance, as I believe in a low-tax economy, which I believe drives jobs and employment. This also sends a powerful message to the Northern Ireland Executive—that as the Government here on the mainland continue to reduce corporation tax, Northern Ireland is missing the opportunity, every day that passes, to reduce its corporation tax. We have the right and the opportunity to control it completely—to reduce it to a very low level indeed or to remove it entirely. I think that the Northern Ireland Executive has been sent the message that they should get their skates on and reduce corporation tax as a matter of urgency. In my view, it should be lower than the 12.5% that is the current rate in the Republic of Ireland, our southern competitor, but we should certainly get our skates on, given what the national rate will be by 2020 if the Chancellor continues to have his way. The cost of reducing our corporation tax will be considerably less as a result of the Budget: Northern Ireland will be saved tens of millions of pounds a year, and that in itself is welcome.

I am, however, concerned about the high rate of personal income tax throughout the United Kingdom. According to statistics from Christian Action Research and Education, one-earner families pay a third more tax than families in all the other richest countries in the world, and the tax bill of United Kingdom households with full-time mums is the highest in the world.

Other taxation issues also need to be addressed. The Budget statement made no mention of the impact of high energy prices, which could potentially drive jobs out of Northern Ireland. They are being fuelled by an

environmental tax which is set to increase from £5.6 billion to £16.1 billion. That will be very bad for Northern Ireland. My constituency contains one of the largest employers in the country, Michelin Tyres, which is a high energy user. Following the Budget, I received a letter from the company saying that energy pricing tariffs in Northern Ireland were the second most expensive in Europe, and that the cost was having a serious impact on Northern Ireland businesses. While the national Government here are holding off in regard to certain payments, I agree with the company that Northern Ireland's renewables obligation certificate system for onshore wind could be seriously detrimental to our businesses.

The Government did not take the opportunity to reduce VAT on tourism, which is one of our key employers, and drives between £400 million and £500 million into the local economy. We currently pay 20%, while our neighbour pays only 9%.

As for the welfare reform changes, I welcome the reduced cap, but I am concerned about the different cap levels in different parts of the United Kingdom. The cap is being regionalised in favour of London, and I think that that is wrong. I believe that there should be a universal reduction.

The welfare changes must now be implemented at Stormont. We are currently experiencing considerable delays. As we discuss the impact of the Budget on a devolved part of the United Kingdom, we should recognise that the crisis that Northern Ireland is facing could cause that devolved institution to crumble. The Government should convey that message, and prepare themselves for the worst-case scenario of a collapse of devolution in Northern Ireland as a result of the inability of certain politicians to do their job, to count, and to secure a settlement on welfare reform.

5.49 pm

**Mr Robin Walker** (Worcester) (Con): This is a Budget that can make a step change in the British economy. It is a Budget that can step us up a gear in terms of work, productivity and pay.

It is a pleasure to follow an excellent maiden speech from my hon. Friend the Member for Somerton and Frome (David Warburton), and a very thoughtful speech from the new Chairman of the Business, Innovation and Skills Committee, the hon. Member for Hartlepool (Mr Wright), whom I congratulate on his election.

I am delighted to be called to speak in a debate on local growth, because I believe that the first objective of the Budget is to deliver growth and prosperity throughout the United Kingdom, and particularly in places such as Worcester. If growth is to reach every part of the UK, it must be sustainable, and if it is to benefit the whole population, it must be translated into sustainably higher pay. For that, the first requirement is fiscal credibility. We need only look at Greece to see the situation countries can get into when they lose control of their finances to know that the Chancellor is right to say that if we do not control our debt, our debt controls us. As my right hon. Friend the Secretary of State pointed out in his opening remarks, that was very much the situation in the UK in 2010, but through the gargantuan efforts of the British people, British businesses and the British Government we have reduced our deficit and set out on a path to begin to pay down our debts.

The second requirement to deliver sustainable growth is security, and I am delighted that this Budget does what the coalition could never, and commits firmly to investing in our nation's security and defence with that 2% of GDP commitment.

The third requirement is productivity, and I particularly welcome the detailed productivity plan that was published on Friday. This is not before time. The UK lags behind other leading economies in productivity, and it was not a Labour spokesman but my hon. Friend the Minister for Skills who set out the scale of the challenge in his 2012 Macmillan lecture for the Tory Reform Group, when he said:

"we in the political pack must not duck the really hard economic question—which is, why have people in the low and middle-ranking jobs not been able to secure a real increase in their pay for nearly a decade? And we must not dodge the really hard answer—which is, that the productivity of people in those jobs is falling behind that of their competitors."

He concluded:

"If we want our economy to grow again, if we want our national income to be honestly earned and fairly shared...if we want to benefit from healthcare that is high quality and free, if we want to live comfortably in retirement, if we want all these things, we need to ensure that we are all a lot more productive than our competitors."

He was right to put productivity at the heart of our mission, and the Chancellor has been right to put productivity at the heart of this Budget. I welcome the plan that sets out to raise investment in skills, in research and development, in infrastructure and, most of all, in people, in order to achieve this.

We need to provide the right incentives to businesses to invest and that should become a core principle of the Government's ongoing review of the business rates system. We need to remove the disincentives that penalise manufacturing businesses from investing in value-added plant and that create an artificial shelf on business expansion for businesses of all sorts when they move from smaller to larger premises that fall just above the small business rate threshold. We need to design the system so that it supports growth and helps scale-up businesses. We should consider discounts for businesses that invest more in training their staff, and tapers to support businesses that grow through the thresholds for small business rate relief. I look forward to further updates on that important review, promised by the end of this year. This must not be seen merely as an administrative review, but rather as an important tool in the drive to provide higher productivity.

To get there, we need to improve our skills base. It has long been a truism in the post-war period that Germany does skills and apprenticeships better than us. This Government's commitment to driving up the quality and quantity of apprenticeships has begun to change that, and it is essential that this continues. I am pleased to see the drive to achieve 3 million apprenticeships by 2020 and the use of the German funding model, where large employers pay a levy towards the cost of training.

We also need to make sure that schools deliver the best possible education across the country, which means delivering on one of the key commitments of the Conservative manifesto: fairer funding for all our schools. In a time of overall budget constraint this has never been more urgent, and I look forward to seeing the detail for delivering that in the next spending review. I was pleased to see fairer funding highlighted up-front in the executive summary of the productivity plan.

[Mr Robin Walker]

One of the most welcome changes in the Budget was the creation of the new roads fund predicating vehicle excise duty revenues to investment in our roads. I recently held a debate on the vital priority of upgrading Worcester's southern link road, including the Carrington bridge, a key bottleneck in our area. Any Government committed to local growth will want to fund such projects.

We need to keep focusing on holding down the cost of travel. That is why I particularly welcome the extension of the fuel duty freeze that the Conservatives in government have now maintained over five years. So many of my constituents are concerned about this and so many businesses have told me what a massive issue it is for them that it has been something I have campaigned on in each year of my parliamentary career. Fuel costs contribute to the cost of living for everyone, whether or not they drive a car, and the price of food in our supermarkets is one of the things that would be higher and less affordable if Labour had had its way and fuel duty was higher. I also believe that the Treasury benefits from holding down fuel duty over the long term as economic activity increases.

Beyond transport, higher productivity will require businesses to have the confidence to keep investing, and the decisions to keep bringing down corporation tax and to maintain the UK's world-beating research and development tax credit offer and extend capital allowances each have a vital role to play.

**Richard Fuller:** Does my hon. Friend agree that it is not just the specific measures that are valuable to the economy? The record over a number of years of setting a trajectory of lower taxation for businesses assists all of us, creating jobs and increasing the wealth of the country.

**Mr Walker:** My hon. Friend is absolutely right about the track record of delivery and the confidence that gives business to invest over the long term.

The biggest change we can make to help people with the cost of living is to ensure they are paid better and keep more of what they earn. The Budget takes this further by delivering a national living wage. I welcome the fact that not only is this key social reform being delivered by a Conservative Government, but that the Government are taking steps to help to ensure that businesses, particularly small ones, have the help they need to deliver it. The extension of the employment allowance by a further £1,000 and the reduction in corporation tax will help to make sure that businesses can play their part. I hope the Chancellor will consider carefully how the charitable sector and the care system can be supported in adjusting to this change.

The Opposition have made much of the changes to tax credits. One would think from hearing some Opposition Members' speeches that in altering this system we were taking on a core principle of the post-war consensus and the welfare state. In fact this invention of Gordon Brown has always been problematic. As the right hon. Member for Birkenhead (Frank Field) has pointed out repeatedly, the limited resources of Government can be better used in targeted support for early intervention and in helping troubled families than in a subsidy for employers to pay low wages. The growth of its cost from

£1 billion when it was launched to £30 billion today is clearly unsustainable. The right hon. and learned Member for Camberwell and Peckham (Ms Harman), who is currently leading the Labour party, was right in thinking this is a change it should support, and it is a shame that the contenders for the leadership and those on the Labour Front Bench do not share her vision.

I welcome this Budget as a boost to local growth and look forward to supporting it in delivering a more prosperous, better paid and more productive Britain.

5.56 pm

**Jonathan Ashworth** (Leicester South) (Lab): Like my right hon. Friend the Member for Wolverhampton South East (Mr McFadden), I shall start by making a few observations about the state of the public finances.

When the Chancellor delivered his Budget speech last week it struck me that that was the fifth time he has had to come to this House and admit he has got his targets on balancing the books wrong. We all recall that in 2010 the Chancellor promised to balance the books by 2015; he failed. Just two months ago the Conservative party's manifesto told us it would balance the books by 2018-19, yet just two months later the Chancellor came to the House and told us he is now going to balance the books by 2019-20. That effectively means that since the March Budget the Chancellor has pencilled in £18 billion more in borrowing, and he is balancing the books by 2020 by changing the profile of his public spending cuts and increasing taxes by £6.5 billion. These were not figures we heard much of in the general election campaign.

Although the Chancellor is smoothing out these public spending cuts, they are still deep. Public expenditure will have been cut by a third since 2010. By 2019-20 we will have seen £19 billion in cuts and we know that a large proportion of the cuts will fall on local government. Leicester city council is expecting to find £54 million in savings per year over the next few years. It faces deep cuts but it will have to pick up the pieces of a deeply regressive Budget.

**Andrew Bridgen:** Would the hon. Gentleman support the Leicester and Leicestershire combined authority's bid that is currently with the Secretary of State?

**Jonathan Ashworth:** Of course I would support Leicester and Leicestershire working together. We have a mayor in Leicester. I am sad that Leicester Conservatives oppose that. I hope the hon. Gentleman will support me in the campaign to get the Government to deliver on their promise on midland main line electrification, which they have broken, as he knows.

**Lilian Greenwood:** Given that Network Rail's board minutes from March made reference to "decisions required jointly with the DfT re enhancement deferrals from June"

does my hon. Friend agree that Ministers need to come clean about when they actually decided to shelve that vital investment in our region?

**Jonathan Ashworth:** I entirely agree with my hon. Friend. She will recall the Chancellor coming to Derby in February to launch his long-term economic plan for the midlands, one point of which was that the Tories

would deliver electrification of the midland main line. The fact that they have now shelved it and there is nothing in the Red Book about when they are going to bring it back on track—excuse the pun—is an absolute disgrace and the Government are letting down the people of the east midlands.

I was talking about tax credits, and let me make it clear that I cannot support a Budget that spends £1 billion giving an inheritance tax cut to some of the richest estates in the country while cutting deeply into tax credits. In Leicester, the diverse city I represent, larger families are very typical and we are going to see further cuts to tax credits, which I fear will increase the already severe child poverty in our city.

A small change to tax credits that has not been remarked upon is the decrease in the income disregard, and I am worried about what it might mean. Conservative Members may recall that in 2002-03 this measure was brought in to deal with the overpayments that were plaguing the system. The problem might not now arise as the Government's IT systems may have been updated, but I will be interested to know whether Ministers are confident that this small change to tax credits will not lead to the overpayment problems we had in 2002-03.

The increase in the national minimum wage—it is not a living wage, despite what the Chancellor told us at the Dispatch Box—was a bit of a conjuring trick. It was a bit of semantic prestidigitation from the Chancellor—*[Laughter.]* I say to my hon. Friend the Member for Hartlepool (Mr Wright) that we are intellectuals in Leicester—perhaps it is not the same in Hartlepool—just ask my right hon. Friend the Member for Leicester East (Keith Vaz). It was a conjuring trick by the Chancellor—I will stick to that terminology—because he said he was increasing the living wage. It was an increase in the national minimum wage for over-25s—that is a pay increase and of course we would welcome it—but it will be interesting to see what happens to the Chancellor's gamble on whether the jobs market can withstand that increase and we will watch that carefully. That increase, however, is not going to make up for these tax credits cuts. The Institute for Fiscal Studies said that that is—

**Alison Thewliss** *rose*—

**Jonathan Ashworth:** I hope the hon. Lady does not mind, but I am not going to give way. The IFS said that that is arithmetically impossible. So when the Chancellor tried to pretend that by increasing the minimum wage he is compensating for the loss of tax credits, it was a complete conjuring trick.

I wish to make a couple of final points about trade, which my hon. Friend the Member for Hartlepool talked about persuasively. I agree that we need to do more to increase trade. I am particularly concerned about our trade with India, because we now export less to India than we did in 2010, despite the Government's rhetoric. I am particularly worried about the state of the global economy. Our current account deficit has widened to 5.9% of GDP, the OBR says that we have the largest annual peacetime deficit since at least the 1830s and we are £367 billion short of the £1 trillion goal on exports. Higher education is a great export of ours, which is why I am deeply disappointed, yet again, by the rhetoric from the Business Secretary telling international students that they should not come to this country to

study. For a city such as Leicester, which has two universities and benefits from international students, that is very damaging. *[Interruption.]* The Chief Secretary to the Treasury is shaking his head, but those were the remarks of the Business Secretary so he should have a word with him.

We know that there is a hiatus in global trade, with commodity prices falling. In the foreign affairs debate during our consideration of the Gracious Speech, I spoke about the problems of China and warned of the frenzies on the Chinese stock market, with millions of Chinese borrowing money that they cannot repay to invest in what they think will be one-way bets. Last Thursday, the Chinese stock market came to a juddering halt. After just three weeks, investors have lost \$3 trillion; there has been a 30% fall in China's stock market, with a loss in value equivalent to the UK's economic output in the last years. That could deter investor confidence across the Asian nations. We have also seen weakness in the US economy. Investing in China is not a one-way bet. Of course I support the Chancellor's move to sign up Britain to the Asian Infrastructure Investment Bank, but we will be foolish if we think that investing in China is a one-way bet.

Given these global headwinds—not just in Greece but in China—the weakness in the American economy and falling commodity prices, this Budget was a missed opportunity. In this Budget we should have seen more investment in manufacturing, in higher education, and in science and research and development. Given what we are seeing on the world stage, this Budget may well be considered politically clever for a Chancellor trying to move into No. 10 Downing Street, but I fear it has left Britain ill-prepared in an increasingly uncertain world.

6.4 pm

**Michelle Donelan** (Chippenham) (Con): Thank you, Mr Deputy Speaker, for allowing me the privilege of making my maiden speech today. It is a pleasure to speak in the debate on a Budget that seeks to enable people to work hard, get on and aspire. That is what I want for the people of Chippenham, and I am honoured to be their MP.

My constituency of Chippenham, contrary to the name, contains four towns and lots of beautiful villages. It is quite something: a varied area dripping in history and charm. Our pocket of Wiltshire is a place that residents, including myself, do not just live in, but are proud to call home. Perhaps its greatest asset, however, is its residents, who are welcoming, generous and kind.

The gateway to the south-west, my constituency is home to Chippenham town, traditionally a cattle market town based around Westinghouse, now Siemens. It also contains Melksham, a market and manufacturing town where some of the largest companies remain: Avon Rubber and Cooper Tyres. Now, however, most residents in Melksham, Chippenham, Corsham and Bradford-on-Avon have to commute out of the area for work; we simply do not have enough local jobs for local people. I will not beat about the bush: my mission as their Member of Parliament is to help make our town centres hubs once again and to support local businesses, so that my constituents can live in their constituency and work there.

[Michelle Donelan]

Corsham is famous for its idyllic high street, featured in BBC's "Poldark", but it is now an emerging digital hub, with the Corsham Institute. The town desperately needs the railway station to be re-opened, in order to support the high street and tourism, and to improve the quality of life of local residents, and I will continue to fight for that. It would be remiss of me not to stress the beauty and historic wonder one is filled with when visiting Bradford-on-Avon, a town buzzing with community spirit and passion. But our medieval town struggles from a severe traffic issue; it was built for the horse and cart and not the modern motor car. That is another issue that will remain at the top of my agenda. Our villages spread across the constituency, each with its own unique offering, with perhaps the most famous being the National Trust village of Lacock, home to Lacock abbey—or as you might know it, Harry Potter's Hogwarts.

I am privileged to follow in the footsteps of Sir Robert Peel, the founder of the modern police force and, more recently, those of the irrepressible and impressive Sir Richard Needham, the longest serving Northern Ireland Minister. I plan to serve the constituency with the same determination and passion as he did. My most recent predecessor, Duncan Hames, focused his efforts on the environment and mental health services, an issue close to my own heart. I commend his support of the community-led projects that he backed.

I hope to add to the dynamic and representative nature of the House—after all, I do come from a career in wrestling, but as a marketer, I might add! So why am I actually here? I am here as a doorman, but not in the conventional sense—let me explain. My father and my grandfather taught me the values of hard work and ambition, and I believe in a Britain where everyone can achieve and get on in life. I really do not think it should matter where you began; it should matter where you are going. To me, therefore, the role of an MP is to open doors for others along the way. Hard work and ambition are vital for success, but a good education can make the real difference—perhaps it is the most important door of all. Excellent teachers make excellent schools and every child is different, but all need inspiration, encouragement and support. School funding is vital, though, and we must move to a national funding formula as soon as possible—Wiltshire is one of the lowest-funded authorities in the entire country. Now is also a time for stability in education, but we must ensure that our education system meets the needs of our economy, our pupils and our teachers, and of the future of this country.

Vocational training needs to be pushed and promoted, with the stigma challenged. We need to continue to work towards reforming our career education, so that we actually promote the jobs that the economy needs. Expansion of the apprenticeships programme is a good first step but, above all, we need to modernise our education system, incorporating more taster business skills. We just cannot wait any more for entrepreneurs to be born. We need to help foster and develop a “can do, will do” attitude. Education in the UK needs to be more proactive and we must further enhance the link between business and charities, creating the workforce, the entrepreneurs and the volunteers we need. The answer therefore lies in a long-term education plan.

Creating opportunities covers many areas, and I will work hard during my time in this House to create a society in which everyone can achieve their dreams. As I have said, what matters is not where we come from, but where we are going. My dream was never just to get here, but to get others where they want to be. I hope that, through this role, I will open door after door for the residents of the Chippenham constituency.

6.10 pm

**Heidi Alexander** (Lewisham East) (Lab): I congratulate the hon. Member for Chippenham (Michelle Donelan) on an excellent and engaging maiden speech.

It will come as no surprise to you, Mr Deputy Speaker, that last week's emergency Budget was not the one that I wanted to hear. It was not the one that many of my constituents wanted to hear either. Although I welcome plans to abolish permanent non-dom status, to fund the NHS and to expand apprenticeships, I cannot say the same for the Government's rebranding exercise on the minimum wage, the ending of maintenance grants for less well-off students, and some of the changes to tax credits, which are a lifeline for many people in low-paid work.

I wish to focus my remarks on a subject that barely made it into the Chancellor's speech last week: the supply of new, genuinely affordable homes. Access to affordable housing is the single biggest concern of my constituents. During the election campaign, I lost count of the number of people who spoke to me about their housing problems. There were the young mums outside primary schools in Catford who had been placed in temporary accommodation three hours away from their children's school; the professional couple in Hither Green who had been renting for years and were simply unable to buy because of the soaring costs of London homes; and the nurse in Blackheath who rents a room in a flat because she cannot even afford a shared ownership property.

The housing market in my south-east London constituency is broken. It may not seem broken to the private landlords, the property developers or the rich overseas investors, but for the vast majority of Londoners, the capital is in the grip of an all-too-real housing crisis—and, let us be honest, it is a crisis. It is a crisis that has been long in the making, but one that deepened under the previous Government. Small changes to the tax relief on buy-to-let mortgages, while welcome, do not amount to the concerted action required from Government on land, on finance and on planning to solve this problem. I wish to speak about the first two of those.

In the past decade, London's population has grown by 1 million. It will grow by another million over the next 10 years. If the country's economy is to do well, London needs to do well, and for that to continue we urgently need to get to grips with the capital's housing problems. The Government must wake up to the fact that homes need to be built where there is most demand for them and where genuinely mixed and sustainable communities can be created. Automatic planning permission on brownfield sites is not the answer. We want places where people will want to live, can afford to live and which will stand the test of time.

When the Chancellor spoke at the launch of the London Land Commission earlier this year, he said that there was nothing inevitable about London growing. He was right about that and he was right to set up the commission with the express purpose of identifying

public land for housing development. But the commission cannot just be about high-rise designer apartments on the River Thames; it must be about homes for Londoners. Tackling the under-supply of genuinely affordable housing in London is not a regional priority; it is a national one. The London Land Commission should be identifying public land not so that it can be released to the highest bidder, but so that it can be used to build homes in which Londoners can afford to live.

The Government's so-called affordable housing, which is let at 80% of market rent, is not affordable to anyone on near-average incomes. All those central London hospital sites, which the Government are so wrongly intent on flogging off, should not become a "reserve currency" for the rich and international jet set—somewhere safe to park their money. Public sites should be used to provide homes for people who keep our city running—our nurses, teachers, policemen and women, shop workers and office cleaners. London will always have hundreds of thousands of people doing those jobs. Many of those jobs will never be the best paid, but those who do them need somewhere secure, accessible and affordable to live. Half of all homes built in London over the next decade should be built by councils and housing associations and be let at 50% of market rent.

Hundreds of thousands of the lowest-paid workers currently live in private rented accommodation in London. Their wages are topped up by in-work housing benefit, which goes straight to the landlord. These people do not live a life of luxury. They often live in relatively poor-quality housing, and worry about the threat of eviction. We, the taxpayer, pay their landlords—via housing benefit—so that they can live in this state of uncertainty. It makes no short-term sense for the individual and their family, and it makes no long-term sense for the public purse either.

In Lewisham, the annual difference paid in housing benefit on a two-bedroom council flat and an equivalent flat in the private rented sector is nearly £9,000. If just one extra family in receipt of full housing benefit in a two-bedroom flat in Lewisham were rehoused in a council home, the revenue saving to the public purse would be £9,000 a year. That is a £9,000 saving for one household in one flat in one of London's 32 boroughs. Housing benefit is paid on more than a quarter of a million private rented properties in London, costing the taxpayer £2.6 billion each year, up half a billion pounds since 2010.

Every single taxpayer in the country should be interested in the amount of social housing in London. When I came to this House five years ago, I said that one of my priorities would be tackling the chronic under-supply of affordable housing in London. It is clearly not a priority for the Government, but I will not rest until they make it so.

6.16 pm

**Andrew Bridgen** (North West Leicestershire) (Con): It is a pleasure to speak in a debate in which there have been two excellent maiden speeches by my hon. Friends the Members for Chippenham (Michelle Donelan) and for Somerton and Frome (David Warburton).

There has been much talk about the northern powerhouse, which is, quite rightly, a priority for this Government. I wish to talk about the midlands engine, another key priority, which is powering a significant proportion of the very welcome growth that is being

recorded under the stewardship of my right hon. Friend the Chancellor of the Exchequer. The east midlands has a higher proportion of its regional GDP in manufacturing and a higher proportion of those in employment working in manufacturing industries than any other region of our great nation.

My constituency and those that surround it are achieving some of the highest growth rates in the country, which is due in part to infrastructure investments and decisions made by the previous Conservative Government back in the '80s and '90s. The instigation of the new national forest and the development of the M42/A42 corridor have allowed my area, and many of the surrounding constituencies, to move on from our coalmining past and build a new economic model, using the huge advantage of our geographic location—at the very centre of the country—our hard-working constituents, and our minerals and other natural resources. Such advantages have seen us become a hub for distribution, which has seen rapid growth over recent years as this Government's long-term economic plan bears fruit.

This Government, in the great Conservative tradition, are laying the foundations for growth in constituencies of the east midlands. I welcome the Chancellor's important announcement that fuel duty is to be frozen again. When Labour was in power, it saw fuel duty as nothing more than a cash cow in its war on the motorist. Thank to the way in which this Government have brought the public finances under control, we have kept the price of fuel down, which benefits my semi-rural constituency. We have no railway stations, so a car is not a luxury, but a necessity. The freeze provides stability to the distribution firms in my constituency, many of which operate in a hub around East Midlands airport. It should be borne in mind that more than 80% of goods are transported by road. By keeping down the price of fuel, we are keeping down inflation and the cost of living across the country.

