

**Monday  
21 March 2016**

**Volume 607  
No. 136**



**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Monday 21 March 2016**



# House of Commons

Monday 21 March 2016

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## BUSINESS BEFORE QUESTIONS

TRANSPORT FOR LONDON BILL [LORDS]

*Consideration of Bill, as amended, opposed and deferred until Tuesday 12 April at Four o'clock (Standing Order No. 20).*

## Oral Answers to Questions

### COMMUNITIES AND LOCAL GOVERNMENT

*The Secretary of State was asked—*

#### Devolved Business Rates

1. **Mims Davies** (Eastleigh) (Con): What estimate he has made of the amount of revenue that councils will be able to collect through devolved business rates. [904217]

4. **Nusrat Ghani** (Wealden) (Con): What estimate he has made of the amount of revenue that councils will be able to collect through devolved business rates. [904221]

**The Secretary of State for Communities and Local Government (Greg Clark):** Councils currently retain just under £12 billion of the business rates that they collect. As a result of our reforms, we estimate that, by the end of this Parliament, councils will retain the full £26 billion raised from business rates.

**Mims Davies:** Local confidence is rock bottom in the budget-setting of Eastleigh Borough Council, which is showing a huge funding gap. Does the Minister agree that the new business rates powers will help councils to take control of their finances properly and help local business?

**Greg Clark:** I do indeed. I enjoyed meeting many of the councillors from my hon. Friend's constituency recently and seeing the excellent work that is being done to attract businesses through the local enterprise partnership and investment in Eastleigh College. Business rates are buoyant in her area, and she will know that an extra two thirds of a million pounds is available this year because of that buoyancy in business rates, so the prospect of more business rates is clearly going to be of great help to her council.

**Nusrat Ghani:** The Sussex chamber of commerce has declared its delight at the Chancellor's announcement that small business rate relief will be doubled, but will the Secretary of State confirm that the Budget measures will ensure that rural areas such as Wealden and East Sussex, which are net receivers of business rates, are not worse off as a result of the change?

**Greg Clark:** My hon. Friend can have that reassurance. The package for small businesses in the Budget has been warmly received by small businesses right across the country. It amounts to a reduction of nearly £7 billion over four years, and every penny of that will be made up to local councils, so small businesses will benefit and councils will suffer no detriment.

**Mr Clive Betts** (Sheffield South East) (Lab): I would like to take the Secretary of State up on that so that he can explain precisely how it will happen. The Institute for Fiscal Studies said the other day that it is perfectly possible to compensate for the changes in small business rate relief at present, while there is grant in play, but that it will be nigh impossible to do that from 2020 onwards, when there will be no grant for the Government to use. Also, how, precisely, will the Secretary of State compensate for the change from RPI to CPI, given that that involves a variable that changes every year? How will the mechanism work?

**Greg Clark:** The answer to the first question is that compensation will be paid in the way that it always has been when we have reduced business rates: as a section 31 grant from Government to local authorities. That mechanism is tried and tested, as the hon. Gentleman knows, and it is the way these sums are always paid. He will also know that, when it comes to the full retention of business rates by 2020, the forecast, as I said, is that there is £26 billion of revenue, and councils retain £13 billion. Therefore, there are transfers that need to be made in, which will be taken into account by the end of the process. However, I know that his Select Committee, and local government generally, will want to help to advise on that.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Did the Secretary of State see comments in the Sunday papers saying that poorer areas of the country will again be doubly disadvantaged? What is the point of mucking around with local government finance if we continue to rob local government of its powers? Taking away responsibility for education must be one of the most shocking and negative things that I have heard in any Budget.

**Greg Clark:** For generations, local government has argued that it should be financed from its local revenues. It has taken this Government, in devolving powers and finance, to say that every penny of business rates raised by local government should be kept by local government. The hon. Gentleman talks about the devolution of powers, but he will know that many members of the Labour party in towns and cities across the country have welcomed the devolution of powers to local government under this Government, which is something that I am very proud of.

**Robert Neill** (Bromley and Chislehurst) (Con): The Secretary of State has reflected on the importance of protecting local authorities from an erosion of the tax base. That is a welcome measure. In setting the baseline for business rate retention, will he ensure that the measures include an incentive for local authorities to encourage the development of small business premises just as much as larger ones, to ensure that there is a mix?

**Greg Clark:** My hon. Friend makes an excellent point. One of the reasons for the 100% retention of business rates is so that there is a direct connection between local authorities and their businesses. Of course, the best authorities, including his own, have always seen it as their duty and responsibility to promote and attract businesses. This approach means that they will get their reward for it.

**Mr Steve Reed** (Croydon North) (Lab): With a former Cabinet Minister openly admitting that the Government are dividing Britain with unfair cuts, will the Secretary of State reconsider his divisive decision to cut the 10 poorest councils 23 times harder than the 10 richest?

**Greg Clark:** The hon. Gentleman is wrong. The decisions we have made to reduce spending would have been made by any party that came into power after the election. The difference is that our party has devolved powers so that local authorities can have greater concern for their own future. On the change we have made to the methodology, the Institute for Fiscal Studies has said that it is an improvement and that the system is fairer than that in previous years.

### Local Government Funding

2. **Clive Lewis** (Norwich South) (Lab): What recent assessment he has made of the fairness of local government funding. [904218]

17. **Andy McDonald** (Middlesbrough) (Lab): What recent assessment he has made of the fairness of local government funding. [904237]

**The Secretary of State for Communities and Local Government (Greg Clark):** The local government finance settlement reflects a detailed assessment of the needs and challenges of each area. We have announced a fair funding review and will work with local authorities to determine the appropriate funding needs of different types of areas as we move to 100% business rates retention by 2020.

**Clive Lewis:** Last month, the Government announced that 85% of the £300 million transitional fund for local government is going not to Labour or Liberal Democrat councils, but to Conservative councils. Does the Secretary of State agree with the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) that that does not matter, because those areas “don’t vote for us”?

**Greg Clark:** I am surprised to hear the hon. Gentleman ask that question, given that his county of Norfolk has benefited from £1.6 million through the transitional grant, which I would have thought that he would welcome. On what party colleagues have to say, he should take advice from Bury Council, which has said:

“The methodology is a welcome improvement on that employed for allocating revenue support grant reductions...and goes some

way to redressing...years in which poorer metropolitan authorities have received an unequal share of...funding.”

The hon. Gentleman should talk to his party members as well as his constituents.

**Andy McDonald:** As a native Teessider, it cannot have escaped the Secretary of State’s attention that towns such as Middlesbrough have been hit hardest by his local government cuts, yet Middlesbrough has not had a penny from the transitional fund. It seems that this Government’s duty is only to those wealthier areas that voted Tory. Is he not ashamed of his callous and unfair treatment of his hometown?

**Greg Clark:** The hon. Gentleman should inform himself better about what is happening in the Middlesbrough local authority. For a start, as a result of the change in methodology, Middlesbrough gets an improvement in resources of nearly £4 million. I would have thought that he had read the consultation response that I received from Middlesbrough Borough Council. In response to the question,

“Do you agree with the proposed methodology for calculation?”, the council said:

“Yes we would agree with the proposed methodology on the basis that this does not have a disproportionate impact generally across local authorities.”

The hon. Gentleman should inform himself before he comes to the House and asks questions.

**Mark Pawsey** (Rugby) (Con): Rugby Borough Council has a proactive attitude towards development and attracting new business, and it is very much looking forward to a greater retention of business rates. The council tells me that it likes certainty. In the event of the Government effecting a change such as additional relief on business rates, could the Secretary of State clarify what the transitional arrangements would be and what compensation might be available to local authorities?

**Greg Clark:** My hon. Friend is correct to raise this issue. As part of the transition to 100% retention, we need the various checks and balances that will ensure that no authority loses out. The Government and the Local Government Association will work together to design the system. I look forward to receiving the responses to the consultation, which will include taking advice from Members of this House through the Select Committee and other bodies.

**Simon Danczuk** (Rochdale) (Ind): The Government have cut millions upon millions of pounds from Rochdale’s council budget, but they have dumped hundreds of asylum seekers in our town, adding pressure to already overstretched local services. Local people are not happy with the situation. What is the Secretary of State going to do about funding?

**Greg Clark:** Rochdale has benefited from the change to the methodology that we put in place, and the representative organisation for the metropolitan authorities has welcomed the change. The council has benefited from the local government settlement, and the hon. Gentleman should welcome that.

**Liz McInnes** (Heywood and Middleton) (Lab): Following this weekend’s revelation that the Government have targeted the working poor because they do not vote

Tory, will the Secretary of State admit that the same warped thinking led him to hand £465,000 of transitional funding to Tory-run Trafford council and nothing to Labour-controlled Manchester and Rochdale?

**Greg Clark:** I would have thought that an Opposition spokesman would make herself familiar with the settlement. Both councils that the hon. Lady mentioned have benefited from the change in methodology. The council that her colleague, the hon. Member for Croydon North (Mr Reed), used to lead—Lambeth Council, which was Labour last time I checked—specifically called for this transitional measure, saying:

“Transitional measures are usually employed where a new distribution methodology is introduced to ensure significant shifts are not experienced...The Council believes this is sensible on the basis that...those benefitting are not adversely affected.”

That is exactly what we have done.

### Affordable Homes

3. **Clive Efford** (Eltham) (Lab): What assessment he has made of trends in the number of affordable homes available to buy since 2010. [904219]

**The Minister for Housing and Planning (Brandon Lewis):** I am pleased that we were able to finish the last Parliament with more affordable housing than we started with. We were one of the first Governments in a generation to do that. We actually delivered beyond our target to deliver 276,000 affordable homes, of which 80,000 were for shared ownership.

**Clive Efford:** Is the Minister aware that home ownership among people under the age of 35 is down by more than a fifth—by 21%? What will a redefinition of affordable housing to homes under £450,000 do to address that problem?

**Brandon Lewis:** If the hon. Gentleman looks at some of the papers published over the past couple of weeks, he will see that although there was a fall in home ownership since 2003, it has stalled. It is our clear determination and policy to make sure that we increase home ownership, and that is what starter homes are about. I hope that he will support us in delivering those homes for first-time buyers under 40, at a discount of at least 20%, so that we can help them to be able to afford to get into that ownership model again.

**Kit Malthouse** (North West Hampshire) (Con): One of the key planks of the Government’s policy on delivering affordable housing is neighbourhood planning, so the Minister will be pleased to hear that in Oakley, in my constituency, the neighbourhood plan went to a referendum last Thursday and received 95% approval. Given that, does he agree that it is an outrage that just seven days before the referendum, the planning inspector allowed an appeal in that village that largely renders the plan pointless after two years of work? What is he going to do about the Planning Inspectorate effectively bulldozing Government policy in my constituency?

**Mr Speaker:** Specifically in relation to affordable homes, a matter upon which I feel sure the Minister is tempted to dilate.

**Brandon Lewis:** I think it is important that neighbourhood plans play their part in delivering affordable homes. When an area such as the one that my hon. Friend has mentioned has worked out a neighbourhood plan to deliver affordable homes, I would expect the Planning Inspectorate to respect that neighbourhood plan.

**Jim Shannon** (Strangford) (DUP): Some 22,000 households in Northern Ireland are in acute housing need. Between 2011 and 2015, we had 4,000 first-time buyers using co-ownership and 6,000 association homes. We need to build 11,000 homes a year. What assistance can the Minister provide when it comes to co-ownership to help people who wish to purchase even more?

**Brandon Lewis:** The hon. Gentleman raises a good point. We are clear that as part of delivering 400,000 affordable homes by 2021, we want at least 135,000 to involve co-ownership and shared ownership. This is another fantastic model that improves the affordability of the home ownership model and enables more people to access it.

**Scott Mann** (North Cornwall) (Con): Will my hon. Friend outline what a couple under the age of 40 living in Cornwall can expect to borrow under the new starter homes initiative that the Government have implemented for a family home worth, say, £200,000?

**Brandon Lewis:** My hon. Friend makes a good point about how starter homes can help people to get on to the housing ownership ladder. I would not presume to tell lenders what their position should be, but when we apply the starter home discount of at least 20% to that £200,000 home, which brings it down to £160,000, with a 5% deposit, we give access to home ownership to a whole range of people who have been trapped out of it since Labour’s great recession.

### Social Care

5. **Bill Esterson** (Sefton Central) (Lab): What recent assessment he has made of trends in the level of demand for social care services. [904222]

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** We have provided up to £3.5 billion of funding to meet the demographic pressures on social care. That is significantly more than the £2.9 billion the Local Government Association estimated was needed.

**Bill Esterson:** Yet the Budget reveals a black hole of £4.3 billion for social care alone. Why are the Government prioritising giving tax cuts to the wealthiest while refusing to make sure there is decent social care for our elderly and disabled people?

**Mr Jones:** During the spending review process, we listened extremely carefully to local government, which explained that social care was a priority. We responded by providing local authorities with up to £3.5 billion, which was in excess of the £2.9 billion that was asked for. I am sure that the hon. Gentleman will acknowledge that extra support, and in particular the additional precept for adult social care.



**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): What recent discussions have taken place between the Minister's Department and the Department of Health about the integration of health and social care?

**Mr Jones:** I assure the hon. Lady that we have significant and ongoing discussions with the Department of Health on this important area. We both share the same outlook. We want to fully integrate health and social care by the end of the decade, and we are setting out to do that through close dialogue between each Department.

**Mrs Emma Lewell-Buck** (South Shields) (Lab): Age UK reports that 300,000 elderly people are suffering from chronic loneliness, which leads to early death. The cuts imposed by, and inaction from, the Department for Communities and Local Government are letting our elderly people die. Is the Minister proud of that?

**Mr Jones:** We are doing significant work to support social care. We have put in place the precept for social care, which has allowed councils to raise up to an additional £2 billion. We have also put in place an additional £1.5 billion for the better care fund, and we are absolutely committed to working with the NHS to make sure that health and social care are integrated properly. Part of that integration involves making sure that the issues the hon. Lady mentions are dealt with properly, and I can assure her that that is happening.

#### **Flooding: EU Solidarity Fund**

6. **Owen Thompson** (Midlothian) (SNP): When the Government began preparing their application to the EU solidarity fund in respect of flooding in December 2015. [904223]

7. **Callum McCaig** (Aberdeen South) (SNP): When the Government began preparing their application to the EU solidarity fund in respect of flooding in December 2015. [904224]

19. **John Mc Nally** (Falkirk) (SNP): When the Government began preparing their application to the EU solidarity fund in respect of flooding in December 2015. [904239]

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** Following the devastating impact of Storms Desmond and Eva, the Government quickly made available more than £200 million to the communities affected. As we moved from response to recovery, we began preparation for and an assessment of a bid to the EU solidarity fund in early January.

**Owen Thompson:** The Government had 12 weeks from 5 December, the first day of flooding, to apply to the EU solidarity fund, yet despite many questions about that, they took until 25 February to confirm to the House that they would apply. Were the Government really so busy fighting with themselves that they held up the process for so long? Why the delay?

**James Wharton:** The EU solidarity fund is complex, as is the application process. One needs to determine eligibility and damage. The process is still ongoing as

we understand, and inform and work with the Commission about, the extent of the damage. We started the work early in January and put in an application within the deadline. We are pursuing that application now.

**Callum McCaig:** The flooding in December was exceptional. It had an impact across the UK, including in Deeside and Dumfries and Galloway in Scotland. Will the Minister confirm that, should the bid to the EU solidarity fund be successful, the Scottish Government will receive a fair and appropriate share of that funding?

**James Wharton:** We do not know how long the process will take or, ultimately, what the quantum of any award might be. In the meantime, the Government are making available significant funds of more than £200 million to support the communities affected. We continue to work with local authorities and devolved Governments to ensure that this is done properly, and we will make appropriate announcements when more information is available.

**John Mc Nally:** Since 2002, the EU solidarity fund has helped communities and people from 24 countries, which I am sure the Minister agrees is an excellent example of the positive effects of our membership of the EU. Will he confirm, therefore, whether small and medium-sized enterprises severely affected by flooding across the UK will receive their fair share of financial support, given that they are not yet covered for flood insurance risk by Flood Re, which starts in April?

**James Wharton:** As I have made clear, we are pursuing the application to the EU solidarity fund, but it will take some time to pay out. We are in discussion with the Commission about the detailed information it needs to process the application, and we will be in a position to make further announcements about quantum and what it could be used for as and when that process is completed. We will, of course, keep the House updated as things progress.

**Mr David Nuttall** (Bury North) (Con): I thank my hon. Friend for the help his Department provided to Bury Council under the Bellwin scheme, which has been of direct help to my constituents, but will he please confirm that his Department will continue to provide help to Bury Council to repair infrastructure, such as roads and bridges, that remains damaged to this day?

**James Wharton:** It is important to be clear that, although flooding happens over a short period, recovery is a much longer process. The Government are committed to continuing to support local authorities. We have made available over £200 million of funding and are making available support such as the property level resilience grant, which means that if someone's property has been affected by flooding, they can claim up to £5,000 for resilience repair works. We will continue to work with local authorities to deliver for those communities and to support them as they recover from this terrible incident.

#### **House Building**

8. **Graham Evans** (Weaver Vale) (Con): What recent assessment he has made of trends in the numbers of housing starts and completions. [904225]

**The Minister for Housing and Planning (Brandon Lewis):** The number of housing starts is up 6% over the last year and the number of completions is up 21%. Both are now at their highest level since 2007.

**Graham Evans:** Since 2010, there have been more than 4,000 new housing starts in Cheshire West and Chester, including 2,500 in Weaver Vale alone, and the number of housing starts is up 91% compared to 2009. Will my hon. Friend remind the House who was Housing Minister when the figures were so low?

**Brandon Lewis:** My hon. Friend makes a good point. As we have discussed on the Floor of the House before, the right hon. Member for Wentworth and Dearne (John Healey), the shadow Housing Minister, was the Minister who oversaw the lowest level of house building since, I think, about 1923.

**Mr Robin Walker (Worcester) (Con):** We have seen record numbers of housing starts in Worcester this year, and the proportion that is affordable housing is larger than we have seen for many years. What more can my hon. Friend do, however, to ensure that this strong housing recovery—it led a constituent to tell me, “I’m voting Conservative because I am a builder and I’ve seen things get better over the last six years”—continues and that we continue to deliver on this strong record?

**Brandon Lewis:** My hon. Friend gives an example of something I hear time and time again. We are the party and the Government who have got house building moving again from our inheritance in 2010, and I am proud to be the Housing Minister who, thanks to the Chancellor, is seeing the biggest house building programme since the 1970s. It is quite a contrast to what we inherited from the right hon. Member for Wentworth and Dearne.

**Kevin Hollinrake (Thirsk and Malton) (Con) *rose***—

**Mr Speaker:** Ah, Mr Hollinrake, I think you know a thing or two about houses—you are an estate agent, man.

**Kevin Hollinrake:** I will do my best.

The number of housing starts relies on a proper assessment of housing need. Gladman recently ran a successful appeal in my constituency on the basis that the local authority could not demonstrate a five-year housing supply. There is now a revised assessment by the local authority showing an eight-year-plus supply. Is it time for a definitive assessment of housing need?

**Brandon Lewis:** My hon. Friend makes a good point. It is important that local authorities plan for the future housing delivery and housing needs of their areas. That is what the local plans are about, and I would encourage all local authorities still working through their local plan to get on with it and make sure they make that provision. He also makes a very good point about the confidence of having a five-year land supply, and we will respond in due course to the evidence from the expert panel group that looked at local plans and reported just last week.

## Homelessness

9. **Ruth Cadbury (Brentford and Isleworth) (Lab):** What assessment he has made of the effect of Government policy on levels of homelessness since 2010. [904226]

10. **Cat Smith (Lancaster and Fleetwood) (Lab):** What assessment he has made of the effect of Government policy on levels of homelessness since 2010. [904228]

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** Since 2010, we have enabled local authorities to help prevent or relieve over 1 million cases of homelessness, but one person without a home is one too many. So we have increased central funding for homelessness to £139 million over the next four years and protected homelessness prevention funding to councils amounting to £315 million by 2020.

**Ruth Cadbury:** I would be grateful if the Minister answered the question and, in particular, if he said why we have had a doubling of street homelessness since 2010 and why there are currently 370,000 households with no permanent home. Does he not see that these are a direct result of a series of Government policies introduced since 2010, and they are set to get worse—the removal of funding for new social rent housing, the bedroom tax, housing benefit caps, a rise in sanctions, the cut in funding for housing benefit for supported housing and the sale of 100,000 council homes?

**Mr Speaker:** I would suggest that the hon. Lady seek an Adjournment debate on the subject, but I realise now that she has just had it.

**Mr Jones:** I do not know whether the hon. Lady has anything she could add to that list, but this is an extremely important issue. The Conservative party recognises that and we changed the methodology on rough sleeping to give a more accurate picture of the challenges. The issues with rough sleeping are not just about housing; they are about things such as mental health challenges and issues relating to drink and drug dependency, for example. The Chancellor, working with DCLG, confirmed an additional £100 million in the Budget for move-on accommodation, so that we can help to move rough sleepers out of the hostels they are put into and into move-on accommodation, thereby helping even more rough sleepers to get off the streets.

**Cat Smith:** The Albert Kennedy Trust’s recent report found that 24% of homeless youth are lesbian, gay, bisexual or transgender, the majority citing parental rejection or abuse as the primary reason for their homelessness. Does the Minister support the trust’s call for vulnerable young people aged 18 to 21 facing rejection and abuse at home to be treated as a group exempt from the housing benefit changes?

**Mr Jones:** I spoke just last week to over 100 young people who have been through the problems caused by the type of issues to which the hon. Lady refers. I can assure her that this Government are absolutely committed to protecting the most vulnerable through the changes

she mentions. We are currently looking carefully at how those changes take place to make sure the most vulnerable are absolutely protected.

**Mr Mark Prisk** (Hertford and Stortford) (Con): The Minister is right to say that the best way to tackle the whole question of those sleeping rough on our streets is prevention and by tackling the underlying causes that he has mentioned. Given that, may I strongly encourage him to use the new £10 million social impact bond to focus specifically on the underlying causes, so that we do not just stop people going on to the streets, but keep them off the streets altogether?

**Mr Jones:** That is a very sensible suggestion from my hon. Friend, who I know has significant knowledge and expertise in this area. I am working through these issues across Government in a cross-departmental working group to try to bring forward the social impact bond, which will help to get entrenched rough sleepers off our streets.

**Mrs Flick Drummond** (Portsmouth South) (Con): I welcome the £100 million in the Budget to deliver low-cost second-stage accommodation for rough sleepers and domestic abuse victims. What work can be done to encourage social and private landlords to take those who find themselves in that situation?

**Mr Jones:** My hon. Friend makes an extremely important point. This Department has supported organisations such as Crisis to deliver support to allow people to get into the private rented sector through things such as bond schemes and deposit schemes, so that those who would otherwise be unable to afford the deposit to get into private rented accommodation are able to do so.

**Alison Thewliss** (Glasgow Central) (SNP): Last week the Select Committee on Communities and Local Government took oral evidence from Crisis that suggests that an estimated 3,600 people sleep rough in a typical night in England. That figure is up 30% in the last year. Why does the Minister think that rough sleeping is rising so quickly in England and what action is he taking to get a grip on this?

**Mr Jones:** We are giving serious consideration to making sure we prevent homelessness before it happens. Obviously, if homelessness does happen, we have to help; and, as I said earlier, we are taking significant steps to help rough sleepers off the streets. Homelessness prevention is key. We are looking at our options and looking at what goes on across the world in this respect, including in the devolved Administrations. We are looking at all options, working with homelessness charities and through a cross-ministerial working group, to make sure we tackle homelessness and the causes of it.

**Alison Thewliss:** Shelter, which also gave evidence last week, suggested that 250% more people had become homeless over the past five years because their private tenancies had ended. Last week the Scottish Government passed the Private Housing (Tenancies) (Scotland) Bill, which abolished no-fault eviction. Will the Minister look at Scotland's anti-homelessness legislation to establish what can be done to benefit homeless people in England?

**Mr Jones:** As I said to the hon. Lady in my earlier answer, we will not ignore good practice where it is happening. We are giving careful consideration to how we can improve homelessness prevention, and if the hon. Lady wishes to give me further information, I shall be more than willing to look at what has been done in Scotland.

**Ben Howlett** (Bath) (Con): I, too, welcome the Chancellor's announcement of an extra £110 million to help to tackle rough sleeping, a problem that is evident in my constituency because of the large number of tourists in our city. How will my hon. Friend ensure that charities such as Genesis Trust and Julian House, which benefited from the Chancellor's measures in the last Parliament, will be able to benefit from the new fund as well?

**Mr Jones:** I was delighted to hear my hon. Friend welcome the changes that were made in the Budget to support the homeless and rough sleepers, and I was also pleased to hear about the work that is being done by Julian House and the Genesis Trust. I can assure him that we will work with the homelessness sector and local authorities to design the £110,000 million to help people who are on the streets to come off the streets.

**Teresa Pearce** (Erith and Thamesmead) (Lab): Last Wednesday the Chancellor announced money to support the homeless and reduce rough sleeping, but the Treasury has said that it is not extra money, but money from the Department for Communities and Local Government's existing capital budget, which was announced in the autumn statement. So we have an ever growing national crisis of homelessness, no solution at all to the root causes, and no extra money. Is this not yet another example of a deeply unfair Budget from a deeply flawed Chancellor?

**Mr Jones:** I think that the hon. Lady is misguided: some of that money is extra money. She has, however, drawn attention to the fact that we are working very closely with my right hon. Friend the Chancellor and the Treasury to put right the mess that her party left when it was in government.

### Social Housing

11. **Rachael Maskell** (York Central) (Lab/Co-op): What steps his Department is taking to encourage the building of homes for social rent. [904229]

15. **Kelvin Hopkins** (Luton North) (Lab): What steps his Department is taking to encourage the building of homes for social rent. [904235]

**The Minister for Housing and Planning (Brandon Lewis):** Since 2010 we have delivered 270,000 affordable homes, including about 200,000 rental homes, and the spending review committed £1.6 billion to the delivery of 160,000 further affordable homes.

**Rachael Maskell:** Let me ask the Minister a specific question about new-build social housing. My local authority and housing associations say that, because they cannot afford to develop social housing on Network Rail and council land—public land—they will develop up to 2,500 high-value units. However, we have a serious



social housing crisis. How will the Minister ensure that councils and housing associations can afford to build homes for social rent to match local needs?

**Brandon Lewis:** If the hon. Lady compares what was done between 1997 and 2010 with our record, she will see that the number of council social homes being built roughly doubled under a Conservative-led Government. We are building social homes at the fastest rate for about 20 years. Housing associations had a £2.4 billion surplus last year, and local authorities have over £3 billion of headroom. We are working with them, and encouraging them to use their money to build the homes that we want to be built so that we can deliver more homes than the last Government left us.

**Kelvin Hopkins** (Luton North) (Lab): It has been reported that private developers continue to hold many thousands of acres of building land in land banks, and are refusing to build on it until house prices rise in order to maximise their profits. May I suggest to the Minister that a sensible Government would take such land into public ownership, allocate it to local authorities, and require and enable them to build council homes to house those who are in desperate need of decent homes?

**Brandon Lewis:** We do want to see developers get on with building more: we want build-out rates to increase. We want local authorities to deal with preconditions so that builders can get on site more quickly and get building more quickly, but we also want to make sure that land agents are not hoicking land around and holding it up in the way that the hon. Gentleman has described.

#### Private Rented Sector

12. **Fiona Mactaggart** (Slough) (Lab): What plans he has to improve conditions for tenants in the private rented sector. [904231]

**The Minister for Housing and Planning (Brandon Lewis):** Measures in the Housing and Planning Bill will improve conditions. We will be tackling the rogue landlords that give the entire sector a bad name, in particular those who let sub-standard accommodation. Our proposals include a database of rogue landlords and property agents, introducing banning orders for serious or repeat offenders, a tougher fit and proper person test, extending rent repayment orders and introducing higher civil penalties.

**Fiona Mactaggart:** The majority of families in Slough live in the private rented sector with only six months' security of tenure and six-monthly rent increases, often facing eviction if they complain about repairs and so on. I understand that that will be dealt with in future legislation, but it will not come into force until 2018. It is no way to bring up a family. What will the Government do to give such families more security?

**Brandon Lewis:** The right hon. Lady has her facts slightly wrong, because legislation relating to retaliatory evictions came in in October 2015. She is right that we want tenants to have protection, which is why we are introducing measures in the Housing and Planning Bill that will go further than anything that any Government have done before. We should bear it in mind that the average length of tenancy in this country is getting on towards three years and that most tenants move by

choice. However, she is right that people should not face retaliatory evictions, which is why we brought in that legislation in October 2015.

#### Devolution: East Midlands

13. **Nigel Mills** (Amber Valley) (Con): What assessment he has made of progress on devolution in the east midlands. [904232]

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** My hon. Friend is a passionate advocate of local government matters and took an active part in the passage of the Cities and Local Government Devolution Act 2016. He is as eager as I am to see things progress. My right hon. Friend the Chancellor announced three new devolution deals in the Budget, including the deal for Greater Lincolnshire, in the delivery of which my hon. Friend the Member for Boston and Skegness (Matt Warman) played a key part. We are keen to go further. We are talking to additional areas. We want to do more.

**Nigel Mills:** I am grateful for that answer, but six district councils have now voted not to be part of the proposed north midlands devolution deal, so will the Minister confirm that he will not impose a deal on those areas without those councils' consent? If so, what advice does he have for those who are still trying to get a deal for the east midlands?

**James Wharton:** If devolution is to last and if it is to make a real difference and work for those areas that want to be part of it, it must be done by agreement and through a bottom-up process. That is what is allowed in the legislation that this House passed and that is what the Government intend to do. We are not enforcing devolution on any area; we are working with those areas that want it to help to deliver it. It is welcome that so many more areas continue to sign up and to have such talks with Government.

**Sir Edward Leigh** (Gainsborough) (Con): The Minister says that this is being done by agreement, but why is the Chancellor—it is the Chancellor, not the Department—insisting that the price of devolution for Lincolnshire is an elected mayor, which, frankly, nobody asked for? Mayors are for towns, not a large rural area where the district council and a Conservative county council work perfectly well together. Let us have true devolution and true choice.

**James Wharton:** My hon. Friend is never backwards in coming forwards, and I have had many discussions with him about this deal and his interest in it. The Government do not enforce deals or impose mayors. This is all about local area consent. We want mayors for that sharp, democratic accountability, through which powers are passed from Government down to local areas to drive forward their economies and to improve lives in those communities.

#### Help to Buy

14. **Karl McCartney** (Lincoln) (Con): What steps his Department has taken to encourage new homes to be built and bought through Help to Buy. [904233]

**The Minister for Housing and Planning (Brandon Lewis):**

The Government are investing a further £8.6 billion to enable another 145,000 people to buy their own home by 2020-21. Recent evidence has made it clear that 43% of homes sold would not have been built without the scheme, so it is clearly driving up the housing supply.

**Karl McCartney:** The great city of Lincoln is one of the most historic and successful cities in our country and more and more people want to live and work there. Ahead of any directly elected mayor of the county, would my hon. Friend like to remind councils such as City of Lincoln Council of the need to support private house building as well as affordable house building to ensure that my city's residents have a full range of housing choices?

**Brandon Lewis:** My hon. Friend makes a good point. It is important that local areas consider their housing needs and are able to plan to deliver the housing that local people want. Some 86% of our population want the chance to own their own home, so I encourage local authorities to work actively and enthusiastically with the starter homes programme that provides first-time buyers with a discount of at least 20%.

**Planning**

16. **Andrew Bridgen** (North West Leicestershire) (Con): What assessment he has made of trends in the number of planning permissions granted in the last 12 months. [904236]

**The Minister for Housing and Planning (Brandon Lewis):**

In the year to December 2015, the reformed planning system gave planning permission for another 253,000 new homes, which is excellent news. To be clear and to put it into context, that is a 53% increase on the figure for the year to December 2010.

**Andrew Bridgen:** Merely giving planning permissions does not build any houses. What more can the Government do to ensure that houses for which planning permission has been given are built out, so that we achieve our target of 1 million new homes?

**Brandon Lewis:** We are doing a range of things, some of which are in the Housing and Planning Bill, such as having planning permission in principle, which will make it easier for small and medium-sized builders as well to get access to finance. My hon. Friend will be aware that, at the Budget last week, we outlined our plans to make sure we deal with some of the issues associated with preconditions and other things that can slow down the movement on to site once the initial planning permission is given. It is important that we speed up the process, getting developers on site and building out more quickly.

Several hon. Members *rose*—

**Mr Speaker:** I call Mr Andrew Stephenson. He is not here. Oh dear, where is the chappie?

**Topical Questions**

T1. [904190] **Daniel Zeichner** (Cambridge) (Lab): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Communities and Local Government (Greg Clark):**

Before the Easter recess, I should like briefly to update the House on the recovery following flooding caused by Storm Desmond and Storm Eva. The Government have moved rapidly to support more than 21,000 flooded properties; £50 million in dedicated funding has helped to ensure the rapid repair and reopening of key transport arteries—I am delighted that Pooley bridge in Cumbria reopened yesterday; a further £130 million will be spent repairing roads and bridges; £700 million was announced to boost future flood defence and resilience; and I am delighted that, in response to the fundraising from community foundations, for which the Chancellor offered to have match funding, I can now announce a one-for-one match for every pound raised by those community foundations during the floods.

**Daniel Zeichner:** The local government pension scheme provides future security in retirement for millions of public service workers. It is a funded scheme financed by the contributions of those workers. The Government now seem to be trying to interfere in the way those funds are invested, but investment decisions should be driven by the interests of the members of the scheme. What legal powers do the Government have to do this? Are they intending to direct the investment strategies of other UK pension funds? If not, why treat the local government pension scheme differently?

**Greg Clark:** As the hon. Gentleman knows, we have a consultation on this. I do not know whether he has contributed to it, but it has now closed. We are reflecting on the responses, and I will update the House when we have had a chance to do that.

T2. [904191] **Maria Caulfield** (Lewes) (Con): Many towns and villages in my constituency have formally adopted their neighbourhood plans. Places such as Newick and Ringmer have had their plans in place for a long time, yet they are constantly challenged by developers who put in applications for sites outside the plan. Will the Minister uphold the status of neighbourhood plans in the planning process and return local democracy to our villages and towns?

**The Minister for Housing and Planning (Brandon Lewis):**

My hon. Friend makes a good point. We absolutely hold neighbourhood plans as being of prime importance and they have weight in law. I congratulate Newick on its initiative in creating a neighbourhood plan but, as I know she appreciates, I cannot comment on a particular case. I do wish to stress, however, while I have the opportunity to do so, that the national planning policy framework makes it very clear: where a planning application conflicts with a neighbourhood plan that has been brought into force, planning permission should not normally be granted.

**John Healey** (Wentworth and Dearne) (Lab): My question is for the Secretary of State, who clearly lacks the clout to argue his Department's case with the Chancellor, because there was nothing in the Budget on housing—nothing to reverse six years of failure, from rising homelessness to falling home ownership. In Labour's last year, despite the global banking collapse and deep recession, we saw 120,000 new homes built in this country.

Five years later, that total was only 5,000 higher. At this rate, the Secretary of State will not hit his house-building targets until 2079, so why was there so little in the Budget on housing?

**Brandon Lewis:** I say to the right hon. Gentleman, with great respect, that he might want to have a look at the Budget book, which outlines a range of measures on both housing and planning. It builds on the autumn statement and the spending review, which gave us the biggest building programme since the 1970s—that is quite a contrast to his personal track record. It also outlines the work we did with local government to deliver another 160,000 homes on public sector land—joining central Government's 160,000. I would have thought that 320,000 new homes in this country, on top of what we are already doing, is good news and highlights just how important this is to the Government.

**John Healey:** On the contrary, the extra investment that the Chancellor announced in the spending review that is cited by Ministers brings the total to around about half that invested by Labour in building new homes when I was the last Labour Housing Minister. The truth is that there was little in the Budget on housing, and nothing that will deal with the causes of the housing crisis, so six years of failure is set to stretch to 10. Will the Minister now admit that, on housing, as on everything else, the Chancellor's credibility is in tatters?

**Brandon Lewis:** I am surprised that the right hon. Gentleman keeps wanting to give me the opportunity to highlight the fact that he was the Minister who oversaw the lowest level of house building since about 1923. I am very proud to work with the Chancellor who has given this country the biggest building programme that we have seen since the 1920s. We have seen the number of first-time buyers double since 2010 and, as we heard earlier, planning permissions have gone up by 53% since 2010. We are delivering affordable housing at the fastest rate in more than 20 years. In the past five years, we have delivered double the number of council houses that Labour did in 13 years. I am proud of our track record. We aim to continue to deliver more and to deliver faster than Labour ever did.

T3. [904193] **Karen Lumley** (Redditch) (Con): Will my hon. Friend join me in congratulating Wychavon district council on utilising the new homes bonus and investing more than £1 million in local community facilities? Will he take time out of his very busy schedule to visit that outstanding council with me to see some of those schemes?

**Brandon Lewis:** I will be happy to join my hon. Friend on a visit. On my last visit, it was good to see the ambition and hard work that her planning team and local councils had put in to provide the homes that were needed locally. It is good to see them using that new homes bonus to deliver the infrastructure of those homes. I look forward to visiting again very soon.

T5. [904195] **Richard Arkless** (Dumfries and Galloway) (SNP): I accept that the final quantum award under any EU solidarity fund has not been decided, but may I nevertheless ask the Minister to ensure that, however it is apportioned, it reaches the communities that were

actually affected? A simple population share going to the Scottish Government will not ensure that it reaches my constituency of Dumfries and Galloway.

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** The Government's intention is to support absolutely those communities affected by the terrible impact of Storms Desmond and Eva and the flooding we saw over December and January. We are talking to the Scottish Government about what we can do to help Scotland, what Scotland's needs are and what the impact is to inform the bid that we are making to the EU solidarity fund. We will keep the House updated as we know more, and as the process progresses.

T4. [904194] **Paul Maynard** (Blackpool North and Cleveleys) (Con): Can the Minister update the House on the future of the coastal communities fund and reassure me that future rounds will focus on tackling the social problems that blight so many of our coastal communities?

**The Minister for Communities and Resilience (Mr Mark Francois):** The 118 coastal community teams across England are taking control of their own areas' regeneration. The Our Blackpool coastal community team was an early adopter of the CCT concept. Blackpool received £2 million from the coastal communities fund for its Lightpool project, which was successfully launched in 2015. The project is a boost to the local economy, driving football into the town centre. In December 2015, Blackpool received £50,000 coastal revival fund money for emergency work to the roof of the Winter Gardens Pavilion Theatre. That is the first step in creating a Blackpool museum of popular culture, commencing in January 2017. The coastal communities fund has now been extended by a further £90 million, out to 2020-21. Bidding for the next round is set to commence by the summer of this year. I wish my hon. Friend good luck for any bids that may emanate from his constituency.

T6. [904196] **Clive Efford** (Eltham) (Lab): Rather than cutting support to people with disabilities, would it not be better for the Government to cut the housing benefit bill, which is up by £4.4 billion over the past four years? Is not that due to the Government's failure to build enough houses, which is driving up rents and heavy reliance on the private rented sector? Is it not a disgrace that the Budget did not put any money into building social housing?

**Brandon Lewis:** I again say to the hon. Gentleman that he might want to look back at the spending review and the autumn statement that gave us the biggest building programme since the 1970s. I also gently point out that one of the problems that we have had is that, under Labour, for every 170 homes that were sold under right to buy, just one was built. That is why it is important that we build more homes—and we are building more homes. In London, which I know is dear to his heart, we are looking at two for one. That increases housing supply and it is good for delivering new homes.

T8. [904198] **Kevin Foster** (Torbay) (Con): Last week's Budget saw welcome news for small businesses and pubs across my constituency in the form of the changes



to business rates. What support will my hon. Friend give to Torbay Council to ensure that local businesses in my constituency benefit as soon as possible?

**The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):** The Government have announced the biggest ever cut in business rates in England, worth £6.7 billion over five years. We are permanently doubling small business rate relief and increasing the thresholds. I am sure that that will help many of the small businesses in Torquay and in Paignton that my hon. Friend sets out his stall to support on an ongoing basis.

T7. [904197] **Kate Osamor** (Edmonton) (Lab/Co-op): The financial cost of homelessness is going up to nearly £1 billion. Research from the charity Crisis has shown that tackling single homelessness early could save the Government between £3,000 and £18,000 for each person they help. What work are the Government doing with charities such as Crisis?

**Mr Jones:** We are working across Government with Crisis and a number of other homelessness charities, and with local authorities, because we absolutely recognise that preventing people from becoming homeless is the key to this issue. I hope to come forward in the not too distant future with announcements to tackle this important issue.

T9. [904199] **Fiona Bruce** (Congleton) (Con): Construction of the Middlewich eastern bypass would open up substantial local and wider growth opportunities. Will the Minister meet me to discuss how this long-awaited project can be progressed?

**James Wharton:** My hon. Friend is one of the most passionate and committed advocates for their constituency that I have yet encountered in the House. I know how much the investment she craves for Middlewich matters to her. I would of course be delighted to meet her, and any representatives of the local community she should wish to bring, to see what the Government can do to help to bolster the case.

**Peter Kyle** (Hove) (Lab): During his statement on local government funding, the Secretary of State said that he would re-examine the fact that the social care precept will help the areas that need it most the least. How has he updated his thinking, because the areas of the country that rely on this the most are simply not getting the investment they need?

**Greg Clark:** That is not true. The hon. Gentleman will see that the proposed allocation of the better care fund goes precisely to those authorities that have fewer resources through the precept. I am very happy to meet him to update him.

**Martin Vickers** (Cleethorpes) (Con): I welcome the greater Lincolnshire devolution deal that has just been finalised, but things are complicated by the fact that Lincolnshire County Council is in the east midlands whereas the two unitary authorities are in Yorkshire and the Humber. Will the Secretary of State look at this and re-designate the whole of Lincolnshire into the east midlands?

**Greg Clark:** I do not have any regard to these artificial, expired administrative boundaries. Lincolnshire enjoys a proud identity, and my hon. Friend is a big champion of it.

**John Cryer** (Leyton and Wanstead) (Lab): In only six years the Government have managed to take away £100 million from Waltham Forest Council, which, funnily enough, happens to be Labour. How does the Secretary of State think that has assisted local services?

**Greg Clark:** In their representations, councils across the country, and groups such as the Institute for Fiscal Studies, have reflected that this is a better way to allocate resources, and councils will see it as a fairer means.

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): My right hon. Friend has rightly been concerned about the structure and effectiveness of local government in Birmingham. This is not a party political point, because these concerns have extended under Conservative and Labour Administrations. In his negotiations with the Birmingham improvement panel, under the excellent John Crabtree, will he bear in mind the importance of giving the new Labour leader, John Clancy, the space to implement the necessary reforms?

**Greg Clark:** I will. I pay tribute to John Crabtree and his fellow panellists. I am pleased to say that Birmingham City Council has made progress on the recommendations of the Kerslake report. The panel has done sterling work in helping the council to become more responsive. There remain a number of challenges that the council will have to overcome to translate its vision into reality. The panel wrote to me today suggesting that it step back and return in the autumn to report on how the council has progressed. I am happy to accept that recommendation, and I wish it well for the months ahead.

**Gavin Robinson** (Belfast East) (DUP): With your kind permission, Mr Speaker, an inquiry report was launched this afternoon in Speaker's House on better devolution and the Union. During evidence-taking sessions, the Secretary of State was kind enough to say that he would positively engage in a discussion about a city deal for Belfast. I welcome that report, and ask the Secretary of State to reaffirm his commitment to engage in those discussions about a future city deal for Belfast.

**Greg Clark:** I will do that with great pleasure, and I look forward to meeting the hon. Gentleman in that context.

**Craig Williams** (Cardiff North) (Con): Welsh community centres, rugby clubs and pubs cannot be registered as assets of community value because the Welsh Labour Government opted out of the relevant Bill. How can the Minister help us to protect our rugby clubs, pubs and community centres in Wales?

**Brandon Lewis:** As ever, my hon. Friend is fighting hard for his community to have the same protections that we have been able to give people across England. I would be happy to meet him to see how we can work together to convince the Welsh Government that they should protect those vital institutions—something that Labour in Wales seems willingly unwilling to do.



## Budget Changes

3.30 pm

**John McDonnell** (Hayes and Harlington) (Lab) (*Urgent Question*): To ask the Chancellor of the Exchequer if he will make a statement on changes to the Budget.

**The Financial Secretary to the Treasury (Mr David Gauke)**: Immediately after this urgent question the Prime Minister will make a statement, and following that the Secretary of State for Work and Pensions will set out the Government's position on personal independence payments and the welfare cap. For the rest of the day the debate on the Budget will continue, and tomorrow it will conclude with the Chancellor of the Exchequer responding. The House will therefore have three opportunities to discuss these issues before voting on the Budget tomorrow. I am grateful for the opportunity to talk about how this Government, through our long-term economic plan, are creating growth, generating employment, cutting the deficit, and securing long-term prosperity for the people of this country.

The Budget delivered last week by my right hon. Friend the Chancellor of the Exchequer set out how we are taking more people out of income tax, supporting small businesses, encouraging investment, tackling tax avoidance, helping young people to save, and investing in our education system, all while restoring the public finances. That is what the British people voted for last May, and that is what we are delivering.

**John McDonnell**: Thank you, Mr Speaker, for granting this urgent question. I asked it because the Budget process is in absolute chaos. It is unprecedented for a Government to have withdrawn a large part of the Budget and accepted two Opposition amendments before we have even reached the third day, and from what we have heard from the Chief Secretary to the Treasury today, we are little wiser. I have some sympathy for the hon. Gentleman, who has been sent out yet again to defend the indefensible, while the Chancellor insults this House by his refusal to attend.

This whole debacle started two weeks ago when the Government announced cuts of up to £150 a week in personal independence payments to disabled people. By the day of the Budget last week, we discovered that those cuts to disabled people had been forced through by the Chancellor to pay for cuts in capital gains tax for the wealthiest 5% in our society, and for cuts in corporation tax. I agree with the former Work and Pensions Secretary: such cuts are not defensible when placed in a Budget that benefits high earners.

How can the Chancellor any longer suggest that we are "all in this together", when the Institute for Fiscal Studies confirmed today that poorer working age households with children will be the hardest hit? Will the Minister rule out any further cuts to support for people with disabilities in the lifetime of this Parliament? Over 600,000 disabled people and their families have been caused considerable distress over the last week, and they need the reassurance that their benefits are safe. If the PIP cuts are not going ahead, the money required from the Department for Work and Pensions still sits in the Red Book.

Will the Chief Secretary tell us which other vulnerable groups the Chancellor is considering targeting for cuts? If the Chancellor halts the attack on disabled people, a £4.4 billion black hole is created in the Budget. Add to this the billions of unidentified cuts, and the amendments on the tampon tax and solar power that we have won today, and within five days an enormous hole has appeared in the Budget. Is not the prudent thing for the Chancellor to do to withdraw this Budget and start again? I say that this is no way to deliver a Budget and no way to manage an economy.

**Mr Gauke**: First, may I thank the shadow Chancellor for promoting me to Chief Secretary to the Treasury? Secondly, may I just make this point about disability benefits? There is no question of this Government cutting disability benefits to the level we inherited in 2010. Spending on disability benefits has gone up by £3 billion in real terms. Thirdly, does the shadow Chancellor really want to talk about fiscal black holes? Does he really want to do that? [*Interruption.*]

Last week the Chancellor of the Exchequer reported on an economy set to grow faster than any other major advanced economy in the world. With wages up, the deficit cut by almost two thirds and 1,000 more people in work every single day, our economic plan is delivering for Britain. It is a Budget that continues this economic recovery, a Budget that takes us into surplus by the end of this Parliament, a Budget that backs British businesses, protecting jobs in difficult economic times, a Budget that helps more people buy their first home or save for their retirement, a Budget that builds our young people's skills and invests in educating the next generation, and a Budget that helps to close the gaps between rich and poor and between north and south, because we believe in helping people to succeed wherever they come from. Since 2010, inequality is down, child poverty is down, pensioner poverty is down, the gender pay gap is smaller than ever, while the richest—[*Interruption.*]

**Mr Speaker**: Order. When the Minister is addressing the House, he is entitled to be heard. I know the Minister is raising his voice, but there should be no requirement to do so. Experience shows that all sides of the argument will be heard. Members need have no worry on that score. In the first instance, the Minister must be heard.

**Mr Gauke**: The richest 1% are paying a greater proportion of income tax revenue than in any single year of the Labour Government. This is the Government that introduced the national living wage, the Government that increased the personal allowance—in a year's time, a typical basic rate taxpayer will pay over £1,000 less in tax than they paid in 2010—and the Government that are helping to generate record numbers of jobs, helping young people get on the property ladder, increasing spending on health and education, and disability benefits too, and protecting pensions and helping people achieve their aspirations at every stage of their lives. Delivering for Britain, creating economic security, jobs and growth—that is the record of this Government and the record of this Chancellor, and it is a record to be proud of.

**Mr Kenneth Clarke** (Rushcliffe) (Con): Does my hon. Friend the Financial Secretary agree that the first duty of a Chancellor and his Treasury team when preparing a Budget is to have regard to the medium-term national

[*Mr Kenneth Clarke*]

interest and to provide sound finances for the benefit of our businesses, our investments and our employment? If we now have a situation in which Chancellors are expected to produce, on every occasion, popular spending commitments and popular tax cuts, while there is a failure to control out-of-control budgets, we will have the sort of economic performance achieved by the recent Governments of Greece, Italy or the United Kingdom under Gordon Brown.

**Mr Gauke:** I entirely agree with my right hon. and learned Friend that it is the long-term approach that he took as Chancellor of the Exchequer that we are now taking forward so that we can secure prosperity and economic security for the British people.

**Stewart Hosie** (Dundee East) (SNP): We are shortly to hear a statement from the Department for Work and Pensions, and if rumours are correct, it will announce a substantial change to the Budget announcements that we heard only last week. That is likely to result in either substantial extra borrowing or a requirement for substantial extra taxes or, potentially, the shredding of the fiscal charter rules. In any case, there is likely to be a substantial change to last week's Budget. It is not good enough to announce that in a quick statement; surely it should require a supplementary corrective Budget. Let me ask the Minister whether his right hon. Friend the Chancellor has pencilled in a date for a summer Budget—and if he has not, may I suggest he does so now?

**Mr Gauke:** As the hon. Gentleman says, there will be a statement from the Secretary of State for Work and Pensions, and we also have two further days of Budget debates. As for changes to the fiscal position, in view of the oil price changes of recent months, I think we should look at the consequences for Scotland if it had been independent.

**John Redwood** (Wokingham) (Con): On 9 December, the Government issued a policy document announcing an increase in VAT on energy-saving materials from 5% to 20% to raise £65 million in the first full year. May I take it that I can now welcome the Government's decision not to go ahead with that proposal? I would dearly love it if they did not proceed with it. Also, how are they going to deal with the fact that the European Court and European VAT law require us to impose this very unpopular tax?

**Mr Gauke:** The decision was taken some weeks ago not to proceed with any changes to VAT on energy-saving materials in this Finance Bill because new evidence had emerged and we no longer believed that we needed to go ahead with what was previously suggested. It is also the case—the Prime Minister will say something about this later—that because the European Commission and other member states are willing to agree to our arguments about the need for greater flexibility on VAT rates, we do not believe that these changes will be necessary.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): Five days ago, the Chancellor stood at that Dispatch Box and published the Budget scorecard with a £4.4 billion cut to PIP. Where is the revised scorecard

without it? Is it true that this cut will instead come from elsewhere in the DWP budget? If the Chancellor is too scared to answer questions in this House on the issue, he is not fit to do the job.

**Mr Gauke:** The Chancellor will debate the Budget resolutions tomorrow evening, and he will be the first Chancellor of the Exchequer to have done so since my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke). In 11 Budgets, Gordon Brown never once participated in the debate on the Budget apart from in his initial speech. As far as the public finances and compliance with the welfare cap are concerned, we will set things out at the autumn statement. Let us be absolutely clear that with the Labour party appearing to be upset about the public finances, Labour Members should listen to what they have been saying for the last six years.

**Sir Edward Garnier** (Harborough) (Con): My hon. Friend will know that members of the armed forces are sadly not immune to mental health problems and that, even more sadly, some of them take their own lives. As a member of the advisory board of the Samaritans, may I thank the Minister and my right hon. Friend the Chancellor for the £3.5 million given to the Samaritans to assist military personnel who are suffering in this way?

**Mr Gauke:** I am very grateful to my right hon. and learned Friend for highlighting that point.

**Chris Leslie** (Nottingham East) (Lab/Co-op): The Minister has to accept that there will be a serious problem with the votes on the Budget resolutions tomorrow. How on earth is the House supposed to make a judgment when page 103 of the Red Book has been totally ripped up and changed? We are none the wiser about the contents of that section. Will he just answer one question? On a scale of one to 10, how embarrassed is he today?

**Mr Gauke:** If I were the hon. Gentleman, I would be a little embarrassed for not being aware that there are no votes on personal independence payments in the Budget resolutions tomorrow.

**Stephen Hammond** (Wimbledon) (Con): The role of the Budget is surely to promote growth and create employment. Has the Minister noticed that the small business rate relief measures have been widely welcomed by the Federation of Small Businesses because they will promote growth and employment across all strata of society?

**Mr Gauke:** Yes; my hon. Friend is absolutely right. There has been strong support from small businesses for the contents of this Budget. This is a Government who are backing small businesses and ensuring that they can provide the growth and employment opportunities that the British people need.

**Tim Farron** (Westmorland and Lonsdale) (LD): I regret the chaos that one tends to get with these unstable single-party Governments, but not half as much as I regret the failure of the Chancellor to be here to answer for himself. His Budget will leave the richest 10% of people £260 better off, and, until he was found out this weekend, that was going to be paid for by punishing the

disabled. Does not all that conjuring just show that the Chancellor's choices are driven by cynical politics, and not by economic necessity? Should not the fiscal charter, which is now utterly discredited, be scrapped?