Thousands of jobs in my constituency are dependent on East Midlands airport, and I welcome the Government's recognition that action may well be required when air passenger duty rates are devolved to the Scottish Parliament. I believe there is a case for going far further on air passenger duty. The UK has the highest air travel tax anywhere in the world, which puts the country at a disadvantage in the global race. If the Scottish Government were to cut the rate of APD by half, the rest of the UK would be left at a severe competitive disadvantage, with English companies and families paying more to do business or go on holiday than their Scottish counterparts. That would be fundamentally unfair.

**Alison Thewliss:** It will be a terrible shame if the UK Government have to mitigate the actions of another Government. Now the hon. Gentleman might know how that feels to the Scottish people.

**Andrew Bridgen:** If the Scottish Government decided to cut APD, that would be tax competition and it would behove the British Government to respond, or we would see airports such as Newcastle and possibly Manchester put under severe pressure. I will urge the Treasury to review APD rates and consider the effects that this could have on decisions made in Scotland. I will also ask the Treasury to look at the effect of reducing air passenger duty for the under-12s and under-16s next year, which has already gone through. When a tax seen as excessively

[Andrew Bridgen]

high is reduced, that is often followed by an increase in activity. That reduction will not cost £70 million, because far more families with children will take holidays from the UK.

On the area around the airport, I welcome the fact that the Government are inviting bids for a new round of enterprise zones, as I believe a bid will be coming from my district and the local enterprise partnership to encourage growth and jobs in the area and to take advantage of infrastructure improvements, such as the dualling of the A453 from my constituency to Nottingham. This is a scheme that has been spoken about since before I had a driving licence—a long time ago—but has been delivered by a Conservative-led Government. I look forward to going, this time next week, to the opening of the new dual carriageway to Nottingham.

I welcome the progress being made on the devolution of powers, and the fact that Leicester and Leicestershire are one of the two east midlands combined authority proposal bids that the Government have received. From speaking to those involved, I know that there is great enthusiasm for and interest in this bid in both the county and the city, and I hope this can be translated into action, which will benefit all the people living in Leicester and Leicestershire.

We have a productivity gap in the UK. It should be noted that if the UK matched the productivity of the USA, GDP would be some 31% higher, equating to an extra £21,000 per annum per household. We therefore need investment in skills and infrastructure to narrow this gap, and I support the innovative move this Government are considering to deliver that. A combined authority in my county could contribute to that. Through devolution to such local bodies, we can respond to infrastructure issues and skills shortages far more rapidly and effectively than can officials in Whitehall. I look forward to funds flowing to the regions for such projects.

I welcome the Government's actions on the development of brownfield sites and on road building, which will be of huge benefit to the building and mineral industries and the two large brick factories in my constituency.

Overall, the Budget moves us another step away from the centralised, welfare-dependent client state created by Labour Governments to a productive economy based on low taxes, high skills, high wages and devolved decision making, and it gives this Conservative Government the opportunity to institute long-term economic and infrastructure decisions in the same way as the previous Conservative Government did, which served my constituency so well and laid the economic foundations that are now being built on, ensuring that the midlands engine is firing on all cylinders.

6.23 pm

**Derek Twigg** (Halton) (Lab): The hon. Member for North West Leicestershire (Andrew Bridgen) spoke about productivity, as did a number of other Members in this afternoon's interesting debate on the Budget. Productivity is a major challenge for this country, but that problem has not come about overnight. Up till now the Government have not had an answer.

As the hon. Member for North West Leicestershire mentioned, if we compare the UK with America or in some respects France, it is clear that there is a massive

difference in productivity. It is such a significant problem that it impacts on our ability to continue to grow as a country and to take the strides forward that are needed for us to become a high skilled, high income economy. That needs to be addressed, but I did not see it set out in the Budget or the later statement by the Chancellor. There is a gap in his proposals.

Manufacturing is one of our most important industries and could bring a lot of income to this country, but it has suffered greatly over the past 20 or 30 years. No solution seems to have been put forward to help our manufacturing base, although those who work in manufacturing and those who manage and lead manufacturing have some very good ideas and proposals, but for some reason the Government do not want to listen to them.

In an article last Wednesday the *Financial Times* stated:

“Manufacturing's miserable start to the year shows little sign of ending, highlighting the chancellor's lack of progress in rebalancing the economy as he delivers his Budget statement.”

I share that concern, as I still have a reasonable amount of manufacturing in my constituency. On Friday I visited Hutchinson Engineering, which is doing pretty well but could do a lot better. I saw for myself the work that that manufacturing company does and I was very impressed. The firm is an important part of our economy.

The other problem that we have had is investment. We know that companies have been sitting on a lot of cash, although there has been more investment recently in plant, machinery and IT. That has not happened quickly enough or in sufficient amounts, and I am not sure that companies have the confidence to continue to do that over the long term. We need that investment but the issue does not seem to have been addressed. It is very important to do so.

Investment in infrastructure has been mentioned by other hon. Members. Clearly, there is not enough investment in infrastructure. If one talks to business and companies, one finds that that is their view as well. We must up our game as a country, and I did not see that from the Chancellor. The Mersey Gateway in my constituency, for example, was started under the Labour Government with all-party support, and the present Government continue to support it. That is a fantastic scheme which will improve the area and ensure extra investment, but we need many more such infrastructure schemes around the country.

We have seen the Government backtracking on railway investment in schemes that were started under Labour. Investment in infrastructure is key. At a time when such low-cost borrowing is available to the Government, it beggars belief that they are not doing more to borrow in order to invest in our infrastructure and re-energise our economy.

In the time I have left, I want to touch on two other topics. The first is the Government's insistence on cutting the public sector and stopping public sector workers having more than a 1% pay rise. This Government do not seem to realise how important our public sector is to us. I shall return to that important issue.

Secondly, on tax credits, as the Budget unravelled the following day, we saw that people on low and middle incomes will be hit badly, despite the so-called living wage, which we know is a minimum wage. Thousands of

families in my constituency will suffer a loss of many hundreds of pounds, perhaps even a thousand pounds, as a result, and that is not something they should have to bear. That is unacceptable and it is one of the reasons that I will vote against the Budget.

I mentioned the public sector. I cannot understand the Government's insistence on slashing council budgets. Councils such as mine in Halton have been a major part of bringing in investment, leading to growth in our local economy over the past 20 or 30 years. It is a very important part of the regeneration that can take place in our economy, but the Government seem to want to continue to cut budgets, forcing councils into an extremely difficult position. In the not-too-distant future, councils will have real difficulty in providing even the basic services that they must provide. That will be a major problem for our country and our communities.

The Government must think again about their austerity plans and the cuts that they are forcing upon councils. It is the poorest communities, such as mine, in one of the most deprived boroughs in the country, that face some of the most difficult times because of the cuts that are taking place. The Government do not seem to care. They seem to want to write off a certain section of the population. The Budget did not have a strategic vision, it was not fair, and it did not have a plan to take this country forward. As the debate has shown, so many problems will result from the Budget that we must oppose it.

6.30 pm

**Royston Smith** (Southampton, Itchen) (Con): Thank you, Mr Deputy Speaker, for calling me to make my maiden speech. May I first congratulate you on your re-election as Deputy Speaker? I congratulate my hon. Friends the Members for Somerton and Frome (David Warburton) and for Chippenham (Michelle Donelan) on their thoughtful and eloquent maiden speeches.

It is customary for a new Member to pay tribute to his predecessor in a maiden speech, and I am not going to break that tradition today. However, rather than paying tribute to my predecessor because it is the custom and practice, I do so with genuine respect for a man who has served Southampton with distinction. The Southampton, Itchen constituency was in the capable hands of John Denham for 23 years. He has dedicated himself to Southampton residents for over 30 years, starting as a Hampshire county councillor and becoming a Southampton city councillor when Southampton gained unitary status.

John stood for the parliamentary seat in 1983 and 1987, losing to my hon. Friend the Member for Christchurch (Mr Chope) in both elections. Undeterred, he stood again in 1992, and on that, his third attempt, he managed to wrestle the seat from my hon. Friend, winning with a majority of around 500. He then held the seat in four successive elections, each time winning with a healthy majority, with the exception of 2010, when he hung on with a majority of just 192—the number will be forever engraved on my mind, because he was standing against me.

John held many and varied offices in opposition and in government, becoming Secretary of State for Innovation, Universities and Skills and finally Secretary of State for Communities and Local Government. However, he will

perhaps be remembered most for his principled resignation over the Iraq war. He was a Minister in the Home Office when he resigned from the Government because he felt that there was no international consensus on invading Iraq, and he was right. However, I do not think that even he could have predicted what happened subsequently. He finished his time in this place at a moment of his choosing, which very few of us will manage to do. He has my respect and gratitude, and I wish him well in his future endeavours.

Southampton is a medium-sized city with a population of around 245,000 multilingual, multicultural and multi-ethnic people who, for the most part, co-exist in perfect harmony. It is a port city, and it has been so since Roman times, when the first port was located in the ancient town of Clausentum, which is now called Bitterne Manor. The Pilgrim Fathers sailed from Southampton to the new world, and Henry V sailed from Southampton to defeat the French at Agincourt. It was a major embarkation port during the first and second world wars, and it was the port from which the Titanic set sail on its fateful maiden voyage.

Nearly 2,000 years after the Romans first set up a port on the River Itchen, our port continues to thrive. Last year it handled over 843,000 cars, 60% of which were exports. This year there will be visits from over 430 cruise ships handling 1.6 million passengers, and over 1 million containers will arrive or leave through our port.

Having listened to other hon. Members, I realise how lucky we are in Southampton to have a premier league football club, and a club that now holds the record for the fastest hat-trick in premier league history, scored against the Prime Minister's team when we thrashed them 6-1 in the last home match of the season.

The world-famous Spitfire, like me, was made in Southampton. [*Laughter.*] It is true. A masterpiece of aerodynamic engineering, it was designed and built in Woolston by R. J. Mitchell and first flew from Southampton airport in 1936. Due to the sheer determination of one Southampton city councillor, John Hannides, it looks like, 75 years after the Spitfire saved this country in the battle of Britain, Southampton and the nation may at last have a memorial to R. J. Mitchell's aircraft and the brave pilots who protected our freedom. For aircraft enthusiasts and historians, a trip to the city's excellent Solent Sky Museum to see the Spitfire in its home town is a must.

Wherever we look in Southampton, we see a city that is growing and improving. During the great recession, Southampton continued to expand. We have new residential and commercial premises in Ocean Village, with a new luxury hotel and spa coming soon. We have a new restaurant and leisure quarter, plans for an exciting £400 million waterfront development and a brand-new arts complex that will complete our cultural quarter, which includes the largest theatre outside London and a nationally and internationally renowned art gallery. We have two excellent universities, with 40,000 students bringing extra vitality and energy to an already buzzing city.

Southampton is an ambitious city that knows where it wants to be. It already punches above its weight, but it can, and should, be so much more. It is geographically located in the south, but in many respects it is not unlike a city in the north. Successive Governments, and perhaps

[Royston Smith]

still this one, seem to overlook Southampton's significant challenges. I see it as my job to ensure that we get our fair share of support and a more equitable local government settlement.

6.36 pm

**Ms Margaret Ritchie** (South Down) (SDLP): I congratulate the hon. Members for Southampton, Itchen (Royston Smith), for Chippenham (Michelle Donelan) and for Somerton and Frome (David Warburton) on making their maiden speeches.

The Secretary of State for Communities and Local Government said that this is a Budget for working people and families. From my perspective, and that of the constituents I represent, nothing could be further from the truth. The Budget is an assault on low-income families. It is unfair to welfare recipients, the young and low-paid workers, as my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) and the hon. Member for Glasgow Central (Alison Thewliss) have stated quite clearly. That needs to be redressed, and pretty urgently.

The Budget is most unfair to the regions of the UK that are most dependent on social security, that have a youthful population and where there is a higher prevalence of low pay. Only this weekend *The Observer* referred on its front page to a report coming out later this week from the Intergenerational Foundation showing that the gap in pay, rewards and values between the young and the old is widening, and that young people and future generations will be at a considerable disadvantage.

I mentioned the regions of the UK that are most dependent on social security and that will be gravely disadvantaged as a result of the Budget. One such region is Northern Ireland, one of whose constituencies I represent. The Budget provides for an overall transfer of wealth from the less well-off to the more well-off; on the one hand we see a benefits freeze, withdrawal of tax credit and persecution of young claimants, and on the other hand we see significant breaks for inheritance tax and taxation of share dividend income for people who are already doing well. The Budget even has a substantial tax break for big cars.

The Government's claim that "We're all in this together" collapses both at the level of the individual and regionally within the UK. At the more macro-economic level, it represents a significant transfer of resources from the poorest regions of the UK to the wealthiest.

In relation to underpinning our local economies, the Government missed a trick. Only last week, colleagues and I formed the all-party parliamentary group on the visitors economy. Part of this is about pump-priming our local economies, but, in addition, the Chancellor should introduce fiscal incentives such as changes to air passenger duty, or devolve the power to do so to the devolved regions. He should also, on a UK-wide basis, reduce VAT on tourism, because evidence from internal modelling within the Treasury shows that this would be a revenue-neutral measure.

The other key measure that would help to pump-prime the economy is the reinstatement of the aggregates levy credit scheme, particularly in Northern Ireland. I would like the Treasury to push the European Commission on

that. There is also a need for the Treasury to tell the Commission that the withdrawal of the scheme and the exemption for shale on which the construction and quarrying industry in my constituency is so dependent must be reversed. The request for the recovery of moneys from the past 12 years will place many companies and industries in my constituency at a severe disadvantage.

When we talk about this Budget, we talk about more people in poverty, more people dependent on food banks, and more people looking for other means in order to survive. Why are public sector workers facing another four years of a 1% pay increase? Why have they not been given a more significant increase? The public sector workers who give so much to our local economies are being severely disadvantaged.

The Government need to rethink this Budget. In the comprehensive spending review, they need to look at ways to prioritise spending which underpin our economy and take people out of poverty.

6.42 pm

**Maggie Throup** (Erewash) (Con): It is with immense pride that I stand before the House today as the new Conservative Member of Parliament for Erewash, working within a Conservative majority Government, making my maiden speech.

I would like to begin by putting on record my personal tribute to my predecessor, Jessica Lee, who served the residents of Erewash with great distinction. Although she served only one term, she achieved much, most notably securing the funding needed to build a new train station in Ilkeston and establishing an annual jobs fair that I now intend to build on.

When thinking about my constituency, we have to start with the question that I am sure is on the lips of all right hon. and hon. Members: where exactly is Erewash, a place that nobody can pronounce, let alone point to on a map? The answer to this conundrum is quite straightforward: it does not exist. In fact, my constituency is one of only three to be named after a river, and perhaps the only one to be named after both a river and a canal.

Like many Members whose constituencies cover more than one town, I have encountered the age-old problem of which place holds the coveted title of "top dog". As anyone from Ilkeston, or Ilson as it is more commonly known, will tell you, despite the fact that it is the second largest town in Derbyshire, and notwithstanding the fact that it has one of the oldest working cinemas in the country, or has held a royal charter for a weekly market and an annual fair since 1252, it is the southern neighbour, Long Eaton, that gets—I quote many residents—"everything". Down south, however, the residents of Long Eaton are all too quick to tell you a different but all-too-familiar story. Despite being a global leader in upholstery and furniture manufacture, and once leading the way in the production of Nottingham lace, and despite the fact that it is the birthplace of Dame Laura Knight, the famed war artist, and plays host to one of the finest silver prize bands in the midlands, it is really Ilkeston that gets all the care and attention.

Located between the diplomatic stand-off of those two towns, less than 10 miles apart, there is Erewash's smallest town, Sandiacre, as well as the villages of Breaston, Draycott, Risley, Sawley and Stanton by Dale.

Each one has its own quirks and charms. They could all quite rightly claim to be Erewash's superior settlement, and I, for one, would be hard pushed to dispute their case. So I have come up with a simple solution to this very real problem—for the sake of my political career, I have to concede that every one of them is right.

Erewash is the land of opportunity and aspiration. We make practically anything that Members care to name, from textiles, pharmaceuticals and cosmetics to furniture, drainage pipes and even beer. In addition to supplying some of this country's biggest names, including Rolls-Royce, Boots and John Lewis, Erewash is truly a global brand, with many of our engineering and manufacturing firms exporting their goods. We have even managed to design and manufacture our own unique dialect, helpfully recorded in the book "Ey Up Mi Duck!", a copy of which is available to Members in my office.

My right hon. Friend the Chancellor often talks about the midlands as the country's engine for growth. This is certainly true of Erewash, and I would go even further by saying that we are the fuel that powers that engine. However, like all constituencies, Erewash does have its challenges, and I take the line that these should not just be swept under the carpet. Ilkeston, Long Eaton and Sandiacre suffer from traffic gridlock throughout the day. The proximity to the M1 motorway and the midlands main line does not solve this problem but appears to cause even more congestion. This is bad for business and bad for Erewash. As the result of a proposed brownfield development of 2,000 houses and industrial units on the site of an old ironworks, thousands more cars will need to use our already heavily congested roads. I believe that without proper planning Erewash will become just one huge car park. We need to be bold with our vision, not just provide a piecemeal solution. That is why I welcome the announcement in the Budget to create a new roads fund, and I intend to be knocking on the Chancellor's door to get my fair share for Erewash. The same brownfield development offers the ideal opportunity for a number of starter homes to be built, helping the aspiring local people who back our higher-wage, lower-tax, lower-welfare economy to get on the housing ladder.

I come to this House not with a lifelong desire to be a politician but as a result of a series of successful community campaigns. Through these campaigns, I realised I had a choice: just continue to get on with my life or put my head above the parapet. I shall continue to use all the skills gained through my community campaigning to benefit Erewash residents, as I already have done through my campaign to protect the green belt around Breaston from the HS2 hub. Throughout my time in this place, I shall continue to put my head above the parapet and fight for what is right for my constituents and what is right for Erewash.

6.48 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): I congratulate the hon. Member for Erewash (Maggie Throup) on a witty, thoughtful and informed maiden speech.

There is a view that the Chancellor is riding high at present, and it is true that he has probably, for the time being, dished the ambitions of the Home Secretary and the hon. Member for Uxbridge and South Ruislip

(Boris Johnson), but my advice to them is "Be patient." Gordon Brown used to say there are only two kinds of Chancellor—those who fail and those who get out in time. This Chancellor has already failed. He has failed to eliminate the deficit on time, failed to maintain our triple A credit rating, despite his dire warnings of the consequences, and succeeded in reducing debt by virtually doubling it.

As the Institute for Fiscal Studies points out, the key feature of the Chancellor's true blue Budget is that it will leave 3 million families £1,000 per year worse off, on average. The cuts to sickness benefit will mean that a party that has routinely seemed comfortable seeing cancer sufferers and others declared fit for work will now institutionalise that problem by having all those unfit for work reclassified as potentially fit and therefore eligible only for the lowest level of benefit. That is a blatant attack on the sick, not the workshy.

As with the bedroom tax, and the poll tax before it, no amount of double-speak will change the minimum wage into the living wage. Traducing the concept of a living wage by confusing it with a 50p rise and excluding the under-25s does not wash. It is merely a crude attempt to distract attention from the impact of the cuts to working tax credits. It is putting politics before people and before the country.

This Budget does not address the problems of skills and productivity, and it may in fact exacerbate existing problems in some sectors. In high-tech, science-based businesses, the issue is not wages but skills, access to capital and the capacity to grow. These are the knowledge businesses of which we have too few. We needed a Budget to help and encourage them.

Turning maintenance grants into loans will do nothing to encourage young people to develop the skills we really need, but may frighten off a generation from poorer backgrounds and simply turn Government debt into personal indebtedness. This is the Osborne legacy.

At the other end of the scale, what impact do hon. Members think the combination of tax credits cuts and minimum wage rises will have on the care sector? It is a sector of low wages and immigrant labour, with mostly small businesses or groups such as Southern Cross. We will see further cost cutting, scandals, inquiries and receiverships. Of course, higher wages mean higher fees, and therefore extra demands on already decimated local authority budgets.

My contention is that the short-term political cunning of this Budget will fail because the key decisions are wrong. Inheritance tax is not the priority in an economy that needs better productivity. We should be rewarding effort, not inheritance. The stark picture in the OBR report is the forecast decline in our share of exports at a time when we have the largest current account deficit since modern records began, and research and development spend is now below the European average. Where are the measures to address those problems? How will this Budget help to achieve the Chancellor's target of doubling exports by 2020? Perhaps that is another target that will be kicked into the long grass as the long-term plan sounds more and more like the never-ending story.

The problem with the Chancellor's putting all his eggs in a basket designed to win the Tory leadership is that his interests do not coincide with the real needs of our economy. Our problems are not solely to do with

[*Steve McCabe*]

welfare, inheritance tax or the public sector. The Chancellor should be addressing private sector under-investment, the failure of companies to grow and the failure to protect small companies. Too many of our small businesses are starved of capital.

Instead of our ideas growing as good, sound British businesses, technological advancements are being snaffled up by foreign conglomerates. Let us look at the Smith and Wright report “Losing Control”, and what has happened to the British aerospace industry in the past few years—the majority of the companies have been taken over by foreign companies or private equity firms focused on short-term profit rather than medium-term growth. The lowering of corporation tax only makes the buying of ready-made UK technology even more attractive.

The Chancellor could have done a lot more, but he is too busy shoring up his friends and shoring up his leadership prospects. My advice is to beware the cheers now, because it could be a case of cheers today and gone tomorrow.

6.54 pm

**Dr Andrew Murrison** (South West Wiltshire) (Con): We have had a veritable constellation of maiden speeches today, but I am bound to observe that the contributions of my two parliamentary neighbours, my hon. Friends the Members for Chippenham (Michelle Donelan) and for Somerton and Frome (David Warburton), were excellent. I must say that, during the election campaign, I spent a great deal of time in their seats, one of which has a majority that is now significantly larger than mine.

We have heard a lot about the northern powerhouse and the midlands engine room, and I am left wondering where that leaves the west country and the south-west. During a debate last week on the south-west’s economy, my hon. Friend the Member for Tiverton and Honiton (Neil Parish) suggested that it was the land of milk and honey. I am more of a glass half-empty sort of bloke, and I think it is more the promised land—the land to which much is traditionally promised, but to which little is delivered.

I am delighted that the Budget was rather more positive than that for the west country. I am particularly delighted at the £7.2 billion for transport infrastructure. That will certainly help with the A391 and the north Devon link road. I hope that it will help dramatically with the A303, which is known as the highway to the sun. That route has a pretty bad accident record, and I must say that its inadequacies have acted to pressurise the economy in my constituency and further west. Its full dualling from top to tail is well overdue, and I look forward to that project’s completion over the next very few years.

As we get very excited about HS2, which I certainly support, we must also think about rail networks elsewhere in the country. In the south-west, we have traditionally come to see ourselves as the poor country cousins of the rail network. I hope very much that the new stations fund might look, for example, at Tisbury and its platform arrangements. It should eliminate once and for all the need for the Tisbury loop, which adds seven minutes to the journey to London Waterloo. That is quaint in the

Victorian sense, but my constituents would rather like to see the end of it as we move towards a more efficient and effective rail transport network.

I am delighted to note that there is £10 million for broadband in the south-west. This rural part of the country very much depends on good connectivity. Rural businesses are suffering greatly because of our failure to communicate properly. It is all very well to say that 95% of the country will be connected to superfast broadband, but not if nearly 100% of urban areas being connected necessarily means that there is a problem in rural and more isolated areas. One has to accept that it is expensive to deliver broadband in more remote locations, but deliver it we must if we are serious about the rural economy.

I am delighted that the Budget statement made a commitment to 2% on defence. My area depends very heavily on defence and security. The £1.5 billion for our security and intelligence services is very welcome. A significant number of my constituents work in that sector, and it is clearly vital to invest properly in it.

I am also very pleased that the Army is continuing to move back from Germany. Wiltshire is the heart and soul of the British Army. It is its natural home, and we must ensure that the Army’s relocation from Germany, at the tail end of its operations there, is expedited and that the troops come home as soon as possible. It is good for our economy locally, and it is most certainly good for the units concerned.

In the few moments I have left, I want to mention paragraph 2.21 of the Red Book on health. Healthcare is clearly a big topic for all of us as constituency MPs. I am delighted that the Government have backed the NHS’s own Stevens report to the tune of £8 billion. Our health service is evolving rapidly: it will be and has to be more focused on primary care and to be more concentrated in large regional and sub-regional centres, and it is bound to be more professionally driven, with a remorseless focus on outcomes. Some of our healthcare outcomes are still lamentable. In this 21st century, we must ensure that the outcomes for constituents approximate to the very best in Europe, rather than be among some of the very worst. We must ensure that people are treated in the community, in parochial settings when appropriate, reserving care in hospitals for those who truly need it. In particular, we need to do away with the awful situation of elderly people and people with chronic long-term conditions ending up in large hospitals inappropriately, where they do badly and where it is expensive to treat them. They ought to be treated more locally by general practitioners and I am very pleased that the Red Book refers to that. I hope that that process will continue.

7 pm

**Margaret Greenwood** (Wirral West) (Lab): It is an honour and a privilege to represent the people of Wirral West and I thank my predecessor for the work she did for people in the constituency.

I want to take the opportunity to pay tribute to the communities of Wirral West, describe its landscapes and draw attention to some of the challenges that face it. Wirral West has areas of great prosperity, but it also has areas of deprivation where people have been forced out of their homes by the bedroom tax. It is nevertheless distinguished throughout by the strength and character

of its varied communities. People come together to celebrate life and to support others, and there is a great deal of interest in the environment too.

Whether they tackle social inequality, provide support for those who are disadvantaged, take action on climate change, champion economic sustainability or celebrate creativity, groups across the constituency are working hard to improve quality of life for themselves and the people around them. The Festival of Firsts in Hoylake is a wonderful celebration of music, art and poetry, reflecting the laid-back atmosphere of an area characterised by charming architecture and sweeping sandy beaches. Hoylake Village Life works year-round to stimulate local economic activity, and Incredible Edible shares the fruits of the earth through the communal planting of food, free for the picking in public places. Hoylake is, of course, home to the Royal Liverpool golf club, host of the Open golf championship.

Nearby, West Kirby has a vibrant transition towns group that works to promote sustainable low-carbon lifestyles, celebrating the local environment through talks, public meetings, a monthly farmers market and the annual Earth Fest. In Pensby, people are campaigning hard to save their much-loved pub, the Pensby Hotel, and in Greasby, yarnbombers hit the streets to save the village centre, clothing trees and lamp posts in brightly coloured knitting. Upton retailers are working together to develop a local plan to enhance the local street scene.

Wirral West is blessed with beautiful natural landscapes too. The rural character of Frankby, Irby and Barnston and the National Trust areas of Caldby Hill, Thurstaston Common and Harrock Wood are all greatly prized. The beaches of the north and west of the constituency are internationally renowned for their birdlife, with merlins, hen harriers and flocks of dunlin, short-eared owls and little egrets, and the shore line flecked with curlew and oyster-catchers. At low tide, one can walk out across the beach to Hilbre Island and watch seals swimming around its northerly shore. This is a precious landscape, highly valued by visitors and locals alike, but in 2013 the previous Government granted a licence for underground coal gasification in the Dee estuary, putting at risk this rich natural environment. UCG brings with it risks of subsidence, the contamination of groundwater and damage to the marine environment.

There are impressive voluntary projects across the constituency working to tackle social deprivation, both in Wirral and internationally. In Woodchurch, the Hoole Road Hub is a community venture run by a family team providing welfare advice, training, support and internet access for local people. People drop in for help with problems with housing and benefits, and children come along with their parents after school to do homework together because they cannot afford internet access at home.

The Woodchurch Partnership provides support for the community with programmes such as the Ford Way horticultural project, where volunteers produce fruit and veg and the most exquisite Woodchurch honey. Local mums fight for all local children. Last year they put on a “mischief night” of music, fancy dress and Zorb balls to give the kids on the estate some fun and to keep them out of mischief, valuing each and every one of them, no matter what their background. The community shop on the Overchurch estate gives out food parcels to those in need, with the majority going to people who

are in work but who still cannot afford to feed their children. The Chancellor’s announcement of cuts to working tax credits in his Budget will hit working people hard, especially those who are already struggling to feed their families. Churches across the constituency provide food banks, meals and company to those who have fallen on hard times, as well as celebrating the spiritual life of the community.

That constructive community activity is taking place against a backdrop of dwindling public services. Wirral council has had its budget savagely cut by central Government. While Wirral lost £65 per head of population, Richmond upon Thames enjoyed an increase of £54 per head. That cannot be fair and the impact is being felt severely in Wirral. By the end of 2017, Wirral council’s grant funding will have been reduced by about 57% in just five years.

The local authority is committed to doing the very best for the people of Wirral, but it is being put in an impossible position. In 2014 it carried out a public consultation on where the funding cuts should fall. It is a sign of the crisis facing local authority funding that the options considered included cuts to children’s disability services, youth leisure services, school crossing patrols, libraries, pest control, public toilets, allotments, bowling greens and football pitches, and increased fees for cremations and burials. Is there no part of civic life untouched by the Government’s agenda? Do our people not deserve properly funded public services? Can we not afford to build a strong, stable and good society? I ask the Government to consider those questions with full regard to the impact of their cuts on the life of communities in Wirral West.

I believe that the people of Wirral West deserve a society that provides strong and reliable public services for all of its people—a society in which people can afford to feed their children, in which young people can find employment that will enable them to reach their full potential, and in which those who are disadvantaged through ill health, frailty or misfortune can live decent lives with the support they need from Government.

7.6 pm

**Kwasi Kwarteng (Spelthorne) (Con):** It is an honour and privilege to speak in this important debate after a number of Members on both sides of the House have given good maiden speeches and accounts of the challenges that their constituencies face. I am sure that all today’s maiden speech-givers will become distinguished parliamentarians and will give good service to their constituents.

This was an excellent Budget and I am pleased to support it. When the coalition Government took office in 2010, the deficit was £153 billion. In the Red Book, published last week, we discover that the deficit is £69 billion. There is still a long way to go, but people will recognise that that is a remarkable achievement given the international context and the fact that growth has been much more sluggish across many western economies than we had ever anticipated. The Red Book also makes it very clear that the growth rates we are enjoying as a country and have enjoyed in 2014 and 2015 are particularly enviable. They are the highest across the western world, and we should celebrate that on both sides of the House. That does not happen by accident. It is not an accident that the deficit has been more than

[Kwasi Kwarteng]

halved, nor is it an accident that we are growing faster than nearly all our competitor countries in the G7—I think that we have the highest growth rate in that body.

We appreciate that if the election had gone differently, we would not be in such a good position and there would not be such optimism about the future. It was clear during the election that there was a binary choice confronting the country between a Conservative Government, when the Conservatives had largely delivered very effectively as the leading party in the coalition, and a potential Labour Government—let us be honest, it would have been a coalition—without any economic credibility, when the Labour party was largely responsible for the mess in which we found ourselves in 2010.

I want now to address the specific issues in the Budget that I am particularly happy to endorse and welcome. As a south-east MP, I naturally look to the interests of business—I do not think that business is a dirty word—because lots of my constituents work in small businesses. In fact, 82% of people who are in work in Spelthorne work in the private sector. They work in small businesses, including businesses related to Heathrow airport, and they will welcome the further reduction in the corporation tax rate that my right hon. Friend the Chancellor announced. They will also welcome the fact that the Government are being very serious about addressing the deficit.

The Government's ongoing commitment to building more housing will also be welcomed. We have talked about the need for more housing, and the Government are happy to take on that challenge.

I am particularly gratified that various measures have been introduced to increase the living wage. The Government are doing absolutely the right thing in reducing the amount paid in tax credits. That is a bold and challenging move, but I am happy to say that it is the right thing to do. However, if the Government are going to do that, they must ensure that companies do not get away with simply exploiting low-paid workers. It is a legitimate corollary of reducing tax credits to try to boost the living wage and the minimum wage. I understand the logic of that move and it is to be commended, even though Thatcherite purists may argue against increasing the minimum wage and particularly the living wage.

Finally, we cannot pretend that the deficit has been resolved or that we are out of the woods in terms of our approach to fiscal discipline. I support and commend my right hon. Friend the Chancellor's commitment to running surpluses, because my earnest hope is that we will run a surplus at the end of this Parliament. However, when we finally get a budget surplus, the last thing we need is a return to the Labour spend, borrow and tax regime. We need to set in stone a regime whereby this country, like Germany and Switzerland, will have a much more mature and disciplined approach to public finances, and I hope that in the course of our debate we will be mindful of the need to balance the books every single year.

7.12 pm

**Mr Douglas Carswell** (Clacton) (UKIP): I, too, will vote for this Budget. Tomorrow's vote is a binary choice and although I have reservations about some of the Chancellor's proposals, on balance I support the measures. We must never return to Ed Balls economics.

I support a number of measures. I unequivocally back the idea of having a fiscal charter, to echo the point made by the hon. Member for Spelthorne (Kwasi Kwarteng). It is a commitment to run a budget surplus by 2019-20 and to retain that approach in subsequent years unless growth is less than 1%. The principle behind that idea is exceptionally good; as a country, we cannot go on living beyond our means. I believe I am right in saying that we have only had budget surpluses in six of the past 40 years. That is unsustainable and also deeply unfair on the next generation. If we keep on running up these debts, someone will have to pay them, and it is deeply unfair and irresponsible of us to pass them on to the next generation. I only hope that the Chancellor manages to meet his own fiscal charter objectives. He has introduced, I think, five Budgets and in each one he has pushed back the date by which he hopes to balance the books.

I also support the proposal to remove the climate change levy exemptions for providers of renewably sourced electricity.

**Kwasi Kwarteng:** I am particularly gratified to hear the hon. Gentleman espousing the cause of sound finance. I just wonder how he feels being surrounded by people who deny that there is any need to reduce the deficit.

**Mr Carswell:** I will come on to say a little about my views on the unreformed Opposition. In fact, I will make them a proposal at the end of my short speech.

My party loves new energy technology. However, there is something we find objectionable: if the technology is so wonderful, why does it need to be subsidised? Removing some of those subsidies is a good thing, particularly when they push up the cost of energy, but the Government lack a fully coherent free market energy policy that allows real choice and competition.

I also cheer Government changes to vehicle excise duty. The new tariff will reflect changes in technology. Given that most new cars' carbon dioxide output is below the old CO<sub>2</sub> low threshold variable, vehicle excise duty is fast becoming a subsidy from poor people, who cannot afford new cars, to rich people, who can. VED will also be used for the creation of a road fund in 2020-21. That is a very sensible move, as it means that taxpayers will see directly where their VED goes and the tangible benefits that come from it.

I also support raising the personal allowance to £11,000 by 2015-16 and to £12,500 by 2019-20. That should be welcomed as a tax break for everyone who works. Indeed, I hope that at some point we will be able to raise the threshold even higher, to £13,000.

I also support welfare reform. When the tax credit system was put in place, I do not think that we ever expected that it would allow big corporate interests to rely on the taxpayer to subsidise their payrolls, and yet in effect that is what has happened. I fear that tax credits may have contributed to wage compression. Welfare reform is possible and necessary, but it is also very important that, as the Chancellor has said, we are prepared to raise the minimum wage to try to offset some of the impact of that reform.

Having outlined where I support the Government, I am afraid to say that there are one or two measures about which I have some concerns. I am particularly concerned about limiting public sector pay increases to 1%. I fear

that that may not be politically sustainable over the next four years. There was a pay freeze in the public sector between 2010 and 2013. Since 2013, pay rises have been limited to 1% and, given that inflation is often above 1%, that has, in effect, amounted to a pay cut. If the economy grows in the way that the Chancellor expects it to, I am not sure that four more years of 1% is sustainable.

I also have some doubts about the Chancellor's fiscal projections; I fear that there is a degree of fiscal complacency. In its manifesto, my old party told us that it would run a budget surplus from 2019, which is only four years later than promised five years ago. In fact, that target has now been pushed back to 2020.

This year, we will still manage to accumulate a deficit of £70 billion and we still have a bigger primary budget deficit than Greece. The budget deficit last year was 5.7% of GDP, which was higher than that of any country in the eurozone apart from, I think, Spain and Cyprus. UK national debt stands at £1,600 billion, which is £950 billion higher than when the Chancellor first took office. That is not an impressive record. Servicing that debt costs £40 billion a year. Think of what we could do with £40 billion—that is more than the entire defence budget. Think of the tax breaks we could give people and, more to the point, think of how much greater that sum will be when interest rates go up.

I will support this Budget, and I look forward to the Finance Bill that follows. If Her Majesty's Opposition will repudiate Ed Balls economics and table sensible amendments, I will be delighted to support them, bearing in mind that the Government have a rather slender majority. However, there must never be a return to the recklessness of the Parliaments between 2001 and 2015.

As the UK Independence party's sole Member of Parliament, I will support classical free market liberal economics. From that point of view, this Budget is not perfect, but it is infinitely preferable to the alternatives.

7.18 pm

**Amanda Milling** (Cannock Chase) (Con): I am very grateful to have the opportunity to speak in today's Budget debate. This is my first experience of a Budget in this place.

We need only look at our performance on the global stage to see that Britain is back in business. If people visit the west midlands, and more specifically my constituency of Cannock Chase, they will see the benefits of the Conservatives' long-term economic plan.

Once a mining area, Cannock Chase is now the home of thriving small, medium-sized and large businesses. It is the success of those businesses in the last five years that has resulted in jobs being created, directly leading to a dramatic fall in unemployment. That fall in unemployment was also the result of measures that were taken in the last Parliament to encourage people to get back to work. It is that aspect that I will focus on today.

The benefit cap, which was introduced in the last Parliament, is morally right in ensuring that people are always better off in work. Although I welcomed the cap, I must admit that I always felt that £26,000 was too high. Someone in work would have to earn about £35,000 to take that amount home—a salary or wage that many people in Cannock Chase can only dream of. That view was confirmed by a group of residents in Rugeley only the other day.

In short, the cap was too high but the principle was right. That is why I welcome the changes that were announced in the Budget, which mean that in my constituency benefits will be capped at £20,000. We have a welfare system that we should be proud of, but it needs to be affordable and fair. When I say fair, I mean fair for the people who receive benefits, as well as fair to the hard-working people who pay their taxes so that benefits can be paid. The cap helps to ensure that our welfare system is sustainable in the long term and is there to support the elderly, the vulnerable and the disabled.

We must not just encourage people into work, but ensure that work pays. While unemployment fell significantly in the last Parliament in Cannock Chase, low pay has been an issue in the area. I am therefore particularly pleased to welcome two aspects of the Budget. First, there was the news that the personal allowance will rise to £11,000 from April next year, lifting nearly 900 more of my constituents out of tax altogether. That is a major step towards raising the personal allowance to £12,500 by the end of the Parliament, which will take even more people out of paying tax. That will ensure that working people in Cannock Chase get to keep more of the money they earn—money that they can spend with local businesses and in our town centres to support local independent retailers and market traders across Cannock, Rugeley and Hednesford.

Secondly, I am pleased to welcome the introduction of the new national living wage. As I said, Cannock Chase has historically faced issues of low pay. Cannock Chase deserves a pay rise. That is exactly what my right hon. Friend the Chancellor recognised and addressed with his compulsory living wage.

We need to ensure that that policy is backed by business. That is why I welcome the steps that were taken in the Budget to ensure that the move is not taken at its expense. For small businesses, the increase in the employment allowance to £3,000 means that they can continue to employ four people without paying national insurance contributions at the increased living wage. That is an important step towards ensuring that employers who pay the higher wage will not be stung by the jobs tax.

The path that has been set out to reduce corporation tax to 18% will save businesses across the UK more than £6.6 billion by 2020. That sends the powerful message to international businesses that are looking to invest in companies such as Gestamp, an automotive supplier in my constituency, that Britain is a low-tax, higher-wage, high-skilled economy, and therefore the best place to invest, grow or start a business.

I welcome my right hon. Friend the Chancellor's Budget. It will help to deliver the Conservatives' long-term economic plan, and it supports and rewards hard-working people and businesses across the country, in the west midlands and in Cannock Chase.

7.24 pm

**Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It truly is an honour and a privilege to make my maiden speech as the new MP for Cumbernauld, Kilsyth and Kirkintilloch East. I grew up there, I have family roots there and I will always be grateful to my fellow citizens for putting their faith in me to represent our constituency here in Parliament.

[Stuart C. McDonald]

As hon. Members across the House will know, the first few weeks of life as an MP give rise to many and varied challenges. There is, for example, the huge challenge of navigating the complicated corridors of Westminster—a challenge that I failed spectacularly when I found myself, by accident, a fish out of water and the cause of considerable mirth, in the middle of a meeting of the Conservative 1922 committee. I think that I escaped, just about, with my political integrity intact.

The other major challenge that I have faced is the fact that there are two new SNP MPs called Stuart McDonald here in Westminster. Given that we spell our first names differently, I was expecting only the odd stray email or letter. In fact, in two short months, my hon. Friend the Member for Glasgow South (Stewart McDonald) has managed to steal my seat on one flight to Glasgow, leaving me stranded at Heathrow; cancel two other sets of return flights; hijack one of my constituents who had travelled 500 miles to lobby me; and steal credit in *Hansard* for my first ever intervention in this Chamber. At such times, many words spring to mind, but “honourable” and “Friend” are not among them. Looking to the positive side, it was comforting to receive a note congratulating me on my maiden speech some four weeks before I rose to make it.

More seriously, for their assistance in helping me surmount some of the challenges, may I put on the record my thanks to all the staff in the Houses of Parliament, who have been unfailingly helpful in these frenetic first few weeks?

I also wish to pay tribute to my immediate predecessor, Gregg McClymont. A Cumbernauld lad, after school at Cumbernauld high, he studied at the universities of Glasgow, Pennsylvania and, finally, Oxford, where he taught prior to his election in 2010. His mastery of the pensions brief means that he will be missed on the Labour Benches. I know at first hand that he is definitely missed in the parliamentary football team, notwithstanding his inexplicable support for Airdrie football club. I wish him and his new wife well, as well as all his staff, as they take on their next challenges.

Cumbernauld, Kilsyth and Kirkintilloch East is a constituency that is big in name, but also big in character. Situated right at the heart of Scotland, from Croy you are but 20 minutes by train from Glasgow city centre, while from Lennoxton, you are a pleasant half hour drive over the Campsie fells to the banks of Loch Lomond. It is the best of both worlds, to use that expression in an appropriate context.

The communities of Cumbernauld, Kilsyth and Kirkintilloch East have diverse histories, from old parishes and mining towns to the new town of Cumbernauld itself. The communities have shared ambitions and a determination to forge a bright new future. In the weeks before and after my election, I have been amazed at the range of community groups, residents associations, community councils, social enterprises, churches and charities that work so hard for the local people.

The ambitions of the people of Cumbernauld, Kilsyth and Kirkintilloch East include secure well-paid jobs, strong communities, well-funded public services and a future free from poverty. The Budget does not support those ambitions; rather, as for millions across the country, it puts them further out of reach. The Chancellor spoke

of a Budget for security, yet his Government have singularly failed to tackle the scourge of zero-hours contracts. He spoke of fixing the roof while the sun shines, but he risks the roof caving in altogether as more and more families are pushed deeper and deeper into debt, with household borrowing soaring. He spoke of boosting productivity, but he is determined to make UK workers the least protected and least invested in in western Europe. He made claims about a living wage, but, unlike the Scottish Government, his Government do not pay a living wage, and the welcome progress on the minimum wage was utterly undermined by the regressive measures he took on social security. He spoke of efficiencies, but his relentless pace of cuts risks pushing proud public services and committed public servants beyond breaking point.

Perhaps where the Chancellor’s rhetoric was most removed from reality was in his claim to be a one nation Chancellor, when all the while he was deliberately targeting those he accused of making lifestyle choices by the simple fact of claiming social security. He claimed that that was tough but fair. What is fair about systematically undermining the support for low income families? What is fair about deliberately targeting children and young people for further cuts? My constituents have aspirations, but thanks to Tory Budgets, for far too many of them even putting food on the table at the end of the week is a difficult ambition to fulfil. This is a Budget that does not support aspiration but stifles it.

While other parties might be having some difficulty in deciding whether and what to oppose, we in the Scottish National party have no such problem, because we believe there is a better way. This party has outlined a programme to increase investment in public services while still moving towards balanced budgets. It wants to see action to tackle unfair zero-hours contracts, and we support a partnership approach between employers and employees, recognising the link between workplace rights and productivity and the fact that union participation and collective bargaining can be key drivers of fair pay and efforts to tackle inequality.

It is an honour to serve the constituents of Cumbernauld, Kilsyth and Kirkintilloch East and, however they voted, I will do whatever I can to support them in achieving their ambitions for themselves, their families and their communities.

7.30 pm

**Richard Fuller (Bedford) (Con):** It is a pleasure to follow an extremely gracious maiden speech by the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald). I particularly noted his kind words for the staff of the Houses of Parliament, which I thought was a particularly noteworthy thing to put in one’s maiden speech, and his kindness to his namesake who took his seat on the aeroplane. The hon. Gentleman follows a man, Gregg McClymont, who was probably one of the most intelligent Members and was one of the most fair-minded, so he certainly has big shoes to fill. He has made a very good start with his maiden speech today.

For me, the test of the Budget is whether it fits with what the good people of Bedford and Kempston talked to me about during the election campaign. As mine was a marginal seat where people had a straight choice between Labour and Conservative, and obviously chose

Conservative, I listened intently to what they had to say. Their first and most abiding thought was that they appreciated the need to continue with the Government's economic policies. They appreciated the stability that those policies had brought to their lives after the tremendous fears about the economy at the time of the 2010 election, when it could have gone either way for the United Kingdom. They appreciated the need for deficit reduction and understood the fundamental point that it is unfair on our children and grandchildren for this generation to continue to live beyond its means, and that somehow, in the fairest way possible, the Government have to find their way to getting the books in balance and to starting to repay the debts. That is the trajectory that was outlined in the Budget.

The second thing that people in Bedford and Kempston told me was that they understood the need for welfare reform and benefit reform to be at the centre of the changes that would be made. As my hon. Friend the Member for Cannock Chase (Amanda Milling) said, for many people, the idea that a benefit cap of £26,000 is somehow fair to them, when they pay their taxes—the median income in Bedford is £19,000—does not strike them as fair. People in Bedford will think that the Government's proposals in the Budget to reduce the benefit cap, both in London and separately outside London, are fair. They will also see changes such as the limiting of child tax credit to two children, the introduction of a maximum income for staying in council housing and the changes to housing benefit as fair and reasonable.

**Alison Thewliss:** Does the hon. Gentleman consider it fair that a woman who has been raped will have to declare that to Her Majesty's Revenue and Customs and the Department for Work and Pensions to qualify for her child to receive tax credits?

**Richard Fuller:** The hon. Lady repeats a point that one of her colleagues made in an earlier day of the debates on the Budget. We need to examine in this debate the broad range of the impact of the Government's policies. When the Government make any change, they are moving big blocks around—that is one reason why I am a Conservative, actually. When that happens, there will be specific examples of an impact on people's lives that the general policy was not supposed to have. The hon. Lady should raise those instances directly with Ministers, so that changes can be considered. However, we should not undermine the entire sweep of Government policy because of a particular example. I have found the Government reasonable in understanding the need for certain changes to benefit policies if they have a deleterious impact on individuals.

**Emily Thornberry:** The hon. Gentleman is making a thoughtful, although wrong, speech.

If a constituent of mine were a single parent with two children and met up with a man who had a child, would the hon. Gentleman advise her not to get together with that man because they would then have three children and be subject to cuts in their benefits?

**Richard Fuller:** It is not the role of an MP to advise an individual constituent on their life choices. That is their decision. With respect, the role of an MP is to analyse and scrutinise Government policies to see whether, in the round, they will provide the changes that the British public think are fair and reasonable. Against that

test the deficit reduction policies, with welfare reform at their core, accord with what I heard on the streets of Bedford and Kempston. I hope that when the hon. Lady's party has finished tearing itself apart at its parliamentary Labour party meeting, it will come together and see that it is worth supporting the welfare reforms.

I wish to say a few words about the Government's proposals on pay. A lot of hon. Members have mentioned the interaction between the introduction of a national living wage and the changes to tax credits. That is an important debate to have, but I hope that Members of all parties will give the Chancellor credit for grasping that important nettle. At some point, the era of corporate welfare, with the taxpayer subsidising wages, had to be brought to a close. The cost to the Exchequer and the taxpayer was getting larger and larger. We were sending terrible signals to employers about what they should do about pay rates, and terrible signals to people in work that if they chose to improve their wages by getting extra skills or training, all their extra pay would be taken away because of changes in benefits. The change needed to be made, so I look to the Opposition to bring forward more thoughtful responses in the weeks ahead. They should have the grace to say that the change is important and that, overall, they support it.

As a Conservative, I say to my party's Front Benchers that we have not yet seen the impact of tax credits following the recent recession. There is an argument that in the previous recession, during which the Government had a tremendous record of overseeing growth in jobs, tax credits had a beneficial impact in dampening the impact of the recession. They made people more willing to accept reduced hours, because their income was increased by tax credits, so employment could stay high. I urge the Government not to get too ideological about the transition from tax credits to the national living wage, and to be cautious about the impact on businesses on a sector by sector basis.

I welcome my right hon. Friend the Secretary of State's comments about housing policy. There has been tremendous take-up of Help to Buy in Bedford—one of the highest proportions in the country. The extension of the right to buy to social landlords will be particularly welcome in Bedford. Between 1991 and 2001 the decline in home ownership there was 10%, compared with 4% in the rest of the country, because in 1991 the council put all the housing stock into a social landlord. Since then, the most significant increase in household wealth has been through people buying their own home. For 20 years, a large proportion of people in my constituency were denied access to one of the most fundamental ways in which they could have provided a better future for their children, because they were denied the right to buy. The change to the right to buy has been presented thoughtfully, and I encourage the Government to move it forward.