**Mr Gauke:** Let me point out to the House that 28% of income tax was paid by 1% of taxpayers in 2013-14. Under the policies that we are pursuing, the highest earning 20% will now be paying more than half of all tax revenues. That would not have happened had we stuck with the tax system that we inherited in 2010.

**James Morris** (Halesowen and Rowley Regis) (Con): Does the Minister agree that what the British people want, and what they voted for 10 months ago, is a Government who encourage growth, creating employment on a scale not seen for 30 years, and who take the low paid out of tax altogether while still focusing on investment in the health service and in mental health and other issues, making them a one nation, compassionate Conservative Government?

**Mr Gauke:** My hon. Friend puts it extremely well. Last May, the British people endorsed our long-term economic plan and we have to stick to it.

**Helen Goodman** (Bishop Auckland) (Lab): As the Financial Secretary to the Treasury has said, the cut in business rates has been welcomed by the small business community. In oral questions an hour ago, Department for Communities and Local Government Ministers said that local authorities would be completely compensated for that reduction, yet there is no sign of that in the Red Book either. Is this not simply another £1.7 billion black hole?

**Mr Gauke:** No, it is not. Local authorities will be compensated.

**Philip Davies** (Shipley) (Con): I very much support the Chancellor in wanting to live within our means and trying to balance the budget as quickly as possible. In my normal spirit of helpfulness, may I suggest that the problem is that too many Government Departments' budgets are ring-fenced, meaning that the other Departments face cuts year after year? Is it not time to end the ludicrous ring-fencing of the international aid budget?

**Mr Gauke:** As always, I appreciate my hon. Friend's spirit of helpfulness but I am afraid that I do not agree with him. It was a manifesto commitment by our party that we would fulfil the 0.7% target.

**Mr George Howarth** (Knowsley) (Lab): Harold Wilson once said that a week was a long time in politics. How long is a long-term economic plan? Three days? Four days? Five?

**Mr Gauke:** Let us be clear: this is a Government who have turned the economy round and delivered this country as the fastest-growing major western economy in 2014. We are forecast to be the fastest-growing again. We have record levels of employment. The deficit will be down by two thirds by the beginning of the next fiscal year. That is what this Government are delivering and will continue to deliver.

**Chris Philp** (Croydon South) (Con): Will the Financial Secretary confirm that spending on disability payments has increased by £2 billion over the past five years and will increase by a further £1 billion over the coming five years?

**Mr Gauke:** Actually, the figure is slightly more than that over the past five years. Disability spending has risen significantly under this Government, even though we inherited the largest deficit in our peacetime history.

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): Today's urgent question is not about the Budget documentation, the EU referendum or who is going to be the next leader of the Tory party, but about the hundreds of thousands of disabled people across this country and their fate. In the absence of the Chancellor today, will the Minister take the opportunity to apologise to all the disabled people across the country who have been left in turmoil over the past few days in relation to what support, if any, they are going to get from this Government? What are the future plans for them?

**Mr Gauke:** This is a Government who have increased spending on the disabled. My right hon. Friend the Secretary of State for Work and Pensions will shortly make a statement on Government policy in this area.

**Nadhim Zahawi** (Stratford-on-Avon) (Con): You frequently remind us, Mr Speaker, about the people listening and watching at home—our constituents. On the second day of the Budget debate, the shadow Chancellor pledged that if the Government would look again at the personal independence plans, the Opposition would not play politics with that. Does my hon. Friend agree that this is too serious an issue to play politics with?

**Mr Gauke:** My hon. Friend has a point. We have had assurances about not playing politics once or twice before from the shadow Chancellor. I am not sure he has always delivered on that.

**Rachel Reeves** (Leeds West) (Lab): Last week's Budget makes the 2012 omnishambles Budget look like a model of good policy making. Can the Financial Secretary confirm that the Red Book is still the basis for the Budget and, if it is, that the £4.4 billion cut to disability benefits still stands?

**Mr Gauke:** What is very clear from the plans that we have set out is that by the end of this Parliament we are on course to deliver a budget surplus that would have never happened if we had followed Labour's plans.

**Mark Spencer** (Sherwood) (Con): Some 600,000 small businesses will benefit from the rate relief cut. Will the Financial Secretary continue to support those small businesses, which generate the jobs for those people who want to work and generate the tax to support those people who cannot?

**Mr Gauke:** Absolutely. I can give that assurance. This is a Government who are on the side of businesses—businesses that create the growth and jobs that we need—and the biggest threat to our recovery is the anti-business approach that we see from the Opposition.



**Hywel Williams** (Arfon) (PC): One of the smaller, disregarded mysteries of the Budget is the announcement of the north Wales growth field, which seems to exist in name only. Will the Minister enlighten the House about its details?

**Mr Gauke:** The Government will be engaging with the Welsh Government and local authorities on that. The future for the Welsh economy would be best pursued by electing a Conservative Government in Wales, as well as in the United Kingdom.

**Simon Hoare** (North Dorset) (Con): Does my hon. Friend agree that it is thanks to the steadfast stewardship of the economy by our right hon. Friend the Chancellor and the Treasury team for the past six years that this year we have been able to introduce a Budget that has supported small businesses, supported the motorist, supported and helped local brewers and the pub industry, and that continues policies that support business and create jobs? Only steadfastness of purpose delivers that. Strength to the Treasury team's elbow.

**Mr Gauke:** My hon. Friend puts it very well. This is a Government, and this is a Chancellor of the Exchequer, who have turned round the economy. We are in a position to be growing strongly compared with our international competitors, and we are bringing the public finances under control, having inherited the mess that would did in 2010.

**Stephen Timms** (East Ham) (Lab): The Chancellor made no effort to justify the cut in disability benefits in the Budget statement, beyond saying that it would save a lot of money. Yesterday, we heard from the former DWP Secretary that the Chancellor's view is that people claiming disability benefits will never vote Conservative so there is no reason for restraint in cutting their benefits. Will the Financial Secretary respond to that allegation?

**Mr Gauke:** That was not even the allegation. The reality is that, if we look at spending on disability living allowance and personal independence payments, it has gone up since 2010 by £3 billion—that is not a Government who are cutting at the expense of disabled people.

**Mr Robin Walker** (Worcester) (Con): Will the Minister confirm that, as well as continuing to take thousands of my constituents out of paying income tax, and as well as shifting the burden of taxation from small businesses, through business rates, to multinationals, the Government remain committed to a progressive target of halving the disability employment gap?

**Mr Gauke:** Indeed. My hon. Friend makes a good point, and he is absolutely right to raise that. As I pointed out earlier, my right hon. Friend the Secretary of State for Work and Pensions will address that point, I am sure, later this afternoon.

**Ian C. Lucas** (Wrexham) (Lab): Last Wednesday, the Chancellor announced that this was a Budget for the next generation. Which member of the next generation will succeed the Chancellor?

**Mr Gauke:** Is that really the best the hon. Gentleman can do?

**Bob Blackman** (Harrow East) (Con): Does my hon. Friend agree that the best way to reduce the welfare bill is to create more jobs and to give people the opportunity to have the dignity of earning their own living, rather than being stuck in a life on benefits?

**Mr Gauke:** My hon. Friend is absolutely right, and that is why all of us in the House should be delighted that we have record numbers of people in work.

**George Kerevan** (East Lothian) (SNP): As of last Wednesday, the Chancellor has delivered five Budgets in 15 months—one every three months. Are we to take it from the Minister's statement that the Chancellor wishes to improve on that record and give us a new Budget every week?

**Mr Gauke:** I fear that the quality of the questions might be slightly deteriorating, but there we go. The answer is no.

**Kevin Foster** (Torbay) (Con): I am sure the Minister, like me, will see the slight irony in the fact that an urgent question on the Budget is delaying an announcement and a debate on the Budget. However, will he reassure me that the Government, in looking at Budget changes, will be more influenced by a long-term economic plan than by the thoughts of Chairman Mao?

**Mr Gauke:** My hon. Friend is absolutely right. I am delighted that the quality of questions has now improved.

**Rachael Maskell** (York Central) (Lab/Co-op): A simple question: when will the Budget schedule be published?

**Mr Gauke:** We have a debate on the Budget today and tomorrow, and the Chancellor will respond to the debate tomorrow. In terms of any future changes of fiscal events, there will be an autumn statement in the autumn.

**Paul Scully** (Sutton and Cheam) (Con): Will my hon. Friend confirm that the many positive things in the Budget—including the small business rate changes, which will remove a lot of business rates from independent shops in Sutton, Cheam and Worcester Park, and the tax threshold changes, which will help a lot of people who should never have been caught by the 40% tax threshold, including many public sector workers—will go ahead as planned?

**Mr Gauke:** Yes, I can confirm that. The changes to small business rate relief will help hundreds of thousands of businesses, particularly small businesses. We are delivering on the pledge in the Conservative party manifesto to increase the higher rate threshold to £50,000—this Budget takes it to £45,000—and we are also raising the personal allowance. The typical basic rate taxpayer is now paying more than £1,000 less in income tax as a consequence of the changes we have made.

**Mr Chuka Umunna** (Streatham) (Lab): The Minister has talked about debt and our record. Of course, the last Government borrowed more in five years than the Labour Government did in 13 years. We understand that Conservative Members are clamouring for a change to the PIP proposals, on the basis that they disproportionately



hit the disabled. If that is the case, why not also reverse another measure that disproportionately hits the disabled—namely, the disgraceful and appalling bedroom tax?

**Mr Gauke:** Let me deal with this point. During the whole of the last Parliament, we debated in this place measures to reduce spending and the Labour party constantly opposed them. It argued that we should borrow more—I presume this is what the hon. Gentleman means from what he has just said—to borrow less. If that is the position of the shadow shadow Chancellor, it is not much of an improvement on that of the shadow Chancellor. It is right that we try to find savings in the welfare budget, and the spare room subsidy is an important part of that.

**David Morris** (Morecambe and Lunesdale) (Con): Before I became a Member of Parliament, I was one of a dwindling number of self-employed people in this country. The self-employment sector now numbers 4 million-plus. Does my hon. Friend agree that we have cut back on red tape on self-employment and put more money into the self-employed, which is more than the Labour party did in 13 years? I was a self-employed person, so I can speak with authority on that.

**Mr Gauke:** My hon. Friend brings much expertise to this issue, and I know that he is very pleased that one of the things we were able to do in the Budget was to finally remove class 2 national insurance contributions. That was a tax on the self-employed and it was also a significant administrative burden, so I am pleased that we have been able to remove it.

**Mark Durkan** (Foyle) (SDLP): May I express the shock and sadness in my constituency at the loss of life of a family from Derry in Buncrana last night?

How can the Financial Secretary continue to talk about a long-term economic plan when he is describing what are increasingly ephemeral Budgets? Will the Government finally end the error of their ways in relation to the welfare cap and stop using it as a search engine for benefit cuts?

**Mr Gauke:** First, may I associate myself with the hon. Gentleman's remarks and, through him, express the condolences of the whole House to the family who suffered so grievously last night?

On this Government's approach, we believe that it is in the interest of the whole country that the public finances are on a sound footing. Reducing the deficit from a record level to surplus is a significant challenge, but it is one that we have to meet as a country, and we have to be willing to take the decisions that that involves. That is what this Government were elected to do in 2010 and what we were re-elected to do in 2015, and that is what we will do.

**Mr David Burrowes** (Enfield, Southgate) (Con): Will my hon. Friend confirm that there has been no change in the Budget commitment to tackle homelessness with a record boost of some £115 million, which is on top of the protection for the homeless prevention grant? That very much shows this Government's credentials in protecting the vulnerable.

**Mr Gauke:** My hon. Friend is right to highlight that measure, which was announced last week. This Government are taking the issues of homelessness seriously and an important set of policies was announced last week.

**Shabana Mahmood** (Birmingham, Ladywood) (Lab): Given that the Chancellor has been warning us all about the so-called global cocktail of risks, and given that we learned from the Budget statement that our growth forecasts are down, as are those for our productivity, which is fast reaching crisis point, what possible justification can the Minister offer, considering all the other changes that have already been made to the Budget, for retaining the substantial cut to capital gains tax, which disproportionately benefits the better off and is simply a cut that, at this point, we do not need?

**Mr Gauke:** One of the important challenges that we face is improving productivity in this country. If we want to improve productivity, we want more investment. If we want more investment, we do not want high rates of tax that discourage investment. May I point out that in terms of capital gains tax, the rate is still higher than the one we inherited in 2010?

**Richard Graham** (Gloucester) (Con): Last week, I met two constituents. One of them, Mark, was unemployed for five years from 2007. He has now got a job in security through DWP funding for a Security Industry Authority course. Another, Luke, who has significant disabilities, has been helped by a specialist agency called Pluss to get a good job with B&M. Both those constituents of mine have benefited hugely from the compassionate conservatism that has driven our financial policy. Will my hon. Friend confirm that that will continue and that people such as Mark and Luke will continue to be helped?

**Mr Gauke:** I am very grateful to my hon. Friend for highlighting those examples. He puts the point well. There is something compassionate about having a society where there are plenty of jobs, and I am pleased that we as a Government are delivering that type of economy.

**Mr David Anderson** (Blaydon) (Lab): In the Chancellor's speech last week, he referred to £20 million being given to build houses in the south-west of England, and said that that was

“proof that when the south-west votes blue, their voice is heard loud here in Westminster.”—[*Official Report*, 16 March 2016; Vol. 607, c. 961.]

Does that not prove that this was not in the national interest; it is all about the political and personal interest of the Government and the Chancellor?

**Mr Gauke:** I remind the hon. Gentleman that there have been a number of city deals done with authorities in the north-east of England, and a number of deals done with Labour authorities around the country. The employment record in the north-east of England is extremely strong.

**William Wragg** (Hazel Grove) (Con): The Budget contained many welcome measures for my constituents. Will the Minister comment on the idea that it is a sign of strength to have a Government who listen? Perhaps we should compare that with Gordon Brown and his refusal to reconsider the 10p tax rate.

**Mr Gauke:** My hon. Friend reminds me about 2007 and 2008. There is a distinction between the two Governments: whereas Gordon Brown doubled the tax rate on low earners, we have abolished tax for low earners.

**Nic Dakin** (Scunthorpe) (Lab): Some £4.4 billion seems to have fallen out of the Budget. Will the Minister confirm that that is the case? When is the Chancellor going to come here and tell us where he is finding the money?

**Mr Gauke:** If the hon. Gentleman is worried about black holes in the public finances, he really ought to have a word with his own Front Benchers.

**David Rutley** (Macclesfield) (Con): Does my hon. Friend agree that the Government's positive track record of tackling unemployment and creating apprenticeships clearly demonstrates their commitment not only to enterprise but to improving life chances?

**Mr Gauke:** The Government's record is that, again and again, we have taken steps to improve the life chances of the British people. It also helps, in the long term, the life chances of the British people to have public finances under control. Only a Conservative Government will deliver that.

**Mary Creagh** (Wakefield) (Lab): Does the Minister agree with the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) that the cuts to personal independence payments for disabled people were

“not defensible in the way they were placed within a Budget that benefits higher earning taxpayers”?

**Mr Gauke:** Let us be clear about this Government's record, and let us put this in the context of what the Government have done. As a consequence of the policy changes that we have pursued, it will now be the case that the highest-earning 20% will pay more than half of all taxes. That would not have happened had we stuck with the policies we inherited.

**Steve Brine** (Winchester) (Con): The Financial Secretary to the Treasury will have noticed today that the new financial discipline of the shadow Chancellor has not lasted long, because speaker after speaker has promised to spend more and more money without any idea how they are going to pay for it. Will my hon. Friend pass on some thanks from me to the Chancellor, who found £2 million to start a new children's hospital in Southampton? That will greatly benefit thousands of young people across the south and has nothing to do with the party politics that we are seeing in the Chamber this afternoon.

**Mr Gauke:** I am grateful to my hon. Friend. We can afford to take such steps, including funding our NHS properly, only because of the strong economy delivered by this Government and by this Chancellor over the past six years.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): We on the Scottish National party Benches agree that the deficit must be cut and that we must control the debt, but that that should not be done on the backs of

the poor. With the disability cuts and the £3.5 billion of cuts to come in 2019-20, and with corporation tax cuts, capital gains tax cuts and an increase in the income tax threshold, does the Minister really believe we are all in this together?

**Mr Gauke:** I am pleased to hear that the hon. Gentleman believes we have to get the deficit and the debt under control. He will be aware that an independent Scotland, given what has happened to the oil price, would face the biggest deficit in the western world.

**Nigel Huddleston** (Mid Worcestershire) (Con): Will the Minister confirm what the top rate of income tax is today, what the top rate of income tax was for 99.3% of the previous Labour Government, and how many basic rate taxpayers have been taken out of paying income tax altogether under the Conservatives?

**Mr Gauke:** Forty-five, 40, and about 4 million.

**Barry Gardiner** (Brent North) (Lab): Does the Minister agree that it would have taken real courage for the Chancellor to come here today, and that in failing to show that courage he has shown he is not fit to lead his party? His failure of courage is not only that, however. It is a discourtesy to this House that renders us incapable of properly examining the Budget, because we do not know how the Chancellor proposes to meet his fiscal targets.

**Mr Gauke:** With the greatest of respect to the hon. Gentleman, that is a load of pompous nonsense. The Chancellor of the Exchequer will respond to the Budget debate, the first time a Chancellor has done so since the 1990s.

**Lucy Frazer** (South East Cambridgeshire) (Con): One of the best ways to improve the life chances of those who are either able-bodied or disabled is to invest in education. Does the Minister agree that the £1.6 billion investment set out in the Budget will help the next generation to get the best start in life?

**Mr Gauke:** This was an excellent Budget for education; it was an excellent Budget for the next generation. If we are going to have the prosperity and economic security the country wants, we have to have a world class education system. That is exactly what the Government are in the process of delivering.

**Debbie Abrahams** (Oldham East and Saddleworth) (Lab): Is it fair to make £4.4 billion of cuts to disabled people through the personal independence payment when they are twice as likely to live in poverty, and at the same time give tax breaks in corporation and capital gains tax?

**Mr Gauke:** As I say, there will be a statement on personal independence payments later this afternoon. In the past six years, we have seen a significant increase in real-terms spending on the disability living allowance and PIP. We also need to ensure we have a productive economy that creates wealth in the first place. I make no apologies for our wanting to have a competitive tax system.

**Rebecca Pow** (Taunton Deane) (Con): One notable point in the Budget was that self-employed people got some help. They can often be the unsung heroes of our communities and they play such an important part in local business. Does the Minister agree that by helping them the Government are really demonstrating that they understand what makes the economy work, and, ultimately, what will benefit so many more people?

**Mr Gauke:** My hon. Friend is absolutely right. The Government are backing the 4 million self-employed people we have in this country, whether through help with business rates or help with national insurance contributions. We are on the side of those who are going out, taking a risk, working for themselves and creating wealth for the British people.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): Nearly 7,000 people with disabilities across Cardiff and the Vale of Glamorgan would have been hit by the cut to PIP. The Minister has not answered these questions, so I will ask them. Where is the Chancellor and why he is not here to apologise? Secondly, how will the £4.4 billion black hole be filled?

**Mr Gauke:** The Chancellor has worked tirelessly to turn the British economy around, and he is continuing to do that. In terms of a black hole, I just point out that every single day we hear proposals from the Labour party to oppose some spending item or tax cut—more borrowing, borrowing, borrowing.

**Craig Williams** (Cardiff North) (Con): This welcome Budget for Cardiff is delivering the Cardiff city deal, in stark contrast to the Labour Assembly Government, who are the most centralising Government in western democracy. Businessmen and women welcome the business rates relief, and the localism in the Budget is incredibly popular. Would my hon. Friend encourage the Labour Assembly Government to follow our lead and empower businessmen and women?

**Mr Gauke:** If the Welsh Assembly Government are to follow our lead, they need to change their leadership, and there will be an opportunity to do that in just a few weeks.

## European Council

4.15 pm

**The Prime Minister (Mr David Cameron):** With permission, Mr Speaker, I would like to make a statement on last week's European Council, which focused on the migration crisis affecting continental Europe.

The single biggest cause has of course been the war in Syria and the brutality of the Assad regime, but we have also seen a huge growth in the numbers of people coming to southern Europe from Afghanistan, Pakistan and north Africa, all facilitated by the rapid growth of criminal networks of people smugglers. There are over 8,000 migrants still arriving in Greece every week, and there are signs that the numbers using the central Mediterranean route are on the rise again. So far, 10,000 have come this year.

Of course, because of our special status in the European Union, Britain is not part of the Schengen open border arrangements—and we are not going to be joining. We have our own border controls, and they apply to everyone trying to enter our country, including EU citizens. So people cannot travel through Greece or Italy onward to continental Europe and into Britain, and that will not change. It is in our national interest, however, to help our European partners deal effectively with this enormous and destabilising challenge.

We have argued for a consistent and clear approach right from the start: ending the conflict in Syria; supporting the refugees in the region; securing Europe's borders; taking refugees directly from the camps and neighbouring countries but not from Europe; and cracking down on people-smuggling gangs. This approach, of focusing on the problem upstream, has now been universally accepted in Europe, and at this Council it was taken forwards with a comprehensive plan for the first time.

As part of the plan, the Council agreed to prevent migrants from leaving Turkey in the first place; to intercept those who do leave, while they are at sea, and to turn back their boats; and to return to Turkey those who make it to Greece. There can be no guarantees of success, but if this plan is properly and fully implemented, it will, in my view, be the best chance to make a difference. For the first time, we have a plan that breaks the business model of the people smugglers by breaking the link between getting in a boat and getting settlement in Europe.

I want to be clear about what Britain is doing, and what we are not doing, as a result of this plan. We are contributing our expertise and our skilled officials to help with the large-scale operation now under way. Royal Fleet Auxiliary ship *Mounts Bay* and Border Force vessels are already patrolling the Aegean, British asylum experts and interpreters are already working in Greece to help them process individual cases, and at the Council I said that Britain stood ready to do even more to support these efforts. Above all, what is needed, and what we are pushing for, is a detailed plan to implement this agreement and to ensure that all the offers of support from around Europe are properly co-ordinated. Our share of the additional money, which will go to helping refugees in Turkey under this agreement, will come from our existing aid budget.

Let me also be clear about what we are not doing. First, we are not giving visa-free access for Turks coming to the UK. Schengen countries are planning to give



[The Prime Minister]

visa-free access to Turks, but because we are not part of Schengen we are not bound by their decision. We have made our own decision, which is to maintain our own borders, and we will not be giving that visa-free access.

Secondly, visa-free access to Schengen countries will not mean a back-door route to Britain. As the House knows, visa-free access only means the right to visit; it does not mean a right to work or to settle. For instance, just because British citizens can enjoy visa-free travel for holidays to America, it does not mean they can work, let alone settle there. Neither will this give Turkish citizens those rights in the EU.

Thirdly, we will not be taking more refugees as a result of this deal. A number of Syrians who are in camps in Turkey will be resettled into the Schengen countries of the EU, but again that does not apply to Britain. We have already got our resettlement programme and we are delivering on it. We said we would resettle 20,000 Syrian refugees over this Parliament, taking them directly from the camps, and that is what we are doing. We promised 1,000 resettled here in time for last Christmas, and that is what we delivered. The other 27 EU countries agreed to two schemes, one of which was to relocate 160,000 within the EU, but by the time of last December's Council only 208 had been relocated. The second scheme was to have a voluntary resettlement scheme for 22,500 from outside the EU, but by the end of last year just 483 refugees had been resettled throughout the 27 countries.

We said what we would do and we are doing it. Britain has given more money to support Syrians fleeing the war, and the countries hosting them, than any other European country. Indeed, we are doing more than any country in the world other than the United States, spending over £1 billion so far, with another £1.3 billion pledged. We are fulfilling our moral responsibility as a nation.

Turning to the central Mediterranean, the EU naval operation we established last summer has had some success, with over 90 vessels destroyed and more than 50 smugglers arrested. HMS Enterprise is taking part and we will continue her deployment throughout the summer. What is desperately needed is a Government in Libya with whom we can work, so that we can co-operate with the Libyan coastguard in Libyan waters to turn back the boats and stop the smugglers there, too. There is now a new Prime Minister and a Government we have recognised as the sole legitimate authority in Libya. These are very early days, but we must do what we can to try and make this work. That is why at this Council I brought together leaders from France, Germany, Italy, Spain and Malta to ensure that we are all ready to provide as much support as possible.

Turning to other matters at the Council, I took the opportunity to deal with a long-standing issue we have had about the VAT rate on sanitary products. We have had some EU-wide VAT rules in order to make the single market work, but the system has been far too inflexible, and this causes understandable frustration. We said we would get this changed and that is exactly what we have done. The Council conclusions confirm that the European Commission will produce a proposal in the next few days to allow countries to extend the number of zero rates for VAT, including on sanitary

products. This is an important breakthrough. Britain will be able to have a zero rate for sanitary products, meaning the end of the tampon tax. On this basis, the Government will accept both the amendments tabled to the Finance Bill tomorrow night.

My right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) spent almost a decade campaigning for welfare reform and improving people's life chances, and he has spent the last six years implementing those policies in government. In that time, we have seen nearly half a million fewer children living in workless households, over a million fewer people on out-of-work benefits and nearly 2.4 million more people in work. In spite of having to take difficult decisions on the deficit, child poverty, inequality and pensioner poverty are all down. My right hon. Friend contributed an enormous amount to the work of this Government and he can be proud of what he achieved.

This Government will continue to give the highest priority to improving the life chances of the poorest in our country. We will continue to reform our schools. We will continue to fund childcare and create jobs. We will carry on cutting taxes for the lowest-paid. In the last Parliament, we took 4 million of the lowest-paid people out of income tax altogether and our further rises will take many, many more out, too. Combined with this, we will go on with our plans to rebuild sink estates, to help those with mental health conditions, to extend our troubled families programme, to reform our prisons and to tackle discrimination for those whose life chances suffer because of the colour of their skin. And, in two weeks' time, we will introduce the first ever national living wage, giving a pay rise to the poorest people in our country. All of this is driven by a deeply held conviction that everyone in Britain should have the chance to make the most of their lives.

Mr Speaker, let me add this. None of this would be possible if it was not for the actions of this Government and the work of my right hon. Friend the Chancellor in turning our economy around. We can only improve life chances if our economy is secure and strong. Without sound public finances, you end up having to raise taxes or make even deeper cuts in spending. You do not get more opportunity that way; you get less opportunity that way, and we know that, when that happens, it is working people who suffer, as we saw in Labour's recession. So we must continue to cut the deficit, control the cost of welfare, and live within our means. We must not burden our children and grandchildren with debts that we did not have the courage to pay off ourselves. Securing our economy and extending opportunity, we will continue our approach in full, because we are a modern, compassionate, one-nation Conservative Government. I commend the statement to the House.

4.25 pm

**Jeremy Corbyn** (Islington North) (Lab): I thank the Prime Minister for an advance copy of about half his statement. Let me deal with the points that he made in order.

The refugee crisis that Europe currently faces is the largest since the end of the second world war. There are more displaced people in the world now than there have been at any time in recorded history. Thousands of people have died making perilous journeys across the Mediterranean and in other places around the world.



As an advanced, democratic, civilised nation, we have a duty to reach out the hand of humanity, support and friendship to people who are going through the most disastrous time of their lives.

We should also recognise that a disproportionate burden has been placed on Syria's neighbours. Jordan and Lebanon have accepted a very large number of refugees, as has Turkey. Among the European countries, Italy and Greece, as border countries, have done far more than anyone else, but Germany and Sweden have taken a very large number of asylum seekers. There has not been a balanced response throughout Europe.

Has the Prime Minister had a chance to read the statement made by Amnesty International at the weekend, after the agreement was reached? Amnesty is normally noted for its cautious use of words and the careful way in which it describes things; it is, after all, an organisation dedicated to human rights and the rule of law. The statement reads as follows:

“Guarantees to scrupulously respect international law are incompatible with the touted return to Turkey of all irregular migrants arriving on the Greek islands as of Sunday. Turkey is not a safe country for refugees and migrants, and any return process predicated on its being so will be flawed, illegal”,

and it goes on to register further concerns. I ask the Prime Minister to respond carefully to the very reasonable points put by Amnesty International.

Will the Prime Minister confirm that when Greece receives asylum seekers from Turkey, they will all be interviewed individually? Will he confirm that they will all have access to interpreters, a right to a hearing and a right of appeal, even if the interviewing is done by officials who have come from other countries on behalf of the European Union? Will he confirm that those who are returned to Turkey will have similar rights there, and that they will, in turn, be properly treated? He must be well aware of the deep concern that many people feel about the recent events in Turkey, particularly the imprisonment of journalists who have attempted to speak out about a number of matters.

It is clear that the issue of the number of people seeking asylum in Europe is heavily bound up with the wars that have taken place, or continue to take place. The Prime Minister rightly spoke of the need for a political settlement in Syria and in Libya. Can he give us some information on progress that may have been made towards bringing about a political settlement in Syria that will enable people to return to their own homes, and to lead safe and secure lives? The situation in Libya is equally perilous for many people, especially those in insecure refugee camps.

The Prime Minister will be well aware that many of those who seek asylum in other countries make the perilous journeys to which I have referred. They also end up in refugee camps with very limited facilities, despite the great work done by volunteers. I have visited the camps in Calais and Dunkirk, which are in an appalling state. Those people are in a very perilous situation. They are all humans, to whom we must reach out the hand of friendship and support.

I recognise that the British Government have paid a great deal of money through the Department for International Development to support refugees in camps around the world. I recognise the work of the Royal Navy in plucking people from the sea and saving them from drowning. However, the Prime Minister still seems

to be stuck in the narrative of saying that Britain will accept only 20,000 refugees over the next four years and that they will be taken from camps in the region, not from those facing problems as they get stuck while travelling across Europe. Can we not for once, please, Prime Minister, co-operate with every other European country on a European-wide response to the crisis engulfing the lives of so many people, rather than avoid our responsibilities?

In the advance copy I received of about half of the Prime Minister's statement, he went on to talk about the VAT on sanitary products and one or two other issues, but he then delivered a much longer speech on many other things. The House should pay great tribute to my hon. Friend the Member for Dewsbury (Paula Sherriff) for her work on trying to eliminate this unfair tax.

The Prime Minister is here today, the new Secretary of State for Work and Pensions is here today, and practically every other Cabinet Minister is here today, but what has happened to the Chancellor of the Exchequer? Where is he? Instead of covering for his friend, could the Prime Minister not have asked him whether he would be kind enough to come along to the House to explain why, for the first time in Parliament in my memory, a Government's Budget has fallen apart within two days of its delivery? There is an enormous hole in the Budget which has been brought about through a possible temporary retreat on changes to personal independence payments. Can the Prime Minister guarantee that there will be no further cuts to the Department for Work and Pensions budget and that more people with disabilities will not face more cuts as the years go on? Can he tell us why he is still defending a Budget that not only has inequality and a tax on the disabled and the poorest in our country at its core, but provides tax relief to the richest and the biggest corporations? The Budget has a big hole in it and it is up to the Prime Minister to persuade his great friend the Chancellor to come here to explain how he will fill that hole. Perhaps the Chancellor should consider his position and look for something else to do, because he clearly has not been successful at producing a balanced Budget that is in the interests of everyone in the country, particularly those with disabilities.

**The Prime Minister:** I thank the right hon. Gentleman for his response. First, on refugees, he says that we have a duty to help, and he is right and we have helped. We have spent billions of pounds—more than any other European country—supporting refugees in refugee camps, and the Royal Navy has helped in huge measure, as he said, picking people out of the sea and saving countless lives. We are taking 20,000 refugees from the neighbouring countries. Looking at the figures and what other European countries have done, we have put in place a plan and have delivered it far faster than many other, indeed most other, European countries.

The right hon. Gentleman's second point was about Amnesty International. He is absolutely right that we must respect international law and the role of the United Nations High Commissioner for Refugees, and the Council conclusions and the agreement with Turkey make that clear, but it is not right to say that Turkey is an unsafe country for Syrian refugees. That is slightly insulting to the Turks, who are currently hosting 2.6 million people who have fled Syria. What is going to happen is that those who do not apply for asylum will be immediately returned to Turkey. Those who do apply will go through

[*The Prime Minister*]

a rapid process with all the proper procedures in place. As the agreement says, all irregular migrants will be returned to Turkey because it is a safe country for refugees. It is, of course, different for anyone that it is not safe for. The right hon. Gentleman is missing the point, which is, of course, that it sounds very compassionate to say to refugees, “Keep coming, you can come in”, but by doing so you are encouraging people to make a perilous journey, where so many have lost their lives. It is actually a more compassionate thing to do to make sure you have firm borders and proper processes, and that you support the refugees in the countries they are in. We should not be encouraging more people to travel.

The right hon. Gentleman asked about the Syrian peace process, and I can tell him that the ceasefire is holding better than people expected, so, as a result, the talks are still under way. We are hopeful of progress but it will be slow and difficult. In Libya, there is a new Prime Minister, as I have said. The Foreign Secretary spoke to him over the weekend and, for the reasons the right hon. Gentleman gives, we are going to give him every support we can.

The right hon. Gentleman asked questions about Calais, so let me say this to him. Of course everyone is disturbed by the pictures of what happens in Calais and in those camps, but there is a very simple answer for those people: France is a safe country and if they want asylum, they should apply for it in France. If there are children in those camps who have direct family in Britain, they can apply for asylum in France and, under the Dublin convention, join their family here in Britain. We should not be doing anything to discourage people from taking that correct step.

The right hon. Gentleman asked whether we will take people from inside Europe, but I do not think that is the right answer. I would argue that the approach the Home Secretary and I set out almost a year ago of tackling this problem upstream, concentrating on borders, and taking asylum seekers from the refugee camps rather than from inside Europe is a better approach, which more and more countries in Europe can now see the merits of. He asked whether this is a European plan. Yes, it is, and we are part of it. We were one of the important countries at this Council arguing to get this deal done and to implement it properly, because although it has many imperfections, it is our best hope of trying to stem this tide of people coming towards Europe, and all the misery that is causing and bringing.

On the issue of the tampon tax, I am sorry, as I should have paid tribute to the hon. Member for Dewsbury (Paula Sherriff) for the very hard work she has done. I am delighted that we have now got this proposal coming forward.

The Chancellor of the Exchequer will be in the House tomorrow, winding up the Budget debate; you have the First Lord of the Treasury today and you are going to have the Second Lord of the Treasury tomorrow. When it comes to holes in the Budget, we could perhaps hear from the timelords who sit on the Opposition Benches, because they left us the biggest black hole there ever was. When I became Prime Minister, we had an 11% budget deficit forecast—that was the biggest budget deficit anywhere.

As for the Budget, let me remind the right hon. Gentleman: this Budget increased funding for our schools; this Budget took more low-paid people out of income tax; this Budget froze fuel duty to help hard-working people; this Budget helped the poorest in our country to save; and this Budget backed small business, which is why it is going to strengthen the economy and make sure we have a fairer society.

**Crispin Blunt (Reigate) (Con):** The fifth point of the Council conclusions says:

“The EU reiterates that it expects Turkey to respect the highest standards when it comes to democracy, rule of law, respect of fundamental freedoms, including freedom of expression.”

Any reference to that was absent from the accompanying EU-Turkey statement. How many Kurds have to be killed by the Turkish security forces before we no longer regard Turkey as a first country of asylum or safer third country, not least for Syrian Kurds?

**The Prime Minister:** First, my hon. Friend is right to say that the conclusions mentioned the importance of commitment to democracy, to freedom of speech, and to a free press. At the earlier EU-Turkey Council that was spelt out in even more detail, with the mention even of the name of the newspaper that has faced difficulties. All European countries, including this one, raise this issue at every available opportunity. The point I would make is that for Syrians seeking refuge Turkey has been a safe place, and we should pay tribute to Turkey for looking after 2.6 million of those people. But we should also make the point that anyone who does genuinely face a fear of persecution in Turkey will be able to take that claim through their asylum claim.

**Angus Robertson (Moray) (SNP):** May I, too, thank the Prime Minister for advance sight of the first half of his statement? As this is a statement on the European Union summit, may I begin by discussing the EU-Turkey joint action plan? The statement had much to say about Turkey, Greece, refugees from Syria and elsewhere, and the impact and management of migration to the Schengen zone countries. In the Prime Minister’s statement, I counted a record 12 things the UK is not going to do, so given the projection of refugee numbers for this year, what will it take for the UK to review its 20,000 limit on accepting refugees? With the attempts to close the West Balkan route for refugees, will the Prime Minister update us on what that will mean for attempted crossings from Libya? Last week, in Prime Minister’s questions, I asked about UK plans to send troops to Libya. The Prime Minister chose his words very carefully. He said that he had no plans to send “conventional” forces to Libya. Will the Prime Minister acknowledge that he has a policy of neither confirming nor denying the presence of special forces? Will he also confirm that operations conducted by special forces are not subject to parliamentary oversight by either the Intelligence and Security Committee or the Defence Committee?

We very much welcome the agreement on VAT on sanitary products. It would be gracious of the Prime Minister to thank my hon. Friend the Member for Glasgow Central (Alison Thewliss) who was the first Member of this House to table amendments to the Finance Bill, and tributes should be paid to Members across all parties who campaigned for that welcome change.

In the second half of the Prime Minister's statement on the civil war within the Government, will he confirm that he, the Chancellor of the Exchequer, the Secretary of State for Scotland and his whole Cabinet agreed last week to cut support for the disabled by £4.3 billion while at the same time handing a tax cut to the very wealthy? I have repeatedly asked the Prime Minister about the devastating impact of benefit cuts to the most vulnerable, including the disabled and ill, many of whom will go on, sadly and tragically, to take their own lives. Does the Prime Minister understand that people watching the ongoing fall-out in the Conservative party are totally horrified that more time is spent talking about the jobs of Tory Ministers than about the impact of his damaging policies on the weakest in society?

**The Prime Minister:** First, on the 20,000, let me say to the right hon. Gentleman that what we have said—I will repeat this again—is that we are looking at the issue of child migrants and those whom we can help more of. We took in 3,000 last year. Of the 20,000, we expect many to be children. We have said that we are working with the United Nations High Commissioner for Refugees on that, but again we are looking at children in the region, and we have talked about potentially taking in hundreds rather than thousands, and my right hon. Friend the Home Secretary is examining that.

On the West Balkan route, I am not surprised that countries have decided to erect borders, as they have been very concerned about the huge flow of people through that route, but, obviously, everything that the Schengen countries and Europe as a whole can do to secure the external borders of Europe the better, and that is what we are helping with. I do not think that it has particular implications for Libya. Most of those migrants have been coming through Malta and Italy, and we do need to address that.

On special forces, let me confirm the long-standing policy, which is that all Governments have exactly the same approach, and we have not changed that at all. On sanitary products, I am very happy to pay tribute to the hon. Member for Glasgow Central (Alison Thewliss) and apologise for missing her out.

On disability, we are not going ahead with the changes that were put forward, but let me say what we are going ahead with. When I became Prime Minister we were spending £42 billion on disability benefits, and by the end of this Parliament, we are forecast to be spending more than £46 billion, which is a real-terms increase of more than £4 billion. What we did in that Budget was help to take low paid people out of tax and assist in many, many ways, which is why it was a good Budget and we have taken the right decisions.

**Mr Kenneth Clarke (Rushcliffe) (Con):** In addition to the refugees whom we are taking from the camps, each year thousands of people enter this country irregularly and by other means from North Africa and the middle east seeking asylum, and many of those requests are granted. Those numbers are increasing. Does the Prime Minister agree that it is a complete mistake to regard the current grave crisis over migration as something that is apart from the United Kingdom if only we were not in the European Union? Does he agree that it is in the British interest that he continues to play an active and leading role in these European Council discussions to try to achieve a solution to the external European

border and how we will deal with genuine migrants in civilised conditions and return those who have no claim to be here? Will he continue to commit to the European effort the Navy, the aid money, and the resources that we are giving, together with his diplomatic and political efforts?

**The Prime Minister:** I thank my right hon. and learned Friend for his remarks. He is right that whether we are in the European Union or out of the European Union, there is still a migration crisis affecting the continent of Europe, and that does have knock-on effects on us. The more people who come, the more people who end up at Calais and the greater the problem we have. I would argue that we have the best of both worlds because we are sat round the table trying to solve this problem, and good progress has been made, but because we are not in Schengen and not in these resettlement schemes, we keep our own decisions about borders and about visas and all the rest of it. Clearly, it does benefit us to co-operate, so we should continue to do that and continue to recognise that Britain can bring its experience to bear in helping our friends in Greece, who now face a real crisis in their country and deserve our help.

**Tim Farron (Westmorland and Lonsdale) (LD):** I thank the Prime Minister for his statement and for his somewhat revised and lengthy assessment of the merits of the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith). Let us be clear, though: the Turkey-EU deal is the result of failure by European leaders, including our own Prime Minister, to develop safe, sustainable and humane routes for refugees who are fleeing for their lives. It is inoperable, may well be illegal, and puts politics and public image above protecting human lives. Given that the Prime Minister is today at pains to stress that he is a compassionate Conservative, will he show some compassion to the 43,000 people currently stuck in Greece, including 20,000 children, and offer sanctuary to some of them, particularly the incredibly vulnerable unaccompanied children and families with babies?

**The Prime Minister:** I have to say that I profoundly disagree with the hon. Gentleman. The idea that if we had found safe routes for people to come to Europe then somehow all the people-smuggling, the criminal gangs and the mass movement of people would have come to an end is complete and utter nonsense. We have to have some hard borders. A country is responsible for its borders, and if it is an external country to the European Union, it is particularly responsible for its border. The combination of harder border controls but compassion in helping refugees in the region is the right answer. We play our part by putting in the money and by taking the 20,000 refugees, but the idea that if we open up safe routes the whole problem will be solved is complete nonsense.

**Sir William Cash (Stone) (Con):** Given the extraordinary difficulties that occurred with regard to the charter of fundamental rights, and the human rights and the asylum laws, how does my right hon. Friend propose that the Turkey deal will be legally, let alone politically, enforceable?

**The Prime Minister:** It is the view of the legal adviser to the European Council that what is being proposed is legal. Is it difficult to achieve? Yes, absolutely it is,



[*The Prime Minister*]

because we have to consider each case individually. Is it possible, if we designate Turkey as a safe country for Syrian refugees, to return people there? Yes, it is possible. Looking at the problems we have had with mass movements of people over the years, we have to have a set of measures that break the link between getting in a boat and getting settlement. Until we do that, we are basically unable to deal with the crisis. That is what Europe has now set out to do, and we should encourage it in that goal.

**Keith Vaz** (Leicester East) (Lab): I agree with the Prime Minister that progress has been made, but it has come at a cost. Turkey will be getting €3 billion, and it has asked for another €3 billion by the end of 2018. Greece, on the other hand, which has to process, house and return these migrants, has not been pledged any additional resources. Does he agree that next we need to take preventive action through Frontex to stop the criminal gangs exploiting those migrants, who now come through different routes?

**The Prime Minister:** I am grateful for what the right hon. Gentleman says. I would argue, first, that the money that is going to Turkey is not money for Turkey—it is money for Syrian refugees in Turkey and for it to make sure they are properly looked after. We have given support to Greece; there is a European programme to help. But above all Greece needs support from experts—translators and those with asylum expertise—which all the main countries in Europe are now offering to provide. What is required is a plan to make sure that it gets what it needs. I think that help in kind will probably be more useful for firming up the Greek system than just giving it money.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. Pressure on time requires brevity, in my experience unfailingly represented by Mr John Redwood.

**John Redwood** (Wokingham) (Con): Thank you, Mr Speaker. Given the obvious difficulty in unifying the very varied economies and societies of the current EU, why is now a good time to accelerate possible Turkish membership?

**The Prime Minister:** It is not remotely on the cards that that will happen for many, many years to come. Every country—including this country—has a veto at every stage. For example, the French have said that they will hold a referendum on Turkish membership of the EU, and 75% of the French public do not want Turkey to join. For many countries looking towards Europe, the process of applying, opening these chapters and going through things like press freedom, human rights, the independence of the judiciary and so on, has been a good and useful process, and that is how we should see it.

**Mr Pat McFadden** (Wolverhampton South East) (Lab): Since the Bloomberg speech, the Prime Minister's whole European strategy has been governed by trying to manage the divisions in his own party on that issue. Given the events of recent days, will he update the House on how that effort is going?

**The Prime Minister:** What I would say to the right hon. Gentleman, who in my view speaks a lot of sense about this issue, is that this country has to make a decision—it is not just one political party or another that has people on both sides of the argument. It is time for us as a country to have this debate, look at the advantages of staying in the EU, look at the risks on both sides, and make a decision. I am clear about what that decision should be, but we cannot hold a country inside an organisation against its will, and it is time again to put this question to the British people. I will campaign enthusiastically for remaining in the EU, not least after the agreements that I have achieved, and it is for others to set out their arguments. As democrats in this House of Commons, we should not be frightened of the will of the people.

**Mr Peter Lilley** (Hitchin and Harpenden) (Con): Has my right hon. Friend noticed that the £3.5 billion savings on benefits for disabled people that the Chancellor needed to find is exactly equal to the planned increase since his previous Budget in our EU contributions over this Parliament? Given his success in persuading our partners—most of whom are not seeing any increase in their contributions—to be flexible over VAT, will he challenge them to forgo our increase? The British people will not take kindly to the idea that we must cut benefits for vulnerable people in order to hand over every penny to the EU.

**The Prime Minister:** I respectfully disagree with my right hon. Friend about this fundamental European issue. The £46 billion that we spend on disability benefits is many, many times more than anything we give to the European Union. Indeed, if we think about it, for every £1 paid in tax, a little over 1p goes to the EU for our net contribution. My right hon. Friend and I will be on different sides of the arguments, but I believe that 1p out of every £1 in tax gets us the trade, investment and co-operation that we need. He takes a different view, but I am sure that we will have a civilised argument about it. Because of the budget agreement that I reached in the last Parliament, our contributions are much lower than they otherwise would have been. We have a falling EU budget, rather than a rising EU budget, and that is because of this Government and this House of Commons.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): The EU-Turkey deal will do nothing to help the 26,000 child refugees who are already alone in Europe. I met 12-year-olds who were alone in Calais this morning with no one to look after them. If the House of Lords votes this evening to support the Alf Dubs amendment to help 3,000 child refugees, will the Prime Minister drop his opposition and support children, as we did with the Kindertransport which many decades ago helped to save the life of Alf Dubs?

**The Prime Minister:** We do not support the Dubs amendment because, as I said previously, we think it is right to take additional children over and above the 20,000 refugees, but to take them from the region and to do so by working with the United Nations High Commissioner for Refugees. I think that the unfairness, if I might say that, of comparing child migrants in Europe with the Kindertransport is that countries such



as France, Germany, Italy and Spain are safe countries, where anyone who claims asylum and has family in Britain is able to come to Britain. I do not believe that it is a fair comparison.

**Sir Nicholas Soames** (Mid Sussex) (Con): All Conservative Members were delighted to hear the Prime Minister reaffirm with vigour and confidence his determination to continue as a great reforming Government with the successful central themes of his Administration. Will he review whether there is a need to add to the deployment of HMS Enterprise in Libyan waters, and perhaps add other vessels in support?

**The Prime Minister:** There may well be a need to do more. There are two operations under way. There is a NATO operation in the Aegean, and, frankly, we want that operation to do more. At the moment, it is not sufficiently able to work with the Turkish coastguard in Turkish waters to send back boats to Turkey, and we want that to happen. There is also Operation Sophia in the central Mediterranean, where we have HMS Enterprise. Frankly, as the weather improves, I am concerned that the central Mediterranean route will open up again. That is why I held a meeting with the other Prime Ministers and Presidents to say that we have all got to put in more resources, recognising that we cannot let this route open up just as we sort out—or hope to sort out—the Aegean route.

**Ian Paisley** (North Antrim) (DUP): The Lithuanian President has described the EU Turkish deal as “on the edge of international law”.

Does the Prime Minister agree with that assessment? Does he accept that from June this year—from the English channel to the Syrian border—there will be a visa-free zone across the whole of Europe? What security questions does that pose for the United Kingdom on its borders?

**The Prime Minister:** First, on what President Grybauskaitė has said, we are very clear that this deal must be compliant with international law and with international norms. That is exactly what the European Commission, the European Council and all the countries that are helping Greece will make sure is going to happen. The key thing is that if Turkey is a safe country for Syrian refugees, it should be possible to return Syrian refugees to Turkey, because they should be applying for asylum there rather than going on with their journey.

On the second issue that the hon. Gentleman raises, as I explained in my statement, if the rest of the EU gives visa-free access to Schengen for Turks, that is a right to travel and it is a right to visit; it is not a right to work and it is not a right to settle, and it does not in any way change their rights to come to the UK. I think there is quite a lot of scaremongering going on about this issue, because we are not changing our borders or our visa proposals one bit.

**Dr Julian Lewis** (New Forest East) (Con): Does the Prime Minister share my concern about the steady Islamisation of Turkish society by its Government? Does he share my surprise that Turkey is now so confident that it can stop the boats coming, when it has not been able to or has not wished to do so in the past? Finally, does he share my fear that mass migration to Europe

will fuel the rise of far-right, neo-Nazi parties in EU countries that were foolish enough to get rid of their national borders?

**The Prime Minister:** I am in the happy position of being able to agree with my right hon. Friend on all those things. As someone who spent time in Turkey as a student, I think its secularism and its belief in wanting to become more like a western democracy is one of its strengths, and we should encourage it. I also agree with him that countries that do not properly control their borders risk the rise of unsavoury elements, and that is why it is so important we maintain our borders. Obviously, when it comes to the issue of wanting to return migrants to Turkey, it is very important that Turkey is and remains a safe country, but that is what it is today.

**Liz Kendall** (Leicester West) (Lab): The Prime Minister says he is a compassionate Conservative leading a one nation Government, so how does he feel when a former leader of his party and a member of his Cabinet for six years says this simply is not true?

**The Prime Minister:** Obviously, we have worked very closely together for the last six years, and I am very proud of the things that we have done together. It is this Government that have lifted almost 4 million people out of income tax. It is this Government that have seen an increase in disability benefit. Above all, it is this Government—a lot of this is thanks to the hard work of my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith)—that, because of the growing economy and the changes to welfare, have seen 2.4 million people get work in our country. Behind those statistics are human beings who are able to put food on the table and have a better life for their families because of the work that we have done together. I am sad that my right hon. Friend has left the Government, but I guarantee that the work of being a compassionate Conservative Government will continue.

**Mr Keith Simpson** (Broadland) (Con): Given the nature of the terrorist threat, does my right hon. Friend agree with me about how important it is that European countries' intelligence and security agencies co-operate fully with ours in defeating terrorism, and that it is absurd to suggest that membership of the EU is likely to result in terrorist attacks on the United Kingdom?

**The Prime Minister:** It is important that our agencies work together. On the whole, that will be on a bilateral basis, but it is worth understanding that in the modern European Union, there are a series of mechanisms to do with criminal records, border information, watch lists and passenger name records, all of which help to keep us safer than we would otherwise be. To be completely fair, if we left the EU we could try to negotiate our way back into some of those things, but it would take time, and this prompts the question: if you want to get back into them, why are you getting out of them?

**Chris Leslie** (Nottingham East) (Lab/Co-op): Will the Prime Minister now justify the nearly £3 billion giveaway in capital gains tax for the wealthy?

**The Prime Minister:** I think it is right to cut capital gains tax, because we want to have an enterprising economy in which entrepreneurs want to get out there, set up businesses, and create wealth and jobs to generate

[The Prime Minister]

the tax revenues that pay for the health service and the schools that we want for our country. I note that the capital gains tax rate, at 20%, will be a little bit higher than it was when the hon. Gentleman was last in government. Because we are not cutting it for carried interest, we will not have to face the absurd situation we had when he was in government in which people working in the City were paying less tax than the people who cleaned their offices.

**Mrs Anne Main** (St Albans) (Con): The Prime Minister just sought to reassure my right hon. Friend the Member for Wokingham (John Redwood) that the accession of Turkey was a very long way off. Is this uncertainty what staying in looks like?

**The Prime Minister:** I have described the situation as best I can. For any new accession, there is veto by every country at every stage. As I see it, if we look at certain countries such as France, we find that there is no prospect of the French allowing full Turkish membership of the EU. In this debate that we are having about Europe—my hon. Friend and I will unfortunately be on opposite sides of the debate, but I promise that it will be a civilised one—I want to get rid of any of the potential scares on either side of the argument. Let us argue about what is actually going to happen rather than things that are not going to happen.

**Paul Flynn** (Newport West) (Lab): There is merit in selecting the asylum seekers in greatest need, because those people will have the most serious health problems—for some of them, lifelong health problems. Will the Prime Minister agree to compensate those authorities that fully take asylum seekers in, and, in the interests of the asylum seekers and the local community, will he help to spread these asylum seekers fairly throughout the country? Will he tell us how many asylum seekers his constituency helped last year and how many he expects to welcome this year?

**The Prime Minister:** First, the hon. Gentleman is right to say that by selecting the 20,000 from the refugee camps, with the help of organisations such as the UNHCR we can try to choose the most vulnerable people who might have disabilities or other issues with which we in a civilised country like the United Kingdom can help. On the issue of helping local authorities, there is DFID money in year one, and we are coming forward with this package for subsequent years.

As for my own constituency, a number of families have been resettled, although I do not have the number off the top of my head. I agree with the hon. Gentleman that we want to encourage more local authorities to come forward, which is where the Under-Secretary of State for Refugees, my hon. Friend the Member for Watford (Richard Harrington), is working so hard.

**Damian Green** (Ashford) (Con): Many of us were delighted to hear the Prime Minister recommit himself to running a one nation Conservative Government, which is what the country voted for only last May. On the issue of refugees, does he agree that it is increasingly clear that this terrible crisis can be solved only through collective action at a European level? Will he commit the British Government to continue to play a leading and constructive role in facing this crisis?

**The Prime Minister:** I thank my right hon. Friend for what he said. It does require collective action, because the scale of the challenge is so great that it needs the Greek border to be harder and more efficiently run, which requires assistance from other countries. In my view, it also requires the presence of military assets, including NATO assets in the eastern Mediterranean and other assets in the central Mediterranean, to help the civilian authorities with the work they do. Where Britain can bring a lot of experience and heft to this is as Europe's leading military power and as a great expert in how to deal with asylum applications and processes and all the complicated legalities. We are well placed to help on every front.