This afternoon I have heard the progressives and socialists on the Opposition Benches say that they do not support the national living wage, poor people getting a pay rise or people in council houses having a cut in their rent, and that they would deny people on low incomes the chance to buy their home. The right to buy has been one of the most successful policies that any Conservative Government have ever introduced, and I hope that the Government will move forward with it later this year.

7.39 pm

**Mark Durkan** (Foyle) (SDLP): It is a pleasure to follow the hon. Member for Bedford (Richard Fuller). Although I do not agree with many of his points, I note that—as always—he is careful to reflect what he has heard from his constituents and he makes his own particular points. It is also a pleasure to follow the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald), who made his maiden speech. He is probably the only Member who could accuse another Member of identity theft, hijacking and credit theft, and still comply with the rules of avoiding controversy in a maiden speech.

I cannot agree with what I have heard from some Conservative Members about the Budget. The hon. Member for Cannock Chase (Amanda Milling) said that she was proud to support the Budget because of the moral principle that people should always be better off in work. If that is the moral standard by which we are to test the Budget, then just as the hon. Member for Bedford has listened to his constituents, I have listened to mine who know that as a result of the Budget they will not be better off in work—they are in work and will be worse off because of the significant changes to tax credits, the overall changes and the particular changes to family size and the two-child policy.

Those are people who are hard working and who meet all the tests used in the past by the Government to define hard-working families, strivers and people who have made sacrifices. The region that I represent has very high unemployment and a low-pay profile—it is not as though those people choose to be in that type of employment with the pay that they receive and their dependency on tax credits. This is a wilful choice by the Chancellor: “These are the people who are to be punished. If we are going to balance the books, I am picking out those who have no choice but to work for those wages and need tax credits to support themselves and their families.” That is why I oppose this Budget.

In principle I support the concept of a living wage, and a good, working, national living wage would be a good thing. The Chancellor has used the national living wage not just—supposedly—to grab the headline of increasing the minimum wage, but also to try to puncture the concept of the living wage. The hon. Member for Bedford believes that the tax credit nettle had to be grasped because too many companies were abusing tax credits and paying people less than they should be paid, but there are other ways to tackle that. Let us do more to force through pay transparency in companies. We have talked a lot about trying to improve tax transparency for companies large and small, but we should be doing more on pay transparency as that would help to sort out those issues.

Strengthening and encouraging trade unions to bring forward more pay transparency would also help. If this is about tackling corporate abuse, we should do it at the level of those committing the abuse, not those people who are being “exploited”—in the terms of the hon. Member for Bedford—by companies and therefore have to depend on tax credits. Removing tax credits does not remove the exploitation faced by people on low pay. It makes people walk the plank into poverty simply so that somebody can say the nettle has been grasped. That is a miserable proposition.

I know that Conservative Members favour the benefits cap and placing an overall cap on what families can receive. We continue to oppose the benefits cap which, as we predicted, once introduced has been lowered. We are also seeing the start of regionalisation and a differentiation between London and the rest, and we know that at times people have flirted with the idea of further regionalisation.

As well as the benefits cap there is the welfare cap, and the two are sometimes confused. The welfare cap is generally ignored, but it was introduced by the Government to place a cap on the overall welfare budget across the UK. In the March Budget statement, the welfare cap for 2016-17 was set to be £122.3 billion, but the recent Budget placed it at £115.2 billion—a reduction of £7 billion between March and the summer. What a difference an election makes, yet the Government did not tell us they were doing that.

The 2017-18 benefit cap is down by £10.2 billion from £124.8 billion to £114.6 billion, and for 2019-20 it is down by £16.3 billion from £129.8 billion to £113.5 billion. We know that that will mean not only cuts to households or people with disabilities but cuts that hit spending power in economies such as my constituency where, because of high unemployment, low wages and high levels of economic inactivity, people are dependent on benefits. There will be a cost not only to those family economies but to the local economy as well, and that is why I will oppose this Budget.

7.45 pm

**Fiona Bruce** (Congleton) (Con): I welcome the Budget. Much of the thinking behind it recognises that worklessness is a root cause of child poverty, and that a lack of employment skills and effective training for the world of work dramatically reduces a young person's life chances. I welcome the Government's determination to address those issues, and in my constituency we can already see tangible results. Unemployment figures for the five years to June 2015 have fallen by no less than 62%, and the number of young people claiming out-of-work benefits for a similar period has fallen by 61%.

Investment in the economy of the area has been unprecedented. An investment of millions of pounds has been made in Jodrell Bank as part of the science corridor across Cheshire, and no less than £46 million has been committed by the Government to the Congleton link road. I trust that the Minister will join me in recognising that one key reason for that local growth grant was to open access to and land for business parks and employment sites, and to increase job opportunities for local people. That should remain a key priority in the finalisation of the link road plans, so that businesses such as Reliance Medical Ltd—led by inspirational local businessman Andy Pear—have room to expand locally, along with others such as Senior Aerospace Bird Bellows. We must send a clear message to international companies with factories in the area—such as Airbags International—that Cheshire and the UK are very much open for manufacturing business.

The northern powerhouse concept is welcome. I ask Ministers to ensure that its benefits truly extend beyond the Greater Manchester region, so that young people in constituencies such as mine in Cheshire who—as a recent survey of Congleton youth council showed—very much want to stay, live and work in the towns that they

grew up in can do so. One immensely effective way in which the impact of the northern powerhouse could be widely realised would be the reopening of Middlewich railway station to passengers—a campaign that thousands of residents of Middlewich have supported for many years. That would open up rail access directly from Crewe, right through Cheshire and into Manchester, and relieve pressure on the M6. It also has the support of many surrounding constituency MPs. I urge Ministers to look into that and to revert back to me with their considerations.

I also welcome the Government's intention to fast-track the building of homes on brownfield sites. A great deal of grief, no less, has been caused in my constituency as a result of the rapacious attack on green space sites by developers—including prime agricultural land—only a stone's throw from hundreds of brownfield housing plots that they persist in ignoring. I welcome the Minister's intention to encourage development on brownfield sites, but we must ensure that not only is permission fast-tracked but that developers are realistically motivated to build on that land and not just to bank permissions. Not only a carrot but a stick may be needed. I welcome the news that Ministers have plans to improve the timely delivery of a local plan where a local authority has not yet produced one, and I ask Ministers to clarify urgently what the Government's plans are to ensure that that takes place.

I referred at the outset of my speech to worklessness being a root cause of child poverty. Another root cause is family breakdown, and I would like to address two issues that concern me with regard to that and to the Budget. The first is Sunday trading because I am deeply concerned about proposals to delegate Sunday trading legislation to local decision makers. In August 2014 the Government made a welcome commitment to put family back at the heart of public policy, and to initiate a family test so that all new domestic policy should be considered in the light of its impact on families. I cannot see how the proposed alteration of Sunday trading regulations will have anything other than a negative impact on families. Ministers may argue that the decision the House is being asked to make is simply one of delegation rather than relaxation, but I cannot accept that.

When one local authority area decides to relax its Sunday trading regulations, surrounding areas may well feel compelled to do so, and we should recognise that reality. As the National Society for the Prevention of Cruelty to Children states, Sunday working has a detrimental effect on the quality of time parents can spend with children, and I am particularly concerned that that will affect children in the poorest families most, as they have least flexibility in deciding whether to work on Sundays. The health and strength of family relationships are not only a major influence on the health, wellbeing and life chances of children, but key contributors to the economic wellbeing of the nation. Parents, children and communities need time to rest, recharge their batteries and invest in relationships, and we further degrade Sundays as a day of rest at our peril.

I am disappointed that the Budget made no mention of an extension of the transferable tax allowance for married couples. It is currently worth only about £200 a year, whereas the value of 30 hours of free childcare is about £5,000. What message does that send to the stay-at-home mum or dad? Extending the transferable

allowance would send a proper signal in favour of marriage and stability, recognise the important role played by stay-at-home spouses and help to address the seriously unbalanced tax burden that we place on one-earner married couples, as the "Taxation of Families 2013" report published last week by CARE—Christian Action Research and Education—showed. The report also highlights how one-earner married couples with two children on 75% of average wages face a marginal tax rate of 73%, the highest in the OECD.

7.51 pm

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): It gives me great pleasure to deliver my maiden speech to the House today as the first SNP Member of Parliament for my home of Paisley and Renfrewshire North. The fact that it was our first victory has not been for lack of effort over the years. My hon. Friend the Member for Kirkcaldy and Cowdenbeath (Roger Mullin) contested the seat in the 1990 by-election. He fought a brilliant and memorable campaign, despite the fact that he was hindered by an eager but occasionally ineffective 10-year-old boy called Gavin. I should have been better. By that point I was a veteran, a seasoned campaigner keen to follow my dad to any political event. Two other campaigns from around the same time that I am proud to have been part of were the one against the iniquitous poll tax and that against the closure of the Ravenscraig steel plant in the constituency of my hon. Friend the Member for Motherwell and Wishaw (Marion Fellows).

The late 1980s and early 1990s saw the Conservative Government rip the heart out of hard-working families and communities right across Scotland. That was the height of Thatcherism and her Government's policies caused untold damage to Scotland, to our economy, to our people and to our self-confidence. Little did we know it at the time, but those decisions about Scotland—made on our behalf in Westminster and Whitehall against overwhelming Scottish public opinion—would cause a massive political shift in Scotland that would not only see the Conservatives all but wiped out for a generation, but cause a depth of feeling so strong that a form of self-government was inevitable.

Fast forward a quarter of a century, however, and here I stand—and, as we say back home, "I've brought hauners." I am immensely proud to be representing my home constituency of Paisley and Renfrewshire North, where I have lived almost my entire life. I was very fortunate to be able to vote in what was my old primary school, and is now that of my two young daughters.

I would like to say a few words about my predecessor, Jim Sheridan. Jim was the Member of Parliament for the area for 14 years. He was a dedicated constituency MP and I am sure that the whole House will want to join me in wishing Jim, his family and his staff all the very best for the future.

Paisley and Renfrewshire North is one of the most diverse constituencies in Scotland, with some of the poorest communities as well as some of the most affluent. My own home town of Renfrew is a royal burgh, and is known as "the cradle of the Stuarts". It was also home to Scotland's first municipal airport and the RAF's 602 Squadron, rather misnamed as the City of Glasgow Squadron or Glasgow's Ain. Unfortunately, Renfrew is also home to the constituency's latest food

[Gavin Newlands]

bank—yet another symptom of the Tories’ ideological obsession with welfare cuts, which are hitting not only the poor and the vulnerable but hard-working families across Renfrewshire.

If we leave Renfrew and travel north-west towards Inchinnan, we pass the site of the battle of Renfrew of 1164. This relatively little known battle was actually one of the most significant civil battles in Scottish history. Somerled, the Lord of the Isles, gathered an army 15,000 strong and marched on King Malcolm IV’s forces. After a bloody fight, Somerled was slain on the battlefield alongside thousands of his followers before the remainder beat a hasty retreat. The message that my hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil) should take from that story is “Dinnae mess with Renfrew”. [Laughter.]

Just beyond Inchinnan we find the great new town of Erskine, which is the second largest town in the constituency no less. Indeed, a study by the Post Office last year declared that Erskine was the second most desirable postcode in Scotland to live in. As we continue westwards, we pass the charming village of Bishopton. On our journey down the Renfrewshire riviera, we come across the lovely riverside village of Langbank, which affords magnificent views down to the Firth of Clyde. On a clear day, Madam Deputy Speaker, if you crane your neck and have good eyesight, you may be able to see the obscenity of the Trident nuclear submarines as they slip and slither up the Clyde to Faslane. We were well aware of the shoddy safety standards in the handling and transporting of nuclear warheads long before Able Seaman McNeilly’s recent whistleblowing.

On the 11 January this year, 50-mph gales were battering the west coast of Scotland. As a result, high-sided vehicles were warned not to cross the Erskine bridge over the Clyde. I am not sure about anyone else, but the very last thing I want driving over a 150-foot bridge during such high winds is a convoy loaded with nuclear warheads. Unbelievably, that is exactly what the Ministry of Defence chose to do. My colleagues and I will not only lead the fight for better maintenance and security of those weapons, but ensure that the voices calling for the complete abolition of those obscene and senseless weapons of mass destruction are heard loud and heard often.

My constituency includes a number of affluent towns and villages, such as Langbank, Crosslee, Bridge of Weir, Brookfield and Houston, although it should be noted that despite their relative wealth, those areas still have pockets of deprivation. Just outside Paisley lies Linwood, another area deeply damaged for generations by Thatcherite economics. The famous Linwood car plant, which provided work for 13,000 people at its height, had its Government support pulled and overnight the town was devastated. Parts of Paisley, including Whitehaugh and Ralston, are slightly more affluent but certainly not without their issues. Shortroods, Gockston, Ferguslie Park and Gallowhill all have pockets of deprivation but a people whose spirit is unbending in the face of Tory misery.

The House should note with deep regret and concern that the Paisley job centre has doled out the most sanctions in the west of Scotland; that sanctions across Renfrewshire have soared by 148% since 2010; that the

demand for the aid of food banks in Renfrewshire has exploded by 1,763% since 2012; and that one in five kids goes to bed hungry each night. That is the legacy of the coalition Government, it is the record of this Conservative Government and they should be ashamed.

The Budget will do nothing to lift any of those people out of poverty. In fact, it will have the reverse effect. Countless children will, before long, find themselves living in poverty through no fault of their own, but I am sure that they will be comforted by the fact that the Government’s response to child poverty is to change the definition. This Government believe that if they fiddle the figures to show what they want them to, children and their families will—as if by magic—soon find themselves out of poverty and living a life of comfort. The message that came from the Chancellor last week was clear: do not work in the public sector; do not have children; do not be out of work; and do not, heaven forbid, be a young person.

Over the last few weeks I have received countless messages from constituents who are growing increasingly frustrated and angry with the Tory Government’s arrogance. The Conservatives, a party that was near routed in Scotland with the worst result in its history and with only one MP, deign to tell Scots that we cannot have what we voted for in overwhelming numbers. The Government must stop playing games with the Scottish electorate and devolve the powers as proposed, without caveat, without veto and without delay.

7.58 pm

**Rebecca Pow** (Taunton Deane) (Con): I congratulate the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) on his maiden speech and painting such a clear picture of his constituency. I look forward to his contributions in the House, which I know will be feisty and campaigning—something that he seems to have been doing for most of his life. I also congratulate the other hon. Members who have made maiden speeches today.

I am delighted to speak in this debate to lend my weight to the general consensus on this side of the House that this was a positive and transformational Budget. It will move towards an economy in which the books will be balanced. We cannot pretend that the deficit is solved. It is still too high, which is why we need the Chancellor’s plan to continue to reduce it. I welcome the philosophy behind the Budget. It is all about changing behaviour and loading the scales in favour of people going to work, with the aim being to develop higher wages, lower taxes and a lower welfare economy. While there will be some time for adjustment, we cannot go on spending more than we earn, and we have to work to this new plan. The key tools for the success of this plan lie in raising the living wage and cutting welfare dependency, and I am delighted that the Leader of the Opposition seems to agree with us. It is a shame that her colleagues are not as enlightened as she is.

We cannot continue on a trajectory where nine out of 10 people claim welfare benefits. Some 1% of the world’s population lives in the UK, but 7% of the world’s welfare payments are made here. That does not make sense, which is why, with care and sympathy, we need gradually to alter it.

**Emily Thornberry:** I read the statistics the hon. Lady has just trotted out in *The Sunday Times*. She draws an equivalence between us and the developing world, where, presumably, enormous amounts of benefits are not being paid. The fact is that we are part of the developed world. Would she like to compare us with other countries in Europe?

**Rebecca Pow:** The hon. Lady makes an interesting point, but my statistics still stand. Even when we make these changes, five out of 10 people will still be receiving some kind of benefit or tax credit. We always need to support the people who really need support, and the Conservatives will always do that. I spent Friday afternoon with my local citizens advice bureau, finding out and understanding what is happening and how we can continue to support the people who really need it. That will always happen.

Thanks to a shrewd Chancellor and the hard work of British business and the good people of Britain, Britain is now moving and growing faster than any other major advanced economy. It grew by 3% last year, as we have heard from other Conservative Members, creating 2 million more jobs—far more than the OBR anticipated. My constituency has played a major part in creating those jobs. Many businesses have grown and expanded. Unemployment is down and jobs are up. I will give just one example of a booming business: the Ministry of Cake in Taunton, which the Chancellor himself visited during the election campaign. Indeed, he iced a carrot cake.

The Ministry of Cake has recently secured a huge contract to supply cakes in coffee shops right across Europe, all the way to Moscow. It already supplies more than 1 million slices of cake a week to customers in the food service and the catering trade. It will now be employing another 30 people in Taunton, all of whom will be contributing to the local economy. This is exactly the direction we want the economy to go in. This example proves that it is. I would also like to say that the Chancellor is much, much better at handling the economy than he was at icing the carrot cake.

There is very little youth unemployment in Taunton: it is very low at 1.9% and it is continuing to fall. On Friday, I met a very fine example of the kind of young person who has been given the necessary skills to take our economy forward and is getting to work. Ashleigh Thompson was an apprentice at the local Creech St Michael preschool. For a year, she worked four days a week at the college and one day a week at the preschool. She has done her NVQ stage 3 and has just qualified. She has now got a full-time job at the preschool, because she is offering exactly the qualification and skills it wants.

**George Kerevan** (East Lothian) (SNP): The hon. Lady mentions exports. The OBR report, published alongside the Budget last week, shows that our export position and current account deficit is forecast to worsen over the next four years. How does she explain that?

**Rebecca Pow:** I gave an example of exactly the opposite of that. Exports, all the way from Taunton, are increasing. That is exactly what we want: companies taking advantage of the opportunities opening up and skilling up their workers.

I would like to reflect on one of the important tools in the Budget box: the welcome introduction of a compulsory new national living wage for all working people aged 25 and over. It will kick in at £7.20 an hour in April next year, rising to £9 by 2020. It will mean a pay rise for half a million people and translates into a cash rise of £5,000 for a full-time worker. It will benefit women especially—we had the equality and gender pay gap debate the other day—and quite a number of women are still in the low paid category. This measure will help them. Of course, it is businesses that will have to shoulder the changes, but the increase in employment allowance and the improvements to corporation tax should help businesses to pay the extra wages. I have consulted widely with businesses in my constituency. They welcome this measure and they agree that we need to raise the living wage.

I welcome the £7.2 million investment in transport infrastructure in the south-west. In particular, I welcome the Prime Minister's and the Chancellor's commitment to upgrading the key road in my constituency, the A358, and its junction with the M5. This is the busiest road in Somerset. There will be a new employment site right on the junction, and without the road upgrade we cannot have the business site. We need the business site because we need the new jobs and the new skills to move the economy in the right direction. I therefore applaud all that, and I applaud the £10 million in the Budget to improve broadband in the south-west. It is absolutely imperative that all the rural areas that are missing out can take advantage and get broadband.

In conclusion, I welcome the Budget. It will transform behaviour and move us to a higher-wage and lower-tax and lower-welfare economy. It will cut the deficit and enable us, at last, to live within our means.

8.6 pm

**Catherine West** (Hornsey and Wood Green) (Lab): I am very pleased to be speaking in the Budget debate. The Chancellor's announcement on the increase in the minimum wage, mistakenly called a living wage, raised the issue of low pay. That is a debate we all welcome. Sadly, when it is combined with high housing costs and cuts to working tax credits, families in my constituency will be worse off. I will not vote in favour of this Tory Budget. Not only will many families be worse off following the Chancellor's Budget; it has failed to address the deeper issue of social mobility.

This was not a good Budget for young people. For younger people, it is becoming more expensive to attend further education or to secure well-paid employment, and it is much more difficult for them to get on to the housing ladder. The employment training levy, to be levied against workplaces, could provide much needed workplace training opportunities. However, coupled with the proposed cuts to further education due in the autumn, training programmes could be at risk—one step forward, two steps back. Converting student maintenance grants into student personal debt will increase the debt of our young students further. In one case I know of, a student will leave a local university with £56,000 of personal debt—hardly a good start to a career for a young professional.

Preventing under-24-year-olds from gaining access to housing benefit could lead to long-term homelessness problems among a small but needy group of youngsters—

[Catherine West]

many of the rough sleeping population are in this critical age group—creating not just personal misery, but further cost to the NHS in later years.

The cost and availability of childcare is a major block to productivity, and in high value areas such as London it is becoming prohibitively expensive. Childcare cuts to Sure Start and children's centres undermine the Government's excellent 30-hour childcare commitment, slowing down parents' return to work and preventing the return to work of much needed skilled workers. Assessments show that returning women to work in London would be a real spur to the economy. Unfortunately, owing to the prohibitive cost of childcare and lack of childcare places following cuts to Sure Start and children's centres, we have a false economy.

Renting in the private rented sector is now prohibitively expensive. A family would need a household income of £75,000 per annum to rent a modest three-bedroom property in Finsbury Park in my constituency. This is unaffordable and represents a failure of the housing market to support local families. By spending such a high proportion of income on housing costs, people are unable to save eventually to get on to the housing ladder. The average age of first-time buyers is going up every year in London. We are becoming not just a city of renters, but a nation of renters. Many of our children are in low-quality, high-cost housing with no hope of remaining in the local area to look after us in our older age.

While some elements of the Budget, such as applying the brakes on buy-to-let property, might have benefits, they are undermined by a failure to announce more new affordable housing and by the regressive right-to-buy housing association discounts, which set us back decades on housing supply. We must address the supply issue; it is critical.

Furthermore, pay freezes in public sector employment will be bad for young people. We know we have a crisis in retaining teachers, particularly in English and maths. We know we have a problem retaining nursing staff in our A&Es and our local hospitals. This pay freeze for the public sector is detrimental. Unless young people have access to unlimited family funds for their education, housing and training, they face a bleak future under this Tory Chancellor.

**Richard Fuller:** The hon. Lady has listed a number of steps that would lead to an increase in expenditure to cover some of the important topics she mentioned. Does she accept, however, the overall need, while we are borrowing over £70 billion a year, to reduce expenditure more each year so we can get back into balance? Does she accept that general trend in principle?

**Catherine West:** Let me deal with aspects of the question of expenditure in turn. First, the employment training levy is being levied on small businesses by your Government. It is not a Labour proposal, but I support it because it is about investing in the workplace. Secondly, the position on student maintenance grants amounts to cost shunting—taking the costs from the university and putting them on to the individual. I referred to a case of a student owing £56,000, so instead of it sitting on the balance books of the Chancellor, it is sitting on those of

the individual, which is a bad thing. Thirdly, we spent £60 billion on housing benefit over the last Parliament. We should have invested more of that in new build housing. We should not forget that council housing is not a cost. It is a net contributor to the economy because the rent is so low that housing benefit is not payable on many council properties. Housing benefit is mainly payable in the private rented sector. By investing in social homes, we will be saving the housing benefit bill in the longer term. Finally, on childcare, your own pledge by your own Government is 30 hours per week—

**Madam Deputy Speaker (Natascha Engel):** Order. The hon. Lady must speak through the Chair, so she should be referring to the hon. Gentleman in the third person.

**Catherine West:** How did I forget that? Through you, Madam Deputy Speaker, I am saying that the Government have pledged to provide 30 hours a week childcare, which is an excellent pledge, but it is not a Labour proposal. In fact, Labour proposed something more modest and more affordable. I am thus a little worried that the hon. Member for Bedford (Richard Fuller) thinks that we are over-spending, when this is a pledge of his own Government. I wonder whether it will happen, though; I worry about the feasibility. If we go through all those elements, we find that they are not really about cost; they are about feasibility and getting the job done.

8.13 pm

**Mrs Flick Drummond (Portsmouth South) (Con):** May I say what a pleasure it is to speak in this debate on one of the most reforming Budgets we have had for a long time? It balances entitlements against responsibilities, and extends our economic plan even further into the years ahead—years of growth and stability.

In Portsmouth, we naturally all welcome the renewal of this Government's commitment to spending 2% of GDP on defence. We face evolving threats as a nation, and I hope that when the strategic defence and security review has drawn its conclusions we will enhance our capability in important areas such as maritime patrol aircraft and the full Type 26 order, which we hope will amount to 13 ships.

I want to focus on the long-term impact of this Budget on my constituency. I am sure Members will agree that the infrastructure upgrades are vital for businesses and for boosting productivity. In Portsmouth and along the south coast, we have an opportunity for a "southern powerhouse", but we have some infrastructure needs if we are to unlock the potential. A number of my hon. Friends, including the Exchequer Secretary, share my belief that we need to upgrade our rail connections on the line between Waterloo and the south coast. In many cases, the journey takes as long as it did in Victorian days. It takes one hour and 40 minutes to travel 70 miles, which is not acceptable in our modern days. I shall campaign on this issue and hope to speak to the Chancellor about building a faster railway down to Portsmouth. It is a challenging route with issues of capacity, but if we are to have investment in areas that already have a good level of service in the north, it is only fair that the real bottlenecks elsewhere are addressed, too. A high-speed train to Portsmouth via Eastleigh would benefit much of the south coast—from Weymouth to Chichester,

and it would include the Isle of Wight, too. Portsmouth has been left behind, so we need support and further investment in our education and skills, and, most of all, we need some more aspiration.

I welcome the Budget's emphasis on partnership working between central government, local enterprise partnerships and councils. In Hampshire, we have Solent LEP and the promise of working with combined local authorities—probably for the whole of Hampshire—and I want to help drive this progress forward. We have benefited from investment in Portsmouth under this Chancellor. “Bridging the Gap” has helped small and medium-sized enterprises with £3.6 million, creating 600 jobs. It has helped a particular coffee shop in Southsea, which proved to be popular. Another £1.8 million from the Growing Places fund has helped infrastructure projects, including a centre of excellence in engineering and manufacturing advanced skills training. Maritime engineering is one of the centres of excellence in Portsmouth that I am hoping to push forward.

We also have massive investment in our dockyard to support the Navy, but there are still areas where we can and must improve over the coming years. I look forward to campaigning on these issues, making sure that Portsmouth and the south coast is well catered for in much of its infrastructure. I look forward to talking to the Chancellor over the next few years about all the issues that I want to put forward.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. I shall change the time limit on speeches to seven minutes—Members have kept their speeches nice and short.

8.17 pm

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): That is good news, Madam Deputy Speaker, for someone who is always in a rush.

This is an illusion of a Budget of which even Dynamo would have been proud. Saying that it is going to make work pay defies all the evidence. Illusion No. 1 relates to the performance of the economy. The Government are borrowing £219 billion more than they anticipated in 2010, and there is a debt to GDP ratio of over 80%, when it was only 60% after Labour recapitalised the banks. Why is the economy at this level? Basically, because it was absolutely tanked under the coalition and that is now going to be carried forward under this Government.

In 2014, population-adjusted growth was 1.4% below its pre-recession peak, and in the first quarter of 2015 it was still below it, at 0.67% of the pre-recession peak. This reflects the particular issue that the Government have had with productivity, which is the second worst in the G7. Now that we have a productivity plan, will the Minister identify the specific measures that are going to support small and micro-businesses to access finance and to deal with all aspects of late payments, which are an absolute blight on small businesses? How is he going to harmonise taxation and make the tax system more consistent, particularly for self-employed sole traders?

Since 2008, nearly three quarters of the increase in all employment has been down to the increase in self-employment. According to Office for National Statistics data, self-employment has increased by nearly 40% since

then, and is now at a 40-year high. There are many benefits from being self-employed: people get to be their own boss, and can choose when and where to work, but there are issues with taxation. We also know that the average income of someone in self-employment is half that of an average employee. It has fallen by 22% since 2008. Last year, Demos undertook research to establish the reason for the sudden increase in self-employment, and concluded that the level was artificially high because there were no jobs for people to move into, and people often moved backwards and forwards between employment and self-employment. There were no real jobs about. There is also the issue of false self-employment. Many large companies in the construction industry, for instance, sub-contract rather than employing brickies, joiners and plumbers. How will the Government deal with those issues?

Another illusion is that the Budget is fair and will make work pay. We know from an analysis conducted by the independent Institute for Fiscal Studies that the poorest 20% of the population will lose proportionally more of their income from tax and benefit changes than any other income group—between £800 and £1,300 a year—and that 3 million people are set to lose £1,000.

The increase in the national minimum wage is welcome, although it is not a living wage as the Government have tried to suggest. It is something, but it does not begin to compensate for the cuts in tax credits that will be suffered by the low-paid. Let me add to the examples that have already been given by many of my hon. Friends. The income of a lone parent with two children who works for 16 hours a week will increase by £400 a year, but that will be accompanied by a tax credit cut of £860, so that person will be £460 worse off. A couple with one partner working full-time on average income will lose £2,000 in tax credits, and will not benefit from the increase in the national minimum wage. According to data published by the International Monetary Fund last month, raising the income share of the poorest 20% of the population increases growth by 0.38% over five years. What the Government are doing will harm the chances of a sustained recovery.

**Rebecca Pow:** It is interesting to note that we hardly ever hear the word “business” mentioned by Opposition Members. It is businesses that must pay the £7.20 that may rise to £9, and that will cost many of them a great deal, but they agree that it is worth it to give people better living standards. Surely we can discuss some of those issues.

**Debbie Abrahams:** If the hon. Lady had listened to my earlier remarks, she would have heard me talk about small businesses then. I have done a significant amount of work with small businesses.

The Government are trying to persuade the public, and to justify what they are doing to working people. We know that, on the whole, it is working people who will be affected. Half the 13 million people who are living in poverty are in work, and two thirds of children in poverty are in working families. The Government are trying to construct a narrative to justify the tack that they have taken—the “divide and rule” narrative about people being feckless—but it is the working people who will be affected most.

[Debbie Abrahams]

Another thing that the Government regularly do is a source of immense frustration. Although I have consulted the Ministers' code of conduct and many other sources, I have been unable to identify a responsible use of statistics on their part. The Chancellor, for example, tried to suggest in his Budget speech that we were one of the most generous welfare-spending countries in the world. That is simply not true. It is absolute rubbish. If we compare the UK's spending as a percentage of GDP with that of developed countries in the European Union—as my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) tried to do earlier—we find that it is ranked 17th out of 32.

**Mrs Drummond:** We are the fastest-growing economy in Europe. We are securing more jobs, we have higher employment, and our businesses are doing well. How can that be squared with what the hon. Lady is saying about the welfare state?

**Debbie Abrahams:** I dealt with that earlier in my speech.

In my constituency, more than 20,000 working families with nearly 30,000 children are claiming tax credits. That is two in three families, and three in four children. For them, tax credits mean keeping their heads above water. The changes in tax credits will be devastating for them and will undoubtedly result in an increase in child poverty, with a knock-on effect on those children's educational attainment, health and life chances. The worsening inequalities are set to become intergenerational.

I must also mention the impact of the £30-a-week cut in additional support for people in the employment and support allowance work-related activity group, which is another punitive measure affecting extremely vulnerable people. The Disability Benefits Consortium believes that the 300,000 disabled people who are already living in poverty will be pushed further into that condition.

Finally, let me say something about housing policy, the inheritance measures and wealth inequalities, especially in the context of land and property. In 2002, it was estimated that 69% of land in the United Kingdom was owned by 0.6% of the population. In the six years to 2011, the number of landholdings had been reduced by 10%, but the size of those holdings had increased by 12%, so even fewer people owned even more land. The inheritance tax measure is but a drop in the ocean when it comes to addressing the concentration of wealth that is held by a tiny elite. Many people who are involved in housing policy emphasise that if we are to solve the housing crisis as well as building more homes, we must tackle the cost and availability of land and the volatility in the market. Given that the average house price in the United Kingdom is more than £180,000, it has been estimated that it will take 22 years for people with low and middle incomes to save up a deposit.

8.26 pm

**Mark Pawsey (Rugby) (Con):** It is a great pleasure to speak in the debate, and to follow the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), who told us in her opening remarks that under this Government, and the coalition before them, our economy had tanked. Well, if growth of 3%, 2 million new jobs,

and a fall in borrowing from a staggering and unsustainable £153 billion a year to just half that constitutes an economy that has tanked, I would hate to imagine how she might describe what happened under the Labour Government in the run-up to 2010.

It is also a great pleasure to see the Minister. I look forward to the considered and thoughtful remarks that I know he will make when he winds up the debate.

I want to focus on the steps that the Government are taking to grow the economy. As we know, we saw record growth of 3% over the last 12 months. We had become used to seeing “flatlining” gestures from the Opposition Front Bench, but we do not see those any more, not least because the person who used to make them is no longer present in the Chamber. We shall see 2.6% growth over the coming year, and it is important for us to maintain that growth, because the Government are doing two things. As any business, household, council or other organisation would do, they are controlling their expenditure—we have heard a lot in earlier Budget debates about how the Government are doing that—but it is also massively important for them to grow their revenues, and they do that when the economy is growing. That is why it is so important for them to focus on growth.

I want to focus on the measures the Government are introducing to grow the country as a whole through the governance of its cities, and on the more flexible planning system.

**George Kerevan:** I rise to intervene on the hon. Gentleman, as I do on all Conservative Members, in the forlorn hope that he might address the worsening trade picture and the fact that we have to borrow to fund our imports. The Government are shifting the burden of debt from the Treasury on to the private sector, and particularly on to foreign borrowing.

**Mark Pawsey:** I am sure the hon. Gentleman is aware of the principle of reshoring, which is taking place in our economy right now. Manufacturing companies that years ago were offshoring and sending jobs out to other countries are now making products in the UK. In Coventry, which is immediately adjacent to my constituency, I visited a small company that is producing the rechargeable torches that sit in every Range Rover. Until recently they were being imported from China. Now they are being produced in the UK. We are slowly bringing manufacturing back to the UK, which will in time deal with the issue that concerns the hon. Gentleman and which is, of course, a concern for the Government.

**George Kerevan:** Will the hon. Gentleman give way again?

**Mark Pawsey:** No, as I want to talk about rebalancing our economy and ensuring that we get effective growth in the regions outside London, which has a momentum of its own.

The Government are looking closely at what is happening in Manchester, and that is the model they want to see. It is very good news that new combined authorities are coming together across the UK to provide the growth that the country needs, because the cities are of massive importance.

**Mr Alan Mak (Havant) (Con):** My hon. Friend will no doubt be aware of the recent World Economic Forum report on global competitiveness which places Britain one place above its ranking of last year, praises the Chancellor's deficit reduction and cites our stronger regional growth. Does my hon. Friend agree that the stronger regional growth and sustained investment in our cities, regions and counties is important for the years ahead?

**Mark Pawsey:** Absolutely, and I am pleased that the urban conurbations are coming together in combined authorities across the country.

I am also pleased that the Government have received combined authority proposals from two local authority groups in the east midlands. The Derbyshire consortium has 10 councils including the county council and city council, and the same process is under way in Nottinghamshire.

As part of that process, the Government are right to insist on a directly elected mayor for each combined authority so that there is a figurehead for the body being created. I have tried to put myself in the position of an overseas investor who arrives in Manchester or Birmingham wishing to invest in the region. I would want to understand who is the titular head of the body and who is ultimately responsible. A directly elected mayor goes some way to addressing that.

**Mrs Drummond:** Does my hon. Friend agree that the decision in the last Parliament to create single pots for infrastructure projects such as those determined by the local enterprise partnerships has shifted power, which has been crucial to places like my area of Portsmouth and his of Rugby?

**Mark Pawsey:** Absolutely. The shift of power from the centre out to the regions is massively important and I will talk about the importance of local enterprise partnerships shortly, but first I want to talk about the impact of combined authorities in my part of the country.

Even though Rugby is right in the middle of the country, under the old regional development agency model we were placed in the west midlands because Warwickshire was put in the west midlands. However, my town's economic links are much closer to places like Lutterworth and Leicester in Leicestershire and Daventry and Northampton in Northamptonshire. In so many instances we in Rugby look east rather than west. That is one reason why I have some concerns about the developments in the west midlands. It is entirely right that the urban area of the west midlands—Birmingham, Solihull, Walsall, Dudley, Sandwell and Wolverhampton—comes together. I ran a business in Rugby, and we looked at that block of authorities as one big market. In fact we did not know where one authority ended and the other started because to us it was one big market.

**John Mc Nally (Falkirk) (SNP):** Will the hon. Gentleman give way?

**Mark Pawsey:** I will carry on, if I may, as other Members wish to speak and I only have a little time left.

It is entirely right that those authorities come together in the midlands engine, but I note that Coventry, a city almost in the centre of Warwickshire and surrounded

almost entirely by Warwickshire, wants to join that combined authority. I do not think the people of Warwickshire have made a sufficiently strong case to both the people and local politicians of Coventry for the merits of Coventry remaining within Warwickshire. To take up the comment made by my hon. Friend the Member for Portsmouth South (Mrs Drummond) about the role of the local enterprise partnership, my local LEP is called the Coventry and Warwickshire LEP. It is a natural economic unit, and I would like more thought to be given to the possibility of Coventry and Warwickshire working together as a combined authority. I say to the people of Coventry—to Coventrians—that it is not too late and there is no automatic reason why Coventry needs to join the west midlands combined authority. One of my selfish reasons for having concerns about that is that if Coventry joins that combined authority, Warwickshire may feel a need to do so, too. I have already explained that my authority's links are closer to the east midlands than to the west midlands. I hope it is not too late to have a further look at this matter.

All that raises the issue of the role of two-tier authorities within the move to combined authorities. Some challenges for government will emerge where we have a two-tier authority and the upper tier wishes to go in one direction and the lower tier—the district councils—wishes to go in a different one. It is entirely right that both tiers are talking to the emerging west midlands combined authority, but I am keen that in my part of the world, Rugby, we continue to talk also to the districts and counties on our eastern flank, because our relationships with that area are so strong.

I wish to make one or two quick remarks about the changes the Government are making to the planning system. It is entirely right that we make it easier for businesses to grow. Housing development is a very substantial part of economic growth and we want to make it easier for people to build new houses. I am very proud that in my constituency we are doing entirely that, with two substantial housing development sites coming forward.

**Several hon. Members rose—**

**Madam Deputy Speaker (Natascha Engel):** Order. Before I call the next speaker, may I say that since I raised the limit everybody has taken the maximum number of interventions and therefore we are getting a bit pressed for time again? We will leave the limit at seven minutes, but may I just ask everyone to keep interventions to a minimum and make them short? If we do that, we might get there.

8.37 pm

**Sue Hayman (Workington) (Lab):** I am delighted to speak in today's debate, during which we have heard many excellent maiden speeches. Since being elected to serve as MP for Workington, I have been privileged to meet many young, hard-working people who only want to do well in life and make a positive contribution to the communities in which they live. For example, this coming weekend I am proud that I am going to be presenting the awards at the Gen2 graduation ceremony, celebrating the achievements of students in engineering and other technical disciplines.

[Sue Hayman]

I want to draw attention to the particular and disproportionate impact the Government's Budget proposals will have on young people—I want to ask the Minister what he thinks young people have done to deserve such a kicking. It is truly shocking that they are going to be bearing such a heavy load in these Budget proposals, which mean that they are increasingly going to be paying to support the older generations, who are better off than they are. The Budget divides young from old, as well as rich from poor, and will do nothing but drive down young people's aspirations in my constituency. Young people are three times more likely to be unemployed in the UK than they are in Germany, and for those who are in work this new "national living wage" will be paid only to those who are over 25. That is unacceptable, as it leaves younger workers on a much lower salary for doing the same job. Young people who have children will be particularly hard hit, as their benefits will be deducted far more quickly than their earnings will be increasing.

On top of that, young people who aspire to climb the ladder out of poverty and go to university will now be thinking twice, because the student maintenance grant is going to be scrapped and replaced with yet another loan, only creating more debt for our poorest families.

Let me move on to housing. There is a crisis in housing in our country, particularly in affordable housing—both to buy and to rent. Instead of looking at real sensible solutions to support young people into their own homes, this Budget will stop housing benefit for those under the age of 21. The implications of that are enormous. I do not know whether the Government have properly thought through this policy. In my constituency of Workington, one local housing authority, Impact Housing, has estimated that it will lead to an extra 200 young people becoming homeless. My constituency does not particularly have a homeless problem, and I do not want to see the Government create one, thank you very much. The proposals talk about exempting vulnerable people, but I ask the Minister how he will assess who is vulnerable. Why should they be assessed as vulnerable?

**Hannah Bardell** (Livingston) (SNP): I am listening carefully to the hon. Lady, and I agree with much of what she is saying. Does she agree that limiting families to only two children and putting women in the position that they have to declare whether or not they have been raped to justify benefits for a third child is both dangerous and divisive? We need much more detail and discussion on that matter and on other areas of the welfare proposals.

**Sue Hayman:** I could not agree more.

The Government are interfering in how people live their lives and in how many children they should have. It is not for the Government to dictate to people how many children they can afford to have. People should be able to make that decision themselves. What if people's circumstances change after they have had their children? How does that work?

**Rebecca Pow:** Will the hon. Lady let me intervene?

**Sue Hayman:** No, I wish to finish my point. I was talking about vulnerable people. I know that the proposals suggest that vulnerable people will be supported. I asked

about how vulnerable people will be assessed. The people whom I am really concerned about are those who do not quite meet the vulnerability criteria. They cannot afford the rent, but they are not classified as vulnerable. What happens to them? Do they then become homeless as well? The Government have not considered the fact that not everyone can move back with their parents and that not everybody has friends and relatives who can give them a home. It is wrong that we have a Budget that will increase homelessness. That is my point.

Let me return to the fantastic work that young people do in my constituency. I am talking about the apprentices and the students who work hard to get on in life. In my experience, most young people want to get on in life and be part of society. This Budget offers little encouragement in that regard, which is why I believe that it should be condemned.

8.43 pm

**Martin Vickers** (Cleethorpes) (Con): Before I start my comments, may I respond to the points made by the hon. Member for Workington (Sue Hayman)? Towards the end of her speech, she referred to a more positive outlook for younger people. That outlook is something that I hear about from young people who are training for apprenticeships, or who are attending the local further education colleges. They have a much more positive view. They can see the opportunities that have been created in my part of the world, which is, to a great extent, thanks to the investment in the offshore renewables sector. These young people have a vision of the future and can see the opportunities, and we should do all we can to support them. Of course, in our constituency work, we come across those who face challenges and significant problems. There will always be those people in our communities and we should do everything possible to help them. Certainly, the policies that I have picked out from the Budget do exactly that.

Two specific aspects of the Budget benefit my constituency. First, the coastal communities fund is being topped up. I was at an event on Friday evening with Amanda Austin, a businesswoman who manages the major shopping centre in Grimsby, next door to my constituency. She had already downloaded the application forms for the coastal communities fund. She had a scheme in mind and she could see how we could take advantage of that in the Cleethorpes area.

Secondly, the extension to the enterprise zones is particularly welcome. The largest enterprise zone in the country is a cross-Humber one, which partly takes in my constituency. We have attracted considerable businesses. Able UK, which is investing hundreds of millions of pounds in my constituency with the Humber marine energy park, has just signed a deal with Dong Energy, which is already a significant investor in the area. It is anticipated that 1,000 jobs will result from this deal. It involves manufacturing, which we want to expand in our economy.

**Fiona Bruce:** I thank my hon. Friend for referring to the speech of the hon. Member for Workington (Sue Hayman). Does he agree that she seems to have forgotten that under her party's Government there were over 1 million young people who were not in education, employment or training, and that this Government have radically improved that, to the benefit of young people in this country?

**Martin Vickers:** My hon. Friend makes an important point. In my constituency I can see the reduction in the number of NEETs and the increase in the number of apprenticeships. Opportunities for younger people are increasing all the time.

Coming as I do from a working-class background, I am keen to see the initiatives in the Budget that boost working-class people—blue collar Conservatives, as we tend to call them. Opposition Members are in total confusion about whether to accept the welfare cuts. No one can say that they were not flagged up during the election campaign, and the people of the United Kingdom voted overwhelmingly for a Government who would implement them, make the welfare system fairer and allow—*[Interruption.]* I take the point from the Scottish National party Benches, but we are still a United Kingdom, thankfully. Even the Scottish people voted in favour of that. The Budget must be judged as a package. Yes, there are those who will be hit by the changes to tax credits, but that is offset to a considerable extent by, for example, the changes to personal allowances.

On devolution, I have for many years been an advocate of elected mayors, and I am pleased to see that, as things go full circle, the Government are promoting that idea. An elected mayor is a figurehead, another ambassador for our areas, someone who can go out there and sell our constituencies. I would prefer a much more radical devolution and settlement for local government, but the Government have outlined a clear policy. I was at a cross-party meeting last Friday with the Humber MPs, and we can see a consensus emerging among Members. I hope that will be copied—

**George Kerevan:** Will the hon. Gentleman give way?

**Martin Vickers:** I am running short of time so I will not, if the hon. Gentleman does not mind.

The way that local authorities are beginning to come together and recognise the advantages of what is on offer from the Government suggests that they will move towards a system of combined authorities. Personally, I would prefer to see unitary authorities rather than combined authorities and economic authorities, but at least it is a step in the right direction.

I have some reservations—for example, in relation to planning. As we all know, planning is very controversial. It is an issue on which we must take our communities with us. If, as in the case of most of my constituency, which falls in a local authority area where there is no local plan and it is years before we will have one, the people, through the democratic process, must have some sort of opportunity to put their case.

**Mark Pawsey:** Does my hon. Friend agree that when a local authority has been incredibly slow to bring forward a local plan, having had many years' notice that it needs to be done, it is entirely right for the Government to say, "Look, if you don't do it, we will."?

**Martin Vickers:** I entirely agree, and I am glad to see the Government being much more proactive in that regard. Equally, whether it is the Government or the local authority, they must take communities with them. For many years I have advocated giving those who object to planning developments a right of appeal in certain limited circumstances. One such circumstance should be when no local plan exists, because that means the democratic process has let those people down.

The other thing that I have reservations about is Sunday trading. Personally, I do not want to see Sunday trading extended. It is an uneasy compromise that we have at the moment. I do not want to turn the clock back to the Sundays of my childhood, when the most exciting thing to happen was "Two-Way Family Favourites" followed by "The Navy Lark", but the rush to allow superstores unlimited opening is detrimental. Our lives have a certain rhythm, as does the week, the month and the year. I think that we are losing something from family life, and from the support that we have given to small traders.

**John Mc Nally:** Will the hon. Gentleman give way?

**Martin Vickers:** I will, but for a 10-second intervention.

**John Mc Nally:** We are trying to encourage small companies, in particular, to create more apprenticeships and jobs. Does the hon. Gentleman agree that legislation needs to be tightened to get bigger companies, instead of delaying payments, to make payments quicker so that small companies can trade in a better position?

**Martin Vickers:** The hon. Gentleman makes a valid point, but I have only 48 seconds left and so will race through the other points I wanted to make.

Members across the House support our high streets, or at least they pay lip service to the idea of supporting our high streets. Many small shops, such as convenience stores, rely upon the extra cash they get in the till on a Sunday, which is thanks to supermarkets being limited to six-hour opening. I know that the Government will say that it is up to local authorities, but I would like to see that proposal removed.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Natascha Engel):** Order. I apologise to those Members who are still to speak, but we have had the maximum number of interventions and the maximum time for speeches, so the time limit will now have to drop to six minutes.

8.52 pm

**Richard Burgon (Leeds East) (Lab):** When I think of this Budget, I think of my constituents who will be hard hit by the measures it sets out; measures that were cheered to the rafters by the Conservative party, led in fist-pumping style by the right hon. Member for Chingford and Woodford Green, known to my more polite constituents as Iain Duncan Smith.

This Budget is bad for the economy and bad for the poorest, whether working or not, in my constituency and in our society. It takes money from the poorest in society and hands it to the wealthiest. Do not just take my word for it; criticism and concern has ranged from the TUC and major trade unions to Citizens Advice, the Joseph Rowntree Foundation and Barnardo's, and from the Institute for Fiscal Studies to the Local Government Association and the Federation of Small Businesses. For example, Paul Johnson of the IFS has said:

"In general the more important tax credits are to someone's income at present the less likely they are to be compensated by the higher minimum wage"—

[Richard Burgon]

note that he refers to the minimum wage, not the living wage—

“But the key fact is that the increase in the minimum wage simply cannot provide full compensation for the majority of losses that will be experienced by tax credit recipients. That is just arithmetically impossible.”

This Budget negatively affects a majority of the population. The IFS says that 13 million people will lose out through the freeze in benefits and tax credits. This Budget is bad for people in my constituency of Leeds East, where the cuts to tax credits will hit an overwhelming majority of families. In Leeds East there are 9,600 families with children claiming tax credits, 6,100 of whom are working families, with 12,600 children affected. The scale of the impact in my constituency and constituencies like it across the country should make Conservative Members ashamed. Sixty-seven per cent.—two thirds—of families in Leeds East receive tax credits, while 75%—three quarters—of children are in families receiving tax credits. This is an attack on the incomes of the poorest while helping the wealthiest.

Freezing benefits for four years and cutting tax credits will reduce real incomes. The Joseph Rowntree Foundation makes it clear:

“For those out of work, especially childless adults, it will further widen the distance between their incomes and what is needed to achieve an even basic standard of living. This is of course deliberate, in that the aim of the Government is to sharpen work incentives for those not currently in work.”

Citizens Advice says that

“a government serious about making significant savings to the welfare bill needs to tackle problems at the source including insecure work and failures in the housing and childcare markets...Cuts to welfare including freezing benefits for four years, lowering income disregards and work allowances, and cutting tax credits will all have a very serious impact on many people’s ability to meet day to day costs.”

I have to mention George Osborne, the Chancellor—

**Madam Deputy Speaker (Natascha Engel):** Order. I say this in the spirit of helpfulness. We do not name Members by their names but by their constituencies. This is the second time that the hon. Gentleman has done it, so I ask him to use the constituency or job title—“the Chancellor” will do.

**Richard Burgon:** The Chancellor’s so-called living wage is a con. He claims to be giving Britain a pay rise but his living wage premium is actually a new minimum wage undercutting the rate proposed by the Living Wage Foundation.