**Paula Sherriff** (Dewsbury) (Lab): I would like to thank the Prime Minister for what he said about the so-called tampon tax. This is a great victory for all who have campaigned on this issue, and I am sure that the whole House will congratulate Laura Coryton, whose petition did so much to raise awareness. Will the Prime Minister confirm that he will accept our cross-party amendment tomorrow to provide for a zero rate of VAT in this year's Finance Bill, and that the Bill will pass through this House before the referendum in June? Will he pledge that this vital funding for women's services that was provided from the receipts of this VAT will continue? I hope that today is the day on which we can consign the vagina-added tax to history.

**The Prime Minister:** May I once again pay tribute to the hon. Lady, not least for that new epithet? I think that that one will live on in *Hansard* for many years to come. I should also like to pay tribute to my hon. Friend the Member for Berwick-upon-Tweed (Mrs Trevelyan) for the work that she has done. We will be accepting the amendment, and I am sure that the timing will be discussed further. For my part, all I can say is that getting over the language barriers to explain the arguments on sanitary products in a 28-person European Council is something that will stay with me for a while.

**Several hon. Members** rose—

**Mr Speaker:** Order. I would call the hon. Member for Berwick-upon-Tweed (Mrs Trevelyan) if she were standing, but she is not so I cannot do so. There you are. You have a clue: if you stand, you will get in.

**Philip Davies** (Shipley) (Con): The Prime Minister has reiterated his Government's support for Turkey's accession to the European Union. In doing so, he helpfully pointed out that there would be no status quo option in the forthcoming referendum. What assessment has he made of the long-term effect on migration from Turkey, and of any additional costs to the UK taxpayer in increased contributions to the EU, if it were to join? Or is he in favour of Turkey's accession to the EU at any price to the UK taxpayer?

**The Prime Minister:** I think I said earlier that there was not a remote prospect of that happening, so I do not think that my hon. Friend has to worry about that. In terms of future accessions to the EU, we set out in our manifesto that we were going to take a much tougher approach. We believe that countries that join the EU should get much closer to the current level of

GDP per capita, because the big migrations have been caused when some EU countries are much poorer than others. No country can get into the EU without unanimity among the existing members, so this is something over which we and other countries have a veto. We can absolutely insist on these different accession arrangements.

**Alison Thewliss** (Glasgow Central) (SNP): When I first raised the issue of the tampon tax last year, the Financial Secretary to the Treasury was quite dismissive, so I would like to commend the Government for this U-turn. I should also like to thank the women of this country who have put such pressure on the Government to take action on this important issue. Given that this was in the Scottish National party's manifesto, are there any other aspects of that manifesto that the Prime Minister would like to help us to implement?

**The Prime Minister:** I am very grateful for the hon. Lady's work on this, and I am glad to have helped. I think she will find that this will have an impact on other European countries, because there is now huge pressure on some of those countries to explain their own level of tax on sanitary products. The Irish are of course leading the way with a 0% rate. On the matter of the rest of the SNP manifesto, I have to say that if we implemented it in full and had an independent Scotland, we would basically be bankrupt and have to tax everything.

**Mr Jacob Rees-Mogg** (North East Somerset) (Con): May I warmly welcome my right hon. Friend's generous comments about my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), who is so widely respected on these Benches? Does the Prime Minister agree that two of the three greatest reforms of the Government he leads are restoring fiscal rectitude and welfare reform? May I therefore encourage him to continue with both equally?

**The Prime Minister:** I wholeheartedly agree with my hon. Friend. This goes to the point about the importance of the welfare cap. We have controlled departmental spending carefully for years in our country, but welfare spending has often run ahead. It was up by 60% under the last Labour Government. That money cannot then be spent on hospitals, schools and vital public services. My hon. Friend is absolutely right: fiscal rectitude, welfare reform and making sure we keep welfare spending under control are vital components of a one nation Government.

**Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): Last week, a cross-party group of MPs heard powerful testimony from an 18-year-old Yazidi girl who had been kidnapped by Daesh and subsequently escaped. John Kerry has now described Daesh's action against the Yazidis and other minorities as genocide. Does the Prime Minister agree that we need to do more to help the Yazidis, and will he raise this matter with the Governments of Iraq and Turkey?

**The Prime Minister:** I agree with the hon. Gentleman that we must do more to help the Yazidis, which is why we are taking action in support of the Iraqi Government, and it is the reason for the work we are doing in Syria. On what Secretary of State Kerry said, I listened very carefully to that. The Government's policy—I think this

was the case under previous Governments—that genocide is declared as a matter of legal opinion, rather than political opinion, but it has to be said that there is a growing body of evidence that m'learned friends need to look at.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I warn colleagues: as they know, I normally call everyone and the Prime Minister most patiently replies, but I fear that that almost certainly will not be possible today. Brevity will help, however.

**James Cartlidge** (South Suffolk) (Con): I welcome the fact that at the end of the Prime Minister's statement he reminded the House of his commitment to estate regeneration. Does my right hon. Friend agree that that is a classic example of one nation Conservatism, given that it is proven to deliver not only better homes and communities for those who live in our inner cities, but the supply of new homes for first-time buyers?

**The Prime Minister:** My hon. Friend is right. The aim should be to remove all the barriers in the way of people progressing and making the most of their lives. That is why regenerating estates can play a huge part, as can addressing the shortage of childcare places, improving our schools and dealing with mental health issues. All these things are about unblocking barriers to success for people.

**Mr Dennis Skinner** (Bolsover) (Lab): Will the Prime Minister give us an assurance that, in view of the financial mess that has been created with this Budget, this will be the Chancellor of the Exchequer's last Budget? He has had eight already; only cats have nine lives.

**The Prime Minister:** No.

**Mr Andrew Tyrie** (Chichester) (Con): Is it not incumbent on those who do not accept the Budget cuts to tell us how else they would reduce the deficit?

**The Prime Minister:** My right hon. Friend is right. There is a series of difficult decisions that we have to take when facing an 11% budget deficit, as we were in 2010, and we still need to get this country back to surplus. I would argue that this is not some artificial target. We have to make sure that in the good years we are putting aside money for a rainy day. That is what this is all about. It does involve difficult decisions. We do not always get those decisions right—I am the first to say that—but it is very important that we stick to the long-term economic plan of getting this country back into the black.

**Stella Creasy** (Walthamstow) (Lab/Co-op): In his statement the Prime Minister mentioned the work of both his former Secretary of State for Work and Pensions and his current Chancellor, so is he ruling out, as he suggested to the right hon. Member for Hitchin and Harpenden (Mr Lilley), further negotiation with the EU on benefits and spending? How does he intend to fix the big hole in his Budget that appeared this weekend?

**The Prime Minister:** The Budget contains a very good package of measures that will help small businesses, get the country back to work and support our schools. The Chancellor will be here tomorrow winding up the



[*The Prime Minister*]

Budget debate, and in the autumn statement a new forecast will be produced and all these issues will be addressed.

**Sir Edward Leigh** (Gainsborough) (Con): The Prime Minister is a consummate performer at the Dispatch Box and normally I understand everything he says. I do not always agree with it, but I understand it. I am now confused by the answers given to my hon. Friend the Member for Shipley (Philip Davies), my right hon. Friend the Member for Wokingham (John Redwood) and my hon. Friend the Member for St Albans (Mrs Main). The Government say that they enthusiastically back Turkey's accession to the EU, yet apparently they announce something but wish for something else. May we get these facts right: we do want Turkey to join the EU; we do believe in free movement of people; we do want to stay in the EU; and therefore we welcome 77 million Turks living and working here?

**The Prime Minister:** The answer to that is no, because Turkey is not part of the EU. Look, I know that in this debate, which I know is going to get very passionate, people want to raise potential concerns and worries to support their argument, but I have say that when it comes to Turkey being a member of the EU, this is not remotely in prospect. Every country has a veto at every stage. The French have said that they are going to hold a referendum. So in this debate let us talk about the things that are going to happen, not the things that are not going to happen. If we stay in a reformed European Union, we keep our borders, we keep our right to set our own visa policy, we keep our own asylum and immigration policy, and we can stop anyone we want to at our borders. Yes, we do believe in the free movement of people to go and live and work in other European countries, as many people in our own country do, but it is not an unqualified right. That is why, if people come here and they cannot find a job, they do not get unemployment benefit, they get sent home after six months and they do not get access to our welfare system in full for four years. Ironically, if we were to leave the EU and take up a Norway-style position or something like that, we would not have those welfare restrictions. So let us set out what can happen, rather than what is not going to happen.

**Mary Creagh** (Wakefield) (Lab): Lebanon took more refugees in two days last year than the UK has taken in the five years of the Syrian civil war, so when the Prime Minister says it is better to keep refugees in the region, countries there look at us and close their borders, because they have taken 4 million refugees. Will the Prime Minister tell the House what monitoring we are conducting with our European and NATO allies of the ceasefire in Syria? How will violations be reported? What is the timetable for moving towards peace and democratic elections in Syria to allow those refugees to return home?

**The Prime Minister:** There are lots of questions there. On the question about how we monitor the ceasefire, we are involved in the cell in Geneva that looks at that. I cannot paint an entirely rosy picture, but I think that the ceasefire is better than people expected. As a result, the peace talks are under way.

On Lebanon, the hon. Lady is absolutely right: it has taken a huge number of refugees. It is, of course, the neighbouring country, and neighbouring countries are under an obligation to do so, and Lebanon is fulfilling its obligations. We are helping with a massive aid programme, but we are also helping the Lebanese armed forces, who are now hugely capable because of all the work the United Kingdom has done. They are having considerable success in making sure they keep Daesh out of their own country.

**Victoria Atkins** (Louth and Horncastle) (Con): The Home Affairs Committee visited Europol recently to see the work done by police forces co-operating across the EU. We were told that 90% of asylum seekers in the hotspots are thought to have reached Europe with the help of human traffickers. Does my right hon. Friend agree that we need to break these criminal gangs to stop them profiting from human tragedy?

**The Prime Minister:** My hon. Friend is absolutely right. Already, because of the action we are starting to take, the people traffickers are seeing some of their markets more difficult to operate, and some of the costs are going up. We need to finish the job. Europol can play an important role in that, as can the National Crime Agency and our co-operating with other European partners. We have to put these people out of business.

**Mr David Winnick** (Walsall North) (Lab): On the domestic aspect of the Prime Minister's statement, not once today has he shown understanding of why there was such a public outcry throughout the country over the Government's intention to penalise the most vulnerable. He is becoming increasingly out of touch.

**The Prime Minister:** Having spent £42 billion on disability benefits when I became Prime Minister, that figure is going to go up to over £46 billion by the end of this Parliament. We will spend more on disability benefits. If we measure compassion by the scale of the benefits paid, there have been more in every year under this Government than ever under a Labour Government. Instead of coming here and castigating me, the hon. Gentleman should be castigating his own party.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. Now is the time for what I call considerate brevity.

**Henry Smith** (Crawley) (Con): What recent discussions have been had with other NATO members on bearing down on and stopping the vile people-trafficking trade from Syria?

**The Prime Minister:** We are having good discussions, but, frankly, we still need NATO to be able to do more. I would like NATO ships to be able to spend more time in Turkish territorial waters, working with the Turkish coastguard on turning back boats, because it is stopping that trade that will actually undermine the people-smuggling gangs.

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): May I bring the Prime Minister back to the issue of unaccompanied asylum-seeking children in Calais? He is right to say that

those children can apply to join parents here, but I understand that, of the 150 take charge requests issued by the French Government, not one has been agreed yet by the British Government. Will the Prime Minister undertake to look at that and bring forward proposals to get the process working before any more children suffer any longer?

**The Prime Minister:** I am happy to look at this. I discussed it with the French President. The rules are clear: if someone has direct family here, they apply for asylum and they will come here, but we need to make sure that happens.

**Dr Andrew Murrison** (South West Wiltshire) (Con): In congratulating the ship's company of RFA Mounts Bay, may I draw my right hon. Friend's attention particularly to the embarked medical team, whose work under the most professionally challenging, extraordinary circumstances is surely in the best traditions of the naval service?

**The Prime Minister:** I am very happy to join my hon. Friend in doing that. I had the huge privilege of going aboard one of Her Majesty's ships when it was in Malta. It had recently been taking part in combating the people-smuggling operations and picking people up. It had saved literally thousands of lives, and we could see—whether it was the medical teams, the Royal Marines or the royal naval personnel—that there was huge pride in what they had done.

**Nick Thomas-Symonds** (Torfaen) (Lab): The Prime Minister's tagging on of the events of recent days to a statement on international affairs reminds me of when one of his predecessors, Harold Macmillan, unsuccessfully tried to explain chaos in his own Treasury as "a little local difficulty". Does the Prime Minister accept that, with the revelation that the Chancellor does not care about vulnerable people because there are not enough Tory voters among them, his own little local difficulty means that compassionate conservatism is completely dead?

**The Prime Minister:** If I had come to the House and not mentioned these issues, which has enabled colleagues on both sides of the House to question me about them, I think there would have been justifiable outcry, so I wanted to give the hon. Gentleman the opportunity to do so. When it comes to people casting their vote, we won the last election because we won the support of working people, and we did so because we were creating jobs, cutting taxes, reforming welfare, improving schools, investing in our country and making the economy stronger and our society fairer.

**Alex Chalk** (Cheltenham) (Con): Is it not right to acknowledge that the British policy of taking refugees from the camps supports those who are in no position to take the journey—the poor, the sick, the weak and the vulnerable—and is absolutely the right thing to do?

**The Prime Minister:** My hon. Friend is absolutely right, and I think that more and more countries can now see that that is the right approach.

**Derek Twigg** (Halton) (Lab): If fighting resumes in Syria, what is plan B?

**The Prime Minister:** Our plan is to continue with the long-term patient work of combating Daesh militarily, which, of course, continues, and, in terms of building the future of Syria, supporting moderate opposition elements that can support a transitional Government in Syria. In the end, a Government in Syria without moderate Sunni opinion in them will never be able to unite that country, so we have to continue with that plan.

**Nick Herbert** (Arundel and South Downs) (Con): Does the Prime Minister agree that the weakness in the position of those who criticised the agreement between the EU and Turkey in the run-up to it—that also appeared to be the position of the Leader of the Opposition today—is that they have signally failed to advance any credible alternative to those arrangements? Surely, it is in the British national interest to support our partners in making a sensible arrangement with Turkey to prevent migrants from making a perilous journey overseas, while maintaining our own borders.

**The Prime Minister:** I agree with my right hon. Friend. I think we get the best of both worlds. It is worth asking what difference it would make if we were not there. I suppose my answer is that I think the European Union would have continued for longer with the rather borderless approach of relocating migrants around different European countries. That approach failed. What was required was an approach that was more about looking upstream, supporting people in the camps, finding the funding for that, hardening the external border and breaking the link between getting in a boat and getting settlement. I think that Britain, including my right hon. Friend the Home Secretary, who has been to Council meeting after Council meeting, has done a huge amount to drive that agenda forward.

**Jack Dromey** (Birmingham, Erdington) (Lab): Angela Maher, the proud mother of two disabled sons, rang me to say, "I could cry," and then she did, saying, "Why is it always people like us?" Can the Prime Minister rule out, as Robert Meadowcroft, the chief executive of Muscular Dystrophy UK, has said today, any further cuts to support for disabled people during this Parliament?

**The Prime Minister:** We are increasing the amount of money going to disabled people, as I have explained many times. My right hon. Friend the new Secretary of State for Work and Pensions will set out our approach in a moment, but we set out in our manifesto the changes we needed to make to get the welfare budget under control. We have made those changes and those are the changes we are pursuing.

**Alberto Costa** (South Leicestershire) (Con): I thank my right hon. Friend for the fair and sensible way in which he has negotiated with our EU partners on the refugee crisis. Will he ensure that UK local authorities such as Blaby District Council, Harborough District Council and, indeed, Leicestershire County Council are properly resourced and financed if they are going to welcome some of the Syrian refugees?

**The Prime Minister:** I believe that they are properly resourced because of the Department for International Development money that is available, particularly in the first year, and the ongoing support that is being given.

*[The Prime Minister]*

I encourage local councils to make the most of this opportunity. Families are going to come here who want to make a home and who will be hard working and contribute to our communities, and I encourage local councils to come forward with their plans.

**Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): Other European countries are revising the number of refugees that they are taking in. Just what will it take for the Government to revise upwards the figure of 20,000 refugees that we have agreed to take, particularly since there are thousands of unaccompanied children stranded abroad who have disappeared? We have a moral obligation, surely, to look after the most vulnerable in society.

**The Prime Minister:** If we look at the charts that the European Union is now publishing, it is perfectly apparent that Britain is doing more than the vast majority of other countries. Some countries that made pledges to resettle Syrian refugees have taken one, two, or, in some cases, none. We are doing far more than other countries. Our system is working.

**Matt Warman** (Boston and Skegness) (Con): In my constituency, Boston has seen the highest level of immigration from eastern Europe of anywhere in the country. Can my right hon. Friend assure me that it would be perfectly reasonable for this country, or indeed any other in Europe, to veto the accession of Turkey?

**The Prime Minister:** Of course that is the case. Every country has a veto at every stage, so the agreement to open one additional chapter in Turkish accession was something that had to be agreed by every country, including Cyprus and Greece. There is a veto at every stage, and other countries have made their position perfectly clear.

**Caroline Flint** (Don Valley) (Lab): May I ask the Prime Minister when the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) first spoke to him about his concerns about pressure being put on people with disabilities to fill the gap created by the deficit?

**The Prime Minister:** Obviously, I received a letter from my right hon. Friend on Friday afternoon on my return from the European Council. There had been prolonged discussions at the heart of Government about disability benefit reform, but, as I have said, we are not going ahead with those proposals.

**Stephen Hammond** (Wimbledon) (Con): I believe the real test of compassion is not Opposition words but Government action. Will my right hon. Friend confirm that the Government that he leads are taking 3.8 million people out of tax, ensuring that the richest are paying a large amount, creating 2.4 million jobs and spending more than £50 billion on support for the sick and the disabled?

**The Prime Minister:** My hon. Friend makes a good point. Look at the figures and at what is happening to some of the poorest families in our country, who are

able now to get jobs, to get work and to pay less tax, and who will be getting a £900-a-year pay rise through the national living wage. That is what is happening for those families. In terms of people at the top, the top 1% are paying a higher percentage of income tax than they ever did under Labour—some 27% of the total. With a growing economy, that means that we can also build a fairer society.

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): Amazingly, a few moments ago I heard the Prime Minister praise an independent Ireland and in the same breath slag off the idea of Scotland matching the possibilities that Ireland has today.

Now to the matter at hand. It is claimed that the Government took aim at the poor because they do not vote Tory. A wee while ago, the Government tried to mug Scotland for £7 billion, presumably for the very same reason. Who else in this society does the Prime Minister have in his sights?

**The Prime Minister:** I do not think that the Irish based their entire case on oil revenues that disappeared. *[Interruption.]* Oh, that was not the plan. I seem to remember that the plan was referring to \$100-a-barrel oil as a modest, mid-market—*[Interruption.]* You can tell they do not like it. When you are shouting, you are losing.

**Mr Speaker:** Order. Mr MacNeil, I have told you before that you are an exceptionally excitable fellow. You have aspirations to statesmanship and must comport yourself accordingly. Now, we will have an altogether more subdued tone.

**Lucy Frazer** (South East Cambridgeshire) (Con): It is often said that the EU is undemocratic and that laws are imposed on us. Is not the decision that the Prime Minister reports today on VAT an example of how Britain can mould and shape those rules and regulations?

**The Prime Minister:** I agree with my hon. Friend. This supports the argument that if we get stuck in, we can change these things. It is frustrating, and those of us on either side of the argument should accept the frustrations referred to by the other side. VAT has been frustrating—frustrating for the last Government, and frustrating for us. Restrictions were put there so that we could have reasonable trade and so that we would not have cross-border shopping issues and tax competition issues, but they are too inflexible and this change is worth while.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Does the Prime Minister agree that world populations are moving and changing in a way that we will not wish away? Does he agree that we need a strong and united European Union to manage those great challenges and that, without it, we will be alone and unable to help those people?

**The Prime Minister:** Obviously, co-operation among the EU nations helps, but, as well as that co-operation, it is important that we have the right ideas. The hon. Gentleman is right to say there is a lot of movement of people around the world. The scale of movement from Africa has been so much greater in recent years not



because of growing African poverty, but because of the weakness of north African states and the lack of adequate border arrangements. If we have the right thinking, plus co-operation, we can get the right answer.

**Mark Pawsey (Rugby) (Con):** Does the Prime Minister agree that the best way to show compassion and to provide support for those in need, whether at home, Syria or elsewhere in the world, is to build a strong economy and generate the resources needed to look after them?

**The Prime Minister:** My hon. Friend is absolutely right. We cannot show compassion unless we have a strong economy generating the revenues that our health service, our schools and our welfare system need. Conservative Members understand that compassion is a combination of getting the economy right and then making the right choices.

**Geraint Davies (Swansea West) (Lab/Co-op):** Despite the Prime Minister's best efforts to forge ever closer union within his own party, there is a real risk that the UK will become decoupled from its biggest market and most strategic ally. What impact does he think Russian bombing on Syria and tactical resignation by his Cabinet have had on the appetite for Brexit in Britain?

**The Prime Minister:** There is a strong argument to say that, at a time of international danger and difficulty, there is strength in numbers and that we should stick with our allies and friends, as we confront Putin in the east of our continent and ISIL in the south. As for ever closer union among my colleagues, we believe in co-operation rather than uniformity.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. As colleagues know, it is very unusual for me not to accommodate everybody, but time is against us and we must move on. If colleagues who were unsuccessful in respect of this statement are patient—who knows?—their voices might be heard. Let us hear the next statement, a statement from the Secretary of State for Work and Pensions.

## Welfare

5.31 pm

**The Secretary of State for Work and Pensions (Stephen Crabb):** With your permission, Mr Speaker, I would like to make a statement.

It is a privilege to stand here at the Dispatch Box as the new Secretary for Work and Pensions. First, I would like to pay a huge tribute to the work of my predecessor, my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith). He came into this job six years ago with a real sense of mission and purpose to transform people's lives for the better and he achieved some remarkable things. I intend to build on that success.

As a one nation Conservative, my vision is to support everyone to achieve their full potential and to live independent lives. That means people having the stability and security of a decent job, and children growing up in a home with the benefit of that stability. There are now over 2 million more people in work than in 2010 and almost half a million more children now grow up seeing a mum or a dad go out to work each day. We are ensuring these opportunities extend to all those in our society, including disabled people.

Today, there are more than 3 million disabled people in work. In the past 12 months alone, 152,000 more disabled people have moved into work, with 292,000 more in the past two years. That represents real lives transformed as we support people with disabilities and health conditions to move into work and benefit from all the advantages that that brings. We are also supporting the most vulnerable and are determined that those with the greatest need are supported the most. Our reforms have seen support for disabled people increase. In the previous Parliament, spending rose by £3 billion. We are now, rightly, spending about £50 billion on benefits alone to support people with disabilities and health conditions. Devoting that level of resources to such an important group of people is, I believe, the mark of a decent society.

Personal independence payments were introduced to be a more modern and dynamic benefit to help to cover the extra costs faced by disabled people, something its predecessor benefit, the disability living allowance, did not do. PIP is designed to focus support on those with the greatest need and we have seen that working. For example, 22% of claimants are receiving the highest level of support, compared to 16% under the predecessor benefit DLA.

Before Christmas, the Government held a consultation on how part of the PIP assessment worked in relation to aids and appliances. As the Prime Minister indicated on Friday, I can tell the House that we will not be going ahead with the changes to PIP that had been put forward. I am absolutely clear that a compassionate and fair welfare system should not just be about numbers; behind every statistic there is a human being, and perhaps sometimes in government we forget that. So I can also confirm that after discussing this over the weekend with my right hon. Friends the Prime Minister and the Chancellor, we have no further plans to make welfare savings beyond the very substantial savings legislated for by Parliament two weeks ago, which we will now focus on implementing.

[Stephen Crabb]

I turn directly to the welfare cap. It is right that we monitor welfare spending carefully. The principle of introducing a welfare cap is the right one, given the huge increases in welfare spending under previous Labour Governments—up nearly 60%. If we do not control the public finances, it is always the poorest in society who pay the biggest price, so we need that discipline. The welfare cap strengthens accountability and transparency to Parliament—something that simply was not in place under Labour—and we make no apology for this. As we are required to do, we will review the level of the cap at the autumn statement, when the Office for Budget Responsibility formally reassesses it, but I repeat that we have no further plans to make welfare savings beyond the very substantial savings legislated for by Parliament two weeks ago, which we will now focus on implementing.

Against that backdrop, I want to build on the progress we have made in supporting disabled people. We made a manifesto commitment to halve the gap between the proportion of disabled people in work compared with the rest of the labour market. As I have outlined, we have made good progress in supporting disabled people into work, but to go further will require us to work in a way we have not done before and to think beyond the artificial boundaries of organisations, sectors and Government Departments to an approach that is truly collaborative. That is why today I want to start a new conversation with disabled people, their representatives, healthcare professionals and employers. I want the welfare system to work better with the health and social care systems. Together we can do so much better for disabled people.

This is a hugely complex but hugely important area of policy to get right. Disabled people themselves can provide the best insight into how support works best for them. I am determined, therefore, that all views will be listened to in the right way in the weeks and months ahead, and I will be personally involved in these discussions. The events of recent days demonstrate that we need to take time to reflect on how best we support and help to transform people's lives. That is the welfare system I believe in, and I commend this statement to the House.

5.37 pm

**Owen Smith** (Pontypridd) (Lab): I start by saying “Croeso a llongyfarchiadau”—welcome and congratulations—to the new Secretary of State. He and I have history at the Wales Office, and I look forward to renewing our relationship. On the basis of today's statement at least, it looks like it will be a bit more productive than the one I had with his predecessor. I thank him for advance sight of the statement and welcome the vital and wholly inevitable U-turn on the cuts to PIP.

The way this mess has been handled is a textbook example of Tory social security policy—long on divisive rhetoric and totally lacking in competence and compassion. We had the lies before the election; the sham consultation—I welcome the new Secretary of State saying he will listen to the disabled, but the Government should have listened to them in the consultation, when 95% told them not to go ahead, instead of listening to just 11 respondents and putting it through—the announcement snuck out on a Friday night; the briefings before the Budget, the spin afterwards, the extra £20 million set aside to fight

the appeals; but, above all, the deliberate targeting of disabled people to pay for tax cuts in the Budget, as exposed so mercilessly by his processor, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), at the weekend.

However entertaining it has been watching this Tory civil war over the weekend, what really matters are the 640,000 disabled people who have been in the firing line of the Prime Minister's Budget, so on their behalf I sincerely thank the new Secretary of State for doing the right thing and reversing the cuts to PIP.

But however welcome that decision, the manner in which it came about leaves many questions unanswered and strips all credibility from the claims of this Government and this Prime Minister to protect all the people of Britain. Never again can he or this Government claim that we are all in it together. Never again can he claim to lead a one nation Government, because the right hon. Member for Chingford and Woodford Green has left that claim in tatters. Speaking from the heart of the Tory Government, he said that their “unfairness” is damaging the people: it is attacking the poor and dividing our nation.

So my question, quite simply, to the new Secretary of State is: does he agree with his predecessor about the fundamental unfairness of those welfare policies and is that why he is reversing the PIP cut today? Can he reassure us that those cuts will be fully reversed? Can he reassure us that changes made to the points system under PIP will be dropped and that full support will be maintained for people who need, for example, help going to the toilet or getting dressed in the morning? Can he reassure us that this is a real U-turn, not another sleight of hand or sham, as we saw with tax credits? Disabled people need to know definitively today that they are being protected, so can he rule out any further cuts to the incomes of disabled people?

I presume the Secretary of State cannot, because I read in the statement that he refers to the “substantial savings legislated for by Parliament two weeks ago”. He did not say what he meant by that, but I can tell the House what he meant. What he meant were the cuts to the education and support allowance work-related activity group budget—£30 a week taken away from the best part of half a million people, who will lose £1,500 a year. We know the Secretary of State's attitude to that, because he voted for it two weeks ago and he defended it just last week. In fact, on a blog—[*Interruption.*] Hon. Members would do well to listen to this: they need to know about their new Secretary of State. In a blog written last week, he said that those who were opposed to the ESA WRAG cut were engaged in mere “political banter”. Well, there is nothing fun for disabled people—it is not “banter”—about losing £1,500 a year out of their fragile incomes. So can the Secretary of State be serious and tell us: did he mean the ESA WRAG cut? Is there no chance that he is not going to agree with his predecessor that that, too, is unfair and reverse it, as he should?

Thirdly, could the Secretary of State confirm for us—and correct the errors made once more from the Dispatch Box by his hon. Friend the Financial Secretary earlier today—that spending on disabled people in this country is not increasing in real terms, as was alleged, but declining? The independent Institute for Fiscal Studies confirmed last week that spending on PIP and DLA is falling in real terms by 3%, or £500 million. In fact,

if we take into account all disabled benefits, as the House of Commons Library has done, in analysis for the Labour party to be released later today, we see that spending has fallen by 6%, in contrast with the 60% increase in spending on disabled people that we saw under the last Labour Government—6% down under the Tories; 60% increased for the disabled on our side.

Finally, I welcome what the new Secretary of State had to say about starting a new conversation with the disabled. He has made a good start with a U-turn, but will he decide now that he is going to put an end to the divisive rhetoric that has characterised this Government's approach over the last few years? Will he stand up for a fair and progressive renewal of our welfare state—the system of support that should be there for us all when we need it?

The new Secretary of State stands at a crossroads today. He can choose the path trodden by his predecessor—to cut the incomes of the disabled; to defend the illegal bedroom tax; to take money from working families through universal credit—or he can choose the path less trodden by Tory Secretaries of State. He could reverse the ESA cut; he could scrap the hated bedroom tax; and he could truly speak in favour of disabled people, the poor and the vulnerable in our society.

Among the many extraordinary truths spoken by the Secretary of State's predecessor yesterday was the shameful admission that these two nation Tories decided to cut people's benefits because they did not think that those people would vote for them. It was extraordinary, it was shameful, and the new Secretary of State for Work and Pensions will have a hell of a job on his hands to wash that stain out.

**Stephen Crabb:** Let me begin by saying “diolch yn fawr” to the hon. Member for Pontypridd (Owen Smith) for his welcoming remarks. It is good to renew the relationship with him that culminated so happily, for me at any rate, on 7 May last year, when he had to crawl out and explain why the Labour party had lost Cardiff North, Vale of Clwyd and Gower. I am very happy to be partnered with him across the Dispatch Box once again. He has lost none of his usual spiky style, and he retains what I described, when he was shadow Welsh Secretary, as a rather “pantomime anger” approach.

The hon. Gentleman asked me about my right hon. Friend the Member for Chingford and Woodford Green. I was, and am, very proud to have served in a Government with my right hon. Friend, who has a superb record as a social reformer. His record over the last six years compares, any day of the week, with the record of Labour Governments when it comes to welfare reform.

There was a time when Labour Members used to speak the language of welfare reform. There was a time when they liked to pretend that they understood that a benefits system that traps people in poverty is not a benefits system based on compassion and fairness. The time when they talked that language was a time when the British public considered them to be a serious prospect to be voted into government. That was a long time ago.

I have no intention of repeating my statement word for word. I thought that I had been crystal clear about the fact that we are not proceeding with the proposed changes in the personal independence payment. I am

sorry if the hon. Gentleman was not listening carefully enough. We are increasing real support for disabled people, in real terms, over the lifetime of this Parliament, and the hon. Gentleman should not stand at the Dispatch Box and say that we are not, because it simply is not true.

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): I congratulate my right hon. Friend on his appointment, and join him in paying tribute to our right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), who spent many years bringing passion, commitment and dedication to his post as Work and Pensions Secretary and who will be sorely missed in many quarters.

I am delighted that my right hon. Friend the Secretary of State is going to take the opportunity presented by the current focus to open his dialogue with disabled people and disabled groups. May I ask him to consider particularly how the welfare system works for people with autism? I hope that he will agree to meet me, along with representatives of the National Autistic Society and members of the all-party parliamentary group on autism, so that we can discuss how the welfare system can work really well for this very important, and sometimes deserted, group of people.

**Stephen Crabb:** I am, of course, very familiar with the excellent work that my right hon. Friend, and other Members on both sides of the House, have done with the all-party parliamentary group, and we certainly want to involve and include the group in the discussions that we are having. I should also put on record my appreciation of the fantastic work that my hon. Friend the Under-Secretary of State for Disabled People has already been doing with disability groups and charities.

**Dr Eilidh Whiteford** (Banff and Buchan) (SNP): I welcome the new Secretary of State to his role and thank him for advance sight of his statement. I think he knows that he is inheriting one almighty mess. As the debacle has unfolded, there have been untold adverse consequences not just for those who depend on personal independence payments, but many others, such as those who are set to lose £30 a week in ESA, the thousands of low-income families affected by cuts in work allowances under universal credit, the thousands of mostly disabled people already affected by the bedroom tax, and the women born in the 1950s for whom the goalposts have been shifted relentlessly on their state pension age.

Last week, the Government proposed taking a further £4.3 billion out of the pockets of disabled people to fund tax cuts for the wealthiest. Even by their standards, that was a new low. I am glad that they have been forced to backtrack on the latest round of PIP cuts, but the policy's problems are more fundamental. The PIP roll-out has consistently failed to meet the Government's own implementation targets and has been dogged by inordinate delays. Meanwhile, the Government have missed every single opportunity to sort out the fiasco of the implementation of universal credit. Indeed, their cuts have butchered the aspects of universal credit that might have created work incentives. Instead they have hammered low-paid workers, in particular those with children.



[*Dr Eilidh Whiteford*]

I said last week that the Government have remained wedded to austerity as a political choice, even when that has meant a heartless and callous disregard for the wellbeing of disabled people. Now those same people have become pawns in an increasingly bitter Tory civil war. Parts of the social security system, including PIP, are set to be devolved to the Scottish Parliament, yet there has been wholly inadequate consultation and engagement with Scottish Ministers ahead of the changes coming into effect. I urge the Secretary of State to take the opportunity to go back to the drawing board not only on PIP, but on the wider social security reform agenda, including the cuts to ESA and work allowances. Will he meet disabled people and work with them? Will he meet me and my colleagues to identify a more constructive way forward?

**Stephen Crabb:** I thank the hon. Lady for her series of questions. She listed several specific issues, all of which are high up in the in-tray that I have inherited at the Department, but I do not recognise her description of my inheritance. When I arrived at Caxton House yesterday and again today, I found that I had inherited an amazingly committed, passionate, capable group of civil servants and an amazing team of Ministers, who share a real determination to work together in unison to carry on reforming welfare.

On Scotland specifically, I have already checked the matter out and the working relationships in the Department, at both ministerial and official levels, with the Scottish Government are positive and constructive. I want to look at that and will be making an early visit up to Scotland. Perhaps we can carry on the discussion about the new devolved powers that Scotland will be getting.

**Dame Angela Watkinson** (Hornchurch and Upminster) (Con): I congratulate my right hon. Friend and welcome him to his new post. Does he agree that disability is an umbrella term? At one end of the spectrum, there are people with very serious disabilities, for whom independence is impossible. At the other end, however, there are many disabilities that should not preclude people from finding employment. Is not right that we focus spending on that group to help them to gain skills and lead a productive life?

**Stephen Crabb:** I thank my hon. Friend for her question and for her warm and generous remarks. Her point is absolutely right. The term disability covers an immensely varied range of issues and people with different challenges in their life. The changes that we have been making to focus the most resources on those who most need the care of the state and the most vulnerable are absolutely right. Increasing the resources from £60 million to £100 million as part of the employment and support allowance changes will help more disabled people to achieve their aspiration of moving into the workplace.

**Frank Field** (Birkenhead) (Lab): I congratulate and welcome the Secretary of State to the Dispatch Box today. Did his officials brief him over the weekend on what has been happening to his Department's budget? Being large, it has of course been singled out for cuts. Within those cuts, however, the pensioner budget not only has been protected, but has risen by 11%. All the cuts have fallen on those of working age. As he is now

unsackable—it would be sheer farce if anybody moved against him—I urge him to reconsider seriously any further cuts affecting ESA claimants not only because justice demands it, but because he might face difficulties in getting them past the Back Benchers behind him.

**Stephen Crabb:** I thank the right hon. Gentleman, the Chair of the Select Committee on Work and Pensions, for his kind remarks and for the message he sent me at the weekend. I look forward to some constructive discussions with him in the weeks and months ahead. I made it clear in the statement that we are not pursuing further welfare savings and not looking to make alternative off-setting savings to replace the changes to PIP that we were going to bring forward. I hope that that makes it clear for the right hon. Gentleman.

**Kevin Foster** (Torbay) (Con): On Saturday morning, I had a remarkably well-timed visit to the Multiple Sclerosis Society's south Devon branch to welcome it to Torquay and to speak to a number of its members, and I was given quite a lot of feedback. Will my right hon. Friend tell the House how he intends to take forward his dialogue with disabled people and disability groups over the next few weeks?

**Stephen Crabb:** We are already in the process of setting up meetings with such organisations. As I said earlier, I will be building on some fantastic work that has already been done by the Under-Secretary of State for Disabled People, but I want to lead the discussions myself and find out what they are thinking and how best we can work with them. There is a lot of goodwill in the sector for what we are trying to do, recognising the long-term challenges of reform and of getting the health system to work far better with social services and employers to achieve far better outcomes for disabled people. I hope that all of us on both sides of the Chamber can unite around that aspiration.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): The Secretary of State says that there will be no further savings beyond those legislated for. Will he confirm whether that means no alternative welfare cuts to meet the PIP cuts hole? Does it also mean not going ahead with the further £3 billion a year in cuts to meet the welfare cap on page 26 of the Red Book? Given that he was part of the Cabinet that agreed to the Red Book, published last Wednesday, will he tell the House whether he thinks the entire Cabinet got it spectacularly wrong or just the Chancellor?

**Stephen Crabb:** I think I fully addressed the right hon. Lady's question in my statement.

**Mr Stewart Jackson** (Peterborough) (Con): I welcome my right hon. Friend to his new position. He is a good man, and I think he will do a great job. He will of course know that the Conservative party has a proud heritage of welfare reform in areas such as public health and social housing. If he is to have a debate, it must surely be about intergenerational fairness and ring-fencing. Those of my constituents who see welfare reductions cannot understand why, according to the Institute for Fiscal Studies, we intend to spend another £900 million on Scotland and are ring-fencing the Department for International Development budget. We need to refocus our priorities on the most needy across our country.

**Stephen Crabb:** My hon. Friend makes an important point on intergenerational fairness, about which a debate is emerging. If he looks at the changes to the state pension, half a trillion pounds is being saved over the next 50 years as a result, so the burden is being spread across generations, but there is an important debate to be had.

**Norman Lamb** (North Norfolk) (LD): I welcome the Secretary of State to his new role and genuinely wish him all the very best of luck. I suspect he realises that he will need it. The problem is that there is a sense of double-unfairness in the Budget. Not only were taxes cut for the better-off while the burden on disabled people increased, but better-off pensioners were again completely protected while working-age people suffer another cut. Does he set himself completely against looking again at the problem of inter generational fairness?

**Stephen Crabb:** My intention, very simply, is to look at all these questions with a fresh pair of eyes and with the support of a fantastic team of Ministers around me. The point the right hon. Gentleman is making is similar to the one just made by my hon. Friend the Member for Peterborough (Mr Jackson), and my answer is the same at this moment in time.

**Dr Tania Mathias** (Twickenham) (Con): I, too, congratulate my right hon. Friend on his appointment and am glad the Government are not pursuing cuts to PIP. May I remind him that his predecessor showed great empathy and assisted me greatly with a constituent who had very difficult concerns regarding her disability? Will he note that not only do people with a disability have insight into how a policy may have an impact on them, but that they are the experts?

**Stephen Crabb:** I completely agree with my hon. Friend on both counts. First, on the empathy of my predecessor, my right hon. Friend the Member for Chingford and Woodford Green, I can say that he was a man who spent years thinking about these problems in a very serious and considered way, and, as I said earlier, the Government should always be proud of his legacy. The second point she makes is about disabled people who experience these issues being the experts. We absolutely recognise that and want to put them at the very centre of the debate we are about to begin.

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): The Secretary of State may strike a different tone but in the end he is going to be judged by his actions. My constituents would like to know the following: will he scrap the bedroom tax? Will he scrap the cuts to ESA? And will he deal with the shameful treatment of older women and their pensions?

**Stephen Crabb:** I say to the hon. Gentleman that if this is about judging by actions, I will happily stand by the record of this Government every day of the week when marked against the record of previous Labour Governments, who allowed the benefits bill to spiral out of control but left a legacy of long-term unemployment. They left hundreds of thousands of people who had not worked a day in their life with no effective support from the state to help them make the transition back into the workplace.

**Mims Davies** (Eastleigh) (Con): I welcome the Secretary of State's statement and the commitments he makes in the House today. On Friday, I visited the Enham Trust, which is trading in Eastleigh as Mount Industries. It is turning over £1 million a year and nearly half its current workforce are people who are disabled or who have come off disability living allowance, having been supported by the Department for Work and Pensions. This Government are helping the company to grow and it is helping to create more jobs. I would like to see the Minister continue this work, alongside the changes we need to make sure we have the jobs and opportunities for people to come into the workforce, as they are doing in Eastleigh.

**Stephen Crabb:** I agree with my hon. Friend on that, and the company she mentions is a great example. It is not one that I have had meetings with, but my hon. Friend the Under-Secretary of State for Disabled People has. It is exactly the kind of organisation we want to see replicated and growing throughout this country.

**Barbara Keeley** (Worsley and Eccles South) (Lab): The new Secretary of State talked about being a one nation Conservative, but what does that mean to the UK's 6.5 million carers, 52,000 of whom will have been worried about losing their carer's allowance, with the link to the PIP changes? Those worries come on top of those of 60,000 unpaid family carers hit by the bedroom tax. Will this new Secretary of State start to consider the very people who provide the bulk of care in this country?

**Stephen Crabb:** The hon. Lady makes a really important point about the vital role of carers in our communities and all across society. That is exactly why since 2010 the Government have spent more than £2 billion extra supporting carers, but I would always be happy to meet her and other groups representing carers to find out what more we can do to ease the challenges they face in their daily lives.

**John Glen** (Salisbury) (Con): I warmly welcome my right hon. Friend's appointment, and I know that he will respect the policy legacy of his predecessor. When he looks at pay progression in this country and the worthwhile pilot that his Department is undertaking, may I urge him to look creatively at solutions across government with the Department for Business, Innovation and Skills and the Department of Health to ensure that we are not just satisfied to get people into work, but that we look to move them through the pay scales to sustainable, independent living?

**Stephen Crabb:** That is a really important point from my hon. Friend, who serves on the Work and Pensions Committee and is very knowledgeable about these issues. It is not just about seeing more disabled people move into work—an increase in the number—we want to see more disabled people earning higher wages, too. I confess that I was not previously aware of the initiative he mentions, but I will certainly look into it to see whether we can expand it.

**Toby Perkins** (Chesterfield) (Lab): I think my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) was being a little generous, because I am not sure we have even heard a change of tone

[Toby Perkins]

today—we are hearing precisely what we heard under the previous Secretary of State. As we all know, the new Secretary of State is a patron of Pembrokeshire Mencap. Is he seriously telling us that in his listening exercises with its members they would have told him that they recognise what he said today, which was that the previous Secretary of State had a record to be proud of, that he transformed the lives of disabled people and that members of Pembrokeshire Mencap would be proud of the job he had done as Secretary of State?

**Stephen Crabb:** I am not sure whether the hon. Gentleman knows anyone from Pembrokeshire Mencap or has ever been to Pembrokeshire in his life. It is made up of a special group of people doing fantastic work, and I am very proud to have been their patron for the past 11 years, supporting them in all kinds of practical ways.

**Byron Davies (Gower) (Con):** May I congratulate the Secretary of State on his recent appointment and say that it is good to see Welsh MPs on the march? I am pleased to see that under this Government just under 300,000 more disabled people are in employment. That is positive progress, but does he agree that there is more important work to be done in this area?

**Stephen Crabb:** Yes, my hon. Friend is absolutely right about that. He raises the issue at the heart of my statement today: we want to see society doing a much better job of supporting disabled people make that move into work. We had a manifesto commitment to halve the disabled employment gap that currently exists, but that will require lots of new ways of thinking and working across different sectors.

**Christian Matheson (City of Chester) (Lab):** The Secretary of State, whom I congratulate, talked about a decent society. Let me assure him that he is not in a position to lecture the House on a decent society, given that Conservative Members voted to cut ESA, cut tax credits and introduce the bedroom tax, and just five days ago were cheering the very cuts that they are now decrying. He spoke about providing support for the “most vulnerable” and those in the greatest need to make sure that they are “supported the most”. The problem is that that excuse only works once. If someone has a disability, the chances are that they will not be cured. Will he therefore guarantee to the House today that those who are in receipt of PIP will not have to reapply for it, because their disability is so severe?

**Stephen Crabb:** I thank the hon. Gentleman for his welcome, and he raises a number of different issues. The statement I made to the House today was clear on some of the changes we are making, some of the ones we are not and some of the longer-term aspirations that I have coming into the Department. It is just day one for me, so he will forgive me if I am not quite on top of all of the specific issues he wants to talk about—I would be happy to have a meeting with him.

**Mrs Flick Drummond (Portsmouth South) (Con):** I welcome the new Secretary of State, as I am sure he is going to be an excellent one. I also thank the Government very much for their rethink, because last September Portsmouth had 4,400 people on DLA and since January

1,094 are now on PIP. What steps is the Department taking to ensure that all its communications to claimants are accessible to all and to reassure them that the help is there when they need it?

**Stephen Crabb:** My hon. Friend raises an important point about communications with people who are disabled, and she will be pleased to know that within the Department, we recently set up a taskforce of stakeholders and interested parties to look at this very issue. This included organisations such as the Royal National Institute of Blind People, the British Deaf Association, Action on Hearing Loss, Sense and Mencap.

**Angela Smith (Penistone and Stocksbridge) (Lab):** I congratulate the Secretary of State on his appointment. I hope his commitment to a more inclusive listening approach will deliver a more positive set of outcomes for disabled people, unlike the missionary zeal of his predecessor. Given that we now have a £4.4 billion gap—a big hole in the Red Book—will he say, as a member of the Cabinet, where the Government will find that money from? If it is from the welfare budget, which part of the welfare budget will be targeted?

**Stephen Crabb:** That “missionary zeal” that the hon. Lady mentions in relation to my predecessor is a really important quality when one is trying to achieve big changes across Whitehall. As I have repeatedly said this afternoon, we have much to be proud of when it comes to the achievements of my right hon. Friend the Member for Chingford and Woodford Green. On the question of savings, we have another debate on the Budget tomorrow, in which my right hon. Friend the Chancellor will be speaking on that very issue. For the sake of absolute clarity, let me reiterate this: the Government have no plans to make further reductions in welfare expenditure.

**James Morris (Halesowen and Rowley Regis) (Con):** The Secretary of State may be aware that the Government have recently accepted the recommendation of the independent Mental Health Commission to put more money into supporting those with mental health problems to get back into work. That is a totally new and radical approach to ensuring that people with mental health conditions can lead productive lives and get back into the workplace.

**Stephen Crabb:** Supporting people with mental health issues has been debated many, many times in this House. There is a recognition across all parts of the House that, as a society, we have not always got it right, but as a Government we are determined to improve on that, which is why we are currently undertaking pilot projects worth £43 million, providing individual and tailored support, including face-to-face support, group work, online and telephone support, and the co-location of Improving Access to Psychological Therapies services.

**Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP):** The Secretary of State has indicated that disabled people are themselves best placed to inform him of their needs. As chair of the all-party group on disability, I urge him to attend a specially convened meeting of the APPG so that he can outline the changes and listen to disabled people’s concerns. Will he confirm today that he will attend that meeting?



**Stephen Crabb:** Yes, I would very much like to attend that meeting. The Under-Secretary of State for Disabled People is whispering to me that the group does genuinely excellent work, so I look forward to that opportunity.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): Like me, my right hon. Friend was brought up by a devoted single mum. Does he believe that it is thanks to the fundamental welfare reforms and the personalised nature of support for those looking for work—those with disability and those without—that so many more parents are now finding good jobs and are better able to support their family?

**Stephen Crabb:** Some of the most impressive people I meet, week in and week out, in my constituency and elsewhere are single mums. As a Government, we are doing far more than ever before to support people in those circumstances to realise their ambitions, to move into work and to achieve some quite exciting things in their careers.

**Yasmin Qureshi** (Bolton South East) (Lab): Some 640,000 disabled people will be relieved to hear the announcement this afternoon. Will the Secretary of State reassure me that those cuts will never be reintroduced by this Government again?

**Stephen Crabb:** The hon. Lady and other Opposition Members are trying to tease out a commitment from the Government that there will never, ever, ever be any other changes to welfare spending. Such a commitment would be absurd. We know that we need to carry on with reform. The commitment that I am making today, based on some very long conversations with the Chancellor of the Exchequer and the Prime Minister over the weekend, is that we will not go ahead with the proposed PIP cuts, that we will not be seeking alternative offsetting savings, and that as a Government we are not seeking further savings from the welfare budget.

**Simon Hoare** (North Dorset) (Con): My right hon. Friend's appointment is very much welcomed. He is a one nation, pragmatic and moderate Conservative from the tips of his toes to the end of his beard. I am the chair of the inquiry into employability by the APPG on multiple sclerosis, so does he accept from me that there is still huge anxiety among employers over bringing disabled people into the workplace? Will he work with our APPG and other groups to ensure that employers across the country are aware of the huge opportunity and benefits that those who are disabled can bring to their business and enterprises?

**Stephen Crabb:** There really should not be any nervousness on the part of employers over hiring disabled workers. Disability Confident, into which we as a Government have put a lot of resource, is doing some really excellent work; indeed, I had the pleasure of participating in some of its work in my previous ministerial role. We have engaged a taskforce of experts to work on new and innovative ways to ensure that the scheme reaches small and medium-sized enterprises. Hopefully, in that way, we will support employers to hire more disabled people.

**Daniel Zeichner** (Cambridge) (Lab): For almost three hours now, we have been addressed by a Treasury Minister, the Prime Minister and now the new Secretary

of State, and yet we still have not had an answer to Labour's very direct question of where the £4 billion is coming from. There are two possibilities: either the Government do not know, or they do know but will not tell us. Which is it?

**Stephen Crabb:** We have explored that issue in depth for a long time this afternoon. There will be further opportunities later today and tomorrow in the Budget debate. Let me just repeat the commitment that I have made today: we will not be pressing ahead with the proposed PIP cuts; we will not be seeking alternative offsetting savings; and the Government do not have plans for further welfare savings.

**Paul Maynard** (Blackpool North and Cleveleys) (Con): I welcome my right hon. Friend to his new role. I see him as a ray of sunshine after a bleak few days. He will be aware that PIP is there to meet the extra costs of disability, and those costs have been rising rapidly. May I apologise for adding to his workload by recommending that he read Scope's Extra Cost Commission report, which looks at how Government can reduce—and work with the private sector to reduce—those extra costs to ensure that PIP really does go further?

**Stephen Crabb:** I thank my hon. Friend for his kind remarks. I always like to try to be a ray of sunshine if I can. I am really grateful for the reading recommendation, and will make it an early priority.

**Cat Smith** (Lancaster and Fleetwood) (Lab): The Secretary of State is doing an excellent job of avoiding answering the question from the Opposition Benches. Where will the £4.4 billion be found? If it is not from the welfare bill, where will these savings be found?

**Stephen Crabb:** I am genuinely really puzzled as to why Labour Members cannot listen to and follow the arguments that we are making. I have repeated the Government's position. I am sorry if the hon. Lady was not listening to the statement earlier, but it was very clear.

**Paul Scully** (Sutton and Cheam) (Con): I welcome the Secretary of State to his new position. His personal background and experience mean that he knows the benefit of an effective welfare system. Will he assure me that he will continue his predecessor's work of the past couple of years of getting 292,000 people back into work? At the end of the day, work and an effective welfare system are far more in tune with true social justice than the numbers that are being bandied about by the Opposition.

**Stephen Crabb:** My hon. Friend is exactly right. When he uses the figure of 292,000, we should make it absolutely clear that we are talking about 292,000 disabled people who, with lots of support from the different initiatives of this Government, have made that transition back into work. That is a terrific record, but let us not be complacent. There is so much more to do if we are to achieve our manifesto promise of halving the disability employment gap.

**Hywel Williams** (Arfon) (PC): I congratulate the Secretary of State on his appointment and wish him well. He faces a huge challenge, but he also leaves behind a huge challenge for his colleagues in the Wales Office in respect

[Hywel Williams]

of the Wales Bill. With one bound he was free—or possibly not. I welcome his commitment to resetting the conversation with disabled people. The abandoned changes to PIP were apparently based on review of just 105 cases of the more than 600,000 people who depend on PIP, supplemented apparently by 400 further reviews after the decision was taken. Will he guarantee that before further changes to welfare are proposed, proper, independent research will be publicly available beforehand?

**Stephen Crabb:** The kind of research that the hon. Gentleman talks about is always published by a Department ahead of any major policy change. There is a duty on Departments to publish impact assessments and to conduct their policy making in an open and transparent way. What I hope he has taken away from my statement today is my personal commitment to ensuring that as we look again at these really challenging long-term issues around disabled people moving into employment, I will be doing so in a way that is transparent, open and based on sound evidence.

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): Before coming up to London this afternoon, I held one of my regular surgeries in Upton in my constituency. One constituent who came was a disabled lady who was in work but wanted support from her employer and support in finding new work. What practical steps will the Secretary of State take through conversations with the disabled, with disability groups, and, importantly, with employers to ensure that we halve the disability employment gap?

**Stephen Crabb:** One of the big challenges we have as a Government is working with employers to reassure them and support them in making good decisions about recruiting and hiring disabled people. We have a really important initiative in my Department called Access to Work. We need to publicise it a lot more and get more employers looking at it and accessing it.