Quote after quote that I now do not have time to go into sets out the reality of the Government’s Budget. Many measures, as other Members have mentioned, are an attack on the hopes of young people. They include excluding under-25s from the so-called living wage, preventing young people from living independent lives by cutting their access to housing support, and abolishing student maintenance grants for the poorest and raising university fees. What we needed to hear in the Government’s Budget was a call for investment to publicly deliver affordable social housing, access to well-funded further and higher education, and new jobs and apprenticeships with better pay that would allow people to live decent and stable lives.

People in my constituency and areas like it across the country are not a priority for this ultra-Thatcherite Government. They talk about a northern powerhouse, but we need only look at what is happening with trans-Pennine electrification. They are cutting funding for infrastructure in Leeds and in the north. They talk about devolution, but I and many others fear that the real aim is to devolve the blame for the national Government’s austerity economics. We must not give up fighting against what is being done to my constituency and areas like it by this Government, who are all about siding with the rich and the powerful. I look forward to carrying on fighting, alongside Labour colleagues, campaign groups and trade unions, against this Government’s cruel plans and for a better society.

8.58 pm

**Mr Alan Mak (Havant) (Con):** It is a great pleasure to follow the speeches by my hon. Friends the Member for Rugby (Mark Pawsey) and for Cleethorpes (Martin Vickers). It is also a great pleasure to welcome my fellow Hampshire Member of Parliament, my hon. Friend the Member for East Hampshire (Damian Hinds), as Exchequer Secretary. I congratulate my hon. Friends the Member for Chippenham (Michelle Donelan), for Somerton and Frome (David Warburton) and for Southampton, Itchen (Royston Smith) on their outstanding maiden speeches.

I am grateful for the opportunity to speak in this debate on the summer Budget. It is a Budget that rewards hard work and aspiration, not just in London but across every region of our great United Kingdom; backs working people by cutting their taxes, boosting their wages, and clamping down on the abuse of the welfare system that they help to pay for; and strengthens our public services while backing our armed forces. I am proud to speak in support of this Budget not just because of those positive attributes but because it is a Budget that builds Britain’s opportunity society.

Although bolstering Britain’s economic growth and giving working people financial security is rightly this Government’s most pressing priority, building the opportunity society must and will be their most distinct legacy. Alongside our long-term plan for a stronger economy, for me this Budget signals our renewed commitment to a long-term plan for a stronger society. That society should be one in which everyone can fulfil their potential, no matter what their starting point in life, because what counts towards their success and prosperity in the opportunity society is how hard they work, the talents they have and the ambitions they hold, not who their parents were, where they grew up or what sort of school they went to.

This Budget gives fair chances to everyone across the entire spectrum of society, young and old, and across every region of our great country, north and south. That is vital, because building an opportunity society gives us not only a stronger, fairer, more prosperous economy at home, but a more competitive economy abroad.

**George Kerevan:** Will the hon. Gentleman explain why, if we are exporting, the OBR has downgraded its forecast for the current account deficit for the next five years?

**Mr Mak:** I shall come to that point later in my speech.

This Budget builds the opportunity society, which is important because in the global race for success, Britain cannot afford to waste the talents of anyone in this country. Last year, the Sutton Trust estimated that improving social mobility, including by getting people back to work, could add up to £140 billion to our GDP by 2050.

This Budget helps to build on the Government's track record during the past five years, when 1,000 jobs were created every day, the deficit was cut by half as a share of GDP, 2 million apprenticeships were created and we enjoyed the highest growth of any developed country—higher than France, Germany or America. It is therefore no surprise that the latest World Economic Forum global competitiveness index report places Britain ninth in the world, which is up from our position last year and ahead of competitors such as France, Canada, Australia and Ireland. The Budget builds on and locks in the growth that we have sustained during the past five years. It helps Britain to move from a high-tax, low-wage and high-welfare economy to a higher-wage, lower-tax and lower-welfare country. It delivers a stronger society at home, and it gives us a more competitive economy abroad. Conservative Members share an abiding faith that individuals and businesses flourish when they have control over their lives, so I welcome this Budget.

**John Mc Nally:** I rise to make the same point again. Does the hon. Gentleman think that legislation will stop the farcical situation of big businesses delaying payments to small businesses? A small company wanting to grow ends up having to chase bigger companies to get the money they owe, which frustrates its wish to employ apprentices. Does he agree that we need to tighten up the legislation on that?

**Mr Mak:** The hon. Gentleman will know that the Government are taking decisive action to ensure that small firms are not punished and penalised when larger firms delay their payments. I come from a small business background, so I fully understand the challenges that that poses. What the Budget does for businesses is to lock in the growth and success that we have had during the past five years. I have talked about apprenticeships, and I will come on to the cut in corporation tax later.

I welcome the Budget because, ultimately, it keeps working people in work and allows them to keep more of the money they earn. The rise in the tax-free personal allowance to £11,000 from April next year means lower taxes for about 45,000 working people in my Havant constituency, and an estimated 750 people will be taken out of income tax altogether. That is what the opportunity society Budget looks like on the ground, and it is one that I am proud to support.

At the same time, lowering the welfare cap sends out the clear, distinct and unambiguous message that a life dependent on welfare and benefits, funded by those who work hard and do the right thing, is no longer an option. Our welfare reforms also send a strong signal that modern Britain will be a lean, nimble and productive economy that not only pays its way in the world, but asks each and every one of us to contribute where we can.

Although no one must be held back in our society, it is equally right that the Government do not allow anyone to be left behind as we run the global race for success. In other words, we want everyone who can contribute to be on the field of play, not watching from the sidelines. In particular, our Budget gives 18 to 21-year-olds a clear path from welfare and into work. I welcome the new earn or learn youth obligation and the ending of the automatic right to claim housing benefit. At the same time, the new apprenticeship levy for larger employers will ensure that our ambitious and successful apprenticeship programme gets the funding it deserves.

In addition to those structural policy reforms, Britain's place in the world economic order and our ongoing national prosperity are dependent on our regions, cities and counties doing just as well as our capital city. In my Havant constituency and the wider Solent region, we are heartened that the Government are committed to rebalancing the economy and bringing local growth to every part of the UK, whether by building a northern powerhouse or supporting important regional economies in the midlands, the south west or the south coast, where my constituency is based.

The summer Budget confirms that the Government are working towards further devolution deals, for example with metro areas such as Sheffield, Leeds and Liverpool, to boost local growth. I can confirm to my right hon. and hon. Friends on the Treasury Bench that in the Solent region all our councils support more devolution of powers to our county of Hampshire. I am personally committed to working with them to use any new powers to boost local economic growth and raise living standards.

I am very pleased to be working with my hon. Friend the Member for North East Hampshire (Mr Jayawardena) to create a new all-party group to champion Hampshire's economic growth, and I look forward to working with other Members, particularly my hon. Friends the Members for Portsmouth South (Mrs Drummond) and for Fareham (Suella Fernandes), whom I can see in the Chamber. We are all committed to regional growth in our county for the greater prosperity of our citizens. That will help Havant to build on an already impressive record of growth, with exciting plans for local economic development being implemented. For example, at the Dunsbury Hill Farm development, a 50-acre stretch of farmland is being redeveloped with support from the Solent local enterprise partnership to become a new modern business park, driving local growth. We anticipate up to 3,500 new local jobs as well as investment in infrastructure such as local roads. The Solent LEP has been awarded £125 million in vital funding from the local growth fund for exactly that purpose.

Elsewhere in Havant, Langstone Technology Park and the Solent Retail Park are both booming. Business is coming to Havant. Businesses that relocate to Havant—and I urge them to do so—will benefit from a range of measures in the Budget designed to help businesses and our local economy. Corporation tax, already the lowest in the G20, will be cut to 18% over the course of the Parliament and the annual investment allowance has been put at £200,000 on a permanent basis.

The Government's continued commitment to hard-working people and supporting local growth also means that unemployment in my constituency fell by 48% between

[Mr Mak]

May 2010 and May 2015. Those are people who have moved from welfare into work. They are playing a key role in Britain's economy and our opportunity society.

The Government rightly put security at the heart of our manifesto and of this summer Budget. That means economic security, financial security and national security. The most important for me is the social security not of a life on welfare but of giving opportunities to people to work hard and make a better life for themselves.

9.7 pm

**Wes Streeting** (Ilford North) (Lab): It is a pleasure to speak in the debate and to follow so many hon. Members who made excellent maiden speeches.

This is a Budget that puts politics above economics, which we have seen reflected on subsequent days in the interventions from those on the Treasury Bench and the very well read interventions from the Whips' briefings from those on the Government Back Benches.

I want first to turn to the constant myth we hear about the record of the previous Labour Government. We are told time and again that that Government were somehow profligate, which led to the crash of the economy—[HON. MEMBERS: "Yes!"] Government Members say yes, but it may interest them to know that public spending accounted for about 40% of gross GDP under Thatcher, 38% under Major and 37% under Blair and Brown. In the 10 years of Labour government leading up to the crash, we had cut the deficit and the national debt—[*Interruption.*] Since Members on the Treasury Bench are so exercised, perhaps they can tell us why, if our spending plans were so bad, they backed them pound for pound until the crash; or whether they accept, as they should, that the mess we find ourselves in was actually the result of the banking crisis, in which the state had to nationalise a huge amount of private debt.

When has the Conservative party ever been the party to which we turn in the case of weak regulation? Where were the calls from the Conservative Opposition during years of Labour government to tell us that City regulation was insufficient? We did not hear those cries. There was a banking crisis; it was not the result of the previous Government. It is understandable that Government Members want to perpetuate the myth to entrench their political position, but that is about politics rather than economics. Having listened to the Chancellor's Budget speech and to the speeches of Government Members in the days following it, I know that there is absolutely no way that the Conservative party can claim to be the party of the worker, and it seems that its blue-collar modernisation is already dead in the water.

We are told that somehow the Conservatives are the champions of high pay. Why is it, then, that when they talk about a national living wage, what they actually mean is an increased minimum wage? And why is it that, come 2020, that so-called living wage will be less than the London living wage that employees are being paid today?

Why are the Conservatives attacking working people on tax credits? If the Government were serious about lifting people out of poverty through work and pay, they would need to increase the living wage to about £12.65 an hour to account for their cuts to tax credits. When difficult choices are being made, it cannot be

right to target people who are doing the right thing by going out to work hard every day—sometimes in several low-paid jobs—or to cut their tax credits and perpetuate the myth that somehow they are being helped by the introduction of a national living wage that is nothing of the sort.

This Budget and Chancellor are overlooking some of the major issues that need to be addressed if we are serious about a so-called long-term economic plan. The Chancellor is only interested in his own political position, and he is ducking the big question about Britain's membership of the European Union. If he is serious about Britain's place in the world and about our future economic prosperity, he should be leading the argument to stay in Europe. Instead, like so many of his Cabinet colleagues, he sits on the fence and perpetuates the myth that some big renegotiation is coming along.

The Chancellor is also ducking the big issues on infrastructure. He has already cut the power from the electrification of the railways, and he is also ducking renewable energy and more housing, which, by the way, would be the best way to cut the benefit bill. It would be fantastic if we saw a house building programme that cut the amount we are paying, not to those claiming housing benefits but directly to landlords. That programme would be an effective way to reform welfare, but it did not feature in the Budget.

Another issue is Heathrow, which has huge potential for the London economy and for people in my constituency, who will have the benefit of Crossrail to get to the jobs that will potentially flow from Heathrow. As usual, however, the Government are sitting on the fence because they do not want to tackle the big issues.

There are a number of other issues with this Budget that I wish to raise in the limited time I have left. It cannot possibly be right that people who are unfit to work, including people receiving treatment for potentially life-threatening illnesses, will be penalised by this Government's welfare measures. Other hon. Members have already asked about the test for vulnerability, and I hope that that issue will be addressed in the Finance Bill Committee.

It cannot possibly be right that this Government will cap the aspirations of students from the poorest backgrounds by making sure not only that they graduate with record levels of debt, but that, through the other changes to higher education student finance, it will be the lowest-paid graduates who are hardest hit while the highest-earning graduates, who are still disproportionately from wealthier families, will take longer to repay their debt. Surely that cannot be progressive.

Finally, there can be no greater evidence of this Government's shallow commitment to dealing with some of the deep structural problems of our low pay economy than their pretence that they are tackling child poverty when in fact all they are doing is tinkering with the measures. The hon. Member for Rugby (Mark Pawsey) talked about the flatlining gesture. We may have tepid growth now, but one thing that is certainly flatlining is the progress that was being made to tackle child poverty. It is an absolute scandal that in the days after the Budget, Government Members have continued to justify their child poverty measures. This Budget will make child poverty worse; it does not do what the Chancellor says it does; and there is certainly no evidence whatever in it that the Conservative party is the party of the worker.

9.13 pm

**Suella Fernandes** (Fareham) (Con): I thank the hon. Member for Ilford North (Wes Streeting) for his passionate speech; I do not agree with many of his points, but I admire his passion. I also thank my hon. Friend the Member for Havant (Mr Mak) for a good speech about the opportunity society, and other hon. Members for the excellent maiden speeches we have heard today, in particular that by my hon. Friend the Member for Southampton, Itchen (Royston Smith). I helped him during the campaign and I was thrilled by his victory on 8 May.

At its heart, this Budget is about opportunity, endeavour and responsibility. Those are my core values—the values that make me a Conservative. This Budget is not only about aspiration, but it underpins the truth that the Conservatives are the real party of working people. It aims to create a Britain where everyone has the chance to prosper through earning more, paying less taxation and having free innovation. Those are the kernels of aspiration. The rise in the minimum wage, the increase in the tax-free threshold and the rise in the 40p tax threshold will all contribute to a fairer society, where aspiration is a reality for millions of people. Key to that aspiration, opportunity and growth are productivity and a skilled workforce that are local to the workplace. The need for increased skills will be key to transforming the efficiency and growth in our economy.

My constituency of Fareham on the south coast has an economy of more than £2.5 billion gross value added, 1.3 million people, 50,000 businesses and thriving marine, aviation and aerospace sectors, with high technology and advanced skills and engineering.

**George Kerevan:** The hon. Lady mentions the aerospace industry. Can she name one airliner that this country still builds?

**Suella Fernandes:** I am very proud of the local aviation and aerospace industries. My constituency has Eaton Aerospace and the neighbouring Portsmouth constituency has BAE Systems—key British companies that are exporting and are at the cutting edge of the aviation and aerospace sector, thanks to lots of investment from central Government.

Solent local enterprise partnership, which I met today, benefited from the local growth deal, receiving more than £150 million of Government funding over the last Parliament to boost skills, improve infrastructure and provide better business support. That increase in higher skills has allowed Solent LEP to set a target of increasing GVA by 4%. Key to that target is an increase in the amount of housing. We need houses to accommodate the increase in the workforce and the employment base.

My constituency has a strategic development area called Welborne, which has been controversial. It will consist of 6,000 new homes, create 6,000 new jobs and contain 1 million square feet of employment land, which will enable growth and facilitate enterprise to take flight. It has been approved by the local council and the Planning Inspectorate. It is a huge opportunity for investment. It will be funded by £50 million from the new homes bonus—a great initiative that was brought in by the Conservative-led coalition—and £2 million from Solent LEP. There is currently a £30 million shortfall, but I hope that will be filled by central Government.

The problem with housing is not supply and demand; it is that the market lacks fluidity. Throughout the course of a life, someone might start off in a student flat, want to expand into a family home, get a larger home and then downsize in their old age. We do not currently have that fluidity, but the Budget addresses that.

We need to enable the ownership of housing. Ownership is more than just a name on a contract; it enables people to have a stake in society and, in many cases, something to hand on to their children. A key to that is enabling capital and equity. Those kernels of home ownership, responsibility and a stake in society are at the heart of our robust and bold Budget, which I commend to the House.

**Several hon. Members rose—**

**Madam Deputy Speaker (Natascha Engel):** Order. I am sorry to say that I must drop the time limit on speeches to five minutes to get all the speakers in.

9.19 pm

**Liz McInnes** (Heywood and Middleton) (Lab): I am pleased to be able to contribute to the debate. We have heard the Tories' repeated claim to be the party of working people, but we have a Tory Budget that is not the Budget that working people need. It leaves working people worse off and fails the test of building a more productive economy to bring the deficit down.

Cuts to tax credits will hit working people on middle and lower incomes, as well as those with larger families. My hon. Friend the Member for Hornsey and Wood Green (Catherine West) asked the Secretary of State last week for an equality impact assessment of the Budget. She was assured that the Budget had been fully equality impact assessed, but the document appears to be a closely guarded secret. It certainly does not appear as an accompanying document to the Budget on the Government's website. I hope that in his winding-up speech the Exchequer Secretary will direct me to where I can find that elusive document.

Certain groups seem to be hit hard by the Budget, and I would like to concentrate specifically on the effect of the change from maintenance grants to loans on young people hoping to go to university. It might dissuade many students from poor and modest backgrounds from going to university, but might none the less result in large sums never being paid back to the Treasury.

The current system of maintenance grants supports students from the poorest backgrounds through university. In England, students from households with incomes of £25,000 or less receive a grant of £3,387 each year to cover accommodation, living expenses, books and course materials. In 2014-15, 400,000 full-time students in England received a full maintenance grant and 135,000 received a partial maintenance grant. Even with those grants, the system is stacked against working-class students. Students from wealthy backgrounds are 10 times more likely to receive a place at university than those from poorer backgrounds, according to the Sutton Trust, an education charity.

Following the Budget, our students will be saddled with even more debt, in addition to repaying tuition fees. Maintenance grants will be replaced with loans to be repaid under the same terms as tuition fee loans—that

[Liz McInnes]

is, once a graduate is earning more than £21,000 a year. I will give credit where it is due: during the coalition years, the Liberal Democrats blocked plans to convert maintenance grants into loans. Here we have a fully fledged Tory Budget, and we see just what the Government want to inflict on our young people.

The general secretary of the University and College Union, Sally Hunt, has said:

“Maintenance grants are crucial for engaging students from disadvantaged backgrounds who are already daunted by crippling high tuition fee debt. Increasing the debt burden on students will act as a disincentive to participation, and it does not make sense for the taxpayer either, as the extra loan amount is unlikely to be repaid in full.”

We already have students living in poverty, and the replacement of grants with loans will just exacerbate that. The president of the student union of the University of the Arts London, Shelly Asquith, has described her university’s students as having to use food banks and payday loans to make ends meet. Others are being forced to take on work,

“often for so many hours it has a huge impact on their study.”

A typical student currently leaves university with debts averaging about £44,000, and no one knows what effect a loans-only system will have on university applications. There is a real risk that the Government are experimenting with the future of the current generation of secondary school students. In my constituency, 40% of working people do not even get paid the living wage—and that is the real living wage, which is set independently by the University of Loughborough and is currently £7.85 an hour. Five years ago, poorer students also received education maintenance allowance, which the Government have also taken away. We need to look urgently at the impact of the Budget on disadvantaged young people who aspire to go to university, and who will get the most out of it.

9.24 pm

**Peter Dowd** (Bootle) (Lab): The Budget statement, although difficult to hear at the time, was a hocus pocus concoction with built-in excuses should things go wrong: “Things will be better tomorrow, but then again they might not be”—it was a sort of mañana Budget. Having told us that growth was strong, the Chancellor attempted to make a subliminal and conflated link with the Greek crisis, and the possible implications if we do not allow him to get on and finish the job he started. Of course that was just the warm up excuse, because he then went on to say that—notwithstanding what a fantastic job he claims to be doing—we cannot be complacent.

To reinforce his potential alibi, and in case things went wrong, he reminded the House that the economies of the United States and China have slowed. Like an astrologer or a Mystic Meg character, he told us that the global risks are in the ascendant. He then wagged his finger at Europe, reminding it in a vague and imprecise way that it must not allow our future prosperity to be put in danger. Of course he forgot to remind us that Europe is way ahead in productivity, and that the French and Germans, among others, look on a little bemused—the French no doubt gave a bit of a Gallic shrug. The Chancellor also told us that this year the share of the national debt is falling after five years. I recall that

he said—indeed, he boasted—that he would do much better than that on both the deficit and the debt, but he has not.

This was a back to the future Budget. If there is any doubt about that, simply look at the self-satisfaction with which the Chancellor announced the sales of public assets, including some quasi-private assets in the form of housing association stock. It is the biggest sell-off since the 1980s says the Chancellor, but it is the old Conservative two-step shuffle of “Miss your targets, have a back-up plan, get the money from elsewhere—preferably somebody else’s money.” It is consistent, if not wholly imaginative. The Chancellor’s ambitions are not matched by the practical proposals that he has put in place to achieve them. Transport infrastructure proposals are currently in a mess. Many Conservative Members thought that they were going to get rail or road upgrades—or perhaps both—but they will have to wait a little longer until the mess is sorted out.

The Chancellor said that he wanted to make the NHS a priority in the Budget, but in short order he proceeded to tell the very people who make it run effectively and efficiently that they will be on a pay go-slow—in fact, they will have to be even more effective and efficient over the next four years because they will get just a 1% pay rise each year. That has become a habit. Local government—an area that I know reasonably well—has had to bear an unfair and disproportionate burden of cuts to budgets. Within the cuts to local government, some councils—including my own Sefton council—have had to bear even more significant and disproportionate reductions in central support.

If the funding of the NHS is taken in isolation from the funding of social care, that will create problems because they are different sides of the same coin. This is where local government comes into its own as it is the most efficient of public services. I hope that the new Secretary of State for Communities and Local Government will spend time ensuring that the devolution process for local government moves ahead positively and effectively, and at a pace consistent with good and effective governance, whatever those governance arrangements turn out to be. A slight glimmer of hope is the flexibility that devolution may bring to local government, and the ability to enable local growth that is unhindered by political and economic centralisation that, in my view, has hindered growth.

Let me make one salient point about the Chancellor’s claim that 1% of the world’s population generates 4% of the world’s income yet pays out 7% of the world’s welfare spending. In reality, a significant proportion of that is pensions that people have paid into and to which they are entitled. The Government’s jiggery-pokery on the issue must be challenged, day in, day out.

9.29 pm

**Harry Harpham** (Sheffield, Brightside and Hillsborough) (Lab): Last week the Chancellor tried to paint himself as a champion of working people. In reality, we got a Budget that does nothing to tackle the underlying problems of low productivity and low wages that over the past five years the Chancellor has failed to address. We had an old-fashioned Tory attack on the incomes of low earners, and a gaping hole where measures to increase productivity should have been. Much has been made of the fact that this was the first Tory Budget for 18 years,

but that is only partly true: the Chancellor has been presiding over the economy for half a decade now. During that time, our growth has been among the slowest in the G20 advanced economies, and was revised downwards by the OBR last week from 3% to 2.4%. Our poor growth is a symptom of our poor productivity, and it means depressed wages for far too many of our citizens. It means lower tax returns and higher borrowing. We cannot provide people with financial security unless we provide strong growth.

If we are going to tackle the productivity gap that is holding back growth, we need firm and decisive action from the Government, but that has been lacking over the last five years—and the Budget sees no improvement. The OBR has revised forecast productivity down for the next four years, and the Chancellor is set to fall short of his target of increasing exports to £1 trillion by 2020 by £367 billion. We need real investment in infrastructure, skills and research, and development to boost productivity.

The Chancellor is very good at announcements, but the Government's record on delivery is poor. Just ask my constituents—they have been waiting nearly two years for the midland main line to London to be electrified, only to be told that work is being halted. So much for the northern powerhouse.

Despite the increase in apprenticeships, too often they are focused on low-end skills and employers are still complaining that they cannot find people with the skills they need. Likewise, the replacement of maintenance grants with loans for students from the poorest backgrounds is a further example of the Government jeopardising productivity. They may say that most students will not be dissuaded from going into higher education, and that may be so, but there are young people for whom it will matter, and the Budget has let them down.

When it comes to low wages, the Chancellor has outdone himself with the barefaced cheek of what he proposes. He stood at the Dispatch Box and, bold as brass, trumpeted his so-called national living wage. It is nothing of the sort. At best, it is a welcome increase to the national minimum wage, but to call it a living wage is an insult to those who will be paid it. Although it will be around £9 an hour by 2020, the Resolution Foundation has calculated that by then the real living wage will be £10 an hour. If that was not bad enough, young people will not even get the imitation living wage. An hour's work deserves an hour's pay, and it is wrong to suggest that the efforts of a 24-year-old have less value than those of a 25-year-old.

All of that is before we take the cuts to tax credits into account. Nearly 12,000 families in my constituency receive tax credits, and I have been inundated with letters and emails from families who stand to lose out from the cuts. Tax credits are a lifeline that make low-paid work a viable option for thousands of families in my constituency, but the Chancellor is cutting that lifeline. The so-called living wage will not make up the shortfall, and the end result will be that thousands of poor working families will become even poorer. Families in my constituency will not be fooled by the rhetoric. They know an attack on their livelihoods when they see one.

On housing, the Chancellor shirked his responsibility to start delivering the 200,000 new starter homes that the Tory manifesto promised. In the first half of this year, first-time buyers spent on average £12,500 more

for homes than in the same period last year, an increase of 8%. The average deposit they had to put down has gone up by 5%. With the Government's poor record on house building, it is hardly surprising that for many people the chance of owning their own home is sliding ever further away.