**Helen Goodman** (Bishop Auckland) (Lab): We were all pleased to hear the Secretary of State say, “We have no further plans to make welfare savings beyond the very substantial savings legislated for”. Can he therefore guarantee that there will be no reductions in rates or eligibility criteria for any social security benefits in this Parliament?

**Stephen Crabb:** The statement was very clear. The kind of changes that the hon. Lady describes would be cuts to people’s benefits, so we as a Government are not looking at that at this moment in time.

**Nadhim Zahawi** (Stratford-on-Avon) (Con): I congratulate my right hon. Friend on his appointment. There is no one more appropriate to take on the reform and social justice agenda of his predecessor. What is his Department doing for disabled entrepreneurs? May I remind him not to forget entrepreneurs who are disabled?

**Stephen Crabb:** There are some amazing examples of disabled people who have set up really successful small, and not so small, businesses around the UK. In my previous role as Welsh Secretary, I recently had the

pleasure of meeting a number of them in Cardiff. They are absolutely the kind of people that we as a Government need to be backing and supporting. Schemes like Access to Work are a really important part of that.

**Neil Gray** (Airdrie and Shotts) (SNP): I welcome the Secretary of State to his place. I also welcome the Treasury’s retreat on cuts to PIP which he has been credited with. Will he use his new-found power to press the Treasury to make a further retreat on cuts to ESA and to properly fund the White Paper on health and work beyond the previously committed £100 million—and also, having had a commitment from his predecessor only last week, to have it published well before the summer?

**Stephen Crabb:** The changes to ESA have been debated at length in this House on numerous occasions, and Members have had an opportunity to vote on them. I will of course look at the other issues that the hon. Gentleman mentions and will be in touch with him.

**Craig Williams** (Cardiff North) (Con): I welcome my right hon. Friend to his new position. I can think of no Member of this House who could bring any more compassion and empathy to this new role, given his personal life experience. Does he agree that a fair welfare system should not just be about numbers?

**Stephen Crabb:** It is about human beings, as I said in my statement. All the statistics that we talk about in this place have lives, families and individuals behind them, but it is especially important in the area of welfare and disability to remember that we are talking about human beings.

**Peter Kyle** (Hove) (Lab): I welcome the Secretary of State to his post. As my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) pointed out, page 26 of the Red Book commits the Government to £3 billion of cuts to meet the welfare cap. Is this not what his predecessor described over the weekend as

“too focused on narrowly getting the deficit down”

at the expense of the poorest? Is the £3 billion going to be honoured, and how he is going to deliver that?

**Stephen Crabb:** I have a very direct answer to that very direct question. It is the one I have been giving all afternoon, which is that the Government will not be seeking further savings in the welfare budget.

**Bob Blackman** (Harrow East) (Con): One of the major problems that disabled people face is the prejudice in a society that talks about what they cannot do rather than what they can do. In leading the Department, what will right hon. Friend do to change that attitude to concentrate on what people can do rather than what they cannot do?

**Stephen Crabb:** The can-do principle that my hon. Friend describes is very important, and it is at the heart of everything we are trying to achieve in all our welfare reforms. In the area of disability, the central understanding that my predecessor brought to the Department, along with the sense of mission and purpose, was to focus on

what people can do. For people who genuinely cannot work and need the support of the state, we need to reorient resources to make sure that those who are the most vulnerable and need them most get those resources.

**Chris Leslie** (Nottingham East) (Lab/Co-op): The Secretary of State would do well, though, to recognise that there are a lot of very upset and unsettled disabled people who, having heard the Chancellor on Wednesday, were very concerned indeed. The new Secretary of State says that he wants to “reset the conversation”. Does he not think he would do well to apologise for this appalling upset that people have felt over recent days? Will he use the word “sorry”?

**Stephen Crabb:** I am not sure that the hon. Gentleman’s line of questioning is particularly fruitful. I made a very clear statement about what I am trying to achieve on day one in this new role. If he is looking for apologies, he should look to his own party’s Front Benchers and ask for an apology for the scandalous state in which they left the public finances in 2010.

**Maria Caulfield** (Lewes) (Con): I congratulate the Secretary of State on his appointment, but also pay tribute to my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) for his previous work. A good welfare system is an important safety net that is there when people absolutely need it, but the true route out of poverty is through education and work. This Conservative Government have not only got more people into work but raised the lowest paid out of tax by increasing the tax threshold and introducing the living wage. *[Interruption.]* As someone who grew up in a poor area of Labour-controlled south London in the ’70s, I can say that the lack of aspiration that is evident today is the same as it was then. *[Interruption.]* Does the Secretary of State agree that if you want a lecture about poverty, you should ask Labour, but if you want something done about it, you should ask the Conservatives?

**Stephen Crabb:** Labour Members jeer my hon. Friend, who, with her own upbringing and her work as a cancer nurse on the south coast, has far more understanding, in real-life terms, of working with vulnerable people who need the support of the state than the Opposition are displaying.

**Ms Karen Buck** (Westminster North) (Lab): When the Secretary of State says, “Read my lips—no more cuts to welfare,” he does not of course include the huge cuts in social security spending that have already been agreed and are still to be implemented. The Government website says:

“If you’re ill or disabled, Employment and Support Allowance...offers you...financial support if you’re unable to work”.

Only last week, he, as a Government Minister, was telling people on his Facebook page that people on employment and support allowance were able to work. Will he correct that, please?

**Stephen Crabb:** I think the hon. Lady is referring to an error that was on my constituency Facebook page. It was a good spot, but it has been corrected.

**Mr Robin Walker** (Worcester) (Con): I welcome my right hon. Friend to his position. I particularly welcome his commitments for the future and his decision to back Access to Work and Disability Confident even further. I shall shortly be holding a Disability Confident jobs fair in Worcester. I would be delighted if he came to Worcester at some point to see amazing businesses such as Dolphin Computer Access that employ large numbers of disabled people.

**Stephen Crabb:** In the past five years, my hon. Friends have had a fantastic track record of running jobs fairs, putting themselves at the vanguard of the great turnaround in the employment situation in this country. I am conscious that about 50 colleagues have already been holding disability jobs fairs. I have not been to one, and I would love to come along to attend my hon. Friend’s.

**Chris Stephens** (Glasgow South West) (SNP): One of the big challenges the new Secretary of State will have is that the lowest-paid civil servants are employees of the Department for Work and Pensions, with 40% on tax credits and many on social security benefit. First, when he is implementing social security reforms, will he commit to publishing an impact assessment of how they affect employees of the DWP? Secondly, will he address the issue of low pay among employees in his new Department?

**Stephen Crabb:** The Department for Work and Pensions has a very good record on pay and conditions, and 80,000 people work in it across every part of the United Kingdom. I had the pleasure and privilege of meeting a few of them today, and I will be getting out and meeting far more people in the days and weeks ahead. The hon. Gentleman raises an important point and we will look at it again, but there is already a duty on the Department to publish impact assessments.

**Mark Spencer** (Sherwood) (Con): The welfare state is a safety net. If that safety net is to be sustainable in the long term, not only do we need sound economic policies to fund it, but we must work to challenge some of the underlying causes that lead people to need that safety net. Will the Secretary of State work across the Government to assist with the challenges facing people who have drug and alcohol addiction and other family breakdown challenges?

**Stephen Crabb:** My hon. Friend raises an important point that has not been mentioned so far. The Government are focused on working with people who have drug and alcohol problems, and I point to the excellent work currently going on with the troubled families programme. That is key to creating lasting pathways out of poverty. It is not just about increasing the jobs available; it is about supporting people who have underlying conditions that prevent them from going into work.

**Mr Gordon Marsden** (Blackpool South) (Lab): The Secretary of State was keen to say that behind every statistic there is a human being, and in my constituency 1,586 human beings are in receipt of PIP and hundreds are on DLA and Motability. Some 13,000 people with disabilities lost their Motability claim last year. How will the Secretary of State ensure that Motability, which has had such a huge impact on the lives of disabled people, does not disappear down the plughole?



**Stephen Crabb:** Motability is not decreasing or disappearing down the plughole, and the number of people benefiting from it is increasing, not decreasing.

**Suella Fernandes** (Fareham) (Con): I welcome my right hon. Friend to his position. Like his predecessor, he shares a commitment to social justice, and brings real empathy born out of his personal experience. In Fareham, I have been working with local residents to set up a support group for sufferers of epilepsy. More than 600,000 people in the country have that condition, yet many of them still encounter insensitivity and prejudice in society. What steps are the Government taking to raise awareness in schools and the workplace, so that that stigma is smashed?

**Stephen Crabb:** Through her work in this place my hon. Friend is a powerful voice on behalf of many vulnerable groups. Epilepsy is an issue close to her heart and those of other hon. Members, and I look forward to discussing with them how we can better address that issue and support people with epilepsy.

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): Last year, the Government tried to cut tax credits and that plan failed. This year, they tried to cut disability benefits and that plan failed. The House wants to know who is next. Let us be clear: has the Chancellor of the Exchequer told the right hon. Gentleman that his budget is now set to rise by £4.2 billion? It is a simple question—yes or no?

**Stephen Crabb:** Spending on welfare is rising, so, yes, the budget is increasing. I repeat that the Government have not got plans for further welfare savings beyond those that Parliament has already voted for, and we will focus on implementing them.

**Dr Andrew Murrison** (South West Wiltshire) (Con): I congratulate my right hon. Friend on his appointment and statement. In May, he and I stood on a manifesto that pledged to protect pensioner benefits, so I am sure that under his stewardship there will be no backsliding on our commitment to older people.

**Stephen Crabb:** The commitment and promises that we made in our manifesto were clear, and the Government are absolutely focused on delivering those promises and keeping our commitments to the British people, including pensioners.

**Tristram Hunt** (Stoke-on-Trent Central) (Lab): The Budget's cuts to capital gains tax and support for the wealthiest in the country were paid for by spending cuts for the most disadvantaged in our society, which was

immoral. The right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) said that he could not “watch passively” while such divisive policies targeted non-Tory voters. Why is the Secretary of State so craven and so keen to introduce such unfair policies?

**Stephen Crabb:** The hon. Gentleman is another one with a good line in theatre. Even with the changes that we are making, capital gains tax will still be 2% higher than it was left by the previous Labour Government.

**Mr David Burrows** (Enfield, Southgate) (Con): My right hon. Friend has always walked and talked social justice, and he is the right person to take forward the good reforms of his predecessor. He emphasised the human dimension, and as he reflects on the additional costs for disabled people, which are reflected not only in personal independence payments but in social care, housing and the national health service, and as he works on future reform, will he reflect on bringing together all those factors, rather than picking off areas such as PIP?

**Stephen Crabb:** My hon. Friend makes a crucial point that was at the heart of what I was trying to communicate in my statement. If we are serious about breaking down long-term barriers to people with disabilities moving into work, we must think in new ways and much more creatively and effectively across different sectors such as social care, healthcare, employers and education. We have a big challenge ahead of us, and I hope to bring fresh thinking and a new approach.

**Kevin Brennan** (Cardiff West) (Lab): To be clear, will the Secretary of State confirm that the £4 billion in the Red Book that people have mentioned will have to be found from somebody else's Department, not his?

**Stephen Crabb:** Such questions really ought to go to the Chancellor of the Exchequer, and tomorrow the hon. Gentleman will have the opportunity to put them to him. This statement is about my Department and budget, and it is extremely clear that we are not pressing ahead with the proposed changes to PIP, that we will not be seeking alternative offsetting savings and that the Government will not be coming forward with further proposals for welfare savings.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I am genuinely sorry to disappoint colleagues. This is a rarity because my objective is always to get in every colleague who wishes to speak on a statement, but every rule has its exceptions. I hope that colleagues will understand that I have to move on and that there is an element of rough justice when that happens.

## Points of Order

6.36 pm

**Owen Smith** (Pontypridd) (Lab): On a point of order, Mr Speaker. Before the Secretary of State for Work and Pensions leaves the Chamber, may I point out that he said in his statement that the Government will not be seeking future savings from the welfare budget? However, Treasury sources were apparently briefing to *The Sun* newspaper during his statement that that is not what he means, and that he means that there are no “planned” increases in the cuts to the welfare budget in this Parliament. Can he tell us which it is?

**Mr Speaker:** The hon. Gentleman has raised his concern under the guise, or within the clothing, of an attempted point of order, but as he knows—his puckish grin merely testifies to his awareness of this—that is not a matter for the Chair. If he is beseeching the Secretary of State to come in on that point of order, he is entitled so to beseech. The Secretary of State can do so if he wishes, but he is under no obligation.

**The Secretary of State for Work and Pensions (Stephen Crabb)** *indicated dissent.*

**Mr Speaker:** The Secretary of State is leaving it there, which he is perfectly entitled to do. I thank him for his statement and his responses to questions.

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con) *rose—*

**Mr Speaker:** I will come to the right hon. Lady in a moment. I am saving her up—it will be worth waiting for, I feel sure.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): Further to that point of order, Mr Speaker. If indeed the Secretary of State for Work and Pensions has been put in an impossible position by the Treasury and may have unintentionally used misleading language in the House, would the way to clear that up be for the Chancellor to come to the House and make a full statement in which people can ask questions, rather than simply closing the very end of a debate?

**Mr Speaker:** I say to the right hon. Lady and the House only that I have no knowledge, or way of possessing knowledge, about what is or is not being briefed to a particular newspaper at a given time. To meet her concern head on, the Chancellor will be in the House tomorrow. I understand that he is winding up the debate, but it is customary for a Minister who is winding up a debate to attend most of it, so there will be ample opportunity for colleagues to air their concerns. I hope she will understand if I say that I prefer not to entertain hypothetical situations. I always thought that Lord Whitelaw was very sound when he said that on the whole he preferred not to cross bridges until he came to them.

**Rachel Reeves** (Leeds West) (Lab): On a point of order, Mr Speaker. The Secretary of State for Work and Pensions says that he wants to listen to disabled people. There is a case in the Supreme Court at the moment.

Paul and Sue Rutherford, who are constituents of the Secretary of State, won an exemption from the bedroom tax in the High Court, and that case is now in the Supreme Court. If the Secretary of State wants to listen to disabled people, perhaps he could listen to his own constituents and stop fighting tooth and nail against that exemption.

**Mr Speaker:** I wish gently, although not too gently, to improve the hon. Lady. The shadow Secretary of State made at least a half-hearted attempt to conceal his political observation within the guise of a point of order. There was really no such attempted disguise on the part of the hon. Lady. Her point may or may not have been valid, and it might well relate to a case that is sub judice, but whatever else may be said of it, it is not a matter for the Chair. We will leave it there for today. She has got her point on the record.

**Mrs Gillan** *rose—*

**Mr Speaker:** We will proceed only after we have heard the point of order from Mrs Cheryl Gillan.

**Mrs Gillan:** On a point of order, Mr Speaker. You are well known for defending the rights of Back Benchers. In the light of a motion on the Order Paper today, I need your advice about defending the rights of a very small group of Back Benchers. Both Opposition and Government Members are being whipped against this group of Back Benchers, who are the small group representing the interests of the constituencies lying along the High Speed 2 route. The HS2 Bill, which has some 417 pages, has taken six years to come to fruition, yet the Government have seen fit to table a motion providing only two hours on Report and one hour for Third Reading, which is only half a day's debate. If Members wish to have their amendments voted on, it will be almost impossible to have any reasonable debate.

The amendments tabled cover tunnelling, the Chilterns area of outstanding natural beauty, an adjudicator to help people who fall foul of the construction process and of subcontractors, speed limitations, compensation for local authorities, environmental provisions and safeguards, and compensation and local issues relating to constituents of Labour and Conservative Members and those of many other Members. Several MPs who are affected have expressed dismay to me, and people are despairing at having such a short time to look at these important issues.

What can we do? At the moment, there is no point even in voting against the business of the House motion because Members of both parties are being whipped against it. People looking at the House will think that the process of democracy is dead when MPs defending their constituents' interests cannot even get a whole day on a £56 billion white elephant.

**Mr Speaker:** I thank the right hon. Lady for giving me notice of her point of order. Her concerns about the Bill are well known. She referred to constituencies on the line of route and I mention, purely in passing, that my own constituency situation is well known to the right hon. Lady and many other Members throughout the House. She has referenced the motion that the Government have tabled. That business of the House

[Mr Speaker]

motion, item 2 on today's Order Paper, allocates time to the remaining stages, and she has complained about what she regards as the total inadequacy of that time. As she also knows, because she has been in the House for almost 24 years, I am afraid that such motions are not the preserve of the Chair: there is absolutely nothing that the Chair can do on that matter. It is up to the House whether to agree to the motion.

However, for the benefit of the right hon. Lady and those beyond the Chamber interested in these matters, I would simply add that if the motion is reached after 10 pm, it cannot be debated and can be agreed tonight only if there is no objection. I am not a seer—the right hon. Lady knows that I cannot be sure how events will play out—but given the time now and the fact that we are about to hear two Front-Bench speeches and that some dozens of colleagues wish to give the House the benefit of their views on the Budget, it seems at least highly probable that the motion will not be reached until after 10 o'clock. Knowing the indefatigability of the right hon. Lady, I feel sure that she will be in her place at the point the motion is reached, and she will know what she thinks she should do.

Beyond that, the right hon. Lady should have a chat with her right hon. Friend the Secretary of State for Transport, and deploy her combination of intellect and charm to try to secure an improvement in the position.

**Mrs Gillan:** Further to that point of order, Mr Speaker.

**Mr Speaker:** There is really nothing further to that point of order, but because it is the right hon. Lady, I feel I must take it.

**Mrs Gillan:** Thank you, Mr Speaker, for that piece of information. Unfortunately, I have already deployed my intellect and charm. They have failed to work on the Secretary of State for Transport. Hence my appeal to the Chair in this instance.

**Mr Speaker:** In that case, I can advise the right hon. Lady and anybody else who feels as she does only as I have just done. It is not for me to tell the House how to vote. I would not dream of doing so; that would be most improper. All I am doing is saying to the right hon. Lady that that is the position procedurally. She will go into the situation with open eyes if she wants to be in the Chamber close to and beyond 10 o'clock. She knows that what I am telling her is not opinion, but based on sound procedural advice. I think we had better leave it there. I suggest that the Clerk now proceeds to read the Orders of the Day.

## Ways and Means

### Budget Resolutions and Economic Situation

#### AMENDMENT OF THE LAW

*Debate resumed (Order, 17 March).*

*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.

**Mr Speaker:** Before I call the Secretary of State for Communities and Local Government, from whom we look forward to hearing—we also look forward to hearing from his shadow—I simply point out that some dozens of colleagues want to speak in the debate. There will have to be a very tight time limit on Back-Bench speeches, but I know that the Secretary of State and his shadow, who are both very considerate Members of the House, will, while wanting to treat comprehensively of the issues within their domain, wish to facilitate contributions by colleagues.

6.46 pm

**The Secretary of State for Communities and Local Government (Greg Clark):** No one can pretend that this has been an easy Budget for the Government, but none of them is. Every single one of them is overshadowed by the events of the previous decade, by the deepest recession since the war and by a financial and fiscal crisis in which a large part of our national wealth disappeared in a puff of debt. GDP, productivity and revenue were all decimated. That is what happens when one spends a decade using a credit bubble to inflate the size of government. One day, the income suddenly disappears, but the commitments remain. In 2010, those responsible in the Labour party left government and did so without looking back. In the six years that followed, they have retreated ever further from any sense of responsibility.

It fell to us on the Conservative Benches to put things right: to rebuild an economy on firm foundations, to wrestle down the deficit and to mend the many institutions left in disarray. Financial regulation, educational standards and the housing market—all were broken, and all are being painstakingly restored to working order by this Government. However, every decision we made has been a hard one, because when the gap between the need and the Government's resources is so wide there are no easy answers. We have not always got them right first time—the least worst option is not always apparent—but this is a Government willing to listen and to respond, while also keeping on track to squeeze out debt, encourage growth,



generate jobs and build new homes. On all these fronts, we are moving the country in the right direction, while the Opposition rush headlong to the left. They can go their way, but we will keep on moving forward.

**Clive Efford** (Eltham) (Lab): This Government said that they would eradicate the deficit in four years. Will the right hon. Gentleman tell me when that policy changed? How long does a long-term economic policy last for?

**Greg Clark:** I do not know whether the hon. Gentleman was in the Chamber for the Budget statement. If he was, he will have seen that the Office for Budget Responsibility confirmed that we are on track to eliminate the deficit by the end of the Parliament and to have a surplus. He should spend a bit of time talking to his right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne), who might provide the answer to why it has taken some time to reduce the deficit.

**Mark Spencer** (Sherwood) (Con): Hundreds of thousands of small businesses are paying lots of those taxes. What assistance can the Secretary of State give to small businesses that are facing rate demands from local authorities?

**Greg Clark:** My hon. Friend draws attention to a very important point. We have doubled small business rate relief, benefiting businesses right across the country—the small businesses that are the backbone of our economy and that are contributing a record number of jobs, meaning that we have more people employed than ever before.

**Melanie Onn** (Great Grimsby) (Lab): Will the reduction in small business rates have an impact on local authority incomes?

**Greg Clark:** If the hon. Lady had attended DCLG questions earlier in the day, she would have heard me confirm that every penny will be made up. I am sure she is delighted to hear that.

**Mr Clive Betts** (Sheffield South East) (Lab): I asked the Secretary of State about this issue in questions earlier. He said that the cost of small business rate relief in this Parliament would be funded by section 31 grants. Will he confirm that that grant will not come from any other part of local authorities' budgets, and if it is not will he point out precisely where in the Red Book it says how that is funded?

**Greg Clark:** On page 84, line 15.

Let me turn to the subject of today's debate, which is infrastructure and devolution. Those issues will still matter a year from now—indeed 10 years and 100 years from now. In "The Wealth of Nations", Adam Smith spoke of three fundamental duties of Government: the defence of the realm, the maintenance of law and order, and a third duty that he described as follows:

"the duty of erecting and maintaining certain public works and certain public institutions, which it can never be for the interest of any individual, or small number of individuals, to erect and maintain; because the profit would never repay the expense to any individual or small number of individuals, though it may frequently do much more than repay it to a great society."

We can therefore take it from the father of free market economics that there is no contradiction between faith in free markets and public investment in infrastructure. Indeed, they support one another and this Budget shows how.

The Budget announces new infrastructure investments in every part of the country—from Crossrail 2 in London to High Speed 3 for the northern powerhouse. There can be no more tangible demonstration of our belief in a one-nation economy.

**Toby Perkins** (Chesterfield) (Lab) *rose*—

**Tristram Hunt** (Stoke-on-Trent Central) (Lab) *rose*—

**Greg Clark:** I will not give way.

Not for us the discredited model of a one-city economy, because much as we value London it is wrong to rely on a single centre of wealth creation. Instead, wealth must be created and retained in communities across our nation—hence our ongoing commitment to HS2, a north-south axis linking London to the midlands engine and to the northern powerhouse. Quite literally, we must go further. We must build the vital east-west links needed to unlock the full potential of our great cities beyond London.

The Pennines might be the backbone of England, but frankly they are not the Himalayas. Some of our nation's greatest cities stretch like a string of pearls across the north—and they can and should be drawn together. That is why this Budget strikes out in a new direction with the key announcement on HS3.

**Toby Perkins** *rose*—

**Greg Clark:** No, I am going to make some progress, given the time constraints.

This is a transformative project. In particular, it provides the prospect of a better, faster line between Leeds and Manchester.

**Several hon. Members** *rose*—

**Greg Clark:** I want to make some progress.

**Mr Betts:** On a point of order, Mr Deputy Speaker. The Secretary of State gave me a direct answer about where in the Red Book the cost of the compensation for local authorities will come from is specified. He referred to page 84, line 15. However, that deals with the cost of the loss for small business rate relief, and does not deal with the grant that will replace it. Whereabouts is the section 31 grant covered in the Red Book?

**Greg Clark:** I have told the hon. Gentleman where it is—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I think we had better have an answer to the point of order first. I realise that the Secretary of State has recognised that this was not a point of order, which is exactly the point I was going to make!

**Greg Clark:** Before the Chairman of the Select Committee comes to Budget debates, he should read the Red Book and do his homework. I am not going to help him in this debate.

[*Greg Clark*]

Our road investment will complement rail investment. This includes the M62, accelerating progress to the achievement a four-lane smart motorway fit for the 21st century. Other improvements to both road and rail are not quite as high profile, but they are just as important—improving local links to bring home the benefit of national infrastructure.

**John Glen** (Salisbury) (Con): Does my right hon. Friend recognise that the road improvement of most interest in the south-west is the upgrading of the A303—in particular, for my constituents, the tunnel at Stonehenge—which will transform the whole south-west peninsula?

**Greg Clark:** I do agree, and I note two things about what my hon. Friend says. The first is that this never happened when Labour were in government, and the second is that this could not have happened without the strong economy that this Government have built.

Many of these investments, such as the road just described by my hon. Friend the Member for Salisbury (John Glen), are long overdue. It has fallen to this Government to make improvements that could and should, as my hon. Friend says, have been made in earlier decades. That is why we must continue to make savings across the public sector.

**Kevin Foster** (Torbay) (Con): Will the Secretary of State join me in welcoming not only the improvements to the road links to the south-west but the money put aside for further development work on rail resilience in the south-west to ensure that in future we have a railway that works and serves our region?

**Greg Clark:** I can certainly confirm that. It is a welcome development that we are following the traditions of our Victorian predecessors with the great revival of railway building, which is so important for the south-west that my hon. Friend so ably represents.

**Toby Perkins** *rose*—

**Greg Clark:** I am going to make some progress.

In order to make these investments, we need to continue to make savings. The failure to control current expenditure means not just more borrowing, but that less is available for capital expenditure—a double dose of debt for our children and grandchildren, with financial debt compounded by infrastructure debt. The decisions that we make must be for the long-term good of the nation. This Government are therefore determined to draw upon the very best advice available, including that of Lord Heseltine, who will chair the Thames Estuary 2050 Growth Commission, and that of Lord Adonis, the chair of the National Infrastructure Commission, whose excellent work has informed many of the decisions made in this Budget.

**Derek Twigg** (Halton) (Lab): Further to the point raised by my hon. Friend the Member for Sheffield South East (Mr Betts), on which page and in which paragraph is the compensation issue referred to?

**Greg Clark:** I have already given not only the page, but the line number—and the hon. Gentleman too should have done his homework.

I am delighted to say that the remit of the National Infrastructure Commission will be expanded to include large housing developments. It is vital that the big decisions we make on transport and utilities infrastructure are co-ordinated with those we make on housing. As well as building more homes, we need to build better homes. The idea that we can sacrifice quality to achieve quantity is utterly wrong-headed. The only way to build the homes we need over the long term is through forward planning, good design and sound finance.

That is why the Budget lays the groundwork for a new generation of garden villages, towns and cities. We will provide targeted support for local authorities to develop locally led schemes. We will adjust the legislative framework to speed up and simplify the process of delivering new settlements. We will adopt a localised, deal-making approach to planning reform, working with councils to tailor the system to local needs in return for commitments on housing delivery. Instead of trying to force new housing through a fundamentally unreformed system—the approach of the last Government—this Government understand that only a different policy can deliver different results.

**Tristram Hunt** *rose*—

**Greg Clark:** There are time constraints, so I am going to make some progress.

This month marks four years since the introduction of the national planning policy framework. Overnight, 1,300 pages of central Government guidance were replaced with 52 pages of plain English. I see in his place my hon. Friend the Member for Henley (John Howell), who played such an important role in that. It is a crystal-clear guide to achieving sustainable development. We have seen massive improvements in planning performance and housing delivery in that time. Before, most councils did not even have a local plan; now, most of them do; and before long, all of them will.

This is not just about plans, but about planning permissions—and not just permissions, but new homes actually being built. And not just new homes, but popular support for new homes. We are seeing a rekindling of the faith in development that was destroyed under the tenure of the Labour party. There is a sense that development can make places better, not worse—not least owing to another achievement of our planning reforms, including the NPPF, which was to establish a fully fledged system of neighbourhood planning.

I am proud that the neighbourhood planning process is under way in thousands of communities across the country. Through community consultation and neighbourhood referendums, local people have been given a real say. This is proof that when the planning system is made accessible and accountable, we can deliver both quantity and quality. However, we do not regard the progress of the last four years—important though it is—as mission accomplished. Rather, it is a spur to further action: to implement the new measures set out in the summer Budget, the autumn statement and this Budget, and to continue the work of reform until we have fully achieved our vision of a property-owning democracy.

The NPPF was a new start, not an end point. The same applies to the other great reform agenda that my Department is responsible for: devolution. It was four years ago that I stood before this House to announce the first wave of city deals. The response from the Labour party was mixed: disparaging in this Chamber but welcoming beyond the confines of Westminster. Four years on, the process of decentralisation has gone further and faster than even the enthusiasts thought possible.

**Tristram Hunt:** Will the Secretary of State give way?

**Greg Clark:** I am going to make some progress, given that about 60 hon. Members want to speak in the debate.

We have seen a second wave of city deals and the launch of growth deals and devolution deals to encompass cities and shires alike. We have even seen something of a change of heart on the Labour Benches. I very much welcome that, if it is a genuine source of support—however qualified—for the principles at stake. If the party of central planning accepts that power must be exercised locally, that is progress indeed.

**Norman Lamb** (North Norfolk) (LD): Perhaps the Secretary of State will come on to this point, but will he tell me whether he is at all concerned about social care? The independent Health Foundation estimates that there will be a gap of about £6 billion by 2020, and the Local Government Association wanted a roll-forward of extra funding for the better care fund, which has not been forthcoming. Does he not have real concerns that if the amount being spent on social care is not enough, it will simply place an extra burden on the NHS?

**Greg Clark:** As the right hon. Gentleman knows, provision was made in the local government financial settlement and the spending review to allocate up to £3.5 billion for adult social care by the end of the Parliament. The directors of social services and the Local Government Association actually asked for £2.9 billion, so our provision went beyond that. We also need to bring together the treatment of our elderly members of society so that councils and the NHS can, between them, look after those people well. After all, those requiring health care and social care are often the very same people. I know that, as a former Minister in the Department of Health, the right hon. Gentleman will favour that. Part of the devolution deals that we are pursuing will do that. We are seeing it happening in Manchester, and I hope that he will follow that with interest.

**Barbara Keeley** (Worsley and Eccles South) (Lab): Will the Minister give way?

**Greg Clark:** I am going to make some progress, as I have said.

This Budget announces a number of new devolution deals establishing combined authorities for the West of England, Greater Lincolnshire and East Anglia, and there are more to come soon. Far from erasing local diversity, the deals make the most of it—for example, by bringing together shire, unitary and district authorities to work together for the common interests of their area. The Budget announces further transfers of power to the Liverpool city region and to Greater Manchester. This shows that establishing a combined authority, with the

accountability of a directly elected Mayor, is just the beginning: a democratic basis for the ongoing devolution of power.

Growth deals are another front for the advance of localism. Through the business-led local enterprise partnerships, we are devolving control over the £12 billion local growth fund. The Budget explains how we will allocate the latest tranches of the fund. It will be done on a truly competitive basis to encourage ambition, innovation and the productive use of taxpayers' money. I am also delighted to see the announcement of new city deals in Wales and Scotland. Specifically, the conclusion of a deal with the Cardiff capital region and the opening of negotiations with Edinburgh and south-east Scotland are important steps forward.

From north to south and from east to west, devolution is transforming our nation. In 2010, the UK was one of the most centralised countries in the free world. There were no combined authorities, and only one big city mayor. Nearly 80% of local government expenditure was centrally controlled. By 2020, there will be combined authorities across the country, and at least eight big city mayors. Local authorities will keep 100% of the income that they collect. This Budget describes and accelerates a process of profound change involving the revival and rebalancing of our economy, the rebuilding of our national infrastructure and the redistribution of power from the few to the many. I commend it to the House.

7.5 pm

**Jon Trickett** (Hemsworth) (Lab): How time flies. It was only late last year that the Secretary of State was buoyed up by the Chancellor's announcement that he had found a few extra billion quid down the back of his settee. The Secretary of State came to the House and offered no less than a guaranteed budget for every council. Sadly, as the *Financial Times* put it recently, the good times lasted only about a month. By February, the Chancellor was thousands of miles away in Shanghai. From there, he announced to the British people that there would have to be more cuts. Did no one remind him of the ancient Chinese curse, "May you live in interesting times"? Yes, it is a curse. As we now know, the Budget is a mega-shambles, but in China the Chancellor was blaming foreigners for his problems. He said that the EU was flatlining, the Chinese economy was failing to grow and petrol prices were collapsing everywhere.

Today's retreat means that there is a financial hole of a further £4 billion in the Government's accounts. No explanation has been given as to how that hole will be filled. More importantly, we have been reminded this weekend by the resigning Secretary of State for Work and Pensions that there is an ethical hole, a moral vacuum, at the Government's core.

**Jeremy Quin** (Horsham) (Con): The hon. Gentleman seems completely oblivious to what is going on elsewhere in the world. The fact is that trends are happening in the world economy that will be reflected here in the UK. The Chancellor has cut the deficit by two thirds. Surely the hon. Gentleman would welcome that.

**Jon Trickett:** The hon. Gentleman will not get away with that. The truth is that this Chancellor has been in charge of the nation's finances for six years and he now wants to wash his hands of the mess he is making of the economy.



[Jon Trickett]

I was talking about an ethical hole at the Government's core. We still remember Conservative Members cheering last Wednesday. They thought it was okay to rob the benefits of the most vulnerable for the purpose of cutting taxes for the better-off. It is not only the cuts to the welfare budget that illustrate the Government's willingness to attack the poor; it is also the cuts to local government. Furthermore, the way in which the cuts are being distributed across local government equally illustrates the ethical hole that I have described. Those councils that face the greatest social needs are now suffering the greatest grant reductions.

**Barbara Keeley:** The Secretary of State would not give way to answer questions on social care, and that is unfair because it is a key responsibility. He keeps trotting out the usual figure of £3.5 billion, but that is a false premise because the Local Government Association wanted £700 million to cover the two years that will not be covered by the better care fund. My local authority can bring in £1.6 million from the 2% social care precept but it is going to cost £2.7 million to pay for the national living wage in the care sector. That is the sort of gap that we are faced with.

**Jon Trickett:** My hon. Friend is right. I shall come to that point shortly.

**Mr Robert Syms (Poole) (Con):** Will the hon. Gentleman give way?

**Jon Trickett:** I shall make a little progress, if I may, as a lot of people want to speak in the debate.

I was talking about the unfair distribution of cuts. The three most affluent areas in the country have had the lowest amount of cuts to their Government support since 2010, yet lo and behold, the same three affluent councils then received an extra £33.5 million from the Secretary of State's transitional grant. That £33.5 million was 10% of the entire amount of transitional grant that was given to the whole country, just focused on the three most affluent councils.

I will give way to my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) if she wishes. It seems she does not. I evidently made such a devastating point that she is still reflecting on it.

Let me draw a comparison between the three most affluent councils and the most deprived councils in the country. [Interruption.] This is an important point. I hope Government Members are not scoffing. Liverpool, Knowsley, Hackney and Manchester not only had the most severe cuts to their budgets since 2010, but they did not receive a single penny in transitional grant. There is no rational explanation for such a distribution of Government largesse. Perhaps the Secretary of State will consider publishing the criteria by which the civil service distributed that £300 million. We have had no luck so far in finding out how he managed to produce a distribution that favoured the richest councils and penalised the most deprived.

**Kevin Hollinrake (Thirsk and Malton) (Con):** How does the hon. Gentleman reconcile his comments that rural areas are getting a better deal? My local authority,

North Yorkshire County Council, was facing a 39% reduction, compared to an average reduction of 20% to metropolitan areas.

**Jon Trickett:** I believe the hon. Gentleman said North Yorkshire. If I remember correctly, North Yorkshire got £10 million in transitional funds. West Yorkshire and south Yorkshire got not a single penny. Not a single council in the whole of west and south Yorkshire got a single penny, yet the cuts that west Yorkshire councils faced were much more acute than those that North Yorkshire had faced.

**Liam Byrne (Birmingham, Hodge Hill) (Lab):** My hon. Friend is making his case well. Is there not worse to come? We heard last week that another £3.5 billion worth of efficiency savings are to be made in the final year of the forecast, yet this Secretary of State is asking many councils to agree four-year funding deals. Has my hon. Friend heard whether those that agree four-year funding deals will be spared that £3.5 billion extra efficiency savings, or will they just have the money taken off them?

**Jon Trickett:** Not a peep from the Secretary of State so far. Unfairness and inequality run through the DNA of this Government in every Department. Local government provides services that make the lives of the most vulnerable in our society bearable, yet it is suffering the most draconian cuts.

**Jack Dromey (Birmingham, Erdington) (Lab):** Will my hon. Friend give way?

**Jon Trickett:** I shall make some progress now.

The same people who rely on the personal independence payments, which the Government so recently wanted to cut, rely on home helps and community services, yet nowhere is the pressure greater than the growing crisis being experienced by social care. The Tory-controlled Local Government Association estimates that despite the Government's measures there is a big funding gap in social care—£700 million this year. Many of the frail elderly in our society are no longer being looked after properly. Lord Porter, the Tory leader of the LGA, put it starkly. He said that

“vulnerable members of the community still face an uncertain future where the dignified care and support they deserve, such as help getting dressed, fed or getting out and about, remains at risk.”

Yes, a Tory leader said that vulnerable elderly people will be denied help to be fed.

A few years ago my own family faced a crisis that so many of us have to confront at some time in our lives. Let me quickly describe what happened. I went to visit my dad in the fabulous St James's hospital in Leeds, whose staff continue to amaze with their skills and dedication. But the nurse told me that my dad was coming to the end of his life and that he had to be discharged because there was little further the hospital could do. Clearly, he could not go home. By good fortune, I was able immediately to convert a downstairs room in our house into a bedroom and shower room and within days he came to live with me. He died in that room a few months later, but we spent a wonderful time together. The sun seemed to shine into our house every

day that he was there. We were blessed to have the space available, and a loving family as well as loving neighbours who helped.

However, we could not have coped without the frequent house visits by the council's care teams, who came every day, several times a day. Last year I held a fund-raising event at my house. One of our guests that day was a woman I recognised. She had been a carer who had helped me with my dad. She told me that she would always remember her visits to our house, but I felt a chill down my spine when she told me that because of the Government cuts, council carers could no longer provide the level of care to others that my family had received. "Honour thy father and thy mother" is an injunction that a civilised society should never forget.

Local government is facing £10 billion of additional future cost pressures. There are three main threats to council finances in this Budget. First, the Chancellor demands £3.5 billion of spending cuts, as we heard, to help to fill the black hole in the Government's accounts. On top of that, there is the £4 billion that we heard about today.

The House knows that there are very few unprotected services left. Local government is one of them and is therefore a prime target. It is home helps, children's centres, libraries, leisure centres, firefighters and youth clubs that are at risk.

Secondly, there is the overhaul of the business rates system. We welcome the extra help being given to small business in rate relief. That was in our manifesto; we campaigned for it, and it will cost about £7 billion. The Government have said they will compensate local government for this loss. The Secretary of State quotes page 84, line 15 in the Red Book, but he is wrong. That does not indicate where a single penny is coming from. Where is that £7 billion coming from? The Tory-chaired LGA has said that this will mean that once the 100% rate retention has been brought in, the resources to be retained will be less than previously projected as a consequence. By contrast, we would have financed these cuts to small business rates because we would have maintained, not cut, the level of corporation tax.

The third threat that the Budget outlines is the decision to ring-fence business rates in London, ahead of the rest of the country. But Westminster alone takes more business rates than Manchester, Liverpool, Sheffield, Birmingham and Bristol combined—£1.8 billion. If prosperous Westminster keeps this £1.8 billion, there will be a significantly smaller pot of money to be redistributed to less affluent areas. Tucked away in the Office for Budget Responsibility's report are the implications of all this for the hard-pressed council tax payer—something on which the Secretary of State was silent.

The OBR estimates that 95% of councils will increase council tax by the maximum allowed, and they are being encouraged to do so by the Government. This means that for the first time ever, the average council tax bill payer will be paying £1,500 a year. Over the next five years local residents face a 14% increase above inflation in council tax. In return they will get a worse service. So much for the Tories being the party of low taxation: capital gains tax cuts for the well-off and council tax increases for ordinary families. It is an unacceptable set of priorities.

**Christian Matheson** (City of Chester) (Lab): Is my hon. Friend aware that the Chancellor's decision to remove retail rate relief for small shops will mean that

more than 400 shops in Chester will be paying about £1,300 a year extra? Is that consistent with the argument that he has just made?

**Jon Trickett:** Of course. The Tories are not interested in looking after ordinary people and small businesses. They are interested in directing money at the privileged few.

Let me turn briefly to the subject of devolution, which the Secretary of State mentioned. In his Budget statement the Chancellor announced a number of devolution deals, about which concern has been expressed in all parts of the House. The Minister cannot say we did not warn him that there would be trouble on that from the Labour Benches. The whole process is far too top-down. The insistence on a single mayoral model has caused much resentment, especially in cities where the idea was recently voted down by local people in referendums.

It is not councils' fault that there are these tensions—our councillors are under enormous pressure to get whatever they can for local residents. The fault lies entirely with the process imposed, not by the Secretary of State, but by the Chancellor, who is stubbornly refusing to allow ordinary citizens to have a say in how their areas should be governed.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): The idea of devolution setting people free from centralised diktat may sound good on paper, but how does it square with the forced academisation of schools?

**Jon Trickett:** I agree entirely with my hon. Friend's point.

Let me make some progress on devolution. The average pot of money available to the metro mayors appears to be about £30 million a year, but that is dwarfed by the severity of the cuts that each of their councils has suffered. Top-down devolution, compounded by financial injustice, simply will not work as an enduring solution. Labour wants properly funded, real devolution, which would include, for example, the power for every council to open schools, build homes and regulate buses—mayor or no mayor.

That brings me to the Budget's implications for the north of England. The Chancellor boasts about his northern powerhouse, but his Budget cuts to northern councils alone since 2010 add up to £3.9 billion being taken out of the northern economy. What do we get instead? A few million pounds for a scaled-down flood defence scheme in Leeds, and a few million more to fund not an electrified rail link, but a study that might report eventually on whether there should be electrification. None of that cuts the mustard—it is more of a power scam than a powerhouse.

Let me express my great admiration for councillors of all parties who do their very best across the nation, despite years of cuts, to protect services. Libraries, for example, are one of the most prized assets in any community, but they are frequently the first to go. On Friday, I visited Wyke library in Bradford. The council has managed to keep it open, despite the prospect of losing half its budget in a decade. The library is a beacon of hope and self-improvement, buzzing with learning. I met people there who were studying to better their lot in life. They told me there was no way on earth they could afford to buy the books they could borrow

[Jon Trickett]

from a public library or to use the internet, which was also available. The priority had to be putting food on the table for their kids, but they were able to come to the library and have access to knowledge. I met one man who was using the internet—publicly provided in a public library—to complete his PhD. Cutting libraries, cutting museums, cutting theatres—all of this is nothing short of cultural vandalism.

The Secretary of State did a round of media interviews this morning. On ITN, he told Conservative Members to come together again; he said they should stop scrapping with each other. Well, good luck with that. Then he went on the “Today” programme and talked about the rough and tumble of Budget negotiations, as if that explained the resignation of the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith).

I think the Secretary of State is a decent man, and I suspect that, in his heart of hearts, he appreciates the value of local government services. He knows the role—how could he not?—that many of them play in supporting the vulnerable, but what does he really know about the rough and tumble of Budget negotiations? He was the first Secretary of State to sign up on the Chancellor’s terms.

On the radio this morning, the Secretary of State referred to the right hon. Member for Chingford and Woodford Green as his very good friend. My guess is that he may not want to follow the path of his very good friend and resign from the Government to defend local councils. I hope, however, that he will decide to fight his corner rather more strongly than he has this year against a Chancellor who has proved his judgment is nil.

**Greg Clark:** I am grateful for this little riff on resignations, but coming from a party that resigned from reality last August, it is pretty rich.

**Jon Trickett:** I think the Secretary of State should have stayed in this seat rather than make that intervention.

It is time for the Secretary of State to stand up to the demands of an unreasonable Chancellor, rather than standing by while communities are decimated. If he will not, we will.

**Several hon. Members** *rose*—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. May I point out to the House that, from now on, there will be a five-minute limit, apart from for Front Benchers?

7.25 pm

**Sir Henry Bellingham** (North West Norfolk) (Con): It is a pleasure to be called early in the debate and to follow the two Front-Bench speeches—particularly the quite superb opening speech by the Secretary of State. I pay tribute to him and his team of Ministers, who serve us really well.

This was a Budget for small businesses and enterprise as much as anything else. I welcome the doubling of small business rate relief and the increase in the maximum threshold for relief from £12,000 to £15,000. I really welcome the reduction in corporation tax, the capital gains tax changes, and particularly the 10% rate on long-term investments in unlisted companies, which will do a great deal for start-ups and business angels.

I also welcome the stamp duty changes on commercial properties and the abolition of national insurance for the self-employed.

The other day, I worked out that this is the 40th Budget, including emergency Budgets, that I have been privileged to listen to, but this is without doubt one of the best Budgets, if not the best Budget, for small businesses, enterprise and wealth creation in our communities.

The Opposition have accused the Chancellor of favouring the rich, but let us hang on a moment. In the last financial year, the richest 1% paid 28% of all income tax. That is really quite staggering, and it completely undermines the Opposition’s argument.

**Toby Perkins:** Like other Conservative Members, the hon. Gentleman seems to be celebrating the fact that, under a Government that have seen the rich get much, much richer and the poor get much, much poorer, the rich are actually starting to pay more tax. Would it not be better not only if the top 20% paid more tax, but if the bottom 20% actually got wealthier rather than poorer?

**Sir Henry Bellingham:** I am grateful to the hon. Gentleman for that intervention; he and I get on very well together, and I respect his views. However, I would refer him to the comments by Paul Johnson, the head of the Institute for Fiscal Studies, who pointed out that, over the past few Budgets, higher earners have “seen huge reductions in pensions tax relief”,

as well as a host of other measures, such as a “clampdown on buy-to-let”, and that they have been “squeezed in other ways”. He points out that this Budget’s impact on income distribution has been “incredibly modest”. That underscores the point that this is a fair Budget and, indeed, one for all our constituents and communities.

In the few minutes I have left, I want to touch on the devolution proposals. I support devolution. The flexibility that comes with making Government money available at the local level and responsive to local aspirations makes sense. I will certainly look carefully at the Secretary of State’s proposals for the combined authority in East Anglia. However, I would ask the Minister who winds up to confirm whether the £30 million a year is new money and whether the £170 million for housing will be spread over 30 years or treated on an annual basis. Could we have a look at that?

I certainly support the idea of devolution, but I am sceptical about the idea of elected mayors, for the following reasons. Back in 2000 and 2001, I was one of those politicians who were vehemently opposed to the now Lord Prescott’s proposals for regional assemblies, on the grounds of extreme cost and empire building. I also took the view that they would probably lead to the demise of the shire counties. I therefore regard the plan to bring in elected mayors with extreme suspicion. We are going to have to look at the cost very carefully. I remember when we discussed the plans for police and crime commissioners four years ago, and the view was that they would cost very little. It was said that the chairman of the authority—who is now called the police and crime commissioner—would sit in the police headquarters at no extra cost, but our PCC now costs £1.37 million and has a large number of staff in a separate building. He has built a mini-empire. The cost of the 41 PCCs across the country comes to £52 million.



**Barbara Keeley:** Does the hon. Gentleman agree with the Chancellor, who, as part of devolution, has forced an elected mayor on Greater Manchester? Does he think we should have devolution without forcing elected mayors on areas that do not want them and never voted for them?

**Sir Henry Bellingham:** This discussion is going to have to continue, because the most important thing is to have the support of the local authority.

I am worried about empire building. The new mayor is not going to operate out of a garden shed, although if one of us is elected in East Anglia perhaps we will do so. He or she is going to want to build a large empire and have a large number of staff, including directors of this and that division and department. Before too long, there will be a lot of pressure to have an elected assembly, and the heads of highways, infrastructure and housing will then become elected. Before we know where we are, we could well have an elected assembly.

I am glad that the Secretary of State has shown the courtesy to stay for my speech, because he has obviously been here a long time. People in Birmingham, Manchester, Newcastle and London feel an affinity with and an attachment to their city, so they are more likely to support the idea of having a mayor. I feel absolutely no affinity whatsoever with East Anglia, but I do feel an affinity with Norfolk. Does East Anglia include the three counties of Norfolk, Suffolk and Cambridgeshire that will be in the combined authority? Does it include Essex as well? No, it does not. What about Bedfordshire and Lincolnshire, just north of my county boundary?

I think that a mayoral election would face the problem of a pitiful turnout of perhaps 12% or 15%, so there would be no mandate. I am also worried that the institutions of Norfolk county could be undermined: this could be the death knell of Norfolk County Council, Suffolk County Council and Cambridgeshire County Council.

I also think this could lead to conflict with MPs. If I open a factory or campaign on a big issue and the elected mayor comes along and says, "Hang on, I also have a mandate of all of 12%," and starts ordering us around, that is not good for the constitutional relationship between MPs and their voters. I am bruised by my experience of campaigning against the incinerator proposed by Norfolk County Council, when the local enterprise partnership suddenly waded in behind the county council.

I ask my right hon. Friend: can we have devolution, but can we also look very carefully at the idea of an elected mayor? Let us have devolution first, perhaps with a Minister for East Anglia. Perhaps that could be his colleague, the Minister for Housing and Planning, my hon. Friend the Member for Great Yarmouth (Brandon Lewis). Let us then move very cautiously before we turn to the election of a mayor. If I do not have an assurance from my right hon. Friend, it will wreck what is an absolutely outstanding Budget.

7.33 pm

**Alison Thewliss** (Glasgow Central) (SNP): The Scottish National party approach the Budget with some degree of success compared with last year, having secured measures relating to the tampon tax. We have not yet secured those on VAT relating to police and fire, but perhaps we can pursue them as the Budget winds its way through the House.

I am glad that this Government are picking up on the success of the Scottish Government, whose small business bonus scheme has for some years helped many small businesses across Scotland to survive in these very difficult times. We are now moving towards a considered review of business rates, but we are including the business community in the process and will take until 2017 to establish what the new system might look like. We are taking our time to get it right. Our Government like to consider these things more carefully and we do not like to jump, as this Government seem to do, from one crisis to the next.

Similarly, a cross-party commission on local tax reform has looked at council tax in Scotland. The cross-party review carefully considered all the different options relating to council tax and how we could make it a fairer system. The review took evidence, had public meetings and came up with a set of recommendations to which all parties could sign up. That had real credibility and an evidence base behind it. The right thing to do is to give clarity and certainty in order to try to make tax fair.

It would be good if this Government took on board that lesson, because they are so different from ours in Scotland. They are in chaos over welfare reform. There is a black hole in the Chancellor's Budget, and that is on top of the targets he has failed to meet. He is responsible for local government tax hikes—the social care precept is a tax hike by any other name. He also claims to be helping tenants by cutting 1% of social rent for those in housing association accommodation, but he is ignoring altogether the rise in private rents, which is contributing to the housing crisis in England.

Members may have heard me say during DCLG questions earlier that the Communities and Local Government Committee took evidence from Crisis and Shelter that suggested that soaring rents in the private rented sector are now the leading driver of homelessness in England. There are already 3,600 people sleeping rough every night in England, and that figure has gone up 30% in the past year. There has been a 250% increase in the past five years in the number of people who end up homeless because they cannot afford to pay their rent. We are taking a different approach to the issue in Scotland. Our recent housing legislation has provided greater protections for people in the private rented sector, as well as for those in the social rented sector who have long enjoyed protections.

Tenants are being forced into poverty. There is, of course, a place for the private rented sector in the housing mix, but in England families are increasingly being forced to rely on that sector. They have no certainty in their tenancies and they cannot afford to get by, while social rented properties are being sold off, left, right and centre, with nothing similar to replace them.

**Mr Gareth Thomas** (Harrow West) (Lab/Co-op): The Scottish Government have the power to control the housing market, so they could introduce a rent cap if they wanted to do so. Should not the regions of England have the same powers as Scotland to control our housing market, so that if our London Mayor and Assembly, for example, wanted to introduce more rent controls, they could do so?

**Alison Thewliss:** Yes, I think that would be a very useful idea. Rents in the private sector are soaring compared with those in the social rented sector, so it is

[Alison Thewliss]

perverse that this Government view the social rented sector as the source of the problem, not the acceleration of rents. That would be a useful power for local government in England.

It is evident to just about everybody outwith those on the Government Benches that the solution to the housing crisis is not starter homes of £450,000. A salary of £77,000 with a deposit of £90,000 is the going rate for these starter homes, but that will not exist in perpetuity for the next generation, who will go back into the very expensive retail housing market.

The Budget includes a welcome commitment to combat homelessness, but the funds involved are a drop in the ocean, given the size and scale of the housing crisis facing England. Virtually nothing is happening to encourage growth in the social rented sector in local government and housing associations. This Government are providing a sticking plaster when the patient needs urgent CPR. In Scotland, homelessness is falling and we are continuing to invest in the social rented sector, despite the cuts we face from the Government down here.

I will now turn to issues relating to devolution deals and draw Members' attention to the "Pitch Book" on the Scottish Cities Alliance website, which outlines the scale of the ambition for some of Scotland's cities. This Government could be doing a lot more to support growth deals in Scotland. Work is already going on in my own city of Glasgow and the partnership authorities in that city deal. That is making a significant contribution to the growth of local economies, and doing so in a sustainable manner that brings people on board and gets them back into work in communities that have been neglected over generations and that are still recovering from the cuts of the Thatcher years.

I reiterate my and my colleagues' disappointment about the Aberdeen city and shire deal. The plans were for an ambitious deal comprising a £2.9 billion infrastructure delivery programme and an associated investment fund. Members will appreciate our disappointment when the Chancellor could find only a measly £125 million down the back of the Treasury sofa. Aberdonians often get unfairly maligned for being thrown, but this Chancellor is in a different league entirely when it comes to being stingy towards a city whose oil has kept the UK economy afloat for years. There is news that the Inverness and highlands city deal may be announced tomorrow in Inverness, and I welcome that development. The people of Inverness and the highland region have been waiting for some time—since before the elections last year, in fact—to hear whether they will receive anything from the UK Government.