I agree with the Chancellor when he says that we need to tackle low pay and productivity. I only wish that he had announced a Budget that did so.

9.34 pm

**Emily Thornberry** (Islington South and Finsbury) (Lab): Listening to the Budget was like falling down Alice's rabbit hole. It claimed the most extraordinary things—black is white, poverty has got nothing to do with money, the long-term plan lasts five months between Budgets in March and July, and the minimum wage is now the living wage even though it is not enough to live on. Apparently, it is a Budget for higher wages and a lower welfare economy, but we got a £5 billion wage increase at the expense of £12 billion of social security cuts.

Things get really Orwellian when the Government start talking about housing. Government Members may recall the modest proposal Labour made in relation to private rents. We were asking for just three years' security. We were not asking for a great deal and we were not forcing rents down, but it was something—it was a start. But good heavens, one would have thought that civilisation as we knew it was about to end! The right hon. Member for Welwyn Hatfield (Grant Shapps) got extremely excited and called it Venezuelan-style rent controls. So which socialist republic inspired the forced reduction of social rents, which has now been adopted by the Government?

The Government Benches seem to be populated by an awful lot of Maoists. We have heard about the Government's two-child policy. It now seems that the Conservative party feels we ought to be doing something about pushing down social rents. Why? It would seem that Ministers have discovered that the housing benefit bill is ballooning. Well, yes! And why is that? It is hardly being caused by the social housing sector. Have Ministers not noticed the size of rents in London at the moment? At the very least, they are twice that of social rents. Frankly, Ministers should come with me and find out how much the private rented sector costs people who are trying to remain in Islington. Housing benefit has soared and Ministers have finally noticed it, but they ought to have noticed this: the number of working people claiming housing benefit shot up by 60% under the coalition Government. Ministers should also have noticed that of the increase in the total number of people relying on housing benefit since May 2010, 98% are private sector tenants.

Despite all the evidence, which comes from the Government's own statistics, we have a proposal to cut spending on housing benefit by bringing down rents in the social sector, but that will not make a great deal of difference. Of course, the logic is this: it is yet another nail in the coffin of social housing. We have seen this agenda laid out in front of us for a long time: the Conservative party has not missed an opportunity to attack social housing. First, there were the cuts to social housing subsidy. Then we had forced conversions to the

[Emily Thornberry]

Orwellianly named “affordable” rents of up to 80% of market value, which is hardly affordable in my constituency. The Chief Secretary to the Treasury is pulling the most extraordinary face. What is 80% of market rent in his constituency, and to what extent is that affordable to his constituents? The Government have threatened to lower the benefit cap, extend the right to buy to social housing tenants and force the sale of more expensive council homes. Now there will be forced rent reductions, but only for social landlords. This is an assault on social housing. We know it, they know it and so do the public. We need to ensure the message gets out loud and clear, because it threatens an end to social housing as we know it. It is a disgrace and it is unforgivable.

Large tranches of the Budget could have been predicted. The Conservatives talked about how much it would be, but they would not give us the details. Those of us who looked at chapter nine of the IFS green budget, “Options for reducing spending on social security”, would have been aware of it. Unfortunately, the Chancellor does not seem to have read up to chapter 10, “Options for increasing tax”, and there were so many good things in it. For example, he missed the option of raising £990 million by abolishing tax relief for empty properties, or raising £1.5 billion through a 1% increase in corporation tax. Instead, he chose to cut it.

This is not a one nation Budget. This Budget is all about the same old Tories: the poor get poorer and the rich get richer.

9.38 pm

**Alison McGovern** (Wirral South) (Lab): Before I begin, I would like to say to the hon. Members for Paisley and Renfrewshire North (Gavin Newlands), for Erewash (Maggie Throup), for Southampton, Itchen (Royston Smith), for Chippenham (Michelle Donelan) and for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald) that they have each made great first contributions to this place. It was a pleasure to hear them. My hon. Friend the Member for Wirral West (Margaret Greenwood) also made her first contribution today. She will find that representing the brilliant, funny, kind and generous people of the Wirral is a sincere pleasure and a great honour. She is just like them and we are very proud to have her here.

The Budget needed to do two things: to address the deficit that our country still faces, and to make work pay. I shall address my concluding remarks on this debate to those two principles. I am afraid that on both those issues—on the deficit and on making work pay—the Chancellor has given the British people a con.

On the first of those principles, I remember being on the Back Benches in 2010, knowing that Alistair Darling’s Budget of March that year had seen the economy grow. This Chancellor argued that the emergency Budget in June that year was necessary because the deficit had to be closed—not to be reduced by half by the end of that Parliament, as it would have been under the existing plans, but to be fully closed by 2015. However, as the hon. Member for Taunton Deane (Rebecca Pow) said, the deficit is still too high. I would invite and encourage her to get in touch with the Chancellor of the Exchequer to remind him of the promises he made to the British

people and to ask him this simple question: what went wrong? What happened? Even after five years of over-promising and under-delivering, the Chancellor has done it yet again.

In fact, as the OBR says on page 15 of the “Economic and fiscal outlook”,

“the budget balance improves...less quickly”

than the Government forecasted in March. If for whatever unfortunate reason for our country the Chancellor were no longer in post in 2019, one wonders whether he would have had the unique honour of presiding only over deficits for each year in which he was Chancellor of the Exchequer and never over a surplus. That is now looking to be a distinct possibility. I wonder what the Chancellor would have said in 2010 if he had known that that was going to be the case. Could he have predicted, I wonder, his failure over his promises?

Secondly, on making work pay, I was 17 when the national minimum wage came in and I was in my second-ever job. A year earlier, at 16, I had my first job and I well recall the payslip; I was paid about £2 an hour. I worked alongside adults—over 18—who were paid the same amount. When the minimum wage came in, it was paid at £3.60 an hour. That national minimum wage had a profound impact on my working life and on the working lives of the people around me.

Last week’s Budget was a kind of back-handed compliment to the Labour Members who introduced the national minimum wage back then. They were so persuasive that it seems they persuaded even the Tory party. It was a compliment to the living wage campaigners who seem to have been so persuasive that they persuaded even the Chancellor, and to the trade unions who seem to have been so persuasive on the need for a pay rise that they persuaded the Chancellor even while the Government were still hell-bent on attacking them.

We should ask ourselves this question. Does the Budget really make work pay? Emphatically not! Tax credits have profoundly improved the ability for work to pay, especially for families that have the extra cost of having children. The damage done to tax credits will see families up and down our country lose out. The Chancellor calls his new “national living wage” just that. He uses the language of a “living wage” all the time while not living up to that promise. Of course an increase in the national minimum wage should be welcomed and is good, but it is not, as Members have mentioned, a living wage as normally understood.

Let us look at the detail of whether this Budget makes work pay. First, as part of its analysis, the Treasury has often produced a distributional outlook showing the impact of Budget measures on different groups—who gets what by decile of income. Not so this time; the Treasury chose not to do it. It is too complicated, it said. Thankfully, however, the IFS did just that, and we have all seen the graph of doom it produced, demonstrating unequivocally that those with the least lose the most. That is the truth of this Budget.

Let us turn to table 1.8 on page 40 of the Red Book to see what the Treasury says about the impact of its changes on families. It gives examples that it describes as “illustrative”, all of which involve people who are working for 35 hours a week, including a lone parent with one child. I do not know many lone parents in my constituency who are easily able to work for 35 hours a

week. Indeed, many are on contracts involving fewer hours, and could not rely on being able to work for 35 hours a week even if they wanted to. The examples assume growth in the personal allowance—of which we have seen little evidence—in future years. They also assume wage growth, and we wonder whether that is certain at all. All those examples, which suggest that people will be better off, are accurate if, and only if, we can believe a word that the Chancellor says. I hope I have demonstrated that that is not an assumption that British families can make.

Secondly, we need to make work pay in each and every part of our country. Let us look away from the micro for a second, and turn to the macro. Ultimately, we can improve real wages only by increasing the earnings potential of firms in our economy and the working people within them.

The Chancellor could have taken actions in three areas to meet the so-called productivity challenge—in fact, “productivity” is just a jargonistic term for making work pay—but, unfortunately, he did too little in those three areas, which are childcare, infrastructure and skills. On childcare, he looked again to the Labour party for inspiration after the election, stealing our 25-hours policy—[*Laughter.*] It has not passed me by that my party lost the election, but even if, at times, the public were not listening, the Chancellor clearly was, because he stole our 25-hours childcare policy. Sadly, however, he has delayed its implementation, offering people no real help now.

On infrastructure, I thought that the Chancellor wanted to rebalance the economy, but he has done nothing of the sort. He has cancelled northern rail electrification, and has offered literally no infrastructure improvements to the north-east of England, the region that most requires assistance at this time.

On skills, the Government’s apprenticeships policy sounds broadly right to me, but when I look at their record, I see that they have increased the number of older workers on apprenticeship schemes that are merely rebadged old training schemes. I encourage newer Conservative Members who believe that their Government have presided over a great apprenticeships record to look at the position a little more closely.

Many people who are already in work need to be helped to acquire better skills. Our country has become world-class at generating low-paid jobs from which too few people ever move on. The CBI, that bastion of socialism, has said that we have a skills crisis that the Budget will not fix. In the care sector, for example, staff often start work on low pay and remain on low pay. We need a much bigger strategy than the one that the Government have presented.

The Chancellor should have set out to do two things. He should have addressed his own failure on the deficit and reduced our stock of debt as he promised that he would, and he should have made work pay for ordinary British people and given them a real chance to get on. In fact, the Chancellor has a terrible record on both, and he is trying to con the British people. However, it is worse than that, because the Budget reveals the Chancellor’s real priorities. If we compare and contrast the impact on the north of England with the impact on the south, we see his priorities. If we compare and contrast the steps that he has taken on inheritance tax with those that he has taken on childcare, we see his priorities.

Compare and contrast the impact on those with least in our country who lose most, with on those at the top who gain. There we have his priorities. If he thinks we in the Labour party will let him get away with it, he should think again.

9.49 pm

**The Exchequer Secretary to the Treasury (Damian Hinds):** In every part of our country this Budget is helping working people meet their aspirations. It will deliver security, stability and prosperity. It will help us in our goal to become the most prosperous major economy in the world by the 2030s.

We build on a strong record: employment up; wages up; living standards rising; the deficit down; and the strongest economic growth expected of any of the major economies—for the second year in a row. As the Chancellor said, the only way to have a strong health service, strong schools, and a strong defence is to build a strong economy, and the British economy today is fundamentally stronger than it was five years ago. But there is much more to do, because for far too long we have struggled under the burdens of low productivity and an economy that is too regionally imbalanced and too skewed towards its capital city. In this Budget we have set out how we will change all that.

London is one of the greatest cities of the world. What we now need is a better settlement for the rest of the UK, one which boosts the rest of the UK while maintaining London’s strength—a regional rebalancing that levels up, not down. That is exactly the settlement we are providing through a combination of greater investment and more devolution, greater powers to Greater Manchester, and progress on devolution deals with the Sheffield city region, Liverpool city region, Cornwall and the Leeds, West Yorkshire, and partner authorities. There is also a new round of enterprise zones for smaller towns, an extension of the coastal communities fund, major new science, technology and culture projects all over the country, and a roads fund in England funded by vehicle excise duty for the strategic roads our regions need. There is a new statutory body, Transport for the North, to work on bringing the towns and cities of the northern powerhouse closer together, including through Oyster-style ticketing across the north, £13 billion of transport investment in the north, £5.2 billion in the midlands and £7.2 billion in the south-west, and £100 billion of investment in infrastructure in total over the course of this Parliament. There are resurgent cities, a rebalanced economy and thriving communities, and the most ambitious plan in generations for truly one nation growth. This Government are indeed “fixing the foundations”.

Let me reply to some of the specific points Members have raised; with 41 contributions to this debate, I fear I may not manage to respond to all of them, but I did particularly want to mention the seven outstanding maiden speeches, such as that of the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Stuart C. McDonald). Given his constituency name, we are all glad he waited for the installation of the widescreen televisions before making it. He enjoyed the rare distinction of being congratulated on his maiden speech in advance of making it as a result of what he described as the ongoing battle of the Stuarts. He also spoke kindly and appropriately of his predecessor Gregg McClymont,

[*Damian Hinds*]

who is missed here, and of the House authorities and staff and how they make the daunting task of arriving here just that little bit less daunting. I am sure that is a sentiment shared across all parts of this House.

The hon. Member for Paisley and Renfrewshire North (Gavin Newlands) made a new bid in the auction of youth when he announced he had started fighting his seat at the age of 10. He also paid tribute to his predecessor, and although he made a few jokes some of us did not quite understand, as my hon. Friend the Member for Taunton Deane (Rebecca Pow) rightly said, he will certainly be a feisty and campaigning MP. He will very much make his mark.

The hon. Member for Wirral West (Margaret Greenwood) spoke powerfully, and in the best traditions of maiden speeches took us on a tantalising tour of her constituency, and told us all that is great about it from Incredible Edible to short-eared owls via ZORB ball, the Open golf championship and knitwear-clad lampposts.

My hon. Friend the Member for Somerton and Frome (David Warburton) is, I believe, a former composer and he certainly showed how to hold an audience, and how he achieved the strongest swing to the Conservatives in the country. In maiden speeches, we often talk about having big boots to fill; he exceeded that when he announced that one of his former constituents was Walter Bagehot.

My hon. Friend the Member for Chippenham (Michelle Donelan) talked passionately about education and it is clear that she is going to be fighting hard in this place for her constituents. She follows in an impressive line of MPs who first came to prominence through a Conservative party conference speech in their teens. Before her election, she was also a trustee of Help Victims of Domestic Violence, and I am sure she will bring important knowledge of that subject to this House, too.

I am particularly pleased to welcome my hon. Friend the Member for Southampton, Itchen (Royston Smith) to his place, because I spent a little time in his beautiful constituency during the election—they were among the hillier days of it. He already has an enviable reputation for the tireless work he does on behalf of his constituents, and he reminded us of the area's long association with the military, from being Henry V's setting-off point for Agincourt to being the place where the Spitfire was designed. He also spoke with praise of his predecessor, John Denham, who is also missed and who is now embarked on a career in academia in our county of Hampshire.

My hon. Friend the Member for Erewash (Maggie Throup) paid tribute to our friend Jessica Lee and said that although Erewash does not exist as a place, it makes almost everything—that is a real tribute to UK engineering. My hon. Friend will bring to the House knowledge of biomedical science and extensive experience of the voluntary sector. I first met her in Rwanda, where she undertook one of her many voluntary work activities.

I wanted to respond to the Chairman of the Select Committee, the hon. Member for Hartlepool (Mr Wright), on apprenticeships. Let me say to him that there will be a formal agreement with business over the coming period and further details at the spending review, and the system will be based on an employer's pay bill. Both he

and the hon. Member for Birmingham, Selly Oak (Steve McCabe) asked about exports, where a lot more support has been going in from UK Trade & Investment to help exporters, including prospective exporters, to get that first step made.

A number of hon. Members rightly talked about productivity, where we face a long-term challenge—there will be no quick solutions. That is why it is right that the productivity plan goes through the whole range of infrastructure, skills, planning, finance for investment, and making sure that cities have the governance and powers they need to succeed.

More generally, these debates sometimes have a pattern whereby Opposition Members say that they welcome certain bits of the Budget and then say they reject all the others. Of course often all the others are the difficult things we have to do in order to be able to do those first things. We do not deny that there are still difficult things that have to be done to get our country back to where it needs to be, and they include things such as some of the welfare changes and public sector pay restraint. All those things have to be seen in the context of a deficit that is still 5% and that needs to come down further if we are to protect departmental spending and continue to have the brilliant national health service that we all so value.

I will have to write to the hon. Members for South Down (Ms Ritchie), for North Antrim (Ian Paisley) and for Leicester South (Jonathan Ashworth), and to my hon. Friend the Member for North West Leicestershire (Andrew Bridgen). I think I can provide some comfort on the things that they raised but, unfortunately time is against us right now. The same applies to what my hon. Friend the Member for Congleton (Fiona Bruce) said about some of the measures on bringing local plans forward.

I wanted to take the opportunity to say to the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) that this is the second time in a few days that she has suggested that the majority of the increase in employment has been in self-employment but that is just not right. Three quarters of that increase has been in employees, and while we are here I might also mention that three quarters of it has also been in full-time employment.

We heard excellent speeches throughout this debate. The right hon. Member for Wolverhampton South East (Mr McFadden) talked about some of the themes in the years ahead, speaking about opportunities for youth, Britain's place in the world and prosperity for all parts of the UK. I think all Government Members would agree very much with that. My hon. Friend the Member for Bedford (Richard Fuller) reminded us that changes needed to be made so that we could live within our means, and he challenged the Labour party to face up to that reality. My hon. Friend the Member for Bromley and Chislehurst (Robert Neill) reminded us of the fate of Charles X when he did not face up to the reality and was expecting the good people of France just to come round to the idea that the revolution had all been a terrible mistake. My hon. Friend the Member for Spelthorne (Kwasi Kwarteng) talked about the progress already made on tackling the deficit—as my hon. Friend the Member for Cannock Chase (Amanda Milling) said, Britain is very much back in business.

My hon. Friend the Member for Congleton talked about the importance of work in tackling poverty and in driving life chances. My hon. Friends the Members for Havant (Mr Mak) and for Fareham (Suella Fernandes) talked about the whole range of business support measures in the Budget, and of course it is businesses that create jobs.

We heard a lot about the different priorities in different parts of the country, ranging from what my hon. Friend the Member for Portsmouth South (Mrs Drummond) said about the southern powerhouse to the discussion of the Tisbury loop in Wiltshire. My hon. Friends the Members for Rugby (Mark Pawsey) and for Cleethorpes (Martin Vickers) talked about the importance of the role of mayor, not only as a democratically accountable institution, but as a figurehead for bringing inward investment. My hon. Friend the Member for Worcester (Mr Walker) talked about the beneficial impact of the fuel duty freezes we have had. It was good to see my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) back in his place, and my hon. Friend the Member for Newton Abbot (Anne Marie Morris) brought all sorts of good news from the south-west in her inimitable fashion—it is good news that will in future no doubt be brought at 140 mph on the Dawlish line or various newly improved A roads.

This Budget offers Britain a fresh settlement. Up and down the country, families will have the security of lower taxes and a national living wage. Our regions will have greater investment flowing to them and more control over their destiny. Our businesses will have the confidence to invest. There will be more jobs, more apprenticeships, higher wages, greater economic security, resurgent cities, more prosperous regions and a northern powerhouse. This is what the people of this country deserve and it is what we are providing. Britain is back in business and we will keep it that way.

*Ordered, That the debate be now adjourned.—(Simon Kirby.)*

*Debate to be resumed tomorrow.*

**Nic Dakin** (Scunthorpe) (Lab): On a point of order, Mr Speaker. At business questions on Thursday, the Leader of the House promised to bring forward changed amendments to the Standing Orders for English votes for English laws so that the whole House could have good sight of them before the general debate on Wednesday. My understanding is that these have not yet been brought forward.

**Mr Speaker:** Yes, I think that the amendments to which the hon. Gentleman refers have not yet been laid before the House. Therefore, in so far as the hon. Gentleman is concerned that copies of the relevant material are not available in the Vote Office, the reason is as I have given—the matters have not yet been put before the House. That is of course a matter for the Government. The Government Chief Whip is present and will have heard the hon. Gentleman. I am sure that material will be available ere long.

## Business without Debate

### COMMITTEES

**Mr Speaker:** With the leave of the House, we will take motions 3 to 7 together.

*Ordered,*

#### COMMUNITIES AND LOCAL GOVERNMENT

That Bob Blackman, Jo Cox, Helen Hayes, Kevin Hollinrake, Julian Knight, David Mackintosh, Mr Mark Prisk, Angela Rayner, Mary Robinson and Alison Thewliss be members of the Communities and Local Government Committee.

#### PROCEDURE

That Edward Argar, Bob Blackman, Jenny Chapman, Nic Dakin, Yvonne Fovargue, Patricia Gibson, Patrick Grady, Simon Hoare, Sir Edward Leigh, Ian C. Lucas, Mr Alan Mak and Mr David Nuttall be members of the Procedure Committee.

#### SCIENCE AND TECHNOLOGY

That Victoria Borwick, Jim Dowd, Chris Green, Liz McInnes, Dr Tania Mathias, Carol Monaghan, Graham Stringer, Derek Thomas, Matt Warman and Daniel Zeichner be members of the Science and Technology Committee.

#### STATUTORY INSTRUMENTS (JOINT)

That Tom Blenkinsop, Michael Ellis, Stephen Hammond and Derek Twigg be members of the Joint Committee on Statutory Instruments.

#### WELSH AFFAIRS

That Byron Davies, Chris Davies, Dr James Davies, Carolyn Harris, Gerald Jones, Christina Rees, Antoinette Sandbach, Liz Saville Roberts, Craig Williams and Mr Mark Williams be members of the Welsh Affairs Committee.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

## Broadband (Suffolk)

*Motion made, and Question proposed,* That this House do now adjourn.—(*Simon Kirby.*)

10.2 pm

**Dr Daniel Poulter** (Central Suffolk and North Ipswich) (Con): It is a pleasure to bring to the House this evening a debate on an issue that affects not just Suffolk but many rural counties in our country. I wish to put on record my thanks to my hon. Friend the Minister for his work on this issue. I know that he has worked very hard over the past five-and-a-half years to ensure that high-speed and superfast broadband can be rolled out to Suffolk and to other counties. He has visited our county on several occasions, and he understands the challenges that we face. It is the single most important issue facing rural Suffolk and many rural businesses and homes. As my hon. Friend is aware, Suffolk has a population of about 750,000 people and there are about 350,000 premises to which we need to get superfast broadband.

The question is what would happen if the matter were left to the open market. We know that BT's commercial deployment of fibre-based broadband reached around 50% of Suffolk's premises, but only in parts of the major towns and cities where it was commercially viable to do so. We know that Virgin Media provides coverage to around 67 premises, which is about one in eight, but only in selective parts of Newmarket, Ipswich and Felixstowe. There are also a number of small-scale wireless broadband providers in some parts of the county, where broadband speeds over BT's copper network remain poor.

It is not just about homes and businesses, but about other issues including how we develop better public sector services for people in rural areas. We know that delivering more integrated and joined-up healthcare, and delivering care in the homes with telehelp and telemedicine to older people are essential, and the way to do that has to be through improving our broadband and rural connectivity. We also know that education in our schools is hugely supported in today's world by the internet and the connectivity that the internet brings, but many schools in Suffolk still have very slow broadband speeds, and a number of schools in my constituency are struggling with speeds no better than those of dial-up. This needs to change, and I am grateful for the support that my hon. Friend and the Government have already provided to help address these issues.

Farming and agriculture are the backbone of our rural economy. Farmers tell me they do not have the infrastructure connections to enable fast enough broadband to comply with online Government services, including the new common agricultural policy information services, which require them to submit all information online and have an email connection for communication. This is affecting their ability to innovate and use new farm technology and software, which needs to be downloaded from the internet, and meet other Government regulations such as VAT, vehicle tax and animal tagging. Our farmers need to innovate to increase productivity in order to compete in international markets where higher broadband speeds are the norm. It is for the sake of Suffolk farmers that we talk about the last 5%, which I will speak about later. Farmers and agriculture are important drivers of the rural economy, and for their

benefit we will need additional Government support to reach that last 5%—the farm at the end of the dirt track that still does not have broadband and is struggling.

Suffolk and the Broadband Delivery UK rural broadband programme has had some great success. Suffolk was one of the first two local authorities, with Norfolk, to sign a local call-off contract with BT in the first phase of the BDUK rural broadband programme in December 2012 to extend coverage by 100,000 premises to over 80% of Suffolk premises by the end of 2015. There was a grant of almost £12 million from the Government, for which we are very grateful, and that was matched by another £12 million from Suffolk county council. I am pleased that my hon. Friend the Member for Waveney (Peter Aldous) is sitting next to me, because he and I campaigned tirelessly to ensure that we got that money for Suffolk, and we are very grateful for the Government support that our county has received.

Suffolk and Norfolk worked closely with BDUK to develop the milestone-to-cash process for in-life management of local call-off contracts with BT, and helped BDUK to train other local authorities around the country. Suffolk has been the first local authority to work with BT to trial a number of new technology solutions as part of the Suffolk deployment, notably wireless to the cabinet technology, which uses a microwave point-to-point radio link, rather than optical fibre cable, to link an enabled cabinet in a village—for example, Tuddenham in my constituency—back to the network, to avoid what would otherwise have been a lengthy and disruptive road closure and high civil engineering costs.

Suffolk has also used copper re-arrangement technology to re-arrange existing exchange-only lines, and lines previously served by other cabinets, on to a cabinet that was to be upgraded with fibre to the cabinet technology. The process was first trialled in Suffolk, and is now being widely deployed across the country. Suffolk has used a number of other technologies, including fibre to the remote node technology and fibre to the distribution point technology—topics which my hon. Friend the Minister may wish to talk further about in his response.