Significant investment is required to grow the economy of Inverness and the highlands, and to provide opportunities that enable young people to stay in the area. For too long, the brightest and best have had to leave the highlands to seek their fortunes elsewhere—[*Interruption.*] Especially my hon. Friend the Member for Glasgow North (Patrick Grady). The technological advances that we have in 2016 give us real opportunities to reverse that trend, which has damaged the highlands for so long. Doing so would not only allow local young people to stay in the area, but attract new families to enjoy the excellent quality of life afforded by that part of the world. Inverness deserves its share of UK Government

support to innovate and make changes. I urge the Chancellor and Ministers to be generous and to find the money that the area needs to stimulate growth.

Young people are making life choices as we speak. They are filling in UCAS forms and deciding where they will go to take their next steps in life. They need to know that in this Budget, the UK Government, as well as the Scottish Government, are thinking of their futures.

**George Kerevan** (East Lothian) (SNP): I want to follow up on city deals. Is my hon. Friend aware that at the back of the queue is the city deal for Edinburgh and south-east Scotland, which includes my constituency? The Chancellor and the Minister have made a great to-do about the fact that negotiations have been opened, but waiting six months before opening negotiations does not constitute an announcement. That is not an announcement; it is delay, delay, delay.

**Alison Thewliss:** I absolutely agree with my hon. Friend and with other colleagues from that part of the world, who are also here. I understand that the Edinburgh and south-east Scotland city deal team put in their bid in September last year. To open negotiations only now is an unacceptable delay in a region that needs that stimulus.

Select Committee reports on city deals have mentioned that they are often dictated by political imperatives. It seems as though Edinburgh's deal sits nowhere in those political imperatives. We have waited and waited with bated breath for an announcement on the Edinburgh and south-east Scotland deal, but we have had no certainty about how well the plans have been received. It would be good to have an announcement soon, because the purdah period for the Scottish Parliament elections is imminent. There will then be a further purdah period for the EU referendum.

The people of Edinburgh deserve to know how their deal is being received and when work can get under way. It would be a shame if the ambitious proposal in the bid for £1 billion to improve infrastructure, skills and innovation were put on hold by an EU referendum. That £1 billion of investment could unlock an additional £3.2 billion of private sector investment in Edinburgh and south-east Scotland. Because the bid team is working collaboratively with Edinburgh University, surely the potential impact of the city region deal to the UK's productivity and growth is deserving of an announcement of significant funds very soon.

There are fledgling deals in other parts of Scotland as well, and I would welcome early engagement by the UK Government in those deals. This morning, I met people involved with the Ayrshire growth deal, which involves ambitious proposals for the area to bring in greater science, technology and innovation and to make the most of the Prestwick hub—

**Alan Brown** (Kilmarnock and Loudoun) (SNP): And beyond.

**Alison Thewliss:** There is lots of potential in the area, and indeed in Kilmarnock. The growth deal should help to encourage young people to stay in the area and to make their lives there, and it should attract back families who have moved away.

There are many ways in which Scotland looks at issues differently. Our population of 5 million allows us fleetness of foot and innovative thinking. In local government, housing, homelessness, city deals and a host of other areas we can lead the UK. I hope that the SNP's involvement in this Parliament, however long or short that involvement may be, will allow Members to look to Scotland for ideas of civilisation.

7.44 pm

**Mark Pawsey (Rugby) (Con):** It is a pleasure to follow the hon. Member for Glasgow Central (Alison Thewliss) to speak in this important Budget debate. The Budget carries on the Government's good work of the last five and a half years and helps to secure our country's future—a future that is rosier than it would otherwise have been, thanks to the action that the Government have taken.

Let us look back to 2010 and the very serious financial position that the country faced before the election. Had the people not voted as they did, we would now face more borrowing, much more debt and higher borrowing costs. The welfare budget would have been out of control, public spending would have continued to spiral and the economy would have been wrecked.

It is a fact of life that Labour Governments always wreck the economy and that Conservatives have to come back in, clean up the mess and get our country back on track. The Budget carries on that work. The people understood that difficult decisions had to be made in 2010. They understood that at the election in 2015, and they understand it now. There have been significant achievements. In my constituency, unemployment is down by 90% over the past year and by 62% since the Government took office in 2010. The economy is moving in the right direction.

I will focus my remarks on the way in which the Budget affects local authorities through the devolution of business rates. Before first arriving in this place, I was a small businessman, and I used to receive a bill from my local authority for what I thought was quite a substantial chunk of money. That was not for services directly received—commercial waste collection, for example, is a commercial service, and we paid extra for it—but my bill arrived with the Rugby Borough Council logo on, so I consoled myself with the thought that the money was being spent in my community. That, of course, was not the case, because for a long time local government simply acted as a collection agent on behalf of central Government, and the money went back to central Government. I think it is ideal for local authorities to retain the business rate, and that is the right thing to do. I used to ask myself, "If the local authority does not retain the business rate, what incentive is there for the local authority to grant consent for new development and new businesses and to encourage the growth of the local economy?" Of course, there was none, but there is now.

I am very pleased that the Government will carry out a business rate revaluation. I support that, because I believe that any tax that is based on the value of property should be based on the current value, and that there should be regular revaluations. I note that the Government will publish a discussion paper with options for achieving that. I am pleased that the maximum threshold for relief will go up from £12,000 to £15,000. Some 600,000 small businesses will therefore never pay business rates again, which will save them almost £6,000 a year.

There are some issues in respect of the effect on local authorities. For Rugby Borough Council, the cost of doubling the relief for businesses with rateable values of up to £12,000 will be around £570,000. I hope that the Secretary of State or the Minister who responds to the debate will set out how the effect on local government will be dealt with. Analysis by Rugby Borough Council shows that there are 134 businesses in the borough with a rateable value of up to £15,000, from which it collects almost £900,000 in business rates. It is uncertain at this stage how many of those 134 businesses will qualify for relief, or what level of relief they will be entitled to. There is some uncertainty among local authorities.

I am further concerned that business rate relief will act as an incentive for local authorities to consent to larger, rather than smaller, business units. In my constituency, a big unit is relatively easy to provide, but there are fewer units available for smaller businesses that wish to grow and develop. If a local authority is faced with an application for a smaller unit from which it will generate no income and an application for a larger unit from which it will retain the business rate, it is not hard to see which route the local authority will take. I also fear that by creating a cliff edge as the rateable value increases, the relief might disincentivise small businesses from growing and developing.

7.49 pm

**Mr Stephen Hepburn (Jarrow) (Lab):** This sorry excuse for a Budget is falling apart in front of our very eyes, just like the Chancellor's reputation. Harold Wilson said that a week is a long time in politics, and by heaven doesn't the Chancellor realise that today? Just one week ago, the Chancellor was standing at the Dispatch Box flaunting himself as a future Prime Minister, but now what do we see? His credibility is devaluing faster than a banknote in a banana republic.

I do not see the former Work and Pensions Secretary, who threw the towel in, as any comrade in arms in the fight for fairness and decency. I welcome his conversion to our cause after six years of the most brutal attacks on the welfare state since its creation: attacks on the lower paid, the unemployed, the disabled, the young, the vulnerable and the weakest members of our communities; and the bringing in of policies such as the bedroom tax, which has seen three-quarters of the people affected having to cut down on food to be able to afford to pay it.

**Jim Shannon (Strangford) (DUP):** Parkinson's UK and Arthritis Research UK say that 682,100 people currently claim PIP. Of those, 200,000 have a musculoskeletal condition, which means they cannot dress or go to the toilet unless they receive help. That is just one example of disabled people who need help. Have the Government forgotten about these people?

**Mr Hepburn:** Yes, they have forgotten about them and such cases are replicated right across the UK.

The introduction of a benefit cap will cast an extra 40,000 children into poverty. There have been cuts to employment and support allowance, tax credits and housing benefit, and with the botched universal credit, more than 2 million families will see their benefits cut



[Mr Hepburn]

by £1,600 a year. The infamous work capability test targeted terminally ill cancer patients and those with severe learning difficulties to reach targets. I welcome the change of heart from the ex-Work and Pensions Secretary, who finally realises that it is morally reprehensible to persecute people who need help to just wash, dress or go to the toilet.

What is more, we are sick of the spin from the Chancellor, whether the northern powerhouse guff he keeps coming out with or him pretending to be the builder of the infrastructure in this country. Bob the Builder was funny, but George the builder is not, Lurking in factories or loitering on building sites wearing shiny hard hats and high-vis jackets, his trips around the country are nothing but public relations trips funded by the taxpayer.

All this is happening at a time when we are facing a housing crisis in this country. I remember first coming down to London and seeing people out on the streets as rough sleepers. We all thought that was disgraceful. Labour cleared that up, but what do we see now as we walk into Parliament these days? The very same thing we saw when the Tories were in power in the '90s—rough sleepers. It is a scandal that the fifth-wealthiest country in the world sees its priorities as cutting welfare for the weakest and increasing the number of rough sleepers by 50%, while lavishing tax cuts on the very rich.

I am proud to be a member of the Union of Construction, Allied Trades and Technicians. I joined when I was a building labourer, long before I became a Member of this House. I want to see the building of houses to sort out homelessness and the housing crisis, and I want to see infrastructure built for the benefit of everyone. But what do I see under this Government? I see rent rises in the private sector, council sector and housing associations brought about by a Government who persecute tenants. I see disgraceful threats to end the security of tenure to families who can be kicked out of their council houses, with kids ripped out of school and communities destroyed forever. I see the privatisation of housing association properties when the Government force them to be sold on the cheap. I see councils being forced to sell their best properties to spivs and speculators, depriving parents and children the chance to live in a nice area. I see the ludicrous first-time buyer scheme and the ridiculous belief that ordinary people can get on the property ladder by purchasing a house costing up to £450,000, which must be something like 18 times the average wage in my constituency.

I pay tribute to South Tyneside Council and Gateshead Council, who cover my constituency, for the work they have done to protect people from the cuts that have happened in the past and for what they will do in the future. Instead of building up the country and building a future for everyone in society, we have a Chancellor who is just digging his own political grave.

7.54 pm

**Lucy Allan** (Telford) (Con): I am really pleased to be able to welcome the Budget. This Budget delivers on the promises made to the people in my constituency in May. Let us take away some of the noise we have heard today and focus on the big picture of what is actually in the Budget.

This is a Budget for ordinary working people. This is a Budget for small business and enterprise. This is a Budget for Telford. Telford has a proud history of innovation, creativity and finding solutions to problems. We have a rapidly growing, dynamic small and micro-business sector with increasing numbers of people who are self-employed; people who are doing it for themselves and building their businesses from nothing. They are the job creators of today and of tomorrow.

More than 3,000 small businesses in Telford will benefit from the measures in the Budget to cut business rates. Sadly, for some, this help has come too late. I want to put on record the sad closure of Queenies Cupcakery in Ironbridge, which closes its doors in April after a long struggle to meet its business rates. However, the cut is just in time for many of the small kiosks in the town centre, which will welcome the news, as will Fabulous Hair in Dawley, Ketley Cod in Station Road and Zen Communications in Stafford Park. This is a Budget for them.

Telford is an area of low pay, where many people have little disposable income. People in Telford work hard. They take on extra hours; they take on two jobs to make ends meet; and they save for their family and their future. This Budget incentivises and rewards that ethos. By raising tax thresholds, 2,000 people on low pay in Telford will be taken out of tax altogether and many others will keep more of their hard-earned cash.

Working people in Telford support the Budget. In particular, they like the freeze on fuel duty. Be under no illusion: a freeze in fuel duty makes a massive difference to everyday life and ordinary household spending power for those on a small income in Telford. I remember three years ago going to Asda in Telford and spending 135p on a litre of petrol. Today, a litre of petrol costs less than £1. More people in Telford have money to spend. One has only to go to the retail park on a Saturday, as I did on Saturday, to see what I am saying. It is hard to get a place to park and there is a queue around the block to go to the Costa in Next. People in Telford are keeping more of the money they earn, and hard work is being rewarded. I welcome that and the people in Telford welcome that—and this is before the introduction in April of the national living wage.

This Budget supports business, rewards hard work and boosts household income. These are the big-picture measures for tens of thousands of working people in Telford. This is a Budget for them. What else will the Budget do? It will incentivise people to save for their future. For those under 40, the Government will give them £1 for every £4 they put away. This will help young people in Telford to save for a home or to start a family. The lifetime savings account is flexible, simple and gives people the opportunity for self-reliance. This is a measure for Steve, a teacher at Madeley Academy and a measure for Stefan, a care worker from Dawley. This is what we do in Telford: we try hard, we work hard and we want to get on. That is why this Budget is for Telford.

There are pockets of significant deprivation in Telford, which is why I am delighted to see in the Budget support to tackle homelessness. I want to pay tribute to a homeless charity that I support called Stay, which is celebrating its 25th anniversary next month.

This Budget enables people to make ends meet and to save for the future. It is a Budget for hard-working people, a Budget for business and enterprise, and a Budget for Telford. It is for those reasons that I wholeheartedly support it.

7.59 pm

**Mr Clive Betts** (Sheffield South East) (Lab): I want to get beyond the Budget headlines, which often lead to cheers from the Government Benches, and instead consider some of the details and try to get some answers.

I want to return to the point I raised in Communities and Local Government questions earlier, in an intervention on the Secretary of State and then in a point of order, because I still have not had an answer. The Government have said that local authorities will be compensated for the change to small business rates relief, which amounts to £1.7 billion in the next financial year—2017-18—and to similar amounts in years after. He said it was mentioned on page 84, line 15, of the Red Book, but that refers to the cost to the Government of the small business rates relief changes; it does not show how local authorities will be compensated for that loss by a section 31 grant. Will someone please show me where in the Red Book the section 31 grant is described as compensating local authorities?

**Barbara Keeley:** Does my hon. Friend agree that this is a very pressing issue? In Greater Manchester, the business rates retention scheme could be put in place as early as 2017. Will the Government even have finished the consultation by then? Where are we? We need to know where we are.

**Mr Betts:** Local authorities are entitled to absolute certainty. We can welcome the help for small businesses but not at the cost of local authorities and their services. If the Minister cannot explain this today, I hope that the Secretary of State, to whom I have written, can at least give us a written answer that can be made available to everyone else through the Library.

The Secretary of State went on to say that after 2020, because no grant will be available, compensation will be provided by a reduction in devolved powers to local councils, so that they will not have as many things to spend their money on—money they now will not get through business rates relief. It is a bit disappointing that the Government's way out is to reduce devolution. That does not seem to be consistent with their claim to be devolving more powers all the time.

More worryingly, on the change between the retail prices index and the consumer prices index, which comes into force in 2020, how on earth will the Government find a mechanism by which to compensate authorities for that change, given that it will vary year on year? How will they do it, when the only way to provide compensation will be by changing the devolved powers available to local authorities, which cannot be done on a yearly basis? Will the Minister please provide the mechanism and explain it to us?

There will be a fundamental problem here after 2020. If any future Government were to introduce the sorts of changes this Government have made to business rates, where would it leave local authorities? Their income would simply be cut, and there would be no means by which to compensate them because there would be no revenue support grant in existence. Local authorities'

devolved powers cannot be changed on a year-to-year basis. This does not just throw up the need in future to devolve receipt of business rates to local authorities; we also need seriously to consider devolving the right to set business rates and business rates assistance. If that is not done, this will be sham devolution, and it will raise the great risk of future Governments on a whim being able to change the system on which local authorities will rely for a good percentage of their income. This problem has to be thought through.

I turn now to the four-year settlement that the Secretary of State rightly offered to local councils for the rest of the Parliament. Where is that left by the £3.5 billion of efficiency savings the Chancellor announced in his Budget and the £4.4 billion of extra savings that presumably have to be found now that the PIP cuts are not being carried through? In total, it would seem to amount to an extra £7.9 billion that he will have to find. Can we have a categorical assurance from Ministers that this will not affect the four-year settlement offered to local councils? I hope that it will not once again be a case of giving local authorities certainty for the Parliament, only to come back within a few months and ask for more cuts, which would put them in an impossible position.

Moreover, are we going to see further cuts to the public health grant, which the Government have not preserved? In the last Parliament, the public health grant was initially—up to 2013—part of the health budget and ring-fenced accordingly, but it is now part of the local government budget, and already this financial year it has seen a one-off cut of £200 million. It is estimated that there will be £600 million more in real-terms cuts by 2020. Will the grant face any further cuts as a result of the Chancellor's need to fill the £7.9 billion black hole?

Finally, the Government have announced £115 million of help to tackle rough sleeping. It is a blot on our society and it is right that extra help is being given to deal with it, but to tackle homelessness properly—apart from the prevention at one end—we need more social housing to offer to homeless people. What do the Government have to say about the Chartered Institute of Housing's report stating that there will be 300,000 fewer social rented homes by the end of the Parliament than there were at the beginning? What about the evidence that St Mungo's gave to the inquiry by the Communities and Local Government Committee the other day stating that, unless the Government changed the link to the local housing allowance, all its help and provision for homeless people will have been closed by the end of the Parliament? That is a situation that no one can tolerate.

8.5 pm

**Paul Maynard** (Blackpool North and Cleveleys) (Con): It is a pleasure to be called to speak in this Budget debate.

In these debates, we normally have a chance to pick over the elements of a Budget of which we particularly approve, to consider and discuss them and to draw conclusions, and normally by the Monday the devil in the detail has been uncovered. I think we can safely say that this year that has largely been the case: we have found the devil, and the devil has been chased out of the room.

[Paul Maynard]

I would love to speak for the remaining five minutes about the importance of the northern powerhouse, about why it is about more than just transport infrastructure projects—important as they are—and about why devolution has the opportunity to be a visionary policy and how the Chancellor deserves immense credit for persisting with it. Owing to the pressures of time, I will focus on the elements that I think form a golden thread running through the Budget and the Government's approach.

We can call it compassionate conservatism, one nation, social justice, a preferential option for the poor—the title does not really matter—but running through everything we do as a Government and a party should be a concern for the people the state has failed; those who face challenges we might not face ourselves; those at the bottom of the pile, the low-earners; and those who might not always be at the forefront of our minds as we go about our regular business. If we want to be a party that can look itself in the mirror and believe it is doing its best for everyone in our country, we must meet that challenge.

We have to make sure that our values and principles apply equally across the generations, which is why it was so important that this was a Budget for young people as much as for old people. Focusing on every generation, and on the balance and links between them, and ensuring that the next generation has the chance to exceed the achievements of its parents' generation have to be the fundamental tests of every Conservative policy in every manifesto we put out. They should be at the centre of what we seek to do.

I heartily welcome the Government's decision to rethink PIP. I had real difficulty understanding how the limited technocratic changes to the points-scoring system in the PIP assessment could be squared with the large saving the Treasury was seeking to derive from the PIP changes. I am glad we are not going down that path now.

I welcome our remaining a party committed to halving the disability employment gap, but I am realistic enough to recognise that it will require some radical policy reform to ensure that the complex needs of people trying to find work are adequately assessed and met so that we help them back into work. Moreover, we have to recognise that a significant number of people on a benefit such as PIP will never be able to return to work, and we must be ultra-careful in this place not to fall into some inadvertent utilitarian trap that sees those who cannot return to work as somehow being less deserving of our sympathy and financial support. Many who are in work rely on PIP to stay in work—it is a working-age benefit; it is not means-tested. Equally, however, many are not in work and never will be. They will face a life reliant on the state, but that is not necessarily a bad thing or something to be ashamed of.

We need to do more to ensure that money is spent in a way that is aligned with incentives and that the most vulnerable within a vulnerable group are looked after. Those with every chance of returning to work are no more worth while than those who are not. There is no hierarchy of human value in our welfare state. The benefits system should not be seen as a greater opportunity for savings among the economically inactive.

It genuinely staggers me, though, that the Labour party is a bystander in this debate. Labour Members talk the language of welfare reform, but they have no ideas at all, other than to get out the national credit card, time and again, to pay for every U-turn. I have said in the past that to make real progress on disability policy, there needs to be cross-party agreement. I look to the Labour Benches to try to decide who might be brave enough to make that step—to dispense with the ill will and malevolence and to come forward with some real proposals to find that cross-party support. I do not see it yet.

8.10 pm

**Mr Ivan Lewis (Bury South) (Lab):** I want to focus my contribution on the devolution deal for Greater Manchester. I welcome the principle of local politicians and communities having far greater control over the policies and funding that affect their localities. It is right that we have a much greater opportunity to shape our own destiny and build a world-class, fair and prosperous Greater Manchester. However, as we take greater responsibility, the Government, and especially the Chancellor, must understand that we are not prepared to be set up to fail or to collude with policies that are plainly wrong. Greater Manchester's political leaders are right to do business with the Government, notwithstanding, in most cases, serious political differences. However, I have come to the conclusion that, in some key areas, the combined effect of the devolution deals so far is flawed. We must negotiate a new, fairer deal that enables us to tackle the inequality that has left too many people and communities behind.

On skills, it is essential that we raise our game in Greater Manchester, so that we can tackle the scourge of worklessness, improve poor levels of productivity and ensure that people living in our communities benefit from the future jobs that businesses will create at the cutting edge of the technological and green revolutions. The current devolution deal only gives Greater Manchester control over 19-plus education. This is nonsense and is setting us up to fail. I want local authorities and the mayor to have the power to support school improvement through a properly funded schools challenge, on a par with London, to build a 14-to-19 phase of education with a high-quality vocational offer and to have greater flexibility to work with employers on apprenticeships. If the Government are serious about supporting Greater Manchester to tackle the scandal that is 25% of children living in poverty, they will provide additional funding so that we can expand early childhood development programmes, not cut them, as is happening now.

On health and social care, we have agreed to create an integrated care and support system. However, we have a £2 billion NHS funding gap in Greater Manchester. Cuts to council budgets are severely restricting access to social care, and community mental health services are in crisis. In many areas, preventive services, often provided by voluntary organisations, are being cut to the bone. On top of that, we have no guarantee that the Treasury will not cut our funding further in the future. A fair deal would mean NHS England more than doubling the transformation fund established to support those changes in Greater Manchester, from the current £450 million to £1 billion. Any deal must also make it clear that in Greater Manchester we vehemently oppose the privatisation of the NHS.



Let me turn to business rates. I strongly support the principle of money raised in Greater Manchester staying in Greater Manchester. Indeed, in the longer term, devolution must mean greater fiscal autonomy on a much broader level. However, at the same time, Government cuts to councils' grant aid and the disparity in revenue generated in the different cities and towns of Greater Manchester increase the risk that the deal will increase inequality, not reduce it. A deal that is fair must put in place transitional arrangements to ensure that the cumulative impact of 100% rate retention, combined with cuts to Government grants, does not disadvantage any of our 10 Greater Manchester authorities.

In some parts of our conurbation, the decline of town centres has damaged both economic opportunity and civic pride. Despite being identified as a priority in negotiations between Greater Manchester and the Government, bids for town centre renewal funding have so far been rejected by the Treasury—another flaw. A fair deal would recognise the importance of towns and district centres across Greater Manchester. Finally, the devolution deal is silent on accountability and public participation. While some of these issues require resolution at Greater Manchester level, a fair devolution deal would include funding to enhance public involvement and the accountability of the mayor and the cabinet.

A new, fair devolution deal is essential if Greater Manchester is to reduce inequality and become a world-class conurbation for all its people. This Budget reaffirms the Government's commitment to a northern powerhouse, but I must warn Ministers that it has all the hallmarks of the big society—a tarnished brand, fatally undermined by reality. Disproportionate cuts and policies such as the forced academisation of our schools make a mockery of the northern powerhouse; indeed, we would be a northern poorhouse if it was not for the innovation and commitment of our local councils and communities. It is for that reason that our leaders in Greater Manchester have been right to be pioneers for devolution, but the time has now come to demand a fair, not a flawed, devolution deal.

8.15 pm

**Mr Robert Syms (Poole) (Con):** I have sat in this House for a period of time, and Budgets come and go, but what is important is the direction of the country over a period of years. When we came into office in 2010 in coalition, we inherited the largest peacetime deficit—nearly 11%. That required some tough measures and also some persistence, but fortunately the Government have been quite sensible. They have not pushed the deficit down in four years, as we heard earlier in the debate; they have done so with regard to the real economy. We now find that the budget deficit over the next year or two will be down to the levels it was at pre-crash, before 2007. It is not caring or even very sensible to run large deficits or build up large debts for future generations.

The Government have met many spending commitments. In the course of the last six years, they have managed to reduce the tax rate, particularly on many of the lower paid, but the backdrop is that they have done something that many were sceptical about: they have created a jobs miracle. The British economy has performed tremendously well over the past six years at creating jobs. Compared with the rest of Europe or the rest of the world, we have

done a fantastic job. That is because employers have been sensible and employees have been sensible, sometimes accepting the fact that they have to be more productive or accept lower pay rises, but it is also because the Government's policies of ensuring a combination of welfare reform and pushing up allowances—the rate at which people pay tax—have provided a big incentive for people to take employment.

There were two events on Wednesday: one was the Budget, but the other was the employment figures, which I want to focus on briefly. We have employment in Britain of 31.42 million—a record. That is a massive number of people, and it is up nearly half a million over the last year. We have real wages growing at 2.1%—above inflation—which means that living standards are slowly starting to recover, albeit perhaps not fast enough. In this Budget, the Government have again pushed up the allowances before people pay tax, but they also have proposals for a living wage, which should help to repair living standards, which we all want.

The number of people in private sector employment is 26.1 million—a record level. The claimant count has fallen in the last year—102,500. Even youth unemployment is down, while the number of those on unemployment benefit is down to its lowest since the 1970s, so there is a pretty good record on what is happening in the British economy. The Government have created a framework and they have the stability and a plan—a long-term economic plan. Employers have been able to invest, employees have taken sensible decisions, and we have got a lot of our citizens into work. We all know that one of the best ways out of poverty—one of the best ways for people to skill themselves; one of the best ways to get the most out of life—is, for those who can, as my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) said, to be given a job. That gives people hope and an opportunity for the future.

I do not think we say enough in this House about how the British have done well. If we look in the back of *The Economist*, as I occasionally do, at the relative rates of unemployment and employment across Europe, we see that Britain's unemployment rate is lower than Germany's, which one would not have thought. Our unemployment rate is only a little above that of the United States, which has been recovering pretty well. Indeed, the chances of getting a job in this country are far better than in most countries across Europe. If there is a problem of people migrating to try to get into Britain, it is for reasons: we speak English and it is easy to get employment. Our employment market is far more flexible and robust than most of those in the continent of Europe.

When I looked at the Red Book and the other financial documents that were provided, I was glad to note that the Government were assuming that, although the rate of growth would slow as productivity picked up, we would still end up with unemployment below 5% over the next two to three years. That constitutes a real success of economic policy, changing people's life chances and giving them far more opportunities to make the best of their lives.

This is a Government for hard-working people, and long may it remain so.

8.20 pm

**Jo Cox** (Batley and Spen) (Lab): As is now abundantly clear, the Budget was developed with short-term politics in mind rather than compassionate, long-term economics. On one level, we have to admire the sheer audacity of the Chancellor: the audacity of someone who genuinely thought that he could get away with rewarding Tory donors in the City with a cut in corporation tax while attempting to cut benefits for disabled people, get away with cuts affecting those who were least likely to vote Conservative while sticking to his mantra that “we are all in this together”, or get away with preaching about the northern powerhouse just as the Department for Business, Innovation and Skills closes its Sheffield office and moves all 200 jobs to London. Today, all that he has got away with is shirking his duty to come to the House and account for his failure and the black hole in his Budget, and his reputation is now in tatters.

There was never any compassion in trying to cut the benefits of 370,000 of the most vulnerable disabled people in our society by £3,500 a year. As we know, this Government have always hit disabled people hard, through the bedroom tax and cuts in employment and support allowance, but I would have had much more sympathy with today’s U-turn had it been based on the warnings from charities such as Sense, which called last Wednesday’s Budget a

“bleak day for disabled people”.

A constituent of mine is disabled, and determined to carry on working. The personal independence payment helps him to do that. When he gets home, his joints are so stiff that his wife has to help him go to the toilet and have a bath, yet he is determined to go on working. He wants to keep working because he wants to keep his dignity; the Chancellor wanted to take it away. The Chancellor has performed a U-turn, not to help my constituent and help him to keep his dignity, but in an attempt to keep his own dignity. All that we need to know now is who he will pick on next in order to fill the £4.4 billion hole in his Budget. We can be sure of one thing: even after today, the most vulnerable in our society will continue to pay for the Government’s failures.

Let us take the announcement of business rates relief. On the face of it, the announcement was good news for small businesses in my constituency, but our local councils could find themselves cutting more services for those in need in order to make up the shortfall in their budgets. In my local area, we are proud to have more small and medium-sized businesses in the economy. In Kirklees, small business relief accounts for 11% of net rates income, as opposed to 4% in England as a whole. When 100% retention is introduced and the promised compensation for the loss of income ends, the council will be stuck once again, trying the balance the books to pay for a short-term victory for the Chancellor. As my hon. Friend the Member for Sheffield South East (Mr Betts) explained so clearly, despite the vague assurance that we heard today that councils would be compensated, the Red Book includes no explanation of where the money will come from and how long it will last.

The Chancellor was no less audacious in telling us great things about the northern powerhouse. If only we could believe him. Electrification of the trans-Pennine rail route would be a crucial development, but the project has been announced, cancelled, re-announced,

delayed, and then re-announced once more, and we still have no clear commitment from the Chancellor as to when it will happen. There is nothing clever about announcing big investments and then running for cover when it comes to their implementation.

Indeed, work has only just started on 9% of the projects in the Chancellor’s infrastructure pipeline. A lack of infrastructure investment fuels poor productivity. Like so many of the Chancellor’s audacious predictions, productivity forecasts—as we now know—have been revised down for the next five years, and, once again, it is the north that suffers as low productivity strangles economic growth, holds back wages, and delays the much-promised recovery. The output of the Leeds city region is now 12% behind the national average.

I am afraid that I can feel no compassion for this Chancellor. He wanted the poorest fifth in our country to lose an average of £550 a year, while the richest fifth gained £250.

**Barbara Keeley:** My hon. Friend is making a great speech, but could she touch on the subject of the Women Against State Pension Inequality Campaign? Women up and down the country must have been very disappointed that the Budget contained no move towards them. Those women, born in the 1950s, are really suffering.

**Jo Cox:** I could not agree more. There was also nothing for long-term social care, nothing for the NHS and nothing for the next generation, despite the Chancellor’s rhetoric.

In fact, the Chancellor was playing politics with some of the neediest people in our society. Those who put politics before economics take a risk. The Chancellor had obviously started to believe some of his own press; I wonder whether he still believes it tonight. He got the economics very wrong, but he also got the politics wrong. He should now come back to the House with a package that addresses the real long-term needs of the country, not his own short-term aspirations. He should stop playing politics, and start planning for an economy that works for the benefit of all, not just his wealthy mates. If he cannot do that, he should have the courage to say so and take the consequences, rather than asking others to pay for his failures.

8.26 pm

**Iain Stewart** (Milton Keynes South) (Con): Before addressing the main Budget issue that I want to discuss, I want to mention two announcements in the Budget which, although small, are of great significance to two institutions in my constituency: Bletchley Park and the Open University.

The award of £1 million will allow Bletchley Park to establish a major new exhibition of the Turing-Welchman bombe, which helped to break the Enigma cipher during the second world war. Let me take this opportunity to congratulate Iain Standen and his team at Bletchley on all that they have done to transform it into a world-class heritage site, and to secure its legacy for generations to come. I warmly invite any Members on either side of the House who are seeking a distraction from political storms during the Easter recess to visit Bletchley Park, and to see for themselves how this vital part of our nation’s heritage has been transformed.

I also thank the Chancellor for announcing a measure that will help another world-class institution in Milton Keynes, the Open University. The extension of the eligibility for Masters loans to include three-year part-time courses with no full-time equivalent is very welcome. The Open University had been worried that the absence of such a provision would have a detrimental effect on numbers for the 2016-17 academic year, but the Chancellor's announcement will help to secure its future.

The main issue on which I want to focus today is not only the long-term future of Milton Keynes and the surrounding area, but the wider national benefit. Announcements are sometimes hidden in a Budget's small print and can make unwelcome surprises, but I was delighted to discover on page 82 of the Red Book the decision to ask the National Infrastructure Commission to

“develop proposals for unlocking growth, housing and jobs in the Cambridge – Milton Keynes – Oxford corridor.”

I have long argued that we should be looking at the huge economic potential of that arc and I am delighted that the commission will now be focusing on it. I welcome the acknowledgement in the terms of reference issued by the Chancellor that the commission should work not on its own, but in collaboration with local stakeholders, including Network Rail, the local enterprise partnership, and further and higher education. A number of exciting projects to develop the arc are already under way. I am chair of the east-west rail all-party parliamentary group and the new rail line will unlock huge economic growth, tax revenues, new jobs, and connectivity within the region. The Department for Transport is also exploring options for the Oxford to Cambridge expressway.

In addition to traditional transport infrastructure, we are innovating the intelligent mobility solutions of tomorrow. We have the Transport Systems Catapult in Milton Keynes, and the Open University and others are developing the MK Smart project. Such schemes will unlock the digital and hard-infrastructure improvements of the future, and it is important that the National Infrastructure Commission takes that work into consideration.

This is about more than just transport. The MK Futures 2050 Commission, ably chaired by Sir Peter Gregson of Cranfield University, is looking at housing, education and training, energy, water supplies and the many other factors that are needed to support economic growth and to preserve the local environment and designs that have made Milton Keynes a success. We celebrate our 50th anniversary as a new town next year, and the MK Futures 2050 Commission is looking at the 50 years beyond that. I also draw the National Infrastructure Commission's attention to the Centre for Cities report on fast-growing cities, which was published just a couple of weeks ago and contains important findings that the commission should consider.

I echo the vision set out in the terms of reference. It notes that we already have

“global centres of research expertise in Oxford and Cambridge and advanced manufacturing and logistics in Milton Keynes”

and that we should

“maximise the potential of the area as a single, knowledge-intensive cluster that competes on a global stage”.

The terms of reference also acknowledge that

“Institutions to strengthen governance across the corridor”

are necessary. I strongly echo that point and my one ask today is for a meeting with the Secretary of State for Communities and Local Government to discuss the matter. We need local devolution across the corridor. We must be able to compete with the northern powerhouse and the west midlands engine, and there are important debates to be had about that.

8.31 pm

**Mr Jamie Reed** (Copeland) (Lab): It is not often that those of us privileged enough to gain membership of this House witness a political statement that destroys a political philosophy. Last week, however, the Chancellor's Budget statement did precisely that when it destroyed the philosophy of compassionate conservatism. Compassionate conservatism has been killed stone-dead and, at a stroke, the Chancellor has re-toxified the Conservative party. The nasty party is back.

We have a Chancellor who introduced a Budget last week that was morally wrong, politically stupid and economically incompetent. The Chancellor has missed every target that he has set for himself. He sets his own tests, he marks his own tests, and he then proceeds to fail every single test. This vainglorious Budget contains a clear national vision, a vision that the Government have been rolling out at speed in every policy area. It is a national vision that balances the books on the backs of the poorest and most in need. It is a vision built upon mortgage debt, hollowed-out public services, collapsing councils, decrepit adult social care, rising child poverty and defunded children's services. It seeks as a matter of principle to strip the national health service of the funding it needs while actively misleading the public at every turn.

It is remarkable that it has taken the resignation of the former Secretary of State for Work and Pensions, the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith) to illustrate this flawed, nasty national vision, because we have been told for years that the right hon. Gentleman is on the right of his party, but he has outflanked his Chancellor on his left in recent days. The Chancellor has disappeared. He was unable to make his sums add up or to defend himself or explain his own incompetence. The Chancellor is in the bunker, sat in the ashes of his incinerated ambitions. He is a man who has placed his personal ambitions and the electoral calculations of the Conservative party above every single consideration for the national good.

I was a boy when the former Secretary of State for Work and Pensions was described by Prime Minister John Major as one of the “bastards” outside his Cabinet. Thatcherism was entering its final days back then, but it is back, making sure that austerity works for the rich while punishing the poor. Millions of people all over the country now see this Prime Minister and this Chancellor in precisely the same way as John Major saw his Maastricht rebels. The Budget fails our country, it fails my constituents and it fails every community in west Cumbria.

Before the Budget I wrote to the Chancellor setting out again what my community required from him on infrastructure, on our local NHS, on the second phase of the West Cumberland Hospital and on NHS recruitment, yet only a deafening silence followed. Thanks to our locally produced, real, long-term economic plan, established by me over 10 years ago, west Cumbria now stands on



[Mr Jamie Reed]

the verge of a truly transformative era. We have the opportunity to become one of the fastest growing sub-regional economies in the whole country. The single biggest private sector investment Cumbria has ever seen, in the shape of new nuclear reactors at Moorside, presents west Cumbria with remarkable opportunities. The project has taken over 10 years to reach this point and meaningful Government assistance could expedite progress.

The A595 is the main road artery in my constituency and the industrial Cumbrian coast. The road cannot cope as it is, but the increased population and works traffic resulting from Moorside will put even more pressure on it. The case for improving the road is overwhelming.

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): West Cumbria is part of the north, so is there any sign of the great northern powerhouse over there? We are yet to see it over in the north-east.

**Mr Reed:** I am grateful to my hon. Friend for that intervention. The fact is that the north will succeed despite this Government, not because of them, but we could have a whip-round to buy the Chancellor a map to explain to him where the north actually begins and ends.

My local health economy is currently engaged in the success regime process, which is already being undermined by Ministers in the Department of Health. A necessary body of work—working out how we adapt the Cumbrian health economy to best meet the needs of such a challenging geography and a dispersed population with specific needs—is becoming fatally compromised by the refusal of Ministers to listen to those who have been tasked with undertaking the success regime. To secure the outcomes and achieve the improvements that the clinicians and other experts within this process want, the system requires more resource. This is simple and obvious, and the request is being made, but the response from the Government so far has been a resounding no. Without additional resources, the success regime will fail, yet this Budget offers no help for our effort to recruit more health professionals; to finish the redevelopment of West Cumberland hospital; and to finally achieve the ambitions of everyone in Millom for our local hospital services or of the public and patients concerned about future services at Keswick, Maryport, Cockermouth and Workington hospitals.

**Barbara Keeley:** Is my hon. Friend as concerned as I am that two more cuts to the NHS will hit and cause extra pressures? There will be £650 million of pressure from the pension contributions that have to be paid for NHS staff and a £1.1 billion cut in the maintenance and repairs bill for the NHS. All of that will have to be found.

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. A great many people wish to speak in this debate. Every time there is an intervention—and these have been too long—another minute goes by and somebody else drops off the end of the list. Just so long as hon. Members know that when they make interventions, the time available for the debate does not increase but merely prevents their colleagues from speaking. I am not saying for a

moment that the hon. Member for Worsley and Eccles South (Barbara Keeley) has done anything wrong. She is perfectly entitled to intervene, but I merely point out the consequences.

**Mr Reed:** Thank you, Madam Deputy Speaker. I appreciate my hon. Friend's intervention and I share her misgivings. Let us make no mistake about the message being sent to the NHS in Cumbria—this Government are saying that people in Cumbria have to make do with a defunded NHS that cannot provide the same level or standard of care that the rest of the NHS does in terms of quality or accessibility. If that is true, the notion of a truly national health service is yet another casualty of this Prime Minister's twisted national vision.

The future of Copeland—the most remotely accessible constituency from Westminster in England—and west Cumbria is brighter than it has ever been. As I said earlier, that is despite, not because of, this Government. With investment and support from Government, we can remove the barriers that are preventing us from achieving our vast economic potential. The achievement of this potential is in the national interest as much as the local interest. West Cumbria can help, perhaps better than many other areas, to rebalance the national economy, secure our national energy supplies, help us to fulfil our environmental objectives and attract massive, truly significant overseas investment.

Finally, let me say that this rotten Tory Budget has been made possible only because my party failed to convince the British people to trust us at the last general election. The consequence of that failure is this Budget and more like it between now and 2020. These Budgets damage our communities, they damage those most in need and they damage the life chances of the very people that my party was founded to represent. On the Opposition Benches we must listen to the people of this country, regain their trust and, by any means necessary, ensure that we are in a position to earn their confidence and support at the next general election. Because wherever you are in our country, whoever you are, and whatever your background, race, ability or circumstance, you deserve better than this Government, and it is the job of my party to provide precisely that.

8.38 pm

**Chris Green** (Bolton West) (Con): Last week, the Chancellor delivered a Budget that will ensure our continued economic recovery following the great recession—the worst since the great depression. Figures show that our economy is expected to grow faster than any other advanced economy, and that is very welcome news, but we must ensure that all parts of the country share in that growth.

Unemployment has fallen again under this Government, and the claimant count for out-of-work benefits is at its lowest level since November 1974. Employment is growing fastest in the north-west, and my constituency of Bolton West has seen the unemployment rate fall to 2.6%. Although I appreciate that more needs to be done, we have an economic stability that is reassuring for our businesses and manufacturers, creating the confidence that they need to continue to invest and thrive in Britain. Businesses have created more than 2.7 million new jobs, and the private sector has created six jobs for

every one lost in the public sector. Stability is especially important for industrial recovery as investment in training, plant and machinery requires long-term confidence because the costs involved are high, especially by comparison with other sectors.

With employment in the north-west growing faster than in the rest of the UK, we can clearly see that the northern powerhouse is delivering the skilled jobs that provide the foundations for a better economy. The Budget seeks to increase the connectivity of the northern powerhouse through a strong transport infrastructure network. The green light has been given to the High Speed 3 link between Manchester and Leeds, and an extra £161 million was announced to upgrade the M62 to a four-lane smart motorway and to upgrade the A66 and A69. Work is under way on the Mersey Gateway project, which is set to conclude in the autumn of 2017, with a six-lane bridge over the Mersey between Runcorn and Widnes. We have had funding to upgrade the A5036 Princess Way—through Seaforth and Litherland—which links Liverpool's ports to the motorway network, and is key for an increased manufacturing and export-led economy.

Our rail services in the region are also set to improve, with the electrification of the Manchester to Liverpool line and the ongoing work between Manchester and Preston to help to provide a reliable and sustainable railway and tackle overcrowding. My constituents have experienced delays as a result of the electrification process, but appreciate the reasons for it. None the less, I urge the Government to consider providing more carriages until that work is finished. The Budget also announced plans to develop the case for a tunnel to link Sheffield and Manchester, which will be appreciated by anyone who finds that their route takes them over Snake Pass—especially in winter. All that investment in connectivity and infrastructure in the north is enabling the rebalancing of the British economy and providing the foundations that we need for the northern powerhouse to prosper.

The plans for further devolution to our cities is continuing with the transfer of criminal justice powers to Greater Manchester. The original police and crime commissioner role merely replaced the police authorities, but this reform gives the potential for changes to better reflect local needs and allow increased innovation. We need a system that prevents people from getting involved in crime in the first place, and that reduces stubbornly high reoffending rates. Devolution provides opportunity for the north, as it moves power away from Westminster and brings it closer to the people. The mayor of Greater Manchester will have more powers than the London Mayor, and we need to make sure that those powers will be exercised in all our interests and improve services across Greater Manchester. The Government has delivered for this generation, and the Budget now ensures that it will also deliver for the next.

8.43 pm

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): I do not want to speak at length this evening, but I do wish to add my voice to the chorus of congratulations that has greeted this Budget from all parts of the House. Certainly, in the 12 years that I have been in this House, I cannot remember a Budget in which so big a hole has opened so fast, which is why it is perfectly natural for it to have provoked such a hymn of praise.

According to the right hon. Member for Haltemprice and Howden (Mr Davis), when one starts picking the details apart, the whole thing falls apart. The hon. Member for South Cambridgeshire (Heidi Allen) said that the Government had made some poor decisions. Over the weekend, the hon. Member for Brigg and Goole (Andrew Percy) said that this was a Budget that hit exactly the wrong people. According to *The Times*, Members of Parliament, who were presumably once supportive of the Chancellor, now say that he is a “busted flush” and “damaged goods”. Let me associate myself with this new consensus breaking out right across the House.

I also congratulate the Chancellor on going to such lengths to, in his words,

“put the next generation first.”—[*Official Report*, 16 March 2016; Vol. 607, c. 951.]

That was a pithy message, and he has presided over an economy where that is exactly what has happened. This is now the first generation to be worse off than the generation that came before them. This is now the first generation to be more likely to live in poverty than pensioners. Today's young generation are the first generation to have to work years longer in order to earn their pension. Young people today are the first generation to graduate from university with over £50,000 of debt. This was indeed a Budget for the next generation, but not quite in the way the Chancellor presented it. In fact, it was just the latest from a failed generation of Conservative politicians.

For me, the final proof was this: if the Chancellor wanted to do something for the next generation—if he truly wanted to put the next generation first—he would surely have done something significant, perhaps even magnificent, for Britain's youngest city, which is of course my home city of Birmingham. Instead, we have a Conservative Birmingham bombshell of over £100 million of tax rises and spending cuts. That is the how the Chancellor has put Britain's youngest city first. The Government now admit—this is the irony—that the great city of Birmingham needs a fair funding formula. In fact, they are so convinced of the need for this new funding formula that they are determined not to introduce it now but in a couple of years' time. This short-changing is costing our city some £98 million in lost grants. Indeed, there would be almost no need to introduce cuts in this year's council budget were it not for that short-changing.

**Jack Dromey:** I am grateful to my fellow Birmingham MP for giving way. The great city of Birmingham has been hit by the biggest cuts in local government history—three quarters of a billion pounds. Had it been treated fairly this year, it would have been £98 million better off. Does my right hon. Friend share my concern, and that of the people of Birmingham, that although we put a powerful case to the Government for support out of the transitional fund, 95p in every 100p goes to Conservative councils, but not one single penny to hard-hit Birmingham?

**Liam Byrne:** My hon. Friend is absolutely right. It takes some doing to sit in Whitehall and write a formula that means that pretty much only Conservative councils get the money, but I take my hat off to the Secretary of State and the Chancellor for somehow finding a way of doing it.

[Liam Byrne]

The problem is not just that £98 million was short-changed from the budget for Birmingham this year, but that because we have a weaker tax base in our city, we have to raise significant extra resources from the social care levy, costing us another £5.5 million, and that despite the fact that our police service is on one of the most dangerous frontlines, we have had £10 million of cuts to its budget this year. Altogether, the total is £113 million. This is a bombshell that the people of Birmingham will not forget.

Whoever is winding up this debate should recognise that there are some significant questions that we from our home city need answers to. We would like to know why we have not got any of the transitional funding that went to others. We want to know whether, if we agree a four-year funding settlement, our budget will be put into play in 2019-20 as part of the £3.5 billion of efficiency savings earmarked by the Chancellor last week. This is a significant issue for councils up and down the country. If they agree four-year funding settlements with this Government, will they be protected from the new £3.5 billion efficiency drive that the Government announced last week? Yes or no is the simple answer. Birmingham is up for the challenge of business rate retention, but we need much clearer answers than we got earlier about whether the gaps will be made good. Will Ministers confirm whether the OBR's assumptions that there will be a 14% increase in council tax over the next four years are true? Do they share those assumptions?

The Labour party in Birmingham is rebuilding our city and getting it back to work, delivering record numbers of new businesses, record amounts of new investment, and record new infrastructure. We have built more council homes than any other council in the country, we have got over 3,000 young people into work, and we promised and delivered the living wage on day one of the new Labour council. Give us the tools and we will do the job!

8.49 pm

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): It is a pleasure to follow the right hon. Member for Birmingham, Hodge Hill (Liam Byrne). He claims everything for the Labour Administration in Birmingham, but he cannot claim that they had anything to do with High Speed 2 finishing in the city. Sadly, HS2 goes through my constituency and causes a great deal of grief.

It is a pleasure to welcome the Budget, and I do so in the knowledge that the British economy is far stronger because when we came into government in 2010—albeit as a coalition Government—we took difficult decisions, and the British people reacted positively to a Conservative vision for the country. They reacted by starting businesses, creating jobs, and embracing a long-term economic plan. The phrase “long-term economic plan” is oft mocked for its repetition, but it is responsible for the emergence of sound public finances that provide the security that people want—a welfare state that works, an NHS free at the point of need, a good education system, and security in old age, all of which we have on offer in the UK.

I wish to mention a couple of points that perhaps have not featured in other people's contributions, and to thank the Chancellor for two announcements in the Budget that are personal to my constituency. First, for several years I have worked with my constituent Peter Dodd and with Zero-m to gain a lower clean fuel duty rate for aqua methanol. This fuel, which produces virtually no particles, or NOx, and much reduced carbon dioxide, should now be able to play a great part in reducing street-level pollution in our cities. The tax changes had been postponed for bureaucratic reasons, together with a new Treasury review of a 2013 European Court of Justice ruling—another example of how the EU holds back innovations in the UK, because the measure could have been introduced much earlier.

I was therefore delighted when the Chancellor announced the new reduced rate at the originally planned 7.90p per litre, which is a significant reduction from the standard rate of 57.95p and will be introduced from 1 October 2016. That will enable aqua methanol to be brought to the market, since it will finally be on a level playing field with other clean burning natural gas based fuels, such as compressed and liquid natural gas.

Secondly, I currently chair a cross-party limb loss forum that is working to improve access, quality and research in prosthetics and wheelchair services, as well as rehabilitation. We are pleased to welcome the announcement of £1.5 million of investment in sports prosthetics for children, as well as a fund to develop innovative prosthetics for the NHS. Pace Rehabilitation is a company with a base in Chesham in my constituency, and it works across the board with people with limb loss. Its attention to detail and ability to tailor its work to meet individual needs is exceptional, and I have been privileged to meet amputees who, thanks to its work and that of many others, can live their lives to the full and even ski, cycle and snowboard again. Indeed, I understand that Pace prostheses have been walked to both ends of the world.

Today is a day for the Department for Communities and Local Government. Like other councils, Buckinghamshire County Council remains concerned about the impact of the Budget. A large worry is the prospect of further cuts downstream to meet the Chancellor's Budget surplus targets, particularly in the light of recent developments. The council has applied for a four-year settlement that would help to alleviate the uncertainties, but there is no guarantee that it will be forthcoming. There are concerns about the impact of the small business rates relief announcements, so I hope that during the consultation the compensation that DCLG officials have indicated will be forthcoming will be confirmed.

The announcement that all schools will become academies is also causing concern, particularly among those in the area of special educational needs. What does it mean for the role of local authorities in providing additional support for those with special educational needs if they have no power over any of their local schools? Could we have clarity from the Minister about how support for SEN will work?

Finally, I am concerned about the implications of these measures on social care, and the National Autistic Society, with which I work, is facing concerns about



the future of care homes and companies. Will the Chancellor provide an assessment of the gap in care funding between now and 2020?

All in all I welcome the Budget, but I could save the Chancellor a great deal of money and fuss. There is one project that could be axed that would put a lot of money into Treasury—and that, of course, is HS2.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I am afraid that I have to reduce the time limit to four minutes.

8.55 pm

**Derek Twigg (Halton) (Lab):** If we go back to 2010, when Labour left office, the economy was growing and unemployment was falling. Unfortunately, the Chancellor's inept handling of the economy meant that we had a longer recession and lower growth for quite some period after that. In terms of his record in the last Parliament, he failed on his borrowing target and he failed on his deficit target. In this Parliament, he has missed his debt-to-GDP target and his welfare cap target. His surplus forecast for 2019-20 will be achieved only with some very creative accounting and sketchy assumptions. In fact, Paul Johnson of the Institute for Fiscal Studies has said that the chance of the Chancellor hitting his target was

“only about a 50-50 shot”,

and that he would need to impose “proper” tax rises or spending cuts if there was any further downgrade in public finances.

In relation to today's discussion about cuts for the disabled, we have already heard that there have been £24 billion of cuts for disabled people since 2010. Under cuts to the ESA work-related activity group, which were forced through Parliament recently, 500,000 disabled people will lose £1,500 a year. The real reason why the Government have today backtracked on their further cuts, particularly to PIP, is that they were going to lose the vote. A number of their Members were already rebelling, and they have also been hammered by what the Labour party and the public have said in recent days and over the weekend. I cannot believe that the Government actually had the face to try to push through the cuts in the first place. It is quite incredible that they thought they could get away with it.

One thing the Government failed to address in the Budget is the Women Against State Pension Inequality Campaign for women born in the 1950s and the disastrous way in which the Government have handled raising the retirement age. The Government should go back and look further at that.

The Government have once again left the future of local government very uncertain. The Budget announced £3.5 billion of efficiency savings in non-protected areas. It is unclear whether this will fall on local government. We also want to know whether the £4 billion that was going to come from cuts in PIP will fall on local government.

The total reduction in Government grant funding for Halton Borough Council in my constituency is £59 million, or 57%, between 2010-11 and 2017-18. Halton has a very low tax base, with 68% of properties in bands A

and B. Only 1,629 properties have been built in the past five years, despite the fact that many more have been given planning permission, against a housing requirement of 2,700. There is little scope to grow the borough's tax base in the near future. A shortfall of £4.2 million in adult social care funding has been identified, compared with only £800,000 per annum that the new 2% social care precept would generate. As my hon. Friend the Member for Sheffield South East (Mr Betts) asked, where is the compensation for the business rate changes? The council in Halton is not an inefficient council; it is a very efficient council. In its last external audit report by Grant Thornton, the auditors assessed the council's financial performance as showing strong financial management and delivering value for money.

In the few seconds I have left, I want to turn to the NHS. The Budget said nothing about, and had no answers for, solving the growing crisis in the NHS. Doctors' leaders have accused the Conservatives of deceiving the public by giving the NHS less than half the extra £10 billion that Ministers regularly cite as proof of their support for the service. The fact is that the Government have no answers to solve the crisis in the NHS. The former Liberal Democrat Minister, David Laws, said on Sunday that those in Downing Street dismissed NHS boss Simon Stevens's bid for the £15 billion to £16 billion more because they believed he was mad and that it was unaffordable, and they told him to make do with much less instead. The Government are not looking at the real crisis in the NHS, which includes the payment by results mechanism, with ridiculous demands for efficiency being made of the NHS and hospitals. There are no answers in this Budget for the NHS.

8.59 pm

**John Howell (Henley) (Con):** I want to pick up on what the Secretary of State said about local plans and particularly about the work of the local plans expert group, which is referred to in paragraphs 2.287 and 2.288 of the Red Book. I had the honour to serve on the local plans expert group throughout. The importance of local plans can be seen in the national planning policy framework, to which the Secretary of State referred. It says:

“Local Plans are the key to delivering sustainable development that reflects the vision and aspirations of local communities.”

That is what is missing when local plans are not produced. During the production of our report, we heard many reasons why local plans were not produced. These included green housing needs, difficulties with the duty to co-operate, a lack of local political will and commitment, a lack of clarity on key issues such as SHMAs—strategic housing markets assessments—and a lack of guidance.

On SHMAs, the lack of an agreed approach has become one of the most burdensome, complex and controversial elements of producing a local plan. What we have suggested is that there should be guidance on how to produce a SHMA, with the aim of taking away significant disagreement and uncertainty over housing numbers. Coupled with that, we need a proper identification of the housing market areas, particularly with local authorities.

The second element can be seen in what the national planning policy framework refers to as local plans being just the start of the process or rather identifying needs

[John Howell]

as being the start of the process. An environmental assessment of capacity within an area is necessary for councillors to be able to decide how the figures can be adjusted. There is no need for councils to provide for all the houses required where they can show that the difficulties of doing so would outweigh the benefits. Very few companies go along that line; very few provide that sort of information. It is essential to go down that route.

Another important point is the need for an early MOT in the plan process. When it comes to the production of local plans, it too often happens that mistakes are identified at the end of the process and the plan is found to be unsound. That is not a suitable way to carry out the process. There should be at least one or two intermediary MOT sessions where the parties could be told whether they were going in the right direction. They would not be provided with certainty over the figures, but they would be given an idea that progress was being made in the right direction.

Finally, on the five-year housing land supply, we think that it should be taken away completely from the local plans and dealt with through a separate document that is put in the local annual monitoring report of the local council. There it can be monitored and determined on an annual basis, so that figures can be produced against which there can be no argument while they are in that report, and this will determine the amount of housing need relevant to the area.

9.3 pm

**Mr Gareth Thomas** (Harrow West) (Lab/Co-op): This Budget does not tackle the still evident fundamental weaknesses in our economy. Despite the lofty rhetoric of the Secretary of State today, the Budget still says that Whitehall knows best. It takes from the poorest to boost the incomes of the richest, and it will make the challenges facing our public services even more difficult.

In recent years, the weaknesses in our economy have become ever more marked. We remain hugely dependent on financial services and London. The jobs being created are predominantly short term, low paid and with little employment protection. Critically, too many small and medium-sized businesses still cannot get the capital and the lending they need to create jobs and wealth. Unsurprisingly, therefore, our productivity is lower than that of all our biggest competitors.

Among the many specific disappointments with this Budget is that faster progress towards full fiscal devolution was largely notable by its absence. There is little chance, for example, of really tackling the housing crisis in London if the Mayor and Assembly cannot match the tax regime around housing to help to meet Londoners' needs. Full devolution of all property taxes to London and, in time, to other cities and counties in England, is essential.

This Budget offers little for investment in public services, as others, particularly my hon. Friends, have already mentioned. The NHS is struggling to balance its books, with a number of NHS trusts, including those covering my constituency, in what the National Audit Office calls

“serious and persistent financial distress”.

Our local hospital, Northwick Park, has had a deficit in every year but one since 2010, and that deficit has steadily risen to almost £30 million last year. It is therefore hardly surprising that Northwick Park has had one of the worst performances of all English hospitals for waiting times in accident and emergency in the past 12 months.

Our clinical commissioning group, from which Northwick Park receives much of its money, receives less funding than any other London area. It, too, is in deficit, and has been since it was set up. By last year, its underlying deficit had risen to some £20.1 million. So it certainly does not look as though the Budget is going to lead to much improvement in NHS finances nationally or, I suspect, in my area either.

The position of other public services in Harrow is little better. As a result of the new funding formula, many of the schools in my constituency are expecting a budget cut of up to 1.5%, which is the equivalent of an experienced teacher or four teaching assistants, and that is before the vast costs, in time and money, of being forced to become academies. The number of police officers in Harrow has decreased by 137 since 2010; indeed, we have fewer police officers than virtually every other London borough. Our council is being hit by some £83 million of cuts over the next few years, and according to a Library analysis it remains one of the worst-funded local authorities in London. Westminster, Brent, Camden and Islington all get double the revenue support grant funding that Harrow does. Our other neighbours, Barnet and Hillingdon, get between 25% and 50% more than Harrow does. I hope that, even at this late stage, perhaps in the course of the Finance Bill, the Chancellor will recognise the need fully to change tack, to invest more in public services and to do so in a fairer way. My constituents certainly hope so.

9.6 pm

**Nusrat Ghani** (Wealden) (Con): I have just returned from my constituency of Wealden, where the topic over the past few days has been the Budget. I want to share with the House how my constituents are creating opportunities and jobs for their rural community with the support of Conservative Budgets. Wealden has seen at first hand the benefits of having Conservatives in government delivering a strong and stable economy. Unemployment is a little over 400, which is less than half what it was back in 2010 when Labour left office, and there are 380 more registered enterprises and hundreds of smaller businesses thriving across the constituency. In particular, I want to praise the support offered to small businesses by the Chancellor's Budget measures. Doubling small business rate relief will help businesses up and down the country. More than 600,000 small businesses will benefit from a saving of up to £5,900. This will make it easier for them to flourish, with knock-on benefits for employment and local prosperity. Members on both sides of the House should welcome that.

I represent a rural constituency that the Secretary of State for Communities and Local Government knows well as I have the pleasure of being his constituency neighbour. We must not forget rural people, rural communities and rural businesses, and I am delighted that this Budget is extending the opportunity of devolution

to rural areas. In East Sussex, we are hoping to join with West Sussex and Surrey to create a devolved authority, and that is something that I am proud to back. Local people know their areas best, so they know best how to run their affairs. I would welcome an update from the Minister on how this is progressing.

I stand here tonight to make a couple of requests on behalf of the good people of Wealden. The Chancellor has announced a number of infrastructure projects that will benefit local economies and communities, especially the investment in the northern powerhouse. However, I want to champion the rural powerhouse. In Sussex, we struggle with poor road infrastructure, especially on the A21 and the A27, both of which are in need of investment. These are key roads connecting commuter towns and the families who live in them, and they need real improvements, not just aesthetic ones. I hope that Ministers will be able to put gentle pressure on our Cabinet colleagues to look favourably on us in the next round of investment. This is vital to keep pace with the progressive Wealden Council, which is already fulfilling its duty to the next generation by building homes above and beyond what has been requested, and with East Sussex County Council, which is diligently working on infrastructure projects. Those councils' commitment needs to be matched with real-terms funding for Wealden's roads.

I was delighted that the Chancellor chose to extend the freezing of beer duty, as well as duty on spirits. I recently conducted a survey of 81 pubs in Wealden, and that is something they asked for, as well as requesting me to come along and pull some pints. But what about a good old glass of wine? What has the humble grape done to offend the Chancellor so much that it has been left out?

This is a Budget for the next generation and for entrepreneurs, but let us ensure that it works for rural and urban communities alike. I urge Members on both sides of the House to do the right thing by supporting communities, opportunities and the progress of small businesses in their constituencies by supporting this Budget with all the enthusiasm they can muster.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I am trying to accommodate as many as possible of the colleagues who are left, so I am reducing the time limit to three minutes.

9.10 pm

**Dr Alan Whitehead** (Southampton, Test) (Lab): This is a Budget that should have come to the aid of local government. Instead, it continues a course of punishment for local government that has been with us for a number of years, with 20% cuts in local government spending up to 2015 and a further series of cuts announced in the autumn statement and the spending review. The Conservative chairman of the Local Government Association commented on those cuts:

“Even if councils stopped filling in potholes, maintaining parks, closed all children's centres, libraries, museums, leisure centres and turned off every street light they will not have saved enough money to plug the financial black hole they face by 2020.”

I am proud of my city council in Southampton, which has faced cuts of £71 million in the past three years, but by heroic efforts and enormous ingenuity has

nevertheless kept the libraries open across the city, road repairing schemes up and running, and all children's centres open, yet it faces further shortfalls in its budget that it will have to plug every year over the next period. We know where the cuts of £3.5 billion announced by the Chancellor for the next period are almost certainly going to fall—on local government and thereabouts. That will exacerbate the shortfalls that local government faces, not just in Southampton, but across the country.

We also face a business rates revolution, which at most can be described as half-baked because of the ill thought-out way it will come to the aid, if at all, of local government. This change in business rates will result in local government having to rely entirely on business rates and local taxation by 2020, but no thought has been given to changes in small business relief. We do not know how changes to business rates will be distributed. We do not know whether the change from the retail prices index to the consumer prices index will mean a substantial reduction in the pot for local government, relying as it does on business rates.

In short, the Budget does nothing to come to the aid of local government at a time when that is needed by people who rely on local government services now and in future. The Budget has failed those people and, unless rapid changes are made, it will continue to fail them.

9.13 pm

**Robert Neill** (Bromley and Chislehurst) (Con): I could not disagree more with the hon. Member for Southampton, Test (Dr Whitehead) about the impact of this Budget on local government. The Budget should be welcomed by all in local government with self-confidence and belief in their own communities. The opportunities offered by the devolution of business rates and other financial measures are real and should be seized.

The business rates devolution is particularly welcome. I note that in opening the debate the Secretary of State properly recognised that where, as a result of national policy, the tax base is reduced by increasing the reliefs on small businesses, that will be compensated for by the section 31 grant. I hope the Minister replying to the debate will take on board the importance of that being uprated on any future changes of Government policy, so that the tax base of thrifty and effective local authorities is not thereafter eroded.

The second point I want to make is on the setting of the baseline for the retention of the business rate, on which the Department is currently conducting a six-month consultation. That is a complicated matter. It is nonsense to suggest, as one hon. Member did earlier in the debate, that business rate-rich areas such as Westminster will retain everything. There is always an element of redistribution, but we have to get the system right, because we do not want too frequent resets—there has to be a long-term run to give local authorities a real incentive to invest.

I hope we will use the ability to calculate the baseline to do greater justice to authorities such as mine in Bromley that have a long record of efficiencies. In the past, we have tended to calculate local government finance settlements on the basis simply of a needs-versus-resource matrix. That does not take account of the fact that some local authorities have been more effective and



[Robert Neill]

efficient than others in using their resource. When we look at the baseline, I hope we will find a measure that recognises and rewards councils with records of historical efficiency. It is perfectly possible—indeed, it has already been demonstrated—that we can achieve comparable unit costs for services in similar authorities. We need to look at that carefully in setting the baseline, because it will give a further incentive to authorities that use their money well. That is an important step forward.

Finally on business rates retention, I welcome the news that the Greater London Authority will have 100% retention advanced to 2017. The logic is surely—I hope the Minister will confirm this—that that should apply to the London boroughs too, because they are the collecting authorities for both tiers of business rates, and they often participate together in funding the kinds of ambitious devolution project in London that we are keen to bring forward. The logic, therefore, is that all of London should, rightly, have 100% retention at the earliest opportunity.

9.16 pm

**Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): In the time allotted, I cannot cover all the items that make up this ultra-shambles of a Budget, but I will set out a few.

The Government believe that the complete academisation of our schools by 2020 will help to address the widening gap in educational outcomes for the most disadvantaged in our schools. Yet there are many concerns about what that will mean in reality, especially for children with special educational needs and disability.

Since the publication of the Department for Education White Paper, many parents and organisations have contacted me regarding their concerns about what the proposals will mean for children with autism, dyslexia or other special educational needs or disabilities. Evidence has shown that academies have higher rates of exclusion of children with SEND, who are then pushed into local authority maintained schools. Once all schools are academies, who will take the excluded children with SEND? Those children are as worthy as any others of receiving a high-quality education, and I hope the Government will ensure that we continue to have an inclusive education system and that children with SEND are not sidelined or excluded in the fully academised school system they are creating.

Other announcements by the Chancellor failed to recognise the need for further investment in the north-east. That was seen clearly when he announced £80 million for Crossrail 2 in London and the next phase of high-speed rail—High Speed 3—which will go only as far as Leeds. Some of us live more than 100 miles further north, in the north-east, and I wait with bated breath for the day when HS4 or HS5—or will it be HS 67?—reaches us in the north-east.

The Chancellor obviously sees himself as the King in the North, with his northern powerhouse project, but he needs to realise that there is a lot more of the north before he gets to the wall—that is Hadrian's wall, not the one in "Game of Thrones". If he truly wants to be the King in the North, and we all know he has—or should I now say had?—ambitions for higher office, he needs to realise that there is a large section of the north

between Yorkshire and Scotland called the north-east and to ensure that investment is directed to our region too.

However, there is still something the Chancellor can do now—invest in the future of the Tyne and Wear Metro. The rolling stock has not been updated in its 36-year history. However, for an estimated £400 million, a much-needed completely new fleet could be built, which would future-proof the network into the 21st century, with options for dual voltage giving it the ability to procure vehicles suitable to support future route extensions, such as the expansion into Washington via the Leamside line, for which I have campaigned for more than 10 years. That would help not only to drive economic growth, with improved connectivity to other parts of the region, but to provide the vital jobs we need through the building of the new fleet.

9.19 pm

**William Wragg** (Hazel Grove) (Con): It is a pleasure to be able to speak, albeit briefly, in this debate, and I thank you, Madam Deputy Speaker, for accommodating as many speakers as possible.

The Budget contains welcome measures to improve our schools so that all children get the best start in life. It includes extra money to every school in England either when it becomes an academy or when it is in the process of conversion. That process is relevant to the DCLG, as the role of local education authorities will be reduced. The academies programme is transforming education for thousands of pupils across the country.

My closeness to the issue and my personal experience as a teacher mean that I sympathise entirely with many of the frustrations that teachers sometimes express towards LEAs, but I do not want to speak with vitriol—quite the reverse. I do not think that LEAs have been all bad. In many circumstances, they have empowered staff and they will play an important role in continuing school improvement over the next four-year transition period. I emphasise that it is important that the Government get the policy clear, and I hope it will be implemented in a considered way, without rancour from either schools or local authorities.

Most importantly, this Budget accelerates the move towards fairer funding for schools, which I welcome after a long campaign. Indeed, last December I presented to the House a petition calling for a fairer school funding formula, which was signed by hundreds of local parents and teachers in my constituency. I am delighted, on behalf of my constituents, that their voice has been heard.

My right hon. Friend the Chancellor confirmed on Wednesday that the arbitrary and unfair system of allocating school funding will be replaced by a fairer national funding formula. Under the proposals, every school and local area, no matter where they are in the country, will be funded fairly, according to need.

The starkness of the current discrepancy in funding was brought home to me when I visited a school in Stockport on Friday. The Pendlebury Centre pupil referral unit works with some of the most vulnerable students from my constituency, yet its per-pupil allocation is several thousand pounds lower than that in neighbouring authorities. I therefore congratulate my right hon. Friend the Chancellor on this bold and important policy.

I also welcome the new £20 million-a-year northern schools strategy, which will help transform northern schools and tackle the discrepancies in school performance that have resulted in educational progress in some parts of the north lagging behind that in the rest of the country.

In conclusion, I welcome many elements of the Budget, particularly those to which I have referred, but I will add my voice to those welcoming the rethink by Her Majesty's Government over disability benefit matters. It is important to keep our country on the right track to recovery and to continue to grow faster than any of our European neighbours. It is also important that we take the right decisions to make people better off, protect the vulnerable, help business, boost jobs and invest in our children and the next generation.

9.22 pm

**Norman Lamb** (North Norfolk) (LD): There are moments when events have a profound effect on politics, and I believe that this Budget and the subsequent resignation of the former Secretary of State for Work and Pensions is one of those moments. He said that this is a “deeply unfair” Budget and that we are “drifting in a direction that divides society rather than unites it”. He also said:

“it just looks like we see this as a pot of money, that it doesn't matter because they don't vote for us”.

That strikes at the very heart of any sense from the Conservatives that we are all in this together. It also reinforces the public's view of the Conservatives that, ultimately, they will not govern for the whole of the country. This is a profoundly dangerous moment for the Conservatives.

The Budget is unfair in two particular respects, both relating to the rich and poor. It cuts taxes for better-off people while striking at those with a disability. At the same time, it completely protects the interests of better-off older people while putting all of the burden of welfare cuts on those of working age. That is not fair. The former, well-respected Conservative Minister, David Willetts, has talked about the break in intergenerational fairness, and this Budget is an example of that.

In the time available to me, I want to focus on the NHS and care. Of course, they were not mentioned at all in the Budget, but it seems to me that we are sleepwalking towards the edge of the precipice. It is accepted by everyone that we are looking at a gap of about £30 billion in the NHS budget by 2020, and a gap of about £6 billion in social care, according to the Independent Health Foundation. That does not take into account another £1 billion for the increased cost of the minimum wage. We are due to spend a reducing percentage of our national income on health and care between now and 2020, at a time when demand is rising massively. If we are to have any chance of achieving the objective of genuine equality for those who suffer from mental ill health, investment is required, but such investment is not forthcoming from the Government.

I repeat my plea to the Government that we should work together on this. Partisan politics have failed to come up with a solution. We need a cross-party commission to get to grips with the problem and come up with a long-term settlement for the NHS and for care—a Beveridge report for the 21st century.

9.25 pm

**David Mowat** (Warrington South) (Con): I want to speak about two issues: the northern powerhouse and devolution. Neither of those initiatives is perfect, and I have some thoughts and suggestions on both, but they are an awful lot better than anything we have seen for the last 20 years. The Opposition might want to remember that.

I also want to talk about the direction of travel of the Budget. When we came into office, £1 was being borrowed for every £4 that was spent. We are trying to fix that. Labour Members are right; it has taken us longer than we thought. Perhaps they wanted us to cut harder. This evening, however, we have heard that as well as the bedroom tax being wrong, every single cut that has been made was wrong. The NHS apparently needs more, and the police need more. We have even heard from the right hon. Member for Birmingham, Hodge Hill (Liam Byrne)—this is a new one—that the pension age should not have been changed. The hon. Member for Harrow West (Mr Thomas) has told us that the schools funding formula is wrong. I was waiting for an intervention, but it did not come. The hon. Member for Copeland (Mr Reed) talked about the need for credibility. Labour Members would be credible if they occasionally said, “That cut is reasonable,” instead of just saying, “It is all wrong.”

**Robert Neill:** Does my hon. Friend agree that the real lack of credibility is in the failure to recognise that some public services can be based only on sound economics, and that unfunded costings and more and more debt constitute cruelty, not compassion?

**David Mowat:** It comes back to credibility. The hon. Member for Copeland made a plea for credibility from his Front-Bench team—a plea that, I fear, has fallen on deaf ears. It is true that we have had to make cuts, and I do not think that anybody likes to do that. I do not think that the cuts are ideological, but they are necessary to get from that 4:1 ratio to something close to balanced. It looks as though we made a mistake in this Budget; that has been acknowledged, and it will be fixed. The Labour party's contribution has not been to say, “That was a mistake,” but to say, “Everything is a mistake.” That is an extraordinary position.

We had a lecture this evening from the Scottish National party, which was particularly interesting, because it is the progressive party in this place. We heard about what the Scottish Government are doing on homelessness, and how much better that is than what we are managing in England. If the SNP was progressive, and if it really cared about homelessness in England, its members would look at the Barnett formula and say, “We will go for a formula based on need. We will not just take everything that we can get, as our major policy initiative, and still call ourselves the progressive party.”

Before I move on to talk about the northern powerhouse, I have a point to make about tax cuts. “Tax cuts for millionaires”—we have heard that, have we not? Capital gains tax has been cut from 28% to 20%. I do not particularly approve of that, but at 20% that rate is still 2% higher than it was for the entire period of the last Labour Government. One could not make it up.

I said that I was going to talk about the northern powerhouse. I will not talk about it for very long, other than to say this. The problem that the northern powerhouse is trying to fix is the difference in gross value added

[David Mowat]

between the north of our country, the English regions, and London, in particular. We are very London-centric. That difference reached a peak in 2009, in the last year of the previous Labour Government, when the City was allowed to run berserk. It is right that that has been fixed. I see that the Secretary of State is in his place, and I have got time to make one final point. I would like clear metrics to be assigned to the northern powerhouse initiative for GVA and transport infrastructure. It is rather hard to equate the money being spent on Crossrail 2—£28 billion—with any sort of real intent around the northern powerhouse.

9.29 pm

**Helen Hayes** (Dulwich and West Norwood) (Lab): In the short time available, I would like to make just a couple of points about what I believe to be a cynical and desperate Budget. It is cynical because it is designed to deliver appealing messages to some parts of the electorate, while hoping that no one will notice how these benefits are being delivered. It is desperate because the context is the Chancellor's failure to meet any of the targets he has set himself and he is scrabbling around throwing all common decency out of the window to save face.

The proposal to deliver cuts in corporation tax and capital gains tax, overwhelmingly benefiting large firms and well-off individuals, by cutting personal independence payments to disabled people was a despicable plan. Further cuts to support for disabled people are straightforwardly unacceptable. Making such cuts to precisely the type of support that enables many disabled people to have greater control and lead more independent lives is as incompetent as it is cruel. People across the country have made their outrage at this proposal clear. I am relieved that the Government have U-turned on this plan, but quite frankly it beggars belief that the Chancellor ever thought it was acceptable.

I am compelled to draw attention to the announcement in the Budget relating to homelessness. The Chancellor was so pleased with this announcement—£115 million to tackle rough sleeping—that he leaked it to the *Evening Standard* the day before the Budget. The Communities and Local Government Committee, of which I am a member, is currently undertaking an inquiry into homelessness. Last week we visited The Connection at St Martin's, which supports rough sleepers just a few hundred metres from this place. Its dedicated staff told us how the number of rough sleepers is increasing, how they struggle to keep up with the demand for their services and how Government policies, across a range of different areas, are contributing directly to making the problems worse.

Homelessness has increased by 36% since 2010 and rough sleeping in London has doubled. In Lambeth alone, there are over 1,800 households in temporary accommodation, including almost 5,000 children in one single borough living without the security of a permanent home. Additional funding to help rough sleepers is of course welcome, but while £115 million sounds like a big number it is a sticking plaster on a severed artery.

**Melanie Onn**: There are an additional five housing measures in the Budget, all of which raise more money for the Treasury. Does my hon. Friend think that they

will have an impact on homelessness, because they relate to some of the core fundamentals of providing housing in this country?

**Helen Hayes**: The Government's approach to housing is broken from top to bottom. The Government must recognise, as the previous Labour Government who reduced homelessness by 62% recognised, that tackling the causes of homelessness is within their gift. The single biggest cause of homelessness in London is now the ending of a private sector tenancy, yet the Housing and Planning Bill will do nothing at all to reform the private rented sector. Even to the Chancellor, it should be crystal clear that rough sleepers cannot afford starter homes and will not benefit from lifetime ISAs or the cut in capital gains tax. The growth in homelessness in London in the 21st century is this Government's shame. In that context, it is imperative that the Government rethink the Housing and Planning Bill and ensure that sufficient public sector resources are being directed into the building of the genuinely affordable homes that are so badly needed.

This is a cynical, desperate Budget and I think the Chancellor has been found out. I hope the Government will take the opportunity that has been presented to them this weekend to rethink the Budget comprehensively, and that the Chancellor himself will come back to the House with a fair deal for disabled people, a fair deal for our councils, and a plan for addressing the causes of homelessness, not just the symptoms.

9.33 pm

**Kirsty Blackman** (Aberdeen North) (SNP): We were told earlier by the hon. Member for Telford (Lucy Allan) that this was a Budget for Telford. Well, it is certainly not a Budget for disabled people, young people or low-income families. It is not a Budget for businesses either. A Budget that projects a systematic reduction in funding for the Department for Business, Innovation and Skills cannot be good for businesses.

I am aware that I have a very short time, but I want to briefly mention city deals. The Aberdeen city deal, with £125 million from the UK Government, was announced earlier this year. That is roughly a third of what Manchester got per head, so I suggest that the UK Treasury is not particularly for Aberdeen either.

It has been suggested that the lifetime ISA, which was mentioned earlier, will be helpful for families, but the technicalities mean that it will not be helpful for anybody not looking either to buy a home or to support themselves in their retirement. For example, the money could not be withdrawn to support a couple who have just started having children.

As a Member for Aberdeen, I might be expected to talk about oil and gas, and we welcome the changes made, such as the effective abolition of the petroleum revenue tax and the halving of the supplementary charge, but there are still major issues for the oil and gas sector in relation to banking. It is difficult for companies to find finance at the moment. I am talking not about large infrastructure projects, for which there is the opportunity for loan guarantees, but about day-to-day business. Given the oil price just now, it is really tough for companies, and they are struggling to find finance. Some of the banks, although they are saying nice words to parliamentarians, are not actually lending to oil



companies. They are pretty much saying, “Nah,” to supply chain companies, for example, which are the companies we need to be supporting just now.

I welcome the measures on decommissioning, but the UK Government will have to shell out about 62% of the cost of decommissioning oil rigs, so the longer it can be pushed out, the better for the UK Treasury, and this would be a benefit. It is very important that the UK, as one of the first fields to reach maturity, learns fast and becomes good at exporting that expertise. We need to support that.

**Patrick Grady** (Glasgow North) (SNP): My hon. Friend commented on the lack of time available. Does that not speak to the wider concerns expressed several times, not just about the budgetary process but about the estimates process in the House? Does she agree that this is an urgent matter for the Procedure Committee to consider?

**Kirsty Blackman**: I thank my hon. Friend, who is a member of the Procedure Committee, for bringing that up, because it plays nicely into my next point, which is about how the Budget process works. We have had very little time for speeches today.

The Budget and the documentation we are provided with contain a total lack of clarity about Barnett consequentials in relation to the budget lines. For example, there are budget lines around cathedrals and cultural investment but no clarity, even in the statement of funding policy, about whether those things will generate Barnett consequentials and, if so, what the percentage of comparability is. It is very difficult for MPs to scrutinise these matters. The Tax Law Review Committee said:

“the House of Commons has neither the time nor the expertise nor, apparently, the inclination to undertake any systematic or effective examination of whatever tax rules the government of the day places before it for its approval”.

That is partly because of the complexity of the tax rules. Obviously, tax is levied on individuals personally, and then tax reliefs and benefits are provided to families, so it is quite a complex thing to work out. MPs lack the time—we have hardly any time to discuss it today—and the information to scrutinise the Budget effectively. This process needs to be improved as a matter of urgency.

9.37 pm

**John Healey** (Wentworth and Dearne) (Lab): Indefensible, deeply unfair, distinctly political—my words for the Budget but also the words of the recently departed Secretary of State for Work and Pensions. It is Labour’s judgment of the Budget, but it is also the judgment of many fair-minded Government MPs and, most importantly, of the British people, the large majority of whom, when polled over the weekend, said the Government had got their priorities wrong.

If this is a political crisis, it is one of the Chancellor’s own making. It was the same failure of political judgment that led him to slash working tax credits, before being forced to backtrack, and the same failure of political judgment that led the ex-Secretary of State to say:

“It...looks like...it doesn’t matter because they don’t vote for us”.

The IFS and the Resolution Foundation both say that this is a starkly regressive Budget, with the rich getting the most and the poor getting the least. We saw a tycoon tax cut of over £3 billion benefiting the very richest; an income tax cut of £2 billion benefiting the better-off; and alongside that, a cut in disability benefits worth over £4 billion. Well, that was Wednesday; and today, five days later, we have heard from the Secretary of State for Work and Pensions that there will be no more welfare cuts. The Chancellor’s long-term economic plan—his long-term fiscal plan—therefore lasted just five days, and if we take the new Secretary of State for Work and Pensions at face value, the Chancellor of the Exchequer still has a £4.4 billion shortfall to meet his deficit plans.

While we are on policy confusion and fiscal chaos, the Secretary of State for Communities and Local Government, who opened this debate, told the House that none of the costs of the business rates cuts would come out of local government funding. All will be compensated for in full by section 31 grants. He tried to tell the House that line 15 on page 84 of the Red Book explained that, but it details the cuts to business rates, not the source of the compensation, and there is no other reference in the Red Book. That leaves the Chancellor of the Exchequer with a further, fresh fiscal shortfall of £6.7 billion over five years, or it means that the Secretary of State will have to find that money from savings in his own budget.

The Chancellor may have caused a political crisis for the Conservative party, but much more serious are the fiscal and economic problems he is causing for the country. These were laid bare in the Budget—downgraded growth, downgraded pay, downgraded productivity, and the Chancellor’s new fiscal mandate broken already, as the OBR confirmed that the debt-to-GDP ratio is rising, saying that there is only a 50:50 chance that he will hit his deficit target. Never mind omnishambles: this is the ultra-shambles Budget. It really comes to something when No. 10 Downing Street briefs over the weekend to play up the Conservative party’s splits on Europe because its splits on fiscal and social policy are even more damaging.

I do feel for the 27 hon. Members on both sides of the Chamber who have spoken, being limited first to five minutes, then to four and finally three minutes. To be quite honest, the loyalists were out in force on the Government Benches, although I would like to have heard more from the hon. Member for Hazel Grove (William Wragg) about his belief that local education authorities have an important role and how they have not been, as he said, all bad. I would like to have heard more from the hon. Member for Milton Keynes South (Iain Stewart) about the National Infrastructure Commission, a good idea—a Labour idea—that I am glad to see the Government are putting into practice.

I would like to have heard more from the hon. Member for Blackpool North and Cleveleys (Paul Maynard), who said, quite rightly, that we have to be ultra-careful not to write off those who cannot work. As he said, there is no hierarchy of human value. I would also like to have heard more from the hon. Member for North West Norfolk (Sir Henry Bellingham) about his deep opposition to mayors, imposed by the Chancellor as a condition of all devolution deals.

[John Healey]

On our side of the Chamber, the House should have heard more from my hon. Friend the Member for Jarrow (Mr Hepburn). The Budget has fallen apart like the Chancellor's reputation, he told us—quite right. I would like to have heard more from my hon. Friend the Member for Bury South (Mr Lewis), who warned the Chancellor about the flawed devolution deal for Greater Manchester, especially when it comes to skills, school improvement, social care and council funding; or from my hon. Friend the Member for Batley and Spenningsdale (Jo Cox). As she said, without the funding commitment to make them work, infrastructure announcements were actually re-announcements—quite right.

My hon. Friend the Member for Copeland (Mr Reed), who is no longer in his place, made an important point about how the Chancellor is unable to make his sums add up in this Budget. He is failing my hon. Friend's constituents; he is failing the country. My right hon. Friend the Member for Birmingham, Hodge Hill (Liam Byrne) reinforced that, saying that this is a Budget that is failing the young generation and this is a Chancellor who is failing Britain's youngest city, Birmingham.

My hon. Friend the Member for Halton (Derek Twigg) was quite right when he talked about the Chancellor's creative accounting. My hon. Friend the Member for Harrow West (Mr Thomas) said that the Chancellor is making the challenges facing the public services in this country much more difficult to meet, and he was right. My hon. Friend the Member for Southampton, Test (Dr Whitehead) described this Budget as continuing the punishment of local government that we have seen over the last five years. My hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) rightly said that when all schools are being forced to become academies, the House should be deeply concerned about pupils with special educational needs.

My hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) was dead right about the Chancellor's failure to meet his own targets, and also about his failure on housing. The Secretary of State for Communities and Local Government, who opened the debate, clearly lacks the clout to be able to argue his Department's case with the Chancellor, for the Budget had nothing to say about housing and did nothing to reverse six years of failure, from rising homelessness to falling home ownership. What a contrast with the Labour Government's record! We more than halved homelessness. There were 1 million more home owners during our time in office, and 2 million were homes built.

When it came to housing, there was a huge hole in this Budget. There was nothing about new affordable homes to rent and buy, nothing about investment, and nothing about tackling the causes of rising homelessness. In particular, there was nothing to ease the housing pressures in London, where housing is the No. 1 issue. The Budget has completely exploded the claim of the wannabe Mayor, the hon. Member for Richmond Park (Zac Goldsmith), who has said "I can get a good deal from this Conservative Chancellor." It makes more urgent, and more clear, the case for electing a Labour Mayor, my right hon. Friend the Member for Tooting (Sadiq Khan), who will be a Mayor for all Londoners.

This was billed as a Budget for the future. There was big talk of big infrastructure schemes, but the small print showed small sums, mostly for design and feasibility

studies throughout the rest of the Parliament. I say to Members on both sides of the House, "Do not listen to what the Chancellor says; look at what he does." In 2009-10, the last year of the last Labour Government, infrastructure investment was 3.2% of our wealth—3.2% of our GDP. In 2010-11, the Chancellor cut that to 2.5%. By the end of that first Parliament, the figure was 1.9%, and now the Chancellor is doing it again: at the end of this Parliament, it will be just 1.5%.

In truth, the Chancellor is too tightly bound by his own misjudged fiscal rules for the good of the country. His plan to achieve a £10 billion total budget surplus by 2019-20 will prevent him from doing what is needed most, and investing for the future: investing in good homes, good jobs, and good infrastructure projects. In the debate that followed the Chancellor's statement, the right hon. Member for Chichester (Mr Tyrie), the Chairman of the Treasury Committee, said:

"He has altered his plans of only four months ago, and so long as the rule remains in place, he will have to do so again after the next fiscal event. That is... why the Treasury Committee concluded... that it was 'not convinced that the surplus rule is credible in its current form.'"—[*Official Report*, 16 March 2016; Vol. 607, c. 976-77.]

We have fiscal policy without credibility, and a Chancellor without credibility. What we were given in this Budget was a downgraded economy from a diminished Chancellor who was speaking to a divided party and for a damaged Government. This is a black hole Budget: a Budget which, like the Chancellor, does not deserve support from any party in the House.

9.48 pm

**The Economic Secretary to the Treasury (Harriett Baldwin):** The right hon. Member for Wentworth and Dearne (John Healey) had certainly prepared his soundbites earlier.

In every region of the United Kingdom, the policies announced in the Budget will bring the economic security that Britain needs. They are the commitments that we set out in our manifesto last year, and the Budget will help to deliver them. Over the past six years, we have worked hard and made the tough decisions. That has brought our country's economy back from the brink, and growth and jobs are now delivering greater economic security for everyone. Today, I am proud that, here in the United Kingdom, a record number of people are in work, the deficit is down by two thirds and we are well on the path to surplus. Our whole economy is set to grow faster next year than any other major advanced economy in the world. However, with the pace of growth in the global economy showing signs of weakening, now is the time to redouble our efforts, and that is precisely what the Budget does.

Today's debate is about devolution and local government. The foundations of our long-term success are laid in each and every corner of this country. Every region makes a distinctive contribution to the UK's economic success and every region benefits from this Budget's programme for growth. Hon. Members should listen to the facts. Employment is growing quickest in Wales, and it is a shame that we did not hear Welsh voices today. Youth unemployment is falling quickest in the west midlands. The right hon. Member for Birmingham, Hodge Hill (Liam Byrne) said that we were not delivering a budget for the next generation, but the next generation is finding work in the west midlands, which I am sure he will welcome. The number of people claiming

unemployment benefits is falling fastest in Yorkshire and the Humber. Through a combination of greater devolution, greater investment and targeted support, the Budget will allow our regions to continue growing from strength to strength.

The Budget also delivers for the devolved Administrations. To help Scotland, there are tax breaks worth more than £1 billion to support the North sea oil and gas industry through challenging times and a freeze in duty on Scotch whisky. The Scottish National party had three demands for the Budget—action on oil and gas, action on fuel duty and action on Scotch whisky—and we have delivered on all three fronts. To help Wales, there is a £1.2 billion deal for the Cardiff capital region and a 50% reduction in tolls on the River Severn crossings in 2018. To help Northern Ireland, there will be enhanced capital allowances for investors in the Northern Ireland Executive's pilot enterprise zone near Coleraine. For all three of our devolved Administrations, the Budget delivers the benefits of being part of a strong, successful United Kingdom, with the opportunities that come with devolution.

For the cities and regions of England, this is a Budget that creates fresh opportunities and opens new doors. For the north, there is greater devolution to Liverpool and Manchester, a schools strategy for the northern powerhouse, more than £700 million extra for flood repairs and resilience, and the go-ahead for HS3, bringing Leeds and Manchester closer together. For the midlands, the midlands engine investment fund will get £250 million, and there is a new devolution deal for Greater Lincolnshire and a strong statutory body to help provide the transport that the midlands needs.

For East Anglia, we have another new devolution deal, and I can confirm to my hon. Friend the Member for North West Norfolk (Sir Henry Bellingham) that the £30 million is indeed new money and that an elected mayor will be the single point of accountability. I can also confirm to my hon. Friend the Member for Milton Keynes South (Iain Stewart) that we plan to make the most of the Oxford-Cambridge-Milton Keynes corridor. For the south-west, almost £20 million will help young families on to the housing ladder. For London, the green light has been given for Crossrail 2. In addition, policies such as the cut to businesses rates and our reform of commercial stamp duty will revitalise high streets up and down the country, including those in Bury South.

This is a Budget for a nation of shopkeepers whether they are in Cardiff or Cornwall, or Chester or Chelmsford. We have heard from 27 Back Benchers from all over the country in tonight's debate: North West Norfolk, Glasgow Central, Rugby, Jarrow, Telford, Sheffield South East, Blackpool North and Cleveleys, Bury South, Poole, Batley and Spen, Milton Keynes South, Copeland, Bolton West, and Birmingham, Hodge Hill.

**Mr Betts:** Will the Minister give way?

**Harriett Baldwin:** I will not as I have very little time, but I will get to the hon. Gentleman's point. The list continues: Chesham and Amersham, Henley, Harrow West, Wealden, as well as Southampton, Test, and Bromley and Chislehurst, Washington and Sunderland West, Hazel Grove, North Norfolk, Warrington South, Dulwich and West Norwood, and Aberdeen North. A number of common themes came up in those speeches.

Almost everybody welcomes the business rates cut and the help for the self-employed. This is a Budget that puts our small business job creators front and centre. Many points were made about northern infrastructure, so I draw everyone's attention to page 77 of the Red Book. I am not referring to Mao's little red book on this occasion. Page 77 gives a list of projects, including £130 million of road repair funds to deal with the damage caused by Storm Eva and Storm Desmond, in Cumbria and elsewhere.

A number of colleagues mentioned devolution and the impact on business rates. I can confirm that local government will be compensated for the loss of income as a result of the business rates measures announced in the Budget with a section 31 grant. The impact will be considered as part of the Government's consultations on the implementation of 100% business rate retention in summer 2016.

**Mrs Gillan:** Will the Minister give way?

**Harriett Baldwin:** I would love to give way, but I have not got time to do so. The NHS was discussed by a number of colleagues, and I am sure that they welcome the record amount of cash going into our NHS, thanks to our strong economy. A number of colleagues welcomed the fairer funding for schools and the ultimate devolution of power to academies. I can confirm that an extra £1.6 billion is going into schools, with no change at all to the special educational needs obligations on schools. *[Interruption.]* We have heard a fair number of rants, whinges and lectures from the Opposition tonight, but we will take no lectures from the party that crashed the economy in the first place. We will take no lectures from the Labour party, whose plans, had we followed them, would have led to—

**Mrs Gillan:** On a point of order, Mr Speaker. I wonder whether you could advise me on something. I have asked the Minister, who is speaking so ably and fluently at the Dispatch Box about a Budget, certain elements of which have been well welcomed on both sides of the House. I have asked her to give way on two specific points that I raised in my contribution to this debate. Could you advise me whether it is in order for the Minister to decline, on account of the amount of time left for speaking, when a considerable number of minutes are left until 10 o'clock?

**Mr Speaker:** It is a matter for the judgment of the Minister, but the discontent of a former Cabinet Minister has been registered.

**Harriett Baldwin:** In that case, I will simply commend this Budget to the House.

*Ordered,* That the debate be now adjourned.—(*Julian Smith.*)

*Debate to be resumed tomorrow.*

**Mrs Gillan:** On a point of order, Mr Speaker. I wish to seek your guidance on the next item on tonight's Order Paper. I gather that Standing Order No. 9(6), which deals with sittings of the House, states:

"After the business under consideration at the moment of interruption has been disposed of, no opposed business shall be taken, save as provided in Standing Order No. 15 (Exempted business)."



[Mrs Gillan]

As I read it, the Order Paper contains a sittings motion on the business of the House on the High Speed Rail (London - West Midlands) Bill and if it comes to the Floor of the House after 10 pm, it does not have to be debated. It is possible to object to that business of the House. Of course, Mr Speaker, you will appreciate that I raised a point of order earlier—[*Interruption.*]

**Mr Speaker:** Order. It is fairly uncharacteristic of one of the Whips on duty, the hon. Member for Croydon Central (Gavin Barwell), who normally behaves in a most seemly manner, but the amount of noise he is making prevents me from attending to the right hon. Lady's point of order, which I am keen to hear, so she will doubtless now continue.

**Mrs Gillan:** If this motion is heard after 10 o'clock in this House, I want to confirm that there is no debate, that a Member can object to it and that the Government can bring it back and put it on the Order Paper on the following day. It is important that we understand that anybody who chooses to object to this piece of business on the Order Paper is not impeding the Government at all, as it is perfectly in order for them to bring it back on to the Order Paper tomorrow, and indeed, if it is objected to tomorrow, it can be put on the Order Paper the following day, but without the penalty of taking time out of the very valuable debate that I have been trying to get extended and would want to protect in terms of the measly three hours the Government have given us.

**Mr Speaker:** The interpretation by the right hon. Lady is entirely correct. I trust that she is satisfied with that matter.

## Business without Debate

### BUSINESS OF THE HOUSE: HIGH SPEED RAIL (LONDON – WEST MIDLANDS) BILL

#### *Motion made,*

That, at the sitting on Wednesday 23rd March, the following provisions shall apply to proceedings

1. (1) Proceedings on Consideration shall be taken in the order shown in the first column of the following Table.

(2) The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

**Table**

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
New clauses, new schedules and amendments relating to economic and financial issues including compensation and railway ownership	One hour after the commencement of proceedings on Consideration
New clauses, new schedules and amendments relating to the route and environmental issues; remaining proceedings on Consideration	Two hours after the commencement of proceedings on Consideration

(3) Proceedings on Third Reading and proceedings on the Motion in the name of Secretary Patrick McLoughlin relating to carry-over (No. 3) shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on Consideration.

2. (1) This paragraph applies for the purpose of bringing proceedings to a conclusion in accordance with paragraph 1.

(2) In relation to proceedings on Consideration and Third Reading, the Speaker shall put the following Questions in the same order as they would fall to be put if this Order did not apply—

- any Question already proposed from the Chair;
- any Question necessary to bring to a decision a Question so proposed;
- any Question on any amendment, new clause or new schedule selected by the Speaker for separate decision;
- the Question on any amendment moved or Motion made by a Minister of the Crown;
- any other Question necessary for the disposal of the business to be concluded.

(3) On a motion made for a new clause or a new schedule, the Speaker shall put only the Question that the clause or schedule be added to the Bill.

(4) In relation to proceedings on the Motion mentioned in paragraph 1(3), the Speaker shall put forthwith the Questions necessary to dispose of the proceedings.

3. Standing Order No. 15(1) (Exempted business) shall apply so far as necessary to proceedings to which this Order applies.

4. Standing Order No. 41A (Deferred divisions) shall not apply in relation to proceedings on the Motion mentioned in paragraph 1(3).—(*Julian Smith.*)

**Mrs Gillan:** I object.

**Mr Speaker:** Objection taken.

## Mid Yorkshire Hospitals NHS Trust

*Motion made, and Question proposed, That this House do now adjourn.—(Julian Smith.)*

10.1 pm

**Paula Sherriff** (Dewsbury) (Lab): Let me start by paying tribute to the doctors, nurses and all the staff working in the Mid Yorkshire Hospitals Trust. As a Member whose constituency is covered by the trust, a local resident and indeed a patient, I have nothing but praise for their hard work, dedication and professionalism. Lord knows, the NHS may be up against it—and this trust perhaps more than most—but I am continually humbled by the quiet and determined way that all the staff at Dewsbury and District hospital, Pontefract hospital and Pinderfields hospital go about providing care and support in the face of what must seem at times like overwhelming odds.

**Jo Cox** (Batley and Spen) (Lab): I congratulate my hon. Friend and neighbour on securing this critical debate on our local hospital. I back her in what she says and recognise that doctors and nurses and other staff at the hospital have been working in crisis mode for 15 months now. It is difficult to overstate how hard it must be for staff to go to work every day, knowing that they will miss key targets and not be able to give the care and attention that they so want to give.

**Paula Sherriff:** I thank my hon. Friend for her intervention. I absolutely agree with her. We must also pay tribute to our incredible junior doctors.

Whatever difficulties the trust is facing, there can be no doubt that those working there on the frontline are blameless, and deserve our full backing. As Members of Parliament, we owe it to them to make sure that they are given all the support they need.

The trust and its staff have to work in a challenging environment. In the area covered by the trust, the overall health of the population is below the average for England. Deprivation is higher than average, and nearly 20% of children are living in poverty. Life expectancy is lower than the national average for both men and women.

The Care Quality Commission inspected the trust in July 2014, with a follow-up inspection in June 2015. An unannounced inspection of Pontefract hospital emergency department took place in July 2015. A second unannounced inspection took place in August 2015 at Pinderfields hospital, focusing on staffing levels, with a follow-up visit to Pinderfields in September.

Although there were some improvements between the two main inspections of 2014 and June 2015, there were also areas in which the trust's performance had worryingly deteriorated, and there were still serious concerns about staffing levels. The CQC noted that there was still a significant shortage of nurses, which was having a knock-on effect on patient care, particularly on the medical care wards, in community inpatient services, in the specialist palliative care team and in end of life services.

Two weeks ago, my hon. Friend and I met the trust's new interim chief executive. We were both very grateful to him for his candour. He told us that the leadership team has effectively been in crisis mode for the past

14 months. He said that the trust had recently put in an additional 120 beds across the trust to cope with increasing demand, but the 100 extra staff who should have accompanied that expansion are nowhere to be seen. The posts simply have not been filled.

**Sue Hayman** (Workington) (Lab): Does my hon. Friend agree that the NHS's problems in recruiting and retaining staff is one of the most critical issues facing our national health industry and our ability to manage our hospitals properly?

**Paula Sherriff:** I thank my hon. Friend for that intervention. I will come to that point later.

To make things more complex on the administrative side, the monthly staffing reports are found to be overly detailed, generally running to over 100 pages, making it difficult to identify the most urgent risks. Likewise, there are concerns that policies and procedures for the escalation of staffing risks were not always followed when they were identified. The trust aims for a ratio of one nurse to every eight patients on adult in-patient wards. The Royal College of Nursing recommends 6.7 patients per nurse on adult wards as a maximum, so one to eight is not too far wide of the mark, though not ideal. However, the CQC found that even the 1:8 ratio was very inconsistently met. During its unannounced visit to Pinderfields hospital in August, of the 17 wards only one was staffed to safe staffing levels. Ten were at minimum level and six were actually below the minimum. Indeed, records show that in August 2015 only 71% of nursing hours were achieved. Staff on the trust's spinal injuries unit at Pinderfields are constantly reallocated to other wards, in essence robbing Peter to pay Paul. A nurse even told a patient that because they were so short-staffed, if two patients got into respiratory difficulties, which is not uncommon on a spinal injuries ward, the nurses would have to choose which patient they were to save.

The problem is particularly acute at the community in-patient sites at Monument house and Queen Elizabeth house, where between May and June last year 96% of shifts used at least one non-permanent member of staff, either agency staff or staff redeployed from other areas of the trust. Indeed, two shifts had only a single registered nurse on duty. The trust as a whole breached the Department's cap on charges for agency staff, on average, 132 times a week during December. While it is absolutely right to prioritise patient safety over the Government's financial targets, that is a clear indication that there has been a failure in long-term workforce planning and that it is struggling to attract and retain appropriately qualified staff.

To give credit where it is due, the trust has been making efforts to address the staffing issue. After the unannounced inspection, a risk summit was held under the leadership of NHS England to look at the actions the trust needs to undertake and the support needed from the wider healthcare community. The high number of registered nurse and care staff vacancies is now noted on the corporate risk register. The trust is looking at a range of different structures for nursing teams to get the best out of the available staff. It has invested in safety guardians to provide support and safeguarding for patients with mental health issues, freeing up time for registered nurses. It is putting extra effort and resources

[*Paula Sherriff*]

into filling gaps by looking to recruit nurses both locally and from Europe, proactively recruiting rather than waiting for staff to leave.

The CQC rated the safety of services provided by the trust as “inadequate”, largely due to the shortage of staff. For instance, between May 2014 and April 2015, 258 serious incidents were reported, of which 206 were cavity-like grade 3 pressure ulcers. That sort of thing is indicative of nursing staff being rushed off their feet, unable to provide the level of patient care that they would like. Concerns were also raised about patients who required one-to-one care not receiving it, and fluid balance monitoring and nutritional assessments not being properly completed, with charts often not kept fully up to date. In January, 81.4% of accident and emergency admissions were seen within four hours; the target is 95%. More than 2,000 patients waited on A&E trolleys for more than four hours, including six who waited more than 12 hours at Pinderfields.

When looking at such statistics on patient care, we have to be very careful to remember that each number—each percentage point—represents real people. They are people who may be in pain, or vulnerable, worried or nervous. They may be upset or distressed. By any reckoning, the NHS is our nation’s most prized institution, and when people have to make use of it, they rightly expect a certain level of service. NHS staff want to give that level of service, and when they cannot the result is more than just a delay in treatment—the dignity of patients is also compromised.

A few weeks ago I received an email from one of my constituents. Her 84-year-old father had been admitted to Dewsbury hospital with stroke-like symptoms. He was on a trolley in A&E for 14 hours. After he had been admitted to a ward, his daughter came back to visit him. She found that his bed was a complete mess and covered in food, and her father was naked from the waist down. When she asked why he had on only a pyjama top and was sitting on an incontinence pad, she was told that it made it easier when he needed to urinate. When she came back later that afternoon, his bedding had still not been changed, which in the end she did herself. That is a basic outline of one case, but it is by no means the only such correspondence that I have received from concerned constituents. At the moment I receive similar emails more than once a week, which is alarming.

All that, of course, has an inevitable knock-on effect on staff motivation. The results of the 2015 NHS staff survey show just how low morale has sunk. For every key indicator the results are depressing and fall well short of national averages. Only 54% of staff felt that the care of patients was the trust’s top priority, compared with a national average score of 73%, and 55% felt that the trust acts on concerns raised by patients, whereas the national average is 72%. Just 41% of people would recommend the trust as a place to work. Perhaps most damningly of all, only 46% of people would be happy for a friend or relative to receive care at the trust.

The amount of disciplinary action being taken against staff has risen in recent months, which is generally due to staff making minor mistakes or not being able to follow procedures through fully for want of time. That is a symptom of the shorthandedness that has been experienced on the wards, and it contributes to the

general air of despondency as staff are effectively penalised for not being able to be in two places at once. I have spoken to a number of past and present members of staff in the trust, who informed me that they have failed to whistleblow for fear of retribution.

The feeling of being worn down is affecting staff at all levels. I was told by the interim chief executive last week that the board has effectively been operating in crisis mode for the past 14 months, which, of course, is now taking its toll. There is a general feeling of chaos, tempers are fraying, and there is severe instability in the personnel in management teams—a sure sign that the trust is struggling to get its problems under control, which is a challenge in itself.

To be fair, there have been some slight improvements recently. The CQC’s follow-up visits noted that staff were more confident than they had been previously, and that senior management were taking some concerns on board and trying to get to grips with the issues. However, that feeling was by no means universal, and that slight improvement from such a low base is hardly a cause for celebration.

On the underlying causes of these problems, the Government must take the lion’s share of the blame. Going right back to slashing nursing training places in 2010, they have failed to ensure that the NHS has the levels of staff it needs to provide a safe and caring service. Thousands of nurses who should have begun training between 2010 and 2012 and would now be qualified—thereby helping to alleviate the difficulties in Mid Yorkshire—are just not there. Applicants for nursing courses outnumber the available places by more than two to one.

The whole ethos of the NHS has been warped from one of service and care to one of financial management. Of course the health service must keep on an even keel, but when a cash-strapped trust feels that it is appropriate to hire city consultants such as Ernst & Young, alarm bells should start ringing. Thankfully, that contract finally came to an end last September, but not before the trust had stumped up more than £15 million. Given that staff are still struggling to keep their heads above water, they could be forgiven for questioning whether that was money well spent.

**Jo Cox:** My hon. Friend makes a powerful and personal case. Does she agree that the Government have responsibility for this issue? They have cut public health funding, and there is a social care crisis locally and problems with the junior doctors contract. The Government must take responsibility for this crisis and not pass the buck to an embattled NHS trust.

**Paula Sherriff:** I absolutely agree that the buck must stop with the Government, and we must see action, not platitudes.

I have now been told several times that the solution to the problems lies in the plans to downgrade Dewsbury’s A&E and maternity services, which will be centralised at Pinderfields. I say that that is putting the cart before the horse. Nearly 70% of in-patient beds will be lost in Dewsbury, and the simple fact is that this will put lives at risk. Leaving aside the arguments about whether the proposed reforms are necessary, it is just not safe to attempt this sort of major restructuring right in the middle of a major staffing crisis.



Once again, financial considerations are overriding clinical concerns. The trust is currently consulting on proposals to bring forward the reconfiguration. I say absolutely unequivocally that, while the trust is in a state of flux, discussions must focus solely on improving safety and quality. I urge the board to abandon these plans.

I have written to the Secretary of State about the serious worries in relation to what is going on at Mid Yorkshire Hospitals NHS Trust. The Minister has kindly agreed to meet me and other concerned MPs next month to discuss this in more detail. However, I want to reinforce the point that we are in danger of forgetting the lessons learned from the Mid Staffordshire situation about the absolute priority that must be given to safe staffing levels. Unless we can crack this by getting the qualified staff we need, no amount of reorganisation will make up for poor care. We must break the spiral of demoralisation and overwork so that we can help both the patients and the staff who are currently getting the short end of the stick.