Suffolk has led the way nationally in what we have been doing on delivering faster broadband and superfast broadband to very rural areas—areas where there would otherwise have been commercial failure, areas where operators such as BT and Virgin would not have shown any commercial interest because it was not commercially viable to take superfast broadband to the consumer. That is where the Government money is being spent, and, as a result, Suffolk was the first local authority to sign a second local call-off contract under the superfast extension programme, to extend coverage to a further 50,000 premises, which means that over 95% of Suffolk premises will be receiving superfast broadband by 2018.

That was supported by a grant of £15 million from the Department for Culture, Media and Sport, matched by another £10 million from Suffolk county council and £5 million from the New Anglia local enterprise partnership. It is an example of Government working with the county council and the local enterprise partnership for the benefit of the county, recognising the importance of supporting rural businesses in Suffolk, and making sure that schools and the health service are considered part of that rural broadband roll-out.

Suffolk has signed up to the accelerated deployment process, agreed between BDUK and BT, to bring forward the end of the second contract by six months from the end of 2018 to mid-2018, so Suffolk is ahead of schedule in the roll-out of the first contract to reach 80% of premises, and moving ahead of schedule also on the second contract. I hope that the Government will recognise and reward Suffolk's success in rolling out superfast broadband when we come to the third roll-out to the final 5% later this year. There are still questions about how to get superfast broadband to the final 5% in some of the county's most rural areas, where farms and rural businesses are often operating on dial-up speeds. That situation is clearly unacceptable and needs to change urgently.

Let me set out the current status of the Better Broadband for Suffolk programme. As at the end of June, Suffolk has extended coverage to 90,986 premises, against a target of 100,000, so we are on track to complete deployment under our first contract with BT by the end of September. Those premises would not have been commercially viable and would not have received superfast broadband without support from the Government or the county council. That is a tremendous achievement. Peter Ingram and the Better Broadband for Suffolk team should be commended for all that they have done.

However, there is still more to do. Concerns have been raised with me—I would appreciate it if my hon. Friend the Minister would address these when he responds—about the conduct of BT. In general, Suffolk has a good relationship with BT, and the first contract is on track to meet, or slightly exceed, its coverage target of 100,000 homes by the end of September 2015, and within budget, which is a rare for public sector projects.

**Peter Aldous** (Waveney) (Con): I thank my hon. Friend for securing this important debate. I think that he is about to move on to the nub of an issue that I want to raise. Does he agree that part of the problem in Suffolk is that for many years BT has underinvested in its commercial roll-out? That means the Government and Suffolk County Council's resources have been diverted from tackling the real problem of getting to the hard-to-reach areas. I have in mind a case from the town of Beccles, where my constituent Mr Tony Twomey has been waiting for months to get superfast broadband.

**Dr Poulter:** My hon. Friend is right to raise his constituent's concerns and to highlight the fact that although the relationship between BT and the county council on the roll-out has generally been good, there have been concerns.

The money was originally put in place to hit those non-commercially viable areas, but not to supplement BT in activities that are commercially viable for it. Better Broadband for Suffolk has raised concerns with me about BT's behaviour in a couple of areas, and I want to touch on those briefly. I would appreciate it if my hon. Friend the Minister could respond to some of those concerns, because they might affect some of the contractual relations with BT, particularly with regard to the third phase of funding, which is expected later this year.

We know that BT's claims for its commercial coverage in certain trouble spots included villages on long lines from commercially enabled cabinets that got no benefit

from the upgrade, and that were excluded from Suffolk's intervention area under the first contract. BT was slow to admit the problem, initially promising the villages that they would be upgraded commercially and then reneging on that promise. The affected areas have been included within the Suffolk intervention area under the second contract as a result, but BT has been slow to prioritise coverage of the affected areas—my hon. Friend the Member for Waveney has just pointed that out—which will now be delivered more than two years later than originally planned. The residents of Suffolk, our constituents, are suffering as a result.

Suffolk has had similar problems getting BT to prioritise coverage of industrial estates and business parks, which are vital to the county's economy, particularly in rural areas. In general, BT tends to ignore Suffolk's priorities in favour of its own, which many of my constituents find unacceptable.

**Jo Churchill** (Bury St Edmunds) (Con): I wish to reiterate the points my hon. Friend is making. This is an issue not only in his constituency but in mine. Whole streets in villages such as Old Newton and Bacton have no service. This is the fourth utility. It affects every Department, including the Department for Work and Pensions through universal credit, which is a digital platform; the Department of Health as we roll out telehealth; and the Department for Environment, Food and Rural Affairs through the basic payment scheme. It disables our constituents if we do not give them the facility of broadband. A £6 million company in Ingham in my constituency is failing to expand as it wants to because it does not have broadband. That should be addressed.

**Dr Poulter:** My hon. Friend is absolutely right. It is a pleasure to speak alongside her in this debate. Her advocacy on issues such as broadband in rural areas will be greatly appreciated by her constituents.

The speed of roll-out has not been helped by BT, because Better Broadband for Suffolk and the county council have had difficulty in managing the contract. During the first half of the deployment, under Suffolk's first contract for 100,000 premises to be covered, it was clear that Better Broadband for Suffolk had the potential significantly to exceed the contractual parameters in delivering on budget and to a more rapid timescale. Latterly, it has been clear that BT has been limiting Better Broadband for Suffolk's efforts. It has been only just meeting the contractual parameters and planning sufficient structures slightly to exceed the contracted plans, not putting any further structures in place. BT will not go faster when Better Broadband for Suffolk could deliver faster. That has been to the detriment of our constituents, who have not received broadband in the timely manner they should expect. That is particularly true of many rural businesses.

There has also been a problem with BT on availability. BT has been slow to recognise and respond to issues that prevented customers from ordering upgraded services on newly built lines, with delays sometimes lasting many months and cases where Openreach has demanded that excess construction charges be applied to make the final customer connection. Some upgraded cabinets have become fully utilised quickly, and it has then taken more than three months for Openreach to install additional

[Dr Poulter]

capacity. That is unacceptable. Taxpayer subsidy—taxpayers' money—is being delivered through financial support from the county council, the Government and the LEP, with many millions of pounds going into this. When there is the capacity to go further and faster more effectively to support rural businesses and to deliver broadband more speedily for our residents and our constituents, that should be enabled and encouraged, not slowed down by BT. I hope that my hon. Friend the Minister will outline what the Government can do better to hold BT to account through Broadband Delivery UK and how this might affect the allocation of the money for the final 5%. I would be grateful for his thoughts on these issues that have affected our constituents.

According to *Which?* magazine's analysis, customer experience of broadband has been patchy. It found—we have found this in Suffolk as well—that only 17% of households with fixed broadband received an average speed that matched their advertised “up to” speed, and that this figure dropped to 15% during peak times, when the advertised superfast broadband speed is not as fast as it should be. I would be grateful if my hon. Friend outlined what measures will be available to consumers in Suffolk who are suffering from lower than expected and lower than advertised broadband speeds.

There is also a clear issue of superfast broadband being superfast only at times of low usage. That is a problem for businesses, in particular. They will obviously be using the internet and broadband services at peak times, and if the superfast broadband service that they have bought into is not superfast, then it is not fit for the purpose for which it was intended. This issue will need to be urgently addressed as part of the future roll-out process, as will the way in which we support existing businesses to ensure that they can get the speed of service that they need in order to be effective in looking after their clients and customers.

I have three or four questions for the Minister. I hope that the Government will bring forward proposals and funding for tackling the final 5% as soon as possible. The sooner there is certainty on the proposals, the better for our residents in Suffolk. Suffolk is keen to ensure that the final 5% of customers can enjoy the same fast, reliable, sustainable and future-proof solution that has been put in place for the other 95%. We want to avoid creating a digital divide between the 95% who will receive superfast broadband by 2017 and the remaining 5%, and Suffolk will be willing to work with BDUK on alternative approaches to achieving that objective.

Suffolk supported the Government's commitment to the universal service commitment of at least 2 megabytes per second by the end of 2015. For that policy commitment to be fulfilled for those who may have to wait until 2018 or beyond to get a superfast broadband service, it is imperative that the scheme delivers the 2 megabytes per second as soon as possible, and in time to ensure that services can be delivered by the end of 2015.

In delivering superfast broadband for Suffolk, I would be grateful if my hon. Friend the Minister not only addressed the issues about BT and the final 5%, but picked up on whether we can ensure that improved broadband services are linked with better mobile technology and improved mobile phone reception in our area. We know it is vital that all people running rural businesses—for

example, farmers needing satellite imaging on their combine harvesters—have broadband connectivity that is not just about fibre to the home, but broader in being linked online through a portable device. That issue is intrinsically connected with mobile phone coverage and 4G.

As part of the roll-out of the third phase of broadband funding to deal with the last 5%, I would be grateful for my hon. Friend's support in ensuring joined-up thinking by the Government, as I am sure there will be, and that businesses in the most rural areas—particularly those operating out of doors, such as farming—are properly supported.

In conclusion, there are questions for the Minister on the conduct of BT, on the final 5% and ensuring that proposals are made in a timely manner, and on joining up mobile phone coverage to ensure that there is a holistic approach that benefits both Suffolk residents and the taxpayer.

10.22 pm

**The Minister for Culture and the Digital Economy (Mr Edward Vaizey):** I am very grateful for the chance to reply to this important debate. I thank my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) for securing it, and I am grateful to my hon. Friends the Members for Waveney (Peter Aldous) and for Bury St Edmunds (Jo Churchill) for their timely interventions.

May I thank my hon. Friend the Member for Central Suffolk and North Ipswich both for his kind words about the work I have done during the past five years in rolling out the superfast broadband programme and for the balanced tone of his speech? I must confess that too often in these debates I hear from many colleagues one long whinge about the superfast broadband programme. That is difficult for me to take, because I know that it has been an absolutely stunning success. I must say that my hon. Friend balanced his remarks by pointing out the programme's extraordinary success in his own county of Suffolk. Before my remarks are somehow misinterpreted as portraying him as some kind of quisling rolling over to the Minister, let me say that he showed a superb understanding of the programme, which meant that the points he made at the end about how things could be improved had additional force and perspicacity, and therefore deserve the fullest answers.

I am grateful to my hon. Friend for his remarks, because they also reflected very well on Peter Ingram and the Suffolk team, who have been instrumental in making the county of Suffolk one of the textbook examples of how to run a good programme. It is worth reminding ourselves that this is a partnership of central Government funding and direction working with local authorities. The most successful programmes are those in which in a local authority such as Suffolk and the local enterprise partnership, which my hon. Friend also praised, work in harmony in clearing away the obstacles and working together to achieve success. That is why, for example, some 17,500 premises in my hon. Friend's constituency will get superfast broadband thanks to the programme in phases 1 and 2, as well as 8,500 in the constituency of my hon. Friend the Member for Waveney and 16,000 in the constituency of my hon. Friend the Member for Bury St Edmunds.

The programme is successful, but my hon. Friend the Member for Central Suffolk and North Ipswich made six points to which he asked me to respond. The first is the conduct of BT and, in particular, its renegeing on promises when it has planned to roll out to a village and then does not. He also asked what it is doing to support business parks. Although I am unstinting in my praise for the way in which BT has rolled out the national programme, there is no doubt in my mind—I have said this before—that it has some problems with customer service.

One issue has been that BT has promised broadband and then not delivered it to certain communities. When BT gets on the ground and does the mapping exercises, it might find that getting to a particular village is more complicated than it had thought, so it revises its plan. There is no doubt that that causes great consternation to villagers who were expecting broadband to be delivered. It is my intention in the autumn to update all relevant Members of the House on the progress of broadband in their constituencies to make it absolutely clear where broadband will be delivered. It is important to warn those who might be at the tail end of the programme that they might have to wait some time. We cannot deliver it overnight.

Business parks and industrial estates are also an issue that we negotiate regularly with BT. Again, the issue is somewhat balanced. It surprises me sometimes that business parks do not take it into their own hands to provide superfast broadband for tenants. The market is replete with numerous business suppliers of broadband. As we found from our business voucher scheme, which has connected 25,000 businesses, we have more than 600 registered suppliers all over the country that are more than willing to provide superfast broadband. Business broadband is a different beast from residential broadband.

On the question of BT not exceeding its contracted plans with Suffolk, there is good news on the way. We can consider some of the more advanced counties, by which I mean advanced in terms of time if not achievement. For example, Cornwall, which originally contracted for 80% coverage, has reached 95% with the same money. We expect shortly to be able to look at where money is coming back under the programme, because we get money back under the contract as more people take up broadband, and at whether money is available to extend roll-out even further. That links to my first point, as BT, perhaps keen not to over-promise, leaves some of my

hon. Friends with a feeling of frustration, but I am certain that BT will be able to exceed its contracted plans and that in a short time we will be able to announce how that will benefit Suffolk.

I shall take away with me the point made by my hon. Friend the Member for Central Suffolk and North Ipswich about BT being tardy in installing additional capacity in cabinets where demand is high, as again I suspect that it is more to do with BT customer service than any sinister plot to deny broadband to customers who are waiting.

My hon. Friend will be pleased to know that last month Ofcom made it clear that consumers will from now on be able to terminate their contract with any broadband provider that does not provide advertised speeds with absolutely no penalty. It is quite right to put the power in the hands of the consumer so that they can walk away from contracts that do not fulfil what they promised.

I know that Suffolk is not well served by mobile broadband roll-out. We have a landmark deal with mobile providers to provide 90% geographic coverage, as opposed to premises coverage, and that should be in place by the end of 2017. We are working quickly and effectively with mobile operators to get better mobile broadband coverage for my hon. Friend's constituents, which is fast becoming almost as important as fibre coverage.

Finally, I hear what my hon. Friend says about the final 5% and I am keen to announce plans as soon as possible, and certainly before the end of the year, about how we intend to reach that final 5%. It is certainly our intention to leave no one behind and we think that there are two or three different ways in which we can secure a timely roll-out for the final 5% so that by the end of this Parliament virtually everyone in this country will have access to very fast superfast broadband speeds.

I thank my hon. Friend once again for his well-judged speech, which showed a comprehensive understanding of the broadband programme with some timely and constructive critiques of the plan, which I have taken on board.

*Question put and agreed to.*

10.29 pm

*House adjourned.*



# Written Statements

Monday 13 July 2015

## TREASURY

### Equitable Life

**The Economic Secretary to the Treasury (Harriett Baldwin):** The Equitable Life Payment Scheme has issued payments of over £1.06 billion to 902,000 policyholders as of 31 May 2015. With final tracing efforts now concluding, the scheme is reaching the limit of how many policyholders it will be able to trace and pay. As announced in the Budget on 8 July, the scheme will close to new claims on 31 December 2015. Payments to with-profits annuitants are unaffected and will continue as planned for the duration of their annuity.

Before it closes, however, the scheme will continue attempts to trace and pay eligible policyholders, including tracing policyholders through the Department of Work and Pensions due £50 or more. I would urge colleagues to make constituents aware that if any of them are holders of an Equitable Life policy and have not yet claimed a payment under the scheme, they should contact the scheme on 0300 0200 150 as soon as possible, quoting their policy number.

Despite these efforts, the scheme expects that some policyholders will remain unpaid as of 31 December 2015. The scheme will use money that would have been distributed to the untraced policyholders to double the amount of the lump sum payments of 22.4% of relative losses to policyholders on pension credit. Around 40,000 people are expected to benefit by an average of over £1,000, although actual payments will depend on the amount of an individual's relative loss.

In order to benefit from this payment, policyholders must be in receipt of pension credit. Policyholders are therefore urged to check whether they can make a claim for pension credit by calling the pension credit claim line on 0800 99 1234 or contacting a local advice centre as appropriate.

[HCWS96]

### Productivity Plan

**The Chief Secretary to the Treasury (Greg Hands):** HM Treasury has laid a command paper before Parliament titled "Fixing the foundations: creating a more prosperous nation CM 9098", setting out a 15-point plan with concrete policy measures for productivity growth in the UK over the next decade.

The UK is set to be the fastest growing G7 economy in both 2014 and 2015. However, while rising employment has been a major source of recent growth in the UK, productivity is as essential an ingredient over the longer term. There has been a slowdown in productivity growth in the UK since the onset of the financial crisis, and there is a large and long-standing productivity gap between the UK and some other leading advanced economies.

The Government are committed to boosting productivity growth and narrowing this gap in order to enhance living standards and quality of life in the UK.

Building on measures announced in last week's Budget that will boost productivity, this plan is built on two pillars: encouraging long-term investment in economic capital, and promoting a dynamic economy. It includes measures to reform the planning system and further education; sharpen incentives to provide excellent teaching in universities and open up higher education to new providers; build stronger trading links with emerging markets; cut red tape; support the adoption of digital technologies; and promote competition and consumer choice.

The measures in this plan address both the slowdown of productivity growth in the UK since the financial crisis and the longer-term productivity gap with other countries. The document is available on the [www.gov.uk](http://www.gov.uk) website.

[HCWS94]

## ENVIRONMENT, FOOD AND RURAL AFFAIRS

### Avian Influenza

**The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss):** The Chief Veterinary Officer has confirmed a case of avian flu in a poultry farm in Lancashire.

Test results have confirmed the presence of a high severity H7N7 strain of the disease. While this disease affects birds severely, the advice from Public Health England is that the risk to public health from this disease is considered very low, and the Food Standards Agency has said there is no food safety risk for consumers.

We have taken robust precautionary action, imposing a temporary control zone last Friday to limit the risk of disease spreading. Measures taken included the decision to humanely cull all birds at the premises and to apply restrictions on movements of poultry and other birds to all poultry farms within 10 kilometres around the affected premises. This decision was based on the clinical symptoms displayed by birds at the farm and laboratory findings at the time.

Now that the strain of disease has been established, we have confirmed the 10 km restriction zone around the farm to control this outbreak and to prevent any potential spread of infection. Investigations are ongoing to discover the origin of the outbreak.

We have tried and tested procedures for dealing with such animal disease outbreaks and a strong track record of controlling and eliminating previous outbreaks of avian flu in the UK. We are working closely with operational partners, devolved administration colleagues and the industry to deal effectively with this outbreak.

I would urge bird keepers to be vigilant for any signs of disease, ensure they are maintaining good biosecurity on their premises, seek prompt advice from their vet and report suspect disease to their nearest APHA office.

[HCWS92]

### Veterinary Products Committee

**The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice):** I have received the annual report of the Veterinary Products Committee and its sub-Committee 2014, which has been published today.

A copy of the report has been placed in the Libraries of both Houses.

[HCWS93]

### HOME DEPARTMENT

#### Immigration Rules

**The Minister for Immigration (James Brokenshire):** My right hon. Friend the Home Secretary is today laying before the House a statement of changes in immigration rules.

These new rules make a number of changes to the tier 4 route of the points-based system to reduce net migration and to tackle immigration abuse, while ensuring we maintain an excellent offer for students who wish to study at our world-class universities.

New students at publicly funded colleges will be prevented from being able to work in the UK, in order to bring their working rights in line with those of international students at private colleges. In the autumn, college students will be unable to switch to a work visa or extend their study visa while they are in the UK, while protecting students at embedded colleges who will progress on to study at a higher education institution.

The rules around academic progression are being tightened so that university students are permitted to extend their studies at the same academic level only if the course they wish to study is linked to their previous course, or the university confirms the course supports the student's career aspirations. To help ensure international students are progressing academically, the time limit on further education study will be reduced from three years to two years in the autumn.

The maintenance requirement for tier 4 students is increasing, along with the maximum amount paid for accommodation which can be offset against the maintenance requirement, to bring them in line with 2015 rates. A rule around established presence which allowed students applying to extend their leave within the UK to show only two months' maintenance is being removed.

The application of the rules on time limits is being clarified so that the time a student has already spent studying in the UK is calculated using the full length of the leave they have previously been granted.

Changes are being made to allow a tier 4 visa to be issued in line with a student's intended date of travel. This change to the date from which entry clearance can commence will help ensure a smooth roll-out of biometric residence permits for overseas tier 4 applicants.

Tier 4 migrants' conditions of study are being changed, to prevent them from studying at academies or schools maintained by a local authority. Those who wish to study a foundation course to prepare for entry to higher education are also being prevented from doing so under the tier 4 (Child) route.

Where responsibilities of sponsor organisations and terminology have recently changed, the rules are being updated.

The Government are reforming the student visa system to reduce net migration and tackle abuse. These changes will help achieve this, while ensuring the UK maintains a highly competitive offer and continues to attract the brightest and best international students.

I am also taking this opportunity to make a number of smaller changes to the immigration rules:

enabling South African diplomatic passport holders to travel visa free to the UK for the purpose of 'visit in transit'

amend the eligibility requirements for transit passengers, aligning the period within which non-visa nationals must intend and are able to leave the UK with that of visa nationals (other than those using the Transit Without Visa scheme)

changes to administrative review, which have been identified as necessary during the early stages of implementation

minor changes and clarifications relating to family and private life, mainly reflecting feedback from caseworkers and legal practitioners on the operation of the rules.

[HCWS95]

# Petitions

Monday 13 July 2015

## OBSERVATIONS

### COMMUNITIES AND LOCAL GOVERNMENT

#### Development of Middleton St George

*The Petition of residents of the Sedgefield constituency,*

Declares that the Petitioners object to the over-development of the village of Middleton St George and further declares that the Petitioners believe that the current planning applications are not sustainable and will have a catastrophic impact on the infrastructure of the village.

The Petitioners therefore request that the House of Commons urges the Government to reassess the planning applications for the development of Middleton St George.

And the Petitioners remain, etc.—[Presented by *Phil Wilson, Official Report, 4 March 2015; Vol. 593, c. 1045.*]

[P001443]

*Observations from the Secretary of State for Communities and Local Government:*

The Government consider that local plans and neighbourhood plans are at the heart of the planning system. They are the primary basis for identifying what development is needed in an area, deciding where it should go and dealing with planning applications. By identifying sites in its local plan, following consultation with local communities, Councils can guide development to the most suitable locations, supported by the right infrastructure. This will ensure that local communities get the right development, in the right place, at the right time, reflecting the principles of sustainable development. The National Planning Policy Framework is clear that these plans should, as far as possible, represent a collective vision for the area.

Local plans involve communities in determining what and where development is appropriate. They must be subject to at least two opportunities for public comment and neighbourhood planning gives communities direct power to develop a shared vision for their neighbourhood and shape the development and growth of their local area.

Middleton St George lies within the area of Darlington Core Strategy which was adopted on the 6 May 2011. The Making and Growing Places Development Plan Document (expected to be published later in 2015) contains detailed development plan policies and site allocations for the area.

The Localism Act gave communities a new right to undertake neighbourhood planning, in addition to existing opportunities for involvement in planning. Middleton St George Parish Council is using these powers to prepare a neighbourhood plan. A neighbourhood plan that is successful at examination and supported by the community at local referendum can then be adopted as part of the development plan for the area. Under our plan-led system this gives people real influence over the shape and quality of development in their neighbourhood.

## TRANSPORT

### Car Insurance Costs

*The Petition of residents of Brierfield and Nelson,*

Declares that the Petitioners believe that the price of car insurance has risen rapidly within the BB9 post code area making it unaffordable for many, as a result of a minority of drivers making fraudulent insurance claims.

The Petitioners therefore request that the House of Commons urges the Government and the insurance industry to work together to reduce insurance costs for car drivers living in the BB9 post code area so that owning a car can be made more affordable.

And the Petitioners remain, etc.—[Presented by *Andrew Stephenson, Official Report, 15 June 2015; Vol. 597, c. 153.*]

[P001528]

*Observations from the Secretary of State for Transport:*

Motor insurers are responsible for setting the terms and conditions of the insurance policies they offer based on their assessment of the risk posed by an applicant. This includes the applicant's postcode, but also factors such as their age, driving experience and driving record along with the type of vehicle. In assessing the area where a person lives the number of claims made by people living in that area will be taken into account. It is always advisable that a driver shops around for a policy that represents the best value for money.

My Department does not have a breakdown of the price of motor insurance by postcode and has not made an assessment of geographical inequalities in the cost of motor insurance. However, nationwide the price of car insurance has fallen by more than 10% since 2012. Here is a link to the ABI's premium index tracker of premiums paid by policyholders which shows the recent trend.

<http://www.abi.org.uk/News/Industry-data-updates/2015/05/ABI-average-motor-insurance-premium-tracker-Q1-2015-data>

The Government are concerned about the cost of motor insurance. My Department works closely with others on this, including HM Treasury, Ministry of Justice (MOJ) and Department of Health. On 14 February 2012 the Prime Minister chaired a Cross Whitehall summit with major motor insurers which was followed by further summits chaired by Ministers in my Department. The Government have worked with motor insurers to address adverse behaviours by some of those involved in personal injury claims and on tackling fraud, such as whiplash reform and changes to the justice system to reduce the legal costs associated with claims. As a result the Government have developed a suite of effective reforms over the past few years which has helped to reduce the cost of motor insurance.

I appreciate that insurance premiums can be high, especially for young drivers because they are a high risk group. The insurance industry has developed technology such as telematics or 'black box' recorders which can be fitted in vehicles. These monitor a driver's driving behaviour which can then lead to reduced premiums based on that driver's actual risk. The Government welcome such developments.



# ORAL ANSWERS

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