On this day exactly 70 years ago, Nye Bevan announced his plans for a national health service. His vision of universal healthcare free at the point of delivery and funded collectively is just as valid today as it was then. Bevan said:

“The NHS will last as long as there are folk left with the faith to fight for it.”

We must stand together now for the NHS, and we must support the staff who go above and beyond for the NHS every day. It is our duty as parliamentarians to continue the fight for those who, yet still, have faith in those founding principles—an NHS for all, based on clinical need and free at the point of delivery.

10.16 pm

**The Parliamentary Under-Secretary of State for Health (Ben Gummer):** I thank the hon. Member for Dewsbury (Paula Sherriff) for bringing this matter to the House and for her powerful introduction to her constituents’ concerns. I also thank the hon. Member for Batley and Spen (Jo Cox), who intervened. They make a powerful double act for Mid Yorkshire. I have felt the pressure of the concerns they have quite rightly raised with me privately, and I hope that they will be able to do so again in the next couple of weeks.

I very much like the fact that the hon. Member for Dewsbury ended by mentioning this important anniversary. We are a few weeks away from the 70th anniversary of the Second Reading of the National Health Service Bill, as it then was, on 30 April. At that time, Nye Bevan made two points about the introduction of the NHS. The first is the one we all know, and of which we are equally proud, which is that it should be a service free at the point of need.

However, Nye Bevan made another point, which for him was as important in the establishment of a national health service—it has been forgotten by politicians on both sides during the past 70 years—which is the principle of universalising the best. He made a very powerful argument at the time, which was that the reason for a universal NHS was to ensure not just that people could approach the service without having to worry about money, but that someone from a part of the country that traditionally did not have good hospital care could rely on the same quality of service that they would expect in a wealthier or better served part of the country.

In establishing the first part of Nye Bevan’s dream, we have done well, but in establishing the second part, we have not yet succeeded. The hon. Lady’s constituents have, in part, been at the rough end of that. For years, under Governments of all kinds, we have not done well enough in universalising the best across the service. As we discussed when we had our meeting, there are hospitals not far from hers that are delivering exceptionally good and consistent levels of nursing care. They have been able to do so while under similar pressures to those in her own hospital—as she has correctly identified, similar pressures apply across the service.

Clearly, there are historical problems in Mid Yorkshire, and they will be difficult to grapple with. I completely understand why the hon. Lady feels that commissioners might not yet have a full enough grasp of the problems in her area. That is why she questions the basis of the reconfiguration. I understand that the assurance exercise into the reconfiguration is nearing its end, and we will publish that at some point in the near future. I hope that that will provide assurance that the accelerated reconfiguration can take place. I take into account the completely legitimate points that the hon. Lady made about the readiness of the reconfiguration of social care services in the area, but I think we should cross that bridge when we get to it. I am mindful of the fact that I have no power to change reconfiguration decisions—and neither does the Secretary State.

**Jo Cox:** As the Minister will be aware, the Mid Yorkshire Hospitals NHS Trust has the third highest number of admittances to A&E in the country. In that context, I share the concern of my hon. Friend the Member for Dewsbury (Paula Sherriff) about the planned reorganisation and downgrade of the Dewsbury hospital. It is a serious matter for local residents and some of my constituents. It would be wonderful to have a commitment further to discuss whether now is the time to move forward with that plan.

**Ben Gummer:** Of course I understand why it is a matter of concern. I must say what I have also said privately, which is that I must respect the opinion of clinicians and commissioners. That is why I want to hear what they say. Ultimately, there is the approval process that this reconfiguration has already gone through—namely, that of the Independent Reconfiguration Panel. I will, of course, speak to the hon. Lady whenever she wishes. It is not kindness on my part, but my duty to her as a Minister responding to an elected representative.

I spoke today to the director of nursing at the Mid Yorkshire Hospitals NHS Trust and also to representatives of the local trust development authority, and I was glad to be assured on some points. I was pleased to hear that they were co-operating with Lord Carter’s review of safe staffing ratios, which should provide a promising foundation for ensuring that we have the right kind of staffing ratios at the appropriate acuity of patients. This will be good in every hospital where it eventually applies, but for those with very challenged staffing ratios at the moment, the ability to look carefully at the rostering of staff across the service with the kind of skills and international experience that Lord Carter will bring will, I think, be helpful. Unfortunately, I was not made aware of the meeting that the hon. Lady had with the chief executive. I am disappointed about that because she clearly had a robust discussion. I have seen the contents of the letter that she sent to the Secretary of State.

**Paula Sherriff:** Given that Ernst & Young's services were used, at some considerable cost, and that some of the matters it considered were staffing issues and staff forecasts, it is relevant to point out the contract has now ended after about four or five years. Does the Minister agree that it is quite worrying to find ourselves in this position after spending somewhere in the region of £15 million?

**Ben Gummer:** As a constituency MP, I, too, have been frustrated by consultancy contracts, both before and after the 2010 election. Across the service, we have managed to bear down on consultancy spend considerably. It is for the hon. Lady and her consultants to determine whether the trust has got good value for money. It is not for me to pass comment on that, except for the fact that all hospitals should account to their local people and to the trust and local authority responsible for making sure that money is being spent wisely.

I completely agree with the hon. Lady in that behind the statistics of poor performance that she identified, there are people who are not receiving the care they require. That was picked up by Professor Sir Mike Richards in his report into the quality of care provided at the hospital. He was very clear about it, saying

"we found medical care, end of life services and community inpatients either hadn't improved or had deteriorated since our last inspection."

He found areas of significant staffing shortages affecting patient care, especially on the medical care wards, community in-patient services and in the specialist palliative care team. He said that there was a shortage of medical staff for end of life services. He came to the same conclusion as the hon. Lady did.

The difference here is that I hope we have made progress since the Mid Staffs tragedy that the hon. Lady identified, and are now able to be more open about this. There will not be a culture of denial from the Government Benches about problems where they exist. Clearly, there is a problem here; it has been identified by the Care Quality Commission. The distressing story of the hon. Lady's constituent that she raised with the Secretary of State in the Chamber and in the letter and again just now has been supplemented with additional stories that her colleagues have brought to the attention of the Department, and these make it clear that things need to be done in Mid Yorkshire.

What, then, is the solution to the problems that the hon. Lady has identified? The first is a local one, and all these problems have to be addressed locally, but I of course take the hon. Lady's point that the Department has to take a degree of responsibility. Of course the Secretary of State and I take responsibility for everything that happens in the health service—that is ultimately our duty—but we cannot micromanage every hospital. It is for the local team to ensure that they are universalising the best and implementing the kinds of changes in their trust that have made such a success of hospitals not very far from the hon. Lady's own. If they are able to do that, they will already be able to bring considerable improvements to the quality of the care that they can provide.

I can obviously do additional things as a Minister to give the local team the tools to do the job, as I can for other hospitals across the country. That includes ensuring that they have the best guidance to enable them to

roster their staff properly. Lord Carter's review is being conducted with the Care Quality Commission and with NHS Improvement. It is a tripartite review of safe staffing ratios that will give hospitals cutting-edge support to roster their staff according to the acuity of their patients to ensure maximum safety and efficiency, learning from best practice across the globe. Salford Royal Infirmary has already been looking at this particular model in one guise.

**Paula Sherriff:** My hon. Friend the Member for Batley and Spen (Jo Cox) and I share considerable concerns about the senior leadership at the trust. We have regular monthly meetings, but we were made aware only at the last meeting—we now have an interim chief executive—of some of the chaotic things that were going on at the trust, although we had been aware of anecdotal stories. We would therefore appreciate some support from the Department of Health team to ensure that communication channels between us as elected Members are as effective as possible.

**Ben Gummer:** I shall certainly impress that upon NHS Improvement, which will be taking over the functions of the NHS Trust Development Authority in the next few days. I expect that it will keep an even beadier eye on the quality of management than has been the case so far. It will do so under the watchful eye of Jim Mackey, its chief executive, who ran one of the best hospitals not only in England but in the world. He is now running NHS Improvement and I know that he will be able to provide the support that the hon. Lady wishes to see. I will tell him later this week about the discussion that we have had tonight and I will ensure that he provides hon. Members with the kind of resource that they are asking for so that they can ensure that their local leadership is doing the right thing.

On the wider issue of staffing, the fact is that the nursing numbers in the service, which were found wanting at the time of the Mid Staffs scandal, could have been addressed only by significant changes in commissioning levels not two, three or four years ago but 10, 15 or 20 years ago. The service has failed under successive Administrations to predict the number of staff that it needs for the future. One of the more extraordinary functions that I possess is to have to sign off every year the commissioning of staff that will be required in 20 or 30 years' time. My officials are a wise and brilliant group of people, but no one can behave like Nostradamus and expect to know what the service will require after that period of time.

That is why we have come to the conclusion that we need to increase significantly the number of places commissioned. Within the current spending envelope, however, it is simply not going to be possible to achieve the numbers that we wish to see. I think that Governments from both sides would have found that very difficult—in fact, impossible. That is why we came to the conclusion that we should release those places by transferring nurse graduates on to a loan system. I know that that is unpopular with Labour Members, but I hope that they will understand the rationale behind our doing so. It will allow us to add 10,000 additional places between now and the end of this Parliament. Those are 10,000 places that we will then be able to feed into additional nursing places, which will in time solve the underlying issues that parts of the country such as the hon. Lady's have suffered for decades.

One final aspect that I wish to bring to the hon. Lady's attention, which I hope she will be pleased with, is that of the new role of nursing associate. It is supported by the Royal College of Nursing and to some extent by Unison, although it has reservations—a consultation is starting soon on this. It will provide a ladder of opportunity to healthcare assistants to move through an apprenticeship level up to the midway point of a nursing associate, and then on to being a full registered nurse. At present that is a course that healthcare assistants cannot take; it is not open to them.

I know that other parts of Yorkshire have no problem at all hiring healthcare assistants, but find it very difficult to hire registered nurses. That is a particular local difficulty. What I have proposed is a mechanism to give an opportunity to healthcare assistants to progress themselves, which they have many times missed out on because they did not have access to the decent formal

education that we aim to provide now under the reformed education system. We are now offering, through an apprenticeship route that would not be open to them otherwise, a ladder of opportunity to a much wider group of people in the NHS, and at the same time helping to solve staffing issues where there are traditional, historical difficulties in hiring nurses.

I hope that with those general measures we will be able to do far more in the long term to solve the issue that the hon. Lady has identified. On the specific issues, I will ensure that she gets the reassurance she requires, not just on the reconfiguration, but on the leadership of her trust. I thank her and her colleague for bringing this important matter to the attention of the House.

*Question put and agreed to.*

10.30 pm

*House adjourned.*





# Westminster Hall

Monday 21 March 2016

[SIR DAVID AMESS *in the Chair*]

## BMA (Contract Negotiations)

4.30 pm

**Sir David Amess (in the Chair):** I call Helen Jones to move the motion.

**Helen Jones (Warrington North) (Lab):** Thank you, Mr Amess. It is a great pleasure to serve under your chairmanship. I beg to move,

That this House has considered e-petition 121262 relating to contract negotiations with the BMA.

This is one of a number of petitions on the website about the junior doctors' dispute, including the perennial favourite "Consider a vote of No Confidence in Jeremy Hunt". We have chosen this one for debate because it was begun after the Government's decision to impose the contract, and therefore relates to the position that we are in now.

It takes a lot to make doctors go on strike; their nature and their years of training mean they are inclined to stay with their patients. So, when facing the first doctors' strike in 40 years, it is fair to ask how we reached this position and what can be done to resolve it. I am sorry to say that I think most of the blame lies with the Secretary of State and the atmosphere that he has created. In saying that, I want to make it clear that I do not think the current contract is perfect by any means. It is too complicated, and it throws up some anomalies in pay. However, it has proved impossible to negotiate changes to that contract properly, due to the atmosphere of mistrust and suspicion that has been created by some of the comments made by the Secretary of State.

That atmosphere goes back some years, but it reached its lowest point in July last year, when the Secretary of State said that the NHS had a "Monday to Friday culture". I have read since that he has never actually visited a hospital at the weekend. If that is true, perhaps he should, because he would find that many staff are working. So incensed were they at the idea that they did not work weekends that they took to posting pictures on Twitter with the hashtag "#ImInWorkJeremy".

The Secretary of State then went further by telling doctors to "get real". I think that people who make life-and-death decisions every day, care for terribly sick patients, work with emergencies in accident and emergency while putting up with drunks and insults, work in special care baby units, and care for frail, elderly, often confused people know what reality is. They do so in a national health service under huge pressure. Much of the equipment is now out of date and there is a repairs backlog worth £4.3 billion, but the capital moneys available were cut by £1.1 billion in the Budget. Doctors are working with out-of-date scanners and computers that crash, and because the Government see all support staff as inessential bureaucrats, doctors are mopping their own operating theatres or doing data input that any competent clerk could do. I think that they know

the reality of what they face. To be told that by someone whose gilded path to ministerial office went through Charterhouse, Oxford and management consultancy is beyond parody.

The Secretary of State, again, had to say more than that. He looked at weekend death rates, and jumped to the conclusion that they were caused by staffing levels. He said clearly:

"Around 6,000 people lose their lives every year because we do not have a proper seven-day service".

He later used the figure of 11,000. Again, he said that was

"because we do not staff our hospitals properly at weekends."— [Official Report, 13 October 2015; Vol. 600, c. 151.]

I will spend a few minutes on the research quoted by the Secretary of State, because it does not actually prove that at all. The research paper that reached the conclusion that there were 11,000 extra deaths considered admissions from Friday to Monday, not just at the weekend, and considered death rates within 30 days of admission. Anyone who designs research will say that it is almost impossible to allow for all the things that could happen in 30 days. The researchers themselves did not draw the conclusion drawn by the Secretary of State. What they said was:

"It is not possible to ascertain the extent to which these excess deaths may be preventable; to assume that they are avoidable would be rash and misleading."

In fact, being rash and misleading is exactly what the Secretary of State was doing.

**Andy Slaughter (Hammersmith) (Lab):** I thank my hon. Friend for her exposition of the petition. She is exposing behaviour by the Secretary of State that is not only insulting but misleading. This has been said to him time and time again, including by hon. Members in the Chamber. Does she draw the same conclusion as me? The Secretary of State knows what he is doing. He knows when he quotes those figures that he is quoting them wrongly, and that they do not prove what he says they prove.

**Helen Jones:** My hon. Friend makes a fair point. First, the research has its critics, and various bits of research done on deaths following weekend admissions have reached different numbers: 3,000; 4,400; 6,000. The problem is that it is difficult to ascertain cause and effect. If the research is adjusted for the fact that we admit different kinds of patient at the weekend—people are sicker and there are more emergencies, and not many elective patients in most trusts—there remains a slight increase in the death rate. The problem is that ascertaining the cause is difficult. As the hon. Member for Totnes (Dr Wollaston) pointed out in a previous debate on this issue, when hospitals look back at such deaths, it is difficult for them to find out what could have been done differently in those 30 days.

When a complaint was made to the UK Statistics Authority about the use of those data, it said:

"We are speaking with Department of Health officials to ask that future references to this article are clear about the difference between implying a causality that the article does not demonstrate, and describing the conclusions reached by the authors."

The reason is that although the research shows us that something is going on that we need to investigate, it does not show exactly what is causing it. I do not know

[*Helen Jones*]

whether the Secretary of State understands that. If he does not, I must say that Oxford is probably not what it was. However, I suspect that he understands it very well.

**Mr Andrew Smith** (Oxford East) (Lab): I assure my hon. Friend that Oxford is certainly not only what it was, but better than it was. Therefore, the Secretary of State really ought to understand what is going on.

**Helen Jones:** I am grateful to my right hon. Friend for defending the university in his town. I am sure that he is right.

Any experienced negotiator will say that beginning negotiations by insulting the staff is never a good tactic. That is part of what the Government have attempted in muddying the waters: first, by drawing conclusions from the research that are not there, and secondly, by not being clear what they mean by a seven-day NHS. They have constantly said, “We need a seven-day NHS”. What they fail to tell us is whether they want a seven-day emergency service, which we already have but everybody accepts that it could be improved, or a seven-day elective service, which will require a huge investment not only in doctors and nurses but in diagnostics, support staff, lab technicians and so on. That failure to be clear has made doctors very wary of what the Secretary of State is trying to achieve.

**Rachael Maskell** (York Central) (Lab/Co-op): There is also a real issue around capacity for a seven-day service. If elective surgery is increased over the weekend, where will those patients go, because hospitals are already at capacity?

**Helen Jones:** My hon. Friend makes a very good point, and she is right.

The Government need to make clear what they are trying to do, then they need to negotiate with the staff in good faith. Unfortunately, there is not much good faith around at the moment. That is why 90% of junior doctors have said they would consider leaving the NHS if the new contract is imposed on them. I do not think for one minute that 90% of junior doctors will go, but the Government have proceeded—as they do in a lot of cases—as if those junior doctors had nowhere else to go. Unfortunately, in this case they do: they can go to Scotland, or to Wales; or they can go and work abroad, where their skills are in high demand and where they will find, in many cases, they are paid more and work fewer hours than they do here. If even a small percentage of junior doctors go, what will the Government do to fill the gaps? We already have gaps in certain specialities, such as A&E, and paediatrics. What is the Government’s plan?

**Mr Andrew Smith:** I congratulate my hon. Friend on securing this debate—she is making a powerful argument—and I congratulate all the people who petitioned for it. Does not the threat—and decision—by the Government to impose the contract amount to an admission on their part that they were incapable of persuading the critical backbone of NHS clinical staff that their plans made sense? If so, is that an abject failure or an act of malevolence?

**Helen Jones:** It is a real failure, given the commitment of doctors and other staff to the NHS.

This dispute is taking away energy and focus from dealing with the real problems facing the NHS. The NHS is under huge pressure and many trusts have big deficits, yet the service as a whole is still expected to make over £20 billion worth of so-called efficiency savings, which no one with real knowledge of the NHS thinks can be made without cutting services. One in 10 people in A&E now wait longer than four hours for treatment, which is the worst result for a decade.

There is also huge pressure from the Government’s ill-conceived cuts to local council budgets, which has led a slashing of social care and which the Government were warned at the time would have an impact on the NHS. The real problem those cuts are causing is more admissions to A&E, often of elderly people who have had falls or who have become ill because of lack of care. There is also the problem at the other end, whereby people cannot be discharged because there is no care package in place for them.

**Rachael Maskell:** I thank my hon. Friend for giving way again; she is being incredibly generous with her time. Does she agree that it causes real concern that the specialisms that require people to work longer and unsocial hours are also the ones that are most difficult to recruit for, and that the contract is therefore putting clinical safety at risk?

**Helen Jones:** My hon. Friend is quite right, and I will come on to that point later. There are staff shortages in the NHS that the contract may well make worse.

In the end, as in any dispute, the issues can be resolved only by negotiation, and in truth the two sides are not all that far apart. Huge progress was made when Sir David Dalton was brought into the talks, but there are still outstanding issues to be resolved. For instance, the Government trumpet a 13.5% increase in basic pay. What they do not say is that that increase will be paid for by cuts elsewhere. For example, payments that are made as a reward for length of service will go. I have yet to hear from the Government their assessment of what impact that change will have on retaining staff in the NHS, or how it will work for members of staff who take time out, whether for academic study—we need doctors who are both academics and good clinicians—or for maternity leave. What will happen to women who work part time, and so on? If we lose a number of women doctors in the NHS, the service will be in a great deal of difficulty.

Guaranteed pay rates when people change specialties are also going. In the past, if someone changed specialty later on in their career, their pay was guaranteed. That will not be the case any more. That change is bound to have an effect on recruitment in areas where we are already short of doctors, and I have seen no real impact assessment of that yet.

Of course, the big issue for many doctors is the change to standard time and premium time. The Government are increasing standard time from 60 hours a week to 90 hours a week. In the past, doctors were paid extra for working between 7 pm and 7 am, and for working at weekends. Standard time will now increase to run to 9 pm on weekdays and 5 pm on Saturdays. Doctors who work more than one in four weekends will



get a premium payment. It is difficult to work out the effect of that change on individual doctors; it depends on how many weekends they work now, what their specialty is and so on.

The Government's pay guarantee lasts for only three years, and given the Secretary of State's remarks, junior doctors fear that the change is a back-door way of introducing longer hours. It certainly makes it cheaper to roster doctors at weekends. The Government say they will fine hospitals that roster people for more than a certain number of hours, but the doctors say that offer is not good enough. That is not an unbridgeable gap; it could be resolved. However, the result of what has happened and the Secretary of State's comments is distrust and suspicion among doctors about what his real motives are. That is combined with a disastrous drop in morale in the NHS. The latest NHS staff survey shows that the percentage of junior doctors reporting stress has risen from 20% to 35% in five years. The proportion of staff saying that they feel pressurised to come into work when they are ill has gone up from 16% to a whopping 44%.

That loss of good will and drop in morale matters, because NHS staff are known for going the extra mile, working longer than they are paid for and doing things they do not have to do. That extends from the consultants who come in on their day off to see certain patients to the nurses and support staff who bring in a birthday card for an elderly person who has got no one else. I will remember that when my son was born, I was there for three shifts in the maternity department. After he was born, the registrar from the first shift came back to see me, to check that I was all right and to see whether I had had a boy or a girl. It is impossible to put a price on such things, and the Government risk losing all that and doing huge damage to the NHS if they do not solve the dispute.

**Jeff Smith** (Manchester, Withington) (Lab): Will my hon. Friend give way?

**Helen Jones:** Yes, I will give way once more.

**Jeff Smith:** I am grateful to my hon. Friend. I met a group of junior doctors recently. For the first time, many of them are considering going abroad to work. None of them want to, but they are so demoralised by this Government's actions that they are considering it. One of them told me how much she loved her job, but she said, "I would never let my daughter train as a junior doctor." Does my hon. Friend agree that if the Government carry on down this route, we will not have a junior doctor workforce to rely on?

**Helen Jones:** My hon. Friend is right. That is an awful and sad thing to hear from people who are dedicated to the NHS, but yes, there has been a huge increase in the numbers of junior doctors thinking of moving abroad.

The answer is not the imposition of a contract, it is to get back into negotiations. It is about funding for weekend working, not just for doctors and nurses but for the lab staff, the diagnostic staff and the support staff that we need. It is about valuing the staff and showing that they are valued, because many junior doctors believe that the Secretary of State undervalues their work and has sought to undermine patients' trust by implying that they are responsible for a number of deaths. That really needs to be corrected.

I have a message for the Secretary of State today: you get real. You are a member of Her Majesty's Government—a senior Minister. Take responsibility. Yes, we need to get the BMA around the negotiating table again, but you need to make an offer that brings it there. You need to make that offer, because you are the person in charge.

It is already clear, in fact, that it is possible to improve weekend working without the new contract. There are trusts that have done that—Salford Royal is one example, as my hon. Friend the Member for Manchester, Withington (Jeff Smith) will know. There is also a rumour that the Department is close to a deal with consultants that will not require the proposed changes. Perhaps the Minister will tell us whether that is true.

To continue my message to the Secretary of State: man up. Admit that you got things wrong. Admit that you mishandled this. Make a gesture and get people back around the negotiating table. If you do not, it is not only the junior doctors who will hold you responsible. The public will hold you responsible as well—in fact, they already do.

When polls ask who is to blame for the dispute, the overwhelming answer is that it is the Government. That is not surprising, is it? If a member of the public is asked, "Who do you trust most, this nice doctor in your local hospital or Jeremy Hunt?", it is not a difficult decision for them to make. It is time for the Government to stop heading down this road, before we end up with disastrous consequences. It is time for them to get people back around the table, because if they do not the NHS will suffer incredible damage, not simply through doctors leaving but through the loss of their good will. Both the staff of the NHS and the public in this country deserve better.

4.53 pm

**Andrea Jenkyns** (Morley and Outwood) (Con): Thank you, Sir David, for calling me to speak in this incredibly important debate.

There is no denying that this strike is totally unprecedented. No group of doctors has ever before been willing to walk out and put patient safety at risk over a dispute about pay, which is essentially what the dispute is about. It is about pay, about unsociable hours at weekends, about working the sort of hours that other people across the public and private sectors work every week. That is not to do down the incredible work that our junior doctors do. They work incredibly hard and entirely selflessly to keep us fit and healthy and I thank them for that but, like any other body of workers, doctors are not infallible.

Like the rest of us, doctors are driven by considerations of making enough to get by and to support their families, and of getting a fair reward for the work they do. Historically, they have got a pretty good deal, and like any other body of workers they have the right, through their union, to seek a better deal in pay and conditions. Seeking that better deal requires, as the petition notes, a meaningful negotiation between both sides in the debate.

I would like to cite the definitions of the two words that are so crucial in today's debate. Meaningful is defined as "serious, important or worthwhile" and a negotiation is a "discussion aimed at reaching an agreement". My argument is that it is the British Medical Association,

[Andrea Jenkyns]

and not the Secretary of State, the Department of Health or any of their negotiating team, that has failed in its duty to hold a proper, meaningful negotiation.

The history of the dispute is littered with resentment and half-truths. The BMA has repeatedly had the chance to negotiate with the Government and come to an agreement that is acceptable to all sides and, most importantly, that is safe for patients. Patient safety should be at the centre of the debate but, unfortunately, it has fallen by the wayside in the BMA's entirely partisan quest to defeat the Government.

For many months we heard from the BMA that it was the Government and not the union who were not willing to come to the negotiating table. That is untrue, and it is backed up by the House of Commons Library's account of the dispute, which I will not rehash in the short time we have available. Time and again the BMA has walked away from the negotiating table and balloted for industrial action, while the Department of Health negotiators have offered it the chance to come back to talks. The BMA even balloted for industrial action on the basis of the Government's being unwilling to talk, when the Government had set a clear deadline for the BMA to come back to the table or risk imposition of the new contract. The BMA knew that imposition was a possibility, yet time and again did as little as it could to avoid it, all because it is driven by a desire, according to one of the doctors involved, to "be the first crack in the edifice of austerity".

Again, I do not want to go over old ground, but it is well documented that the BMA's senior medics are Corbynites of the most militant kind. [Laughter.] Dr Chand, the association's deputy chair, tweeted:

"Goebbels must be turning in his grave when he hears the lies and propaganda of Cameron."

Dr Tom Dolphin congratulated the right hon. Member for Islington North (Jeremy Corbyn) on his victory and told him to take the fight to the Tories—if that is not partisan, I do not know what is. The BMA so misled its members when it put an utterly wrong pay calculator on its website, suggesting that doctors were in line to lose thousands of pounds, that the tool had to be taken down. Does that suggest that the BMA is taking the negotiation seriously? I would say that it does not. All the while, the Secretary of the State waited, and appointed the head of Salford's trust to lead the negotiations, to ensure they were being led as well as possible by an expert in the field.

**Andy Slaughter:** Is the hon. Lady aware that 98% of junior doctors supported the BMA's decision, and that her rather desperate attempt to portray the BMA as some sort of Scargill-like extremist organisation simply makes her look risible?

**Andrea Jenkyns:** I thank the hon. Gentleman. I think he needs to learn his facts. I think that it was 98% of BMA junior doctors, not junior doctors in their entirety.

The imposition of the contract is not something that the Health Secretary wanted. He wanted to reach a meaningful resolution. He wanted the union, which got 90% of the things it asked for, to put its political gripes to one side, do what was best for patient safety and follow the will of the millions.

**Helen Jones:** Will the hon. Lady give way?

**Andrea Jenkyns:** I am sorry—I am carrying on. I am talking about the millions who voted for a proper seven-day NHS in the general election. The seven-day NHS is not some distant pipe dream. Several trusts across the UK, including Northumbria's, have established consultant-led care across seven days. The only reason the rest of the country cannot enjoy the benefits of that is the BMA's political posturing. The Labour party's suggestion that the Government have not negotiated well is difficult to take, when it was the party that signed off on the consultant contract in 2003 that gave an opt-out on weekend work, and gave GPs the ability to opt-out of out-of-hours care in 2004.

**Helen Jones:** Will the hon. Lady give way?

**Andrea Jenkyns:** I am going to finish. Can a policeman say that he does not want to cover a Friday night? Can a firefighter turn down a shift because it is a Sunday morning? No.

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I thank the hon. Lady for giving way. I want to point out that the opt-out clause for consultants is for routine work at the weekend. If they run an emergency service they are not allowed to opt out of emergency care.

**Andrea Jenkyns:** I thank my hon. Friend for that. We work together closely on many matters. At the end of the day, life has moved on from the time when the NHS was set up. Life has got to change.

Moving on to my next point, firefighters cannot turn down shifts. They are public servants, just like doctors. The new contract proposed by the Government is safe and fair. No doctor working legal hours will get a pay cut thanks to the 13.5% increase in basic pay and the unsociable hours pay for nights, Saturday evenings and Sundays. The NHS must adjust to the modern world if it is to survive. Seven-day working is vital to that, and the BMA needs to recognise that. The Government and the Secretary of State have gone out of their way to talk to the BMA and to accommodate its demands. A negotiation in which someone gets 90% of what they want would seem pretty successful to me, and it is a shame that the BMA does not see it that way.

5 pm

**Margaret Greenwood** (Wirral West) (Lab): It is a pleasure to serve under your chairmanship, Sir David. Today we are here to consider the e-petition that calls on

"Jeremy Hunt to resume meaningful contract negotiations with the BMA."

This is a matter of the utmost urgency. We have an unprecedented situation in our country: the Secretary of State for Health has turned what should have been constructive negotiations into a battle with junior doctors—the highly skilled and committed professional people on whom we all rely. The last strike by junior doctors was 40 years ago. This strike is one that nobody wants and to which everyone wants to see a resolution.

In the autumn last year I met a group of junior doctors in my constituency. They came to visit me at my office in Hoylake. They spoke in great detail about the

problems they had with the new contracts. Their stand-out concerns were: the impact on patient safety; the effect the new contracts would have on the ability of doctors to have a family life of their own; the damage the contracts would do to the prospects of those professionals who seek to pursue different specialisms as their careers progress; and the impact they would have on the careers of women in particular and in turn the impact that would have on the NHS.

One junior doctor who came to speak to me was nearly in tears—in fact, she told me that she had been in tears—as she described how she had wanted to be a doctor since the age of 10. She loves her job, but she also loves her children. She feels she is being forced to choose between being a doctor and being a mum, and that is an impossible decision for any woman. Her children need to see her on Saturdays, and she needs to see them, too.

The period for which doctors are paid at the standard rate, or plain time, is currently Monday to Friday, 7 am to 7 pm. Under the new contract, plain time will be extended to Monday to Friday, 7 am to 9 pm, and will include Saturdays from 7 am to 5 pm. Those are considerable changes that interfere with the prospects of junior doctors enjoying their weekends. They should be entitled to spend at least some of their weekends with their families.

That meeting happened last autumn, and we are more than six months further down the line. Instead of listening to the concerns of junior doctors, as so many MPs have, the Secretary of State has decided to impose a contract that the vast majority do not wish to sign up to. A couple of weeks ago I received an email from Charlotte, a junior doctor in Wirral. She told me:

“Since the announcement of the imposition juniors are scared, confused and do not know what the future holds for them... Junior doctors are angry that the government has failed to recognise and value the workforce through this imposition. Due to this, there is a big and real risk of exacerbating a recruitment and retention crisis as demoralised and demotivated doctors leave the profession or leave the country to work abroad.”

Of course, Charlotte is right. The threat of the NHS losing many junior doctors to Wales, Scotland and as far away as Australia is real. In the 10 days after the Government first announced their intention to impose a new contract, the General Medical Council received 3,468 requests for a certificate of current professional status, the paperwork needed to register and practise medicine outside the UK. In more stable times, the GMC might normally expect to receive 250 such requests at most. If there is indeed an exodus of junior doctors from the NHS in England, that will deliver a real blow to the operational capacity of the NHS and will come on top of the crisis in nurse training places.

Charlotte made other important points, and I assured her that I would raise them with the Minister. She said:

“The proposals governing non-resident on call (NROC) availability have not been properly worked out. The concerns are that the very low availability of allowance may contribute to recruitment problems (especially in psychiatry)”.

That is a real concern now that we are all agreed that we should have parity of esteem between physical and mental health. She also said that

“the allowance does not reflect how busy NROC can be and the means of pay would be an estimate for hours worked... Pay protection on changing specialty is also an issue.”

That is something I have heard from other junior doctors in my constituency. She continued:

“At the moment if someone chooses to train in another specialty (eg GP to A&E) the pay remains the same as a recognition that skills are transferable and that the doctor has beneficial experience that they can take with them... I myself spent a year in surgery before I realised it was not for me and transferred to A&E. Under the new contract if you transferred to another specialty, your pay would go back down to the lowest pay point which would be very problematic.”

I think we can all see how someone who has experience in surgery and who then decides to change course will be so much more useful in the new path that they choose.

Charlotte continued:

“Indeed, many juniors do not understand how to work out what their pay is likely to be under the new contract and it is likely to be after imposition in August that we find this out. Many doctors—an estimate of over 50%—do not follow a straight, continuous path through training. Maternity leave... time out for academic or other training, changes of specialty, or alterations to training mean that it is unclear to many what training or experience will or will not be recognised in the new contract... The failure to recognise the work junior doctors do throughout the 7 day week is another factor. We are not objecting to working weekends and indeed most juniors already do, but we just want the opportunity cost of doing so to be recognised in pay. It is disappointing that junior doctors are being seen as the barrier to seven-day services without the government defining what this means or adequately resourcing the whole multi-disciplinary team.”

Charlotte is right: the truth of the matter is that we already have a seven-day NHS. It operates 24 hours a day, seven days a week, and junior doctors regularly work at weekends and accept that as part of the job. That is not in dispute. In fact, the report by Sir Bruce Keogh into a 24/7 NHS acknowledged that and instead focused on the availability of consultants and diagnostic staff such as radiologists or phlebotomists, not junior doctors. The report said:

“our junior doctors feel clinically exposed and unsupported at weekends”.

Another junior doctor told me that he felt that the attack on junior doctors was just the start of the Government's plans for NHS staff. He said:

“If they manage to force the junior doctors to take unsafe and unfair contracts, the rest of NHS staff will fall like skittles.”

It seems then that the Secretary of State has lost the trust of the profession, and that has to be of real and serious concern.

My hon. Friend the Member for Warrington North (Helen Jones) has ably raised the questions around what the Government mean by a 24/7 NHS, but it is important that we also consider the funding crisis facing the NHS. In the past couple of days, worrying news seems to be emerging that the Prime Minister knew in the last Parliament that the financial situation in the NHS was far worse than was being claimed. Simon Stevens, the chief executive of NHS England, calculated that the NHS needed £16 billion more over the course of this Parliament, but was ordered by Downing Street to halve the size of his cash demands. I would be very interested if the Minister could comment on that. If the Prime Minister did know that, it raises serious questions about what the Government's stated ambition to expand NHS services at weekends is all about. Is it realistic and costed? Is it rash or is it something else? I would appreciate an answer on those points. The issue of trust has been raised yet again.



[Margaret Greenwood]

There cannot be a single Member of the House who has not at some time in their life had reason to thank our junior doctors. We put our trust in them. They are there at difficult births and when people die, and the level of commitment and expertise that we receive at their hands—free at the point of need and paid for through taxation—is the envy of the world. We cannot let the mishandling of the negotiations lead to catastrophic damage to our most treasured institution. No one wants to see the Government inflict such a blow on the capacity of our national health service, and I urge the Minister to row back from the imposition of junior doctors' contracts and to get back to the negotiating table.

5.9 pm

**Andy Slaughter** (Hammersmith) (Lab): It is a pleasure to be here under your chairmanship this afternoon, Sir David. I congratulate my hon. Friend the Member for Warrington North (Helen Jones) on her speech. In introducing the petition, which a large number of members of the public feel strongly about, she managed to explain in just a few minutes how the Government have put forward an entirely false perspective on the dispute from the beginning and continue to do so. I am sure that many more Members would be here for this debate this afternoon were it not for events in the main Chamber. I know that many people want to be present as witnesses or contributors to the dissolution of the Conservative party—not least members of the Conservative party—so perhaps the timing of the debate is unfortunate.

**Mr Andrew Smith:** I understand what my hon. Friend says about what is going on in the main Chamber, but is it not striking that only one Conservative Back Bencher has turned up to defend the Government's handling of the dispute?

**Andy Slaughter:** I agree with my right hon. Friend, but I think that what the hon. Member for Morley and Outwood (Andrea Jenkyns) said was even more striking in its own way. I felt I could forgo the entertainment in the main Chamber because I feel so strongly about this issue, not least because my constituency hosts two of the main teaching hospitals in the Imperial College Healthcare NHS Trust, and because many thousands of junior doctors from that trust and other trusts live in my constituency. I have therefore followed the dispute with increasing anxiety and depression. I have met not only individual junior doctors but groups of them at Charing Cross hospital, and I have spoken to them at the BMA. The image of them put forward by the Secretary of State, and what we have heard from the governing party today, does no credit to that party. The slurs on junior doctors are extraordinary, and it is perhaps time to pause and consider matters again.

Are we seriously being asked to accept that junior doctors are some sort of militant clique looking to undermine the Government? That is pure fantasy. Anybody who has spent time with junior doctors will have seen exactly what is going on. The speech by the hon. Member for Morley and Outwood was tragic in many ways, but in some ways it was quite brave, because I suspect that any of her constituents who read it will begin to think, "What have I done in electing her last year?"

**Andrea Jenkyns:** First, the Select Committee on Health is on an away day today, otherwise there would have been more Members here. I should have been on the away day, but this is an important debate and I wanted to be here.

On the allegation that I have accused all junior doctors of being Corbynites, I said that key members of the BMA are strongly linked to the Leader of the Opposition. I was talking about not junior doctors but people on the BMA council.

**Andy Slaughter:** I will move on, because when someone is in a hole, they should really stop digging.

**Margaret Greenwood:** I could not let the comment made by the hon. Member for Morley and Outwood (Andrea Jenkyns) pass. Jeremy Corbyn is the leader of the Opposition, and the Conservative party is in turmoil today in the face of his leadership. Being a Corbynite and a member of the BMA is no bad thing—I just wanted to clear that up.

**Andy Slaughter:** I will try to put an end to this exchange, but it is tragic that a party of the stature of the Conservative party should turn its guns on the profession and on a representative body such as the BMA in this despicable way. It is extraordinary. I will go further and praise those in the BMA who have had their positions undermined and suffered character assassination and being idly quoted in tittle-tattle on Twitter. Last week the hon. Member for Central Ayrshire (Dr Whitford) hosted an open session for Members at which I was pleased to renew an acquaintance with Dr Johann Malawana, who has been a particular target of insidious and malicious personal attacks, supported by the jackals in the right-wing press. Is that really how a Government should behave in dealing with any industrial dispute, particularly one as serious as this?

Depending on when the debate ends, I may have to leave for a constituency engagement—I have said that to you, Sir David, and I apologise to you and to the Front Benchers—so I will make my comments brief to give other Members time to make theirs. I simply want to say to the Minister, who can no doubt take the message from this debate back to the Secretary of State, that there is nothing dishonourable about continuing negotiations in this dispute. There is an attitude of despair among junior doctors, which has led to some of the statistics we have already heard about those who now wish to leave the profession or move to other jurisdictions where they would be more appreciated.

The Government were initially resistant to going to ACAS, but in the end they agreed. Progress was made at ACAS, but at the end there were still matters outstanding. Everything that I have learned from talking to junior doctors suggests that not only do they not want to take industrial action, and not only do they want to continue serving their patients to the best of their ability, but they are prepared to sit down and compromise. However, they are faced with a wholly intractable Government.

Is the best that we can get from the Secretary of State the misappropriation of statistics to prove something that is clearly false on two levels? It is false because the so-called weekend deaths are not as he has presented to the public, and it is false to say that we do not have a seven-day emergency service now. Of course we do.

I strongly believe that we need to restore trust and faith in the relationship between the NHS and junior doctors, and the Government have an important role to play in that. Unfortunately, individual trusts are under such financial pressure, and their management under such strain, that it is tempting for them to exploit junior doctors.

On the guardianship system, we know about the assurances that have been given and the protections in the existing contracts. I do not think there has been a previous example of a contract being imposed on the NHS in this way. I simply urge the Government to think again. There is a deal to be done, there really is. The fact that they are not even prepared to sit down and negotiate again implies that they do not want a deal to be done. They want to play hardball, and they want to get something that is completely different from what they say. They already have their emergency service and they already have junior doctors working the way they want, and they say they do not wish to save money. They have different motives from those that they are expressing. They therefore need to return to the negotiating table. They need a pragmatic solution, and they need to step back and calm down.

I will read the Front Benchers' speeches tomorrow if I am not here for them, but I hope we will hear a better spirit of conciliation than we have heard so far.

5.18 pm

**Catherine West** (Hornsey and Wood Green) (Lab): It is a pleasure to serve under your chairmanship, Sir David.

When someone decides to become a doctor, they do not expect it to be easy—there are years of study, huge student debts, antisocial working hours, and the pressure of knowing that the decisions they make every day can be the difference between life and death—but they have a right to expect that the Government will value and appreciate their training and dedication. Our NHS needs more doctors, not fewer. When we or our loved ones get sick, we all want the comfort of knowing that the brightest and best are providing their care, so the fact that we are having this debate means that today is a sad day. Although I congratulate my hon. Friend the Member for Warrington North (Helen Jones) on introducing the debate, it is a pity that we have to have it. The Department seems determined to sabotage the relationship with junior doctors and is handling the negotiations poorly.

The contract has been described as unsafe and unfair. When I have met junior doctors from the Muswell Hill and Crouch End area we have spoken about how expensive childcare is, how they hope to be able to move out of their mothers' and fathers' houses, and how they hope to have a career and serve in the NHS. However, they feel that all of that is at risk. They are working every hour God gives them, but they feel that there is no genuine respect and that they will eventually find it very difficult to remain in London, purchase a home and continue to serve in the NHS. They are even thinking of trying to work abroad. There is a real risk that the Government's approach will take us back to the bad old days of overworked doctors who are too exhausted to provide safe patient care.

One doctor told me that they had £40,000 of student debt after six years of training and were just starting out on a salary of £22,600. They said that the reclassification

of unsocial hours would see them lose about 30% of their salary and leave them struggling to pay their rent and bills. The new contract that has been imposed will see incomes fall by 20%—

**The Parliamentary Under-Secretary of State for Health (Ben Gummer):** That is not true.

**Catherine West:** If it is not true, I look forward to clarification from the Minister. We would not like to see a couple who are junior doctors having to leave their jobs because the cost of childcare is more than it pays to work as a doctor.

The situation is turning into a shambles. I hope that the Secretary of State for Education is watching, so that last week's big announcement about the reorganisation of education does not end up in a similar situation in a year or two. First millions of pounds was wasted on an unnecessary top-down reorganisation, then staff and patients were made to pay the price of the Government's financial mismanagement. Will the Minister clarify whether 75% or 80% of trusts are currently in deficit? We are already in the middle of a workforce crisis, so the last thing we need is more doctors leaving. I have heard that 1,644 physicians have registered with the General Medical Council for certificates to allow them to work overseas; will the Minister clarify the exact number? The GMC normally receives only about 20 applications a day, but since Christmas, with the Government's disastrous handling of the situation, the number has shot up.

I have written to the Secretary of State to urge him to get on and sort out the situation. The Government have to accept that compromise is necessary. As my hon. Friend the Member for Hammersmith (Andy Slaughter) said, there is a deal to be done. Why put patient safety at risk when it is really not necessary? I was proud to stand in solidarity with the fantastic junior doctors at my local hospital, Whittington hospital, as well as those at North Middlesex hospital on the other side of my constituency. There really does seem to be a lot of willingness to talk; I just hope that that is reflected in the approach of Ministers.

The Government's current approach is wrong. They should be much more flexible, and they should want to open negotiations and talk rather than impose things. Junior doctors are vital to the future of the NHS, and it is clear that if we want to move towards a seven-day NHS and improve patient care, we have to ensure that the staff we rely on are supported and valued. It is deeply worrying that the BMA has described the contract as "unsafe and unfair", and that the Royal College of Paediatrics and Child Health has stated that it could be "gravely damaging to the health and wellbeing of children" and could

"adversely affect recruitment, retention and the morale"

of junior doctors. I look forward to hearing the Minister clarify those points.

5.23 pm

**Rachael Maskell** (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir David.

It is a privilege to be able to say that I worked in the NHS as a physiotherapist for 20 years—I remain on the professional register—and to bring that experience to the debate. The service that I worked on was changed

[*Rachael Maskell*]

to cover seven days. The complement of staff was the same, but spread over the whole week. To provide a full seven-day service with every specialism in place would require a massive investment of resources on a scale nothing like what the Government are talking about, given that they are set on making £22 billion of efficiency savings. Before being elected to Parliament I had a dual career, because I was also head of health at Unite, representing more than 100,000 health workers. I therefore have real experience of dealing with the Government and of how the Department of Health handles disputes.

On 5 December 2011, proposals were introduced to cut unsocial hours for all “Agenda for Change” staff. The proposals were discussed with NHS employers throughout the country and with the trade unions. We sat around tables and discussed the proposals, and they were turned away, but the fear is that they could be coming back on to the table. The NHS Pay Review Body report said that the Department of Health and NHS employers recognise that

“the cost of the unsocial hours premia makes the delivery of seven-day services prohibitive”.

That is why the whole NHS is worried: the real prize for the Government is the savings they will make from cutting unsocial hours throughout the NHS.

If the Government are planning to expand services to cover seven days, if only in name, they will need more people to work at weekends. The cost of having more people working at weekends cannot currently be met, so if the service is to be expanded, obviously the prize the Government are after is the NHS’s “Agenda for Change” staff, who are often very low paid. According to a survey I conducted of these professional NHS employees, they are giving eight hours of unpaid overtime to the NHS every week, doing the many things we have already heard that NHS staff do. Why? Because they care, because they are professional, and because that is what happens in the NHS.

I do not recognise at all the caricature painted by the hon. Member for Morley and Outwood (Andrea Jenkyns). What she described is not my experience of some of the most highly professional people in our land. They deserve our respect and awe, not to be degraded as she degraded them today and as the Secretary of State has previously. I am ashamed to have heard her comments. I had a meeting with junior doctors in my constituency on Friday and listened to their concerns. They are seriously concerned about recruitment and retention in the medical profession, particularly in accident and emergency, where there is a serious recruitment and retention problem in my local hospital.

They explained to me that as junior doctors are leaving they are being replaced by locums. That destabilises the multi-professional team. It destabilises the ability of clinicians to work in teams where clinicians know one another, which is the safest way to operate. All the tutoring, mentoring and other input that staff so value and need—learning on the job right through their professional careers—is lessened by that destabilisation. They are seriously concerned about recruitment and retention because they want to get the best professional development so that they can give the best service to patients. That is why we are seeing junior doctors applying to work overseas: they want to ensure that their careers are enriched so that they can give patients the best care.

We should be really concerned that there are such problems with recruitment and retention in many of the specialisms that require weekend working and are involved in emergency services. We are not discussing some of those services that, frankly, could operate according to clinical need during a Monday-to-Friday service because the demand is not there for such professionals to be there at the weekend. We should be very worried, as should the public, because the reality is that if doctors are not in A&E, who is going to care for us in our time of need? That is the reality of what is happening.

Psychiatry is another profession that is currently finding it difficult to recruit, as are other areas of emergency medicine and the intensive therapy unit at my local hospital. They face real challenges, and they have concerns about the new regime that is being introduced to try to deter hospitals from making doctors work long hours—the new guardian of safe working role. They are concerned because the new regime is like the trust marking its own homework. If doctors report that they are working excessive hours, the trust will be fined, but the fines will go into a training and development fund, so we will just see less money going into that fund in the first place. It is a case of playing with the accounts and shuffling the deckchairs on the Titanic as it is sinking under the proposal. The reality is that it will not be an effective measure for preventing people from working longer hours, and doctors have real concerns about it.

**Dr Whitford:** I, too, have concerns about the hours guardian, because it will require junior doctors to complain. The NHS is a hierarchical system, and those doctors, who are often on the lowest rung of the ladder, will have to step up and make a noise. Something that depends on their whistleblowing on their own hours will not provide strong protection.

**Rachael Maskell:** The hon. Lady is absolutely right. Although Government Members say that the NHS has a much more open culture, the reality on the ground is that it is difficult to raise concerns in the NHS. Shopping the boss if they are making someone work longer hours will be difficult. The hon. Lady makes an excellent point.

We want to maintain the best in our NHS; we do not necessarily want to give that gift to the world. That is why it is so important that we return to the negotiating process. There was pressure from the Opposition to ensure that there was a process of independent arbitration so the talks could be resumed. When Sir David Dalton became involved, the dynamic of the dialogue changed, so a deal could be brokered and progress could be made. All that we ask—hundreds of thousands of people who understand industrial relations have written to us about this—is for professional dialogue with professionals to ensure a proper negotiating process so we can find a solution to this dispute. That is how negotiations work. That is the process of industrial relations. It is about sitting around a table and working through the difficult issues before us. When great minds come together, solutions can always be found.

I urge the Minister not to impose the contract and to withdraw from that position. Of course it is possible to do that. Anything is possible if the will is there. Withdraw, calm down, stand back and let some dialogue



continue. We need to find a solution that is good for NHS employers, for our doctors—do they not deserve a solution to this dispute?—for the rest of the NHS, for patients and for the public. Why not make that small concession and open talks immediately?

5.33 pm

**Thangam Debbonaire** (Bristol West) (Lab): Thank you, Sir David, for allowing me to make my first speech on my return to Parliament after a nine-month absence in the care of the NHS. [*Applause.*] Thank you. Forgive me if I am a little unsure of the procedure. I thank my hon. Friend the Member for Warrington North (Helen Jones) for making an excellent opening speech and other colleagues for their contributions. My constituents asked me to speak in this debate on behalf of patients, junior doctors and other NHS professionals in Bristol West, and I am grateful for the opportunity to do so.

Junior doctors in my constituency told me that they already work in a seven-day NHS, and so do other NHS professionals. Although the subject of this debate pertains to junior doctors, it is relevant to mention other NHS professionals. As other Members have said, pushing this contract onto junior doctors appears to be a proxy for pushing for a fully seven-day NHS—indeed, that is what Government Members seem to be hinting at—so it will affect all NHS professionals.

I have had a lot of opportunity recently to observe at first hand, and at close quarters, over nine months how hard NHS professionals, including junior doctors, work and how dedicated they are to all of their patients. During my treatment for breast cancer, the radiology department found just after Christmas that it was under severe pressure. There was a backlog of patients who all needed daily radiotherapy. I was one of them. People cannot just wait for radiotherapy to happen; it has to happen when it needs to happen. The staff worked out a way of meeting patient needs by offering extra appointments at evenings and weekends. Indeed, I went for my radiotherapy at 8 o'clock in the morning on a Saturday, such was my dedication to my treatment.

Much more important than my approach was what the staff did. The doctors went out of their way to help and advise me and other cancer patients. For instance, I received text messages from my surgeon over a weekend and inquiries on my progress following an infection from a breast cancer nurse in the evenings. All the staff seemed to me, and to the breast cancer and other cancer patients around me, to routinely go out of their way to meet patient needs.

All of that is by way of explaining to Government Members that my experience and that of other patients is that NHS professionals are dedicated, professional, caring and willing to be flexible about working over seven days. As other hon. Members have said, there already is seven-day care for patients. The junior doctors I met individually in Bristol West confirmed that that was the case, and the BMA representatives I consulted told me that they wanted a negotiated settlement. The Secretary of State appears not to understand that there are more than 56 medical specialties, each with different work patterns. They all need rostering, and they do not all work in the same way. Lab technicians, nurses and others, such as receptionists and cleaners, would all need to work weekends for the proposal to work. I have

not seen any sign from the Conservative party that the Government would provide funding for that. If they would, I urge the Minister to tell us about it.

My overwhelming conclusion is that the Government do not seem to be aware of where they are starting from or where they are going to. They definitely do not know how to work respectfully and honourably with the people they need to work with professionally to make the changes they want to make, whatever they are.

**Rachael Maskell** My hon. Friend is making an excellent speech. On the delivery of a seven-day service, where are the professionals going to go, as we have a recruitment crisis and have to use agency staff?

**Thangam Debbonaire:** I thank my hon. Friend for that excellent point. The Opposition are only too aware of that.

**Catherine West:** May I say that my hon. Friend is making a moving and eloquent speech? I am almost tearful that she is so well and back with us. Were it not for the NHS and its wonderful staff, she might not be with us today. I thank her for being here and for making such a beautiful speech.

**Thangam Debbonaire:** I thank my hon. Friend for her support. I will try not to get too emotional, although I find it difficult when I think of the impact that NHS staff have had on my life and what a difference it would make to have a Government who are truly dedicated to meeting the needs of patients. My hon. Friend reminded me of something that I did not write in my notes. In 2000, the Labour Government introduced the first ever national cancer strategy, to which I owe my life.

I met professionals in Southmead hospital, just outside my constituency, where I was treated, and in Bristol royal infirmary, in the heart of my constituency. I have met professionals individually and I received letters from them in my constituency postbag. They want only the best for their patients, of whom I am still one. They go out of their way seven days a week—evenings, daytime and weekends—to do that. I do not have command of the full statistics, facts and figures; I can only argue from the heart. I urge the Secretary of State to get back to the negotiating table. Most importantly, please go there to negotiate, not to dictate. Our NHS, NHS professionals and, most importantly, NHS patients—of whom we will all be one some day—deserve nothing less.

5.38 pm

**Dr Philippa Whitford** (Central Ayrshire) (SNP): We seem to have been negotiating this topic relentlessly since last summer. The Secretary of State has cited multiple papers showing the “weekend effect”, as it is described. Twice in his statement on 11 February—the day he imposed the contract—he talked about increased deaths at weekends. That is clearly not the case—it is increased deaths among those admitted at weekends. Despite being pulled up on that in the Chamber, he used exactly the same phrase on “Newsnight” the same evening.

I am very uncomfortable about the conflation of what the problem is and what the cause is. The papers show a statistical excess of deaths among those admitted at weekends. We know that those people are sicker: any

[Dr Philippa Whitford]

patient admitted electively on a Sunday is considerably sicker. Studies of elective patients only show that anyone admitted electively at the weekend has a 92% increased chance of death. Frankly, in the modern NHS we do not get to admit our patients the day before, so they have to have a lot wrong with them and a lot of morbidity.

What has not been done is to dig into that to discover what the issue is. Some of the papers that the Secretary of State cites discuss excess mortality and have no relationship to a weekend effect at all. Ozdemir's paper clearly identifies—it is categorical—the fact that excess deaths do not relate statistically to the deployment of junior doctors, yet those doctors are described as a blockage to the achievement of seven-day services. We have not had a proper definition of what is meant, and we keep waxing and waning, going from one track to the other: do we mean to strengthen urgent and emergency care, which no doctor would argue against, or do we mean routine? That keeps slipping in.

Patients shop in Tesco seven days a week, and some shops are 24 hours—the NHS should be the same. As I have said in debates before, if someone goes to Tesco at 2 o'clock in the morning, the fresh bakery counter is not open, nor is the alcohol counter or the fish slab—it is not exactly the same. The NHS is comparable: the reason we have more doctors and more things happening Monday to Friday is that we do elective work. Quantitatively, that totally overwhelms the numbers on emergencies.

Some papers suggest that the biggest issue, as identified in the Francis report, is the ratio of trained nurses to patients. Other issues were also identified by our Scottish Audit of Surgical Mortality, which looked at every single surgical death in the '90s and early noughties. It identified the fact that some patients were operated on by surgeons who were too junior. That was discussed with the profession, and it changed. A couple of years later, the audit showed that we had consultant surgeons in, but that the anaesthetist was too junior for certain very sick patients, so that changed. That is what can be achieved through dialogue and development.

In Scotland, we have a seven-day care taskforce, but we are not imposing a contract—we are doing it through dialogue. Two of our biggest hospitals, the Edinburgh Royal in Edinburgh and the new Queen Elizabeth in Glasgow, already have seven-day working. In my own hospital, we have consultant radiologists all day Saturday and all day Sunday, but not through shifts. It can be achieved without the all-out battle we seem to have had for the past nine months.

The standards produced for the Government identified increased consultant involvement—in assessment, review and, if necessary, consultant-led intervention. There should be more diagnostics and more radiology. Those things relate to senior medical staff and to support staff such as radiographers and laboratory technicians, not to junior doctors, who are already there. Another problem is the flow of patients through hospital and back out into the community. That is why A&E gets so backed up. The problem cannot be solved in A&E; people have to be moved out to the community. We need physiotherapists, rehabilitation and the ability to discharge. None of that is junior doctors' work.

As we have touched on before, the term, “junior doctors”, describes people up to their mid-30s. Senior doctors and senior trainees may be committed to a place and may not move, but very junior doctors are not; they rotate every year, and they can easily go overseas, as mentioned—or if they want to come up the M74, we will welcome them with open arms, roll out the red carpet and bring them in. In 2011, 71% of foundationers—people at the end of their first two years—were applying for a post in the NHS to continue training. That figure has dropped every single year: last year it was 52%; and now, just after closure, 47%. Less than half of England's junior trainees are applying to stay on in the NHS, which is a catastrophe.

Not recognising antisocial hours means that the very specialties that involve a large proportion of antisocial working time will become even more unattractive. Will the Minister tell us why consideration was not given to the BMA proposal? It was cost-neutral and had a lower basic rise, but it kept a stronger recognition of antisocial hours. It would allow antisocial jobs such as those in psychiatry, A&E, obstetrics and gynaecology, and general surgery to remain at least accommodated by salary.

We already have rota gaps. We are short of 4,500 doctors. I have read articles in the *Health Service Journal* that describe a rota in Basildon that should include 22 doctors, but has 13, so it has been decided that only one doctor will be on duty at night, instead of two. Social media is full of people who are carrying two pagers—the senior pager and the junior pager. What happens if they become busy?

For the Secretary of State, the biggest issue is the attack on junior doctors. He seems to be claiming that he is the only person in England who cares about patient safety. I am sorry, but I have been a doctor for 34 years, and every single doctor, nurse and member of the NHS is working to deliver care and to protect patient safety. It is insulting to imply that they are not.

How do we move on from where we are now? I agree that the imposition needs to be stopped. After Sir David Dalton had made so much progress in just a month, I was really shocked, the morning after the strike, having tweeted to say, “Great, let's get back to the table”, to find a couple of minutes later on the BBC that the Secretary of State was imposing the contract. If Sir David Dalton got that close in four weeks, why could that process not continue? Why could consideration not be given to the junior doctors' own cost-neutral solution?

We need research to understand the issue. Do we require more senior nurses, or better nursing ratios? Do we not need to ensure that it is consultants and, in particular, radiologists who are available? The problem is that with the rota gaps that we already have, we are endangering patients, because people are constantly being emailed or texted, “Can you do another shift?”, “Can you do a split shift?”, or “Can you stay on tonight?” Exhausted doctors are dangerous. I am asking Ministers to step back, to cool things down, to remove the imposition, and to allow both sides to come back to the table. That is important for patients and the NHS itself.

The situation is not unsolvable. A decision was made simply to raise the temperature, which has created a desperate attitude among junior doctors. To describe them as radicals or lefties—no insult to Labour Members—is flippant. Doctors are not generally known for

being particularly radical, and this was the first junior doctors' strike in four decades. I went through my entire career without ever seeing a junior doctors' strike. It is not something that people have embarked on lightly. We need a change of direction and a massive change of tone. Do not insult the junior doctors. They are the people who already provide a lot of seven-day work; they are not the obstruction.

People cite Salford Royal and Sir David Dalton, but I was there this morning, and he is clear that what he means by seven-day work is urgent and emergency work—and he is managing it on the existing contract. Let us be a bit more imaginative and get a solution.

5.48 pm

**Justin Madders** (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Sir David.

I congratulate my hon. Friend the Member for Warrington North (Helen Jones) on the eloquent way in which she introduced the debate on behalf of the Petitions Committee. Under her stewardship, the Committee has gathered in a short space of time a reputation for allowing issues that are important to the public to be debated in this Chamber and for some great innovations in how democracy is dealt with in this place.

My hon. Friend helpfully set out the history and the research. She characterised as “rash and misleading” the conclusions drawn from such research about higher weekend death rates and staffing levels. We rightly say it is not easy to find a link between the cause and effect, as she mentioned in her opening remarks, but, despite a wealth of evidence showing that we cannot draw straightforward conclusions on cause and effect, the Secretary of State has proceeded on that basis. The proposals, which will see dramatic changes in how the health service will be run in the future, seem to be based on evidence that does not necessarily justify the conclusions drawn.

I will refer to contributions made by other Members. I congratulate the hon. Member for Morley and Outwood (Andrea Jenkyns) on being the only Conservative Back Bencher present. I know she is genuine in her concern about patient safety, but I was sad to hear some of the comments she made. I am afraid she repeated the mistakes that have characterised the dispute by demonising the BMA, portraying it as a militant faction. Let us not forget that these people have had 40 years without a strike, so can she not see that something has gone very wrong for them to decide to take industrial action and that they do have genuine concerns about patient safety?

I pay tribute to my hon. Friend the Member for Wirral West (Margaret Greenwood) on her contribution. She has great experience in this area and she spoke about the potential exodus of junior doctors that the proposals may mean. She rightly highlighted the serious questions about the proposals that need to be answered.

I am glad to see my hon. Friend the Member for Hammersmith (Andy Slaughter) still in his place. He spoke with great sincerity about how unhelpful the character assassination of certain members of the BMA has been and about how he believes—I believe most Members who have spoken tonight agree—that junior doctors are still willing and able to reach a compromise, but they have been met with an intractable Government.

My hon. Friend the Member for Hornsey and Wood Green (Catherine West) described what she considers to be a Government with a determination to sabotage the relationship with junior doctors. She has spoken to a number of constituents about issues of concern to them, and she was right to say—I wholeheartedly agree—that this is about valuing staff.

My hon. Friend the Member for York Central (Rachael Maskell) spoke with great personal experience and exposed the massive dichotomy at the heart of the proposals. She rightly paid tribute to the staff who, by their good will, add so much more value to the NHS than will ever show up on a balance sheet. I agree with her that the dispute causes massive anxieties about what the future holds for recruitment and retention of our staff. She is right that industrial relations is about sitting down and getting into a constructive dialogue. I hope that, as many Members have said tonight, that is still possible.

The hon. Member for Central Ayrshire (Dr Whitford) spoke with the great experience that she brings to every debate on these matters. She correctly identified the Secretary of State's wilful conflation of statistics. She highlighted that the ratio of trained nurses is a significant issue and gave good examples of how challenges were resolved in the past by dialogue in conflict—dialogue was raised numerous times by Members. She was right to ring the alarm bells about the fact that fewer than half of junior doctors apply to stay in the NHS and she talked with great knowledge about some of the current pressures in the system on finding staff.

Finally, I pay tribute to my hon. Friend the Member for Bristol West (Thangam Debbonaire). It is so good to see her back here and to hear from her about her recent personal experience of the NHS. She spoke with great passion and sincerity about the treatments and flexibility she was afforded by those staff. It is clear that she has received excellent treatment—she was hugely impressed by staff's willingness to go that extra mile. The three words she highlighted should be reflected on by the Government: they need to treat staff respectfully, honourably and professionally. I could not agree more with that.

I am aware that in this Chamber we strive for a note of consensus, recognising that the main Chamber is where the theatrics, which do little to enhance Parliament's reputation, tend to take place.

**Steve Brine** (Winchester) (Con): They are right now.

**Justin Madders:** Yes, I am sure there are plenty of theatrics going on at this very moment. I will try to be measured in my response on behalf of the official Opposition, but it is our role to point out where we believe there are shortcomings in the Government's approach, and on this occasion I believe that the Government have been found wanting. The sad reality is that we should not be debating this matter today at all. It could have been different if the Secretary of State had demonstrated a genuine desire to listen, engage and negotiate.

We all know that from time to time an employer will want to change the terms and conditions of their workforce. As a former employment lawyer, I know that change can be sometimes be difficult to deliver, but rarely—if ever—have I seen one side approach a negotiation with such stubbornness, intransigence and provocation. Whatever



[Justin Madders]

legal method the Government choose to draw this dispute to a conclusion, the reality is that it is far from over, and the well of resentment that has been built up by the Government's approach will last for years. Everyone, including the BMA, has recognised the need to reform the current contract, but we have seen a Health Secretary giving the impression that he is looking for a fight, not a solution. In the past year he has described junior doctors as "militant"; implied incorrectly that they do not work weekends; insinuated that they are in some way to blame for deaths among patients admitted at weekends; questioned their integrity by suggesting that they may not be on hand to respond to a major terrorist incident; and insulted the intelligence of some of the brightest and best minds in the country by telling them that the 99% of them who backed industrial action had been somehow misled by the BMA.

I know how important junior doctors are to the smooth running of any hospital, how they consistently go the extra mile to deliver superb care—we heard that from many Members tonight—and how vital they are to the NHS's future success. Yet they are repaid with insults. That is no way to treat any public servant, least of all those whose good will has kept our health service afloat as it has suffered from years of mismanagement and underfunding.

The dispute, unnecessarily inflamed by the Health Secretary, reached a new low last month when he claimed support for contract imposition from NHS leaders across the country only for many of them later to come out and confirm that that was simply not the case. That was the latest in a long line of statements he has made that do not stand up to any kind of scrutiny. Contrast that rapid evaporation of support when imposition was announced with the solidarity shown by representatives from every part of the health sector who believe that contract imposition was the wrong move to make. At least 10 professional groups, from the Royal College of Midwives to the Royal College of General Practitioners, have warned about the dangers of imposing a contract on junior doctors at a time when staff morale in the NHS is at rock-bottom.

If the Health Secretary, the self-styled patients' champion, will not listen to the doctors and nurses, perhaps he will listen to the patients instead. The chief executive of the Patients Association, Katherine Murphy, said:

"The Government's decision to impose contract terms on junior doctors is unacceptable. The health and social care system depends entirely on the great people who work in services across the community for the benefit of patients...It is clear that the acrimonious dispute over the junior doctors' contract is unnecessary and damaging."

Unfortunately, it appears that he is not listening to patients, either. He has tried to point the finger of blame at the BMA for the dispute, but if he wants someone to blame he should look no further than the mirror. His actions up to the decision to impose the contract are not those of someone trying to calm things down and reach a resolution: they are the very opposite.

What is in many ways just as unacceptable and unforgivable is the Health Secretary's complete inaction after the decision was taken to impose the contract. A few weeks ago I asked him, in a written parliamentary question,

"what steps he has taken to avert further industrial action by junior doctors".

The answer was quite telling. The truth is that since he announced imposition, he has not picked up the phone, opened his door or lifted a finger to try to avoid the most recent industrial action. There was virtually a month from the announcement of imposition to when the Government knew perfectly well that there was going to be further industrial action, but they did absolutely nothing to avert it.

We all need to remember that the NHS is ultimately there to serve patients, and they are now suffering because the Secretary of State has sat on his hands. It has been a complete dereliction of duty. Therefore, when the Minister responds, I ask him to confirm that the Government have not taken, and do not intend to take, any steps to prevent further industrial action.

I have some further questions for the Minister. Was a risk assessment of the effect on patient safety carried out before the decision was taken to impose the new contract? What assessment has he made of the likely impact of the contract on the recruitment and retention of junior doctors, given the crisis that the health service already faces? Does he accept that imposing a new contract that does not enjoy junior doctors' confidence will further damage morale? Is he concerned by the 10-fold surge in inquiries by doctors planning to emigrate on the very day that the Government announced imposition? What legal advice did he take about how an imposed contract would work in practice? Will he tell the House when we will see the final terms and conditions? It is important for us to see that final detail, particularly as the BMA claims that a cost-neutral proposal was personally vetoed by the Health Secretary. We have never had an answer on that, so I should be grateful if the Minister would confirm whether the assertion is correct, and what the impediment to a deal was, given that it was cost-neutral and we already know that junior doctors work seven days a week.

The Secretary of State has sought, in recent months, to present the negotiation as a symbolic battle to unlock the delivery of a seven-day NHS. If that is the case, can the Minister explain why seven-day services are not mentioned once in the original heads of terms for the negotiations set out in 2013? The truth is that the Secretary of State only decided that the issue was about seven-day services half way through the negotiations when it was clear that doctors were going to put safety first, and he was looking for a way to divert blame away from his disastrous handling of the whole affair. Given that junior doctors already work seven days and seven nights a week, I cannot see how they can be the barrier to the safety of patients. Can the Minister name a single chief executive who has told him that the junior doctor contract is the barrier to providing high quality care 24/7? Even the chief negotiator whom the Secretary of State personally appointed, Sir David Dalton, says that changes to junior doctors' contracts will have the least impact on arriving at seven-day working.

We all want a seven-day NHS, but no evidence has been provided about how the contract will do anything to further that ambition. Nothing coming even close to a credible delivery plan has yet been provided to set out how the seven-day NHS will be delivered. The truth is that the whole dispute has been used by the Secretary of State to detract from the challenges facing the NHS;

those will only be harder to overcome thanks to his industrial relations approach, which is straight out of the Thatcherite 1980s playbook. Picking a fight with a group of people who will be critical to the future of the NHS is a mistake that I believe the Government will come to regret. The Secretary of State recently announced a number of measures aimed at making the NHS more open to learning from mistakes, and we of course support him in doing that, but when will he learn from his mistakes? When will he learn how to conduct a negotiation in a measured way?

On any analysis the Secretary of State has failed. He has failed to win the trust of the very people who run our hospitals, and the support of patients and the public. The Health Secretary may be content with a legacy of failure, but the way in which he has alienated a whole generation of doctors is something we will have to live with for many years to come.

6.3 pm

**The Parliamentary Under-Secretary of State for Health (Ben Gummer):** It is a pleasure to serve under your chairmanship, Sir David, and it has been a pleasure to hear some of the contributions to the debate, which have included measured speeches, as ever, by the shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), and the Scottish National party spokesperson, the hon. Member for Central Ayrshire (Dr Whitford). However, it disappoints me as much as it does many other hon. Members that we need to be here today. We would all have wanted the issue to be concluded some time ago. I hope that in the next few minutes I can describe why we are in this position and what we plan to do about it.

I will start by discussing something that the hon. Member for Hammersmith (Andy Slaughter) touched on, because I know he wants to leave early. I want to make these comments before he does. We are all here because we are interested in the future of the NHS, but, among various silly outbursts and fits of laughter, he described the speech of my hon. Friend the Member for Morley and Outwood (Andrea Jenkyns) as tragic. There is indeed tragedy behind my hon. Friend's interest in patient safety, and that is that her father died as a result of a failure of patient safety. It is no coincidence that she is here today and that she cares so much about this important issue. It behoves hon. Members, and especially the hon. Gentleman, who is barely able to contain himself on matters of this kind, to pay a little attention to the motivations of Members, on whichever side of the House they sit, and the reasons why they feel strongly about the matter. That includes the Secretary of State, who considers it to be a question of patient safety through and through. A portion of that is about the delivery of seven-day services, but more broadly, to reflect on the wise words of the hon. Member for Central Ayrshire, it is about the fact that tired doctors who work bad rotas are dangerous. That is at the core of our reasons for wanting to change the contract.

It was not just the present Government who decided that it would be right to change the contract. It was the British Medical Association that confirmed, in 2008, that the contract was not fit for purpose, just a few years after the Labour party had introduced it.

**Andy Slaughter:** *rose*—

**Ben Gummer:** I will not give way, because I know the hon. Gentleman has to go, and he intervened enough earlier.

Far from a few minor amendments, as the hon. Member for Warrington North (Helen Jones) suggested, a far greater number of changes needed to be made to the contract.

**Helen Jones:** I am afraid the Minister may be misquoting me. I was giving examples, not suggesting that they were the whole list of things wrong with the contract. When I said there were only a few issues, that was to illustrate that the Government and the BMA are not that far apart in the negotiations. Perhaps the Minister will consider what I actually said.

**Ben Gummer:** I will, and by way of return I hope that the hon. Lady will consider what the Secretary of State has actually said on a number of occasions, which—I am sure completely unintentionally—she misrepresented at numerous points. The hon. Lady said that the existing contract had moments of imperfection—I cannot remember her exact words. However, it had rather more imperfections than that, which is why the BMA recognised many years ago there was a need for significant change, and why the coalition Government entered into negotiations with the BMA early in 2013. The heads of terms were agreed between early 2013 and July 2013. The negotiations began in October 2013 and broke down a year later, with no notice to the Government. The BMA just walked out, and it took some time to explain why. It claimed, generically, that it was to do with patient safety, which was an odd thing to say given that there were doctors negotiating on the management side who were also concerned about patient safety. The negotiations were not rejoined until we involved ACAS in November last year.

**Dr Whitford:** When we had a debate about the issue in October, the Secretary of State was reluctant to go to ACAS, yet only when the negotiations went to ACAS was some progress made. The BMA wanted the contract changed to include recognition of quality training. The junior doctors are future consultants and leaders, and at the moment, while they hold multiple pagers and cover rota gaps, they feel that they are getting no training at all.

**Ben Gummer:** I will come on to the hon. Lady's sensible points about rota gaps, which have persisted for many years and need to be addressed as a separate issue, and about training. However, the negotiations have been going on for more than two years. There is an idea that the Secretary of State somehow ended them peremptorily, but throughout the period of the negotiations there was a serious attempt to engage with the BMA. Progress was very slow, and the BMA unilaterally broke off the negotiations in October 2014. It did not come back to the table until the offer was made to go to ACAS.

On why the Secretary of State took the stance that he did, I have a different interpretation from the hon. Lady, because I was with him through that whole process. We were very keen to return to negotiations via ACAS, but we needed to ensure that the BMA would give its representatives full negotiating powers.

**Justin Madders:** Will the Minister give way?

**Ben Gummer:** I will in a second; I will just answer this point.

From that point, as many Members have pointed out, considerable progress was made through the negotiations that we had under ACAS from December 2015 to February 2016—far more progress than in the previous negotiating period, partly because the BMA knew that an imposition would have to come if there could be no agreement. As the shadow Minister will understand, at some point an employer needs to move both on issues where there is agreement and on those where there might not be.

The fact that the Secretary of State chose Sir David Dalton to lead negotiations undermines the argument that somehow he was not trying to come to a negotiated settlement. He asked one of the very best chief executives in the NHS to lead the negotiations on his behalf. Even Sir David Dalton was unable to come to a final conclusion of the negotiations with the BMA, because the BMA refused to discuss the last remaining substantive issue—the rates of Saturday pay.

Herein lies the rub: in the heads of terms of the talks it began through ACAS, the BMA had agreed to discuss Saturday pay rates, yet it withdrew that agreement at the end. Sir David Dalton was therefore forced to write to the Secretary of State saying that in his judgment, there was no prospect of agreement on the remaining matters because the BMA was refusing to discuss them. When the Secretary of State or any negotiator has no counterparty with whom to negotiate, it is impossible to negotiate.

Far from the title of the e-petition, which suggests that the Secretary of State has somehow been unwilling, he has been negotiating in good faith all through the period since 2013. It was the BMA, right at the last minute and at previous moments that has refused to do that. I myself have called on it a number of times, both personally and in public, to come back to the negotiating table.

**Andy Slaughter:** Will the Minister give way?

**Ben Gummer:** I will not, because I know that the hon. Gentleman needs to go. I said that I would give way to the shadow Minister.

**Justin Madders:** The Minister is correct that considerable progress has been made in negotiations since the start of this year. The consensus seems to be that 90% of the contract was agreed. Does he not agree that it was therefore a great shame that a decision was made to impose the contract when just 10% of the issues were outstanding?

**Ben Gummer:** It is a great shame that we were unable to discuss those final things with the BMA, but as I have just explained, the BMA did not wish to discuss that final portion, even though it had agreed to do so in the heads of terms that were in front of ACAS at the end of November 2015. It was impossible to have that final discussion. That was not of the Secretary of State's volition; it was a decision of the BMA's junior doctors committee.

I turn to the point that my hon. Friend the Member for Morley and Outwood made, which Opposition Members discounted so quickly. At no point has the Secretary of State ever claimed that there is militancy among junior doctors as a whole, nor has he said that the BMA as a body has sought to wind up the dispute. In fact, if he had said that, it would have been entirely wrong. It is, however, true that the junior doctors committee, which is a small portion of the BMA—it is not the whole body, and we have just come to an agreement with the BMA on the general practitioners' contract—has become radicalised in the past few years.

We know that the committee did not wish to discuss Saturday pay rates, not because of any inherent merit or otherwise in the arguments but because of the tantalisingly close prospect of an agreement with the Secretary of State—one that the committee had been fighting against. We know that that dispute existed, because even when we made a revised offer just after Christmas, the committee refused to discuss it before talking to its members and committing to a strike. There has been an impelling force within the junior doctors committee to take action, which, I am afraid, has disrupted the course of the negotiations and made it far harder to have an open and honest discussion with junior doctors.

We come to the issue of junior doctors being misled. They are very bright people who I know take an interest in the news and in the contract under which they will be working. I have no doubt about that. However, the British Medical Association—a trusted body—has claimed to its members that they are going to have a pay cut of 20% or 30%. Despite the fact that the NHS and we in this House have rejected that claim numerous times, it has been repeated. The hon. Member for Hornsey and Wood Green (Catherine West) repeated it today. That claim is untrue. It was made in the summer, and it is no wonder that BMA members were worried. If I were a junior doctor and someone told me I was going to have a 20% or 30% pay cut and would have to work longer hours, I would be extremely worried, and of course I would be angry. The fact is, however, that the claim was not true. The gravity of that untruth is such that it can still be repeated in this Chamber as if it were true.

Junior doctors, who no doubt informed the hon. Lady—I know she is not willingly misleading the House—still think they are going to have a pay cut of 20%. If we are still in an atmosphere where people believe they are going to have something that they are not, and that they will have to work more hours than they will, it will of course be difficult to come to a resolution until we allow things to calm down. That is why it is important to move to a point where junior doctors have the contract in front of them, so that they can see the effect on their working patterns and see that much of what they have been told is simply not true. We can then, I hope, move to a much better position in individual trusts where we can start discussing the existing problems that the hon. Member for Central Ayrshire mentioned, such as rotas, training schedules and the like.

I will address some of the individual points that hon. Members have made during this interesting debate. Apart from misrepresenting the shape of the negotiations as if somehow the Secretary of State had broken off talks, which he did not, the hon. Member for Warrington North questioned the research that led to the various statements that the Secretary of State and others—many



of them clinicians—have made about the so-called weekend effect, or avoidable excess mortality attributable to weekend admissions. I should make absolutely clear where the link is. Almost any clinician in the NHS will recognise that we do not yet have the same consistency of care over the weekends that we do during the week in every hospital or every setting where we need it. We know that, and the hon. Member for Central Ayrshire made a similar point herself.

Our manifesto pledge was translated into the mandate that is reflected in all the contract negotiations that are going on, and it concerns one particular issue—the need to standardise urgent and emergency care—and nothing more. It is not about elective care; I have made that point several times to the hon. Lady. People who are admitted at weekends—including, to some extent, those admitted at the shoulder periods at the end of Fridays and especially on Monday mornings, because of inconsistency of care over the weekends—will then be able to expect the same standard of care, which will contribute to lower mortality rates as part of a wider package to reduce mortality attributable to weekends.

The drive for that comes from clinicians. It comes from the seven days a week forum convened by the Academy of Medical Royal Colleges, which reported at the end of 2012 and gave the Secretary of State and the whole service 10 clinical standards that it believed would help to reduce variation in weekend clinical standards. It is those standards that we seek to bring in across the service. The academy has said that four of them in particular are the most important for reducing variation. They relate to urgent and emergency care, and it is those standards that we seek to fulfil across the service.

**Helen Jones:** The Minister is once again managing to conflate two things. Everyone accepts the need to improve emergency care at weekends. What is not accepted—this is where the Secretary of State misused the research, and I was questioning his use of it, rather than the research itself—is a causal link between junior doctors' work patterns and the deaths that occur. That is simply wrong; the research does not show that. In fact, a great deal more research is needed to find out the actual causes of the excess mortality.

**Ben Gummer:** If the hon. Lady were quoting the Secretary of State correctly, he would indeed be wrong, but he has never made a causal link precisely with junior doctors' working hours. He has said that it is the working patterns of the NHS as a whole. One of the studies that the hon. Lady quoted in part makes it clear that the purpose of the research study was not to look at answers to the questions that were raised, but it did say that one of the areas that policy makers should look at first is staffing ratios over the weekend.

Let me ask the hon. Lady something. There is general acceptance across the service of a weekend effect. There are varying studies that, under different research scenarios, point to figures of 6,000, 8,000 and 11,000 deaths, and sometimes more—15,000, for example. Does she believe that if the number were 2,000, it would therefore not be right to deal with this problem? Would 500 be an acceptable number of deaths that we should tolerate without seeking to reform contracts? In fact, what price should we put on an avoidable death? Or is she saying that not one single death in the service is related to staffing ratios over the weekend?

**Helen Jones:** The Minister is once again managing to conflate two different issues. Let me repeat what the researchers said:

“It is not possible to ascertain the extent to which these...deaths may be preventable; to assume that they are avoidable would be rash and misleading.”

That is the researchers' comment on their own research. Of course, nobody wants to see preventable deaths, but the Secretary of State has tried to use the research to link those deaths to junior doctors' working patterns. It simply does not prove that. He is wrong.

**Ben Gummer:** I will happily arrange for the hon. Lady to have a clinical explanation of the various studies that she has cited, because I think she will then understand why the part that she has quoted needs to be understood in context—*[Interruption.]* I am asking her a direct question: does she—and do other hon. Members, who are tittering about this on the Opposition Benches—really propose that there is no weekend effect? If they are saying that is the case, or if they are saying that there are 500 or 1,000 deaths and that somehow is acceptable and the Secretary of State should not address himself to it, that is a worrying statement of intent.

**Dr Whitford** *rose—*

**Helen Jones** *rose—*

**Ben Gummer:** I will not give way to the hon. Member for Warrington North. I give way to the hon. Member for Central Ayrshire.

**Dr Whitford:** The problem here is about exactly what it is the paper shows. What do any of these papers show? They show a statistical excess of deaths. We know that 25% more of the people are in the sickest category. We know that 15% more of them die on a Sunday. Maybe the NHS did an absolutely amazing job in saving the other 10%. We do not know the answer, so we do not know how many are avoidable. However, I would point out to the Minister, who referred to the standards, that the only mention of junior doctors in the 10 standards is with regard to review of outcome and focus on training. Not one of the 10 standards says there should be a change in how junior doctors work.

**Ben Gummer:** One of the studies that the hon. Lady cites does a control for acuity, which she has raised. I know that there is an understandable change in the acuity of patients and one of the studies allows for that.

As for the point about the 10 clinical standards—and here I will just move on from the points that the hon. Member for Warrington North was making—

**Helen Jones:** Before the Minister does, will he give way? He asked me a direct question.

**Ben Gummer:** I will in a second, but hopefully I will answer the hon. Lady's point first. She says that I am conflating two things, but I am certainly not; I am saying that there is a recognisable weekend effect. We can have a discussion about the precise numbers involved, but the key answer is that clinicians themselves understand that something needs to be done to reduce variation. I will come to junior doctors in a second, but clinicians

[Ben Gummer]

themselves have offered the 10 clinical standards, which lie at the base of this. We are not doing anything extra beyond what clinicians are recommending. The four key clinical standards lie at the heart of our changes to urgent and emergency care to ensure consistency of standards, and it is right that one of them relates to the training of junior doctors. The standard at the moment is not as good at the weekend, because they do not have consultant cover, and that is something we are hoping to change. It is also true that the 10 clinical standards refer to senior decision makers, and there is a discussion about precisely who that might be. I will give way to the hon. Lady now, and then we will move on.

**Helen Jones:** Had the Minister listened to what I said, he would have heard me say that there is a weekend effect, even when the control for acuity is put in, and that more research is needed to find out exactly why that occurs. No one on the Opposition side wants to see preventable deaths in the NHS, but the Minister has to explain why this contract that he wishes to impose is so important in preventing them, when many trusts have already managed to improve weekend working—including Salford—without it.

**Ben Gummer:** On the issue of the response to the mounting clinical evidence of a weekend effect—I am glad that the hon. Lady recognises it—clinicians have said that we need to reduce variation by changing the clinical standards that we hold clinicians to, and that is what we are seeking to do. That is why all the contracts relating to clinicians are being reformed. It is part of a package. I have made that point in this Chamber many times before, so Members who keep repeating that somehow we are loading everything on to junior doctors are just not listening to the points that the Government are making—that it is part of a piece.

The recommendations of the DDRB—the Review Body on Doctors' and Dentists' Remuneration—asked for far more radical changes to Saturday working. We have moderated those in an effort to bring about negotiations and discussions with the British Medical Association, but it has refused to do that.

I will answer one more point that the hon. Lady made in her speech. She said that a point of contention was payments and reward for length of service. I think she was referring to increments. That issue was resolved with the BMA as part of the 90%, so I hope she therefore sees that it is not a substantial part of the argument, despite what she pretended.

The hon. Member for Wirral West (Margaret Greenwood) mentioned issues around psychiatry, which was a legitimate point to make. That is precisely why, as part of the new contract, flexible pay premia will be paid to psychiatrist trainees, so that we can provide an incentive to get more trainees opting for this specialism. It is clear that across the service, there are specialisms that, for decades now, have not recruited the numbers that we would all like to see going in. We have identified three where we think a particular incentive is appropriate, because of the difficulty of going into those specialisms—general practice, emergency medicine and psychiatry. This is one that we proposed. It was disagreed with and then agreed with by the BMA, and we hope, therefore, to address precisely the point that she made in her speech.

**Dr Whitford:** Will the Minister clarify whether the protection for GP registrars has been re-established? We obviously do not have access to the terms and conditions that have been agreed, because they have not been published. However, one of their concerns was that they had pay protection when they became GP registrars, and that was going to be taken away.

**Ben Gummer:** All trainees working within legal hours will have pay protection and that includes GP registrars. That was one of the bottom lines of our negotiations all the way through the process and precisely why we are so disappointed that the BMA consistently misrepresented our position.

I have addressed the point the hon. Member for Hornsey and Wood Green raised about the 20% fall in income. She asked me to say expressly whether that is right or wrong. It is wrong. No one will see a fall in their income if they are working the legal hours. Indeed, we think that 75% of doctors will see an increase through the course of this pay contract.

The hon. Lady raised the issue of maternity and cited a doctor who claimed that they were earning £22,600. I would be interested to know the detail of that because the foundation year one minimum pay rate is £23,768, which is slightly above the figure she quoted. She made an entirely valid point about the need to make sure that women especially, but I hope under shared parental arrangements, women and men in the service have the flexibility to be able to take time out of the service to bring up children. That is why the increased base rate of pay is particularly good because it will increase the parental pay, as we should now call maternity pay, under shared parental leave when people take time out to look after children.

The hon. Member for York Central (Rachael Maskell), who is no longer in her seat, talked about guardians, but was factually wrong to claim that there would be no payment to junior doctors. They will be able to get one and a half times their salary as part of the payment fines made to guardians. The guardians will not, as the hon. Lady suggested, just respond to complaints. They will have an overall duty to maintain the wellbeing of junior doctors. Theirs will be a critical position in trusts and I hope it will grow into being a substantial one, making sure juniors have the opportunities for training they wish for and the levels of welfare to which they are entitled.

The hon. Lady spoke about whistleblowing, and her comments concerned me because this is precisely an area where we should be asking juniors to speak up. If working longer hours is dangerous—we all agree with that—like any other patient safety issue, not only should they morally speak up to their guardian, but they are under a duty to do so under GMC guidelines.

**Dr Whitford:** Does the Minister recognise that if someone is the most junior person in a very hierarchical system, it is difficult and harder for them to complain about something they perceive is being done to them as opposed to something they see concerning a patient?

**Ben Gummer:** I recognise that speaking up is difficult in the current NHS culture. It is precisely what lies at the heart of Sir Robert Francis's second report. That is why we need to change that culture. It is also the reason

why we said that guardians, in receiving proactive complaints from juniors, should have an overall duty of care for the juniors in their trust and make sure they are treated properly. That is why this is an exciting role. It is a tutorial role in sense with a responsibility, especially for the youngest trainees, to make sure they are in the right place and supported in what can be difficult times.

**Dr Whitford:** May I ask the Minister again about not having the chance to see the details? One concern of junior doctors is that they would not have a voice or a role within the guardianship. They asked to have a representative as part of that function. Has that changed, or are they still excluded from that?

**Ben Gummer:** They are not excluded. It is important that that person does not become a BMA nominee, but we want the guardian to make sure they command the respect not only of the junior doctor workforce, but the trust itself. It is important to make sure that person gets that degree of buy-in from both sides, and I hope that the final solution we arrive at will satisfy that.

**Catherine West:** Does the Minister agree that, traditionally, whistleblowers have not been treated respectfully and that perhaps the current approach of imposing things is not the right step forward in changing the culture?

**Ben Gummer:** There has been a problem for decades with whistleblowers being listened to. That is what gave rise in part to the tragedy at Mid Staffs and the Secretary of State is trying desperately to do something about it. He cares passionately about it and his recent speech, which the hon. Member for Lewisham East (Heidi Alexander) welcomed, was about trying to create those safe spaces within trusts so that people feel they can speak openly. Indeed, recently at the social partnership forum, which I chair and where we hear contributions from trade unions, I heard of a very effective scheme recently developed in Somerset which showed a good way of getting people of all grades in a trust able to speak up.

I, too, am delighted that the hon. Member for Bristol West (Thangam Debonnaire) has been able to take her seat again. She has come back at an exciting time in politics—one that may be more exciting for her than the last six months. She asked about the funding for seven-day services. All I would say is that within the five-year forward view are two parts that are connected. The first is the commitment to have seven-day services in urgent and emergency care, which is reflected in our mandate for the service, our manifesto pledge at the last election and the request for £8 billion of cash funding connected with the £22 billion of efficiency savings in the service. That is the funding that is being provided to achieve not only that commitment, but everything else in the five-year forward view. Hon. Members have questioned whether that money is sufficient and I point them to the statement by NHS England today in which it was very clear that that is the amount that was asked for and that is the amount that they were glad to get.

The hon. Member for Central Ayrshire spoke about the opt-out, and I want to give clarification for the record to ensure that we are clear about it. In parts of the emergency care pathway, the opt-out has an effective

impact and indeed affects part of the urgent care pathway. Ensuring the opt-out is removed is one of the areas we are keen to progress and was the origin of the Secretary of State's statement, which related to that and not to junior doctors at the beginning of this process. It is important that we do that specifically around urgent and emergency care, and other hospital services, but we have never, ever wanted to extend by the process of our negotiations elective care at weekends. That is not part of our commitment, which has always been squarely about ensuring consistency of standards in urgent and emergency care.

**Dr Whitford:** I am afraid that I have sat in the House and listened to the Secretary of State talking about having elective services across seven days and how great that would be for patients. Of course it would be great, but we would need thousands more doctors whom we have absolutely no chance of finding. It has not been clear. In Salford Royal today, Sir David Dalton again said one crucial thing is for the Government to define exactly what they mean by seven days. Doctors have not objected to strengthening urgent and emergency care.

**Ben Gummer:** The hon. Lady, in repeating that, as have other hon. Members, makes it harder for us to state again—she knows I have done so on numerous occasions—that this is to do with urgent and emergency care. It is true that some hospitals—Salford Royal is one—do elective work at weekends. I have no doubt her hospital might do some elective work at weekends. That is part of the trust's decision-making. It is for the hospital to make that decision. Our key in changing these contracts has been to concentrate on urgent and emergency care. That is the focus of the contract changes.

The hon. Lady also spoke about the tenor of the language that has been used and I know that she cares deeply about this, for understandable reasons. I, too, enormously regret the way this has been portrayed. Although to a lesser degree than the Secretary of State, I have been on the other end of language that one would hope professional doctors would not wish to use.

The whole debate has become intemperate in an extremely unfortunate way, but I have sat through every single speech that the Secretary of State has made on this matter and every single press utterance—I have also made a number myself—and never once has he attacked junior doctors as a body. He has only the utmost respect for them, not least because, like everyone else in this Chamber, he has been the beneficiary of their care. But it is true that they have been let down by their trade union.

I repeat—I know that the Opposition Front Benchers know this—that the BMA has let down its members, because first, it has allowed a series of statements to persist that it knows to be untrue, and secondly, the junior doctors committee has not engaged in meaningful negotiations in the way that it should have done and in the way that other parts of the BMA have been happy to do, and they have concluded better contracts as a result.

That brings me to the points that the shadow Minister, the hon. Member for Ellesmere Port and Neston, made. He asked quite a lot of questions, and I commit to giving a full answer later to the ones that I do not answer today.



[Ben Gummer]

The hon. Gentleman asks whether there will be any further steps to avoid industrial action. We will do whatever we can to ensure that junior doctors understand the nature of the contract, and we hope that they will therefore not feel the need to go on strike. We have contended all the way through that that is a needless endangering of patient safety. It is certainly a massive inconvenience to patients, many thousands of whom have now seen their operations cancelled as a result. The contract dispute does not have anything to do with safety, as the BMA itself has implicitly accepted. It is to do with Saturday pay rates. The BMA and its members really have to think about whether they wish to take the dispute about Saturday pay on to the street time and time again.

The hon. Gentleman asked whether there has been a risk assessment on patient safety. We have risk-assessed that at every single stage, and the way in which we have dealt with the industrial action has been concentrated solely on the effect that it has on patient safety, but the best way of ensuring patient safety is for the BMA to cease its unnecessary action.

In relation to an assessment of recruitment and retention, the whole contract has been framed to try to ensure that doctors have a better work-life balance. That is precisely why we have reduced the number of consecutive long days, consecutive long nights and consecutive weekends, and it is why the contract is better for junior doctors and why we hope that it will aid recruitment and retention in the long term. However, we are conscious of the fact that there are ongoing morale issues that go all the way back to 1999 and beyond. In fact, when the previous contract was negotiated, precisely the same points were made about morale as are being made now, so clearly the old contract did not fix those issues. That is why we have asked Professor Dame Sue Bailey to look at wider issues of training and morale in the service as they pertain to junior doctors, to see what else needs to be done to ensure that they are getting the training opportunities that they require, the welfare standards that they expect and the quality of work-life balance that they rightly wish to have.

The hon. Gentleman asked about the BMA's proposal that it claimed was cost-neutral. Our judgment was that it was not cost-neutral, and given that the BMA was refusing to negotiate on the contract that was on the table and had been worked on for several years, it was rather odd—and, one might think, a political gesture—to throw an entirely new idea on to the table, knowing it not to be cost-neutral. I would say that that was more for effect than to actually try to further the aims with which everyone approached the contract renegotiation.

In short, I am afraid that I reject the premise of the petition, because the Secretary of State has attempted at every stage in the process, over a period of nearly three years, to have meaningful contract negotiations with the BMA. At every point at which contract negotiations have broken down, it has been the instigator of that breakdown, so the petition would better serve itself by being addressed to the junior doctors committee of the British Medical Association, which has broken off meaningful contract negotiations not just once but three times. It is with that committee that the responsibility lies for the failure to find a solution to the final 10% of the contract negotiation, as Sir David Dalton concluded.

**Justin Madders:** I am grateful to the Minister for giving way; I could tell that he was about to reach a crescendo. He has set out what he intends to do to reduce the temperature and avoid further industrial action. I have to say that I think his response was inadequate, but his central contention was that he hopes to persuade the majority of the BMA's membership that the new contract is beneficial for them. To that end, can he confirm when the full details will be publicly available?

**Ben Gummer:** I expect the full details to be available shortly. The Secretary of State is studying, and will continue to study, the draft final terms, together with the equality impact assessment. It is important that when he has studied that assessment, he can make a judgment about whether any changes are necessary. Once that process has concluded, the final offer will be made, and that will be the point at which we proceed with the implementation of the contract. I hope very shortly to be able to give the hon. Gentleman a timetable for that. It is in my interests as well as his to see it happen as soon as possible, and I hope to be able to provide junior doctors with the reassurance that the contract will provide—that this is not the tragedy that they have been led to believe it is.

This has, none the less, been a difficult period for the service and, in particular, for junior doctors, who have been led to have unnecessary worry as a result of a series of misrepresentations by their union. I hope that in the next few weeks and months we can allay their concerns, and I hope that we can then get on with the job that we are all mindful of the need to achieve, which is better quality of care whatever the day of the week, a reduction in avoidable mortality whatever the cause, and an improvement in our national health service.

6.46 pm

**Helen Jones:** Sir David, I apologise for demoting you to the ranks in my opening remarks.

This has been an interesting debate, although I was disappointed by the Minister's reply. He is normally a very reasonable man, except when he is attributing things to Opposition Members that we have not actually said. His problem is that he is being sent here time after time to defend the indefensible. It is clear that there is a deal to be done, as Opposition Members have said, but there is no movement from the Government to get people back around the table to do that deal. If the contract is so good that it provides a land of milk and honey for junior doctors, as the Minister seems to imply, one wonders why they are not dancing in the street at the prospect of it.

We have heard clearly from Opposition Members about junior doctors' worry that the contract will lead to excess hours and that they are moving from being part of a team, where they learn and progress properly, to being just another rota of shift workers to be shifted around. We heard from my hon. Friend the Member for Bristol West (Thangam Debbonaire), whose return I too am very glad to see, about her experience in the NHS and the staff who went the extra mile for her, and we have heard about the weekends that people work.

We have also heard some extraordinary attacks from Government Members on a respected profession. I understand that the hon. Member for Morley and Outwood

(Andrea Jenkyns) may have suffered a personal tragedy, but that does not in any way justify her attempts to smear all junior doctors as a bunch of militants who are endangering patient safety.

**Ben Gummer:** She did not say that. Withdraw.

**Helen Jones:** Yes, she did say they were endangering—

**Ben Gummer:** She did not say that. Withdraw.

**Helen Jones:** She did. She said they were Corbynites—

**Ben Gummer:** Withdraw!

**Helen Jones:** No, I am not going to withdraw that remark. *[Interruption.]*

**Sir David Amess (in the Chair):** Order.

**Helen Jones:** And she said they were endangering patient safety. It is that attitude among Government Members that is preventing a solution to the dispute. There are constant attempts to stigmatise staff and to

accuse them of things that they have not done and are not doing. The Minister, for example, says that junior doctors are misled about their contract by the BMA. That is patronising, because it implies that they are not able to look at the evidence and judge for themselves. We have heard no attempt from the Minister to outline the Government's plan B if some doctors leave and do not sign the contract. Well, I am not surprised that the Government do not have a plan B because they do not even appear to have a plan A.

I appeal to the Government to change course and to take steps to get the BMA and junior doctors' representatives back round the table so that the dispute can be sorted out for the benefit of patients and for the benefit of the whole NHS. If they do not do that, we are really heading towards serious problems in the future.

*Question put and agreed to.*

*Resolved,*

That this House has considered e-petition 121262 relating to contract negotiations with the BMA.

6.50 pm

*Sitting adjourned.*





# Written Statements

Monday 21 March 2016

## BUSINESS, INNOVATION AND SKILLS

### Green Investment Bank

**The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid):**

On 3 March, I formally launched the process of sale of UK Green Investment Bank plc (GIB) into the private sector (Transaction). The company's success means there is strong market interest in GIB from a number of long term institutional investors and Government funding is no longer needed.

As Government are the selling shareholder and receiving the proceeds of the sale, I believe it is reasonable and appropriate in the context of the transaction to grant the following indemnity on behalf of Government.

BIS will be entering into an agreement with Poyry (electricity market report and associated price forecast provider) to release and share their information as part of the sale process to potential bidders. It is an important component of a bidder's due diligence, risk assessment and ultimately the price they would be willing to pay. BIS would indemnify for any liability that Poyry incurs as a result of using their information in the sale process that may be brought by potential bidders in relation to the transaction. Poyry has been clear that they require such indemnities to share their information with potential bidders.

The indemnities are uncapped and are not time limited; however, the chances of the indemnities being called upon will reduce over time. It is not possible at this stage to accurately quantify the value of such indemnities. HMG has considered the risks throughout the process and I believe the likelihood of such indemnities being called upon is low.

It is normal practice when a Government Department proposes to undertake a contingent liability in excess of £300,000 for which there is no specific statutory authority for the Minister concerned to present a departmental minute to Parliament giving particulars of the liability created, explaining the circumstances and to refrain from incurring the liability until 14 parliamentary sitting days after the issue of the statement, except in cases of special urgency and/or confidentiality.

Copies of the departmental minute will be placed in the Library of the House explaining the procedure followed and containing a description of the liabilities undertaken.

[HCWS633]

## LEADER OF THE HOUSE

### Short Money

**The Leader of the House of Commons (Chris Grayling):** I wish to update the House on the Government's proposed reforms to Short money.

The autumn statement in November outlined proposals to reform Short money and last month, the Cabinet Office published a request for views, which was followed by further constructive discussions with political parties.

These discussions have now concluded and the Government are bringing forward a package of proposals to reform Short money and Representative money, recognising the importance of an effective Opposition to hold the Government to account. The changes will deliver an estimated cumulative £3.6 million saving to taxpayer-funded Short money over this Parliament and increase transparency and accountability over how taxpayers' money is spent.

A motion delivering these reforms will be tabled later today for consideration by the House on Wednesday 23 March. In summary, the motion will propose the following changes:

The annual indexation would be linked to CPI rather than RPI.

The CPI change would mean that Short money figures for the 2016-17 financial year would be based on the uprating of the 2015-16 figures by reference to CPI, rather than RPI.

Transparency requirements would be introduced to safeguard the spending of taxpayers' money. It would provide for a regime of publishing audited accounts, with a breakdown of Short money spending, including transparency over senior staff salaries.

The Members Estimates Committee would determine the detail of the auditing and transparency regime; the reporting should commence for the 2016-17 financial year.

The transparency regime would reflect the need for enhanced scrutiny of HM Opposition.

The Members Estimates Committee would be tasked to consider the effect of planned reduction in the size of the House of Commons on the Short money formula from 2020-21 onwards, recognising the goal of reducing the cost of politics; it would report by end of the 2016-2017 session.

A minimum funding floor would be introduced for the smallest parties (parties up to and including five MPs). This would be 50% of the IPSA staff allowance for one non-London area MP.

A maximum funding ceiling would be introduced for the smallest parties (parties up to and including five MPs). This would be 150% of the IPSA staff allowance for one non-London area MP.

The resolution would come into effect from the start of 2016-17 financial year.

The Representative money scheme would be amended to mirror the changes to Short money.

In addition, policy development grants will remain frozen, so they will fall in real terms in each year over this Parliament.

These balanced and reasonable proposals will deliver a significant saving of taxpayers' money, reducing expenditure by 10.6% compared with forecast levels, and will further extend the Government's ongoing transparency agenda.

[HCWS634]

## TRANSPORT

### High Speed 2

**The Secretary of State for Transport (Mr Patrick McLoughlin):** Today HS2 Ltd has published its report on "Broad options for upgraded and high speed railways

to the North of England and Scotland.” I am grateful to HS2 Ltd for its report, which fulfils the remit we gave it, exploring options to:

improve journey times from Edinburgh and Glasgow to cities further south, including options that could reduce journey times to London to 3 hours or under;

provide additional passenger and freight capacity where it is projected that future demand

will not otherwise be met.

The report considers various options for building on HS2, including:

upgrades within the footprint of the existing railway;

new high speed bypasses of constrained track sections; and  
complete new lines on either the east or west of the Pennines.

These alternatives range in cost between £17 and £43 billion to reach a three hour journey time, although some are capable of being constructed in stages. All have their advantages and disadvantages.

HS2 Ltd was asked to look at overall feasibility and costs and the report does not provide detailed consideration of the benefits of particular options. This work would need to be done before any decisions on options or routes could be made.

The Department for Transport and Scottish Government will continue to work in partnership with the ultimate aim of achieving journey times of 3 hours between Scotland’s central belt and London.

That requires us to continue to drive forward our plans for HS2:

From when Phase One opens in 2026, new HS2 trains will be arriving in Glasgow from London in 3 hours 56 minutes.

Journey times will fall further, to 3 hours 43 minutes, thanks to the acceleration of the route to Crewe in 2027

Then, when the full “Y” Network opens in 2033, journey times to both Glasgow and Edinburgh will be reduced to around 3 hours 38.

In addition, we need to look at what more should be done. I recognise the continuing investment that is likely to be necessary if we are to meet projected passenger and freight growth on the West and East Coast Mainlines.

Therefore, in this control period the Department for Transport and Transport Scotland will take forward work with Network Rail to identify any and all options with strong business cases, for consideration for implementation in CP6 and 7, that can improve journey times, capacity, resilience and reliability on routes between England and Scotland. This will include consideration of how these improvements can be future-proofed to allow further progress towards 3 hour journeys.

I will place a copy of the broad options for upgraded and high speed railways to the North of England and Scotland in the Library of both Houses.

Attachments can be viewed online at <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-03-21/HCWS635/>.

[HCWS635]

# Petition

Monday 21 March 2016

## OBSERVATIONS

### CULTURE, MEDIA AND SPORT

#### BBC Licence Fee

*The petition of residents of the UK,*

Declares that the petitioners are dissatisfied with the BBC licence fee; further that up to 50 MPs recently demanded an urgent Government review of the BBC funding; further that the Magistrates' Association has been calling for the decriminalisation of TV licence evasion for nearly 20 years, concerned that evaders are punished disproportionately; further that 52.8 million letters were sent in 2014 to suspected evaders which were followed up by 3.8 million visits by TV licence officers, 204,018 prosecutions (or out of court disposals), of which 24,025 were unsuccessful, and 40 imprisonments, for an average of 20 days; further that the licence fee represents a much higher proportion of income for poor households; further that it gives an unfair advantage to one broadcaster; further that the UK is now perceived less favourably internationally by countries that have never enforced TV licence fees or have abolished their TV licence due to its public broadcaster funding model; further that the petitioners find the BBC's content outdated and biased and therefore do not wish to fund it; and further that an online petition on the matter was signed by 170,000 individuals.

The petitioners therefore request that the House of Commons urges the Department for Culture, Media and Sport to end the BBC licence fee.

And the petitioners remain, etc.—[Presented by Andrew Bridgen, *Official Report*, 20 January 2016; Vol. 604, c. 1518.]

[P001669]

*Observations from the Secretary of State for Culture, Media, and Sport (Mr John Whittingdale):* The way in which the BBC is funded is one of the core issues being considered as part of the on-going Charter Review.

The BBC is a world-renowned, and highly regarded Public Service Broadcaster, known and respected for the quality of its output, and serves as a strong representative of the United Kingdom on the global stage. The security of its funding—currently provided by the licence fee—is an important element in its ability to fulfil this role.

As part of Charter Review, the Government are considering whether the licence fee remains the best way to ensure this security, and fund the BBC, in a continually evolving modern media environment.

In July 2015, our public consultation asked for views on a wide range of issues, including how the BBC is funded, the licence fee, and alternative models. Over 190,000 people responded—and many of the signatories to this petition may have also taken the opportunity to share their views with us as part of this consultation. All of the responses have been read, analysed, and are being considered. They contribute to a large evidence base, of which this petition now becomes part.

The issues that have been raised about the cost of the licence fee for those on low incomes, and decriminalisation of the TV licensing offence, are important considerations, which are forming part of the on-going debate. An independent review by David Perry QC concluded that decriminalisation would have damaging consequences under the current licence fee model, and the Government continue to consider his recommendations.

It is also true that other countries have adopted or considered different Public Service Broadcasting funding models, and we have noted the lessons learned in these instances, as part of our thinking about the appropriate funding model for the UK.

The petition also notes the enforcement process for the licence fee. David Perry QC's review concluded that while the current regime represents a broadly fair and proportionate response to the problem of licence fee evasion and provides good value for money (both for licence fee payers and taxpayers), a number of improvements could be made to the current collection and enforcement process. The Government continue to consider these recommendations as part of the wide-ranging review.

The Government's position on BBC funding for the next Charter period, and in the longer term, will be set out in the White Paper.





# ORAL ANSWERS

Monday 21 March 2016

	<i>Col. No.</i>		<i>Col. No.</i>
<b>COMMUNITIES AND LOCAL GOVERNMENT..</b>	1211	<b>COMMUNITIES AND LOCAL GOVERNMENT—</b>	
Affordable Homes.....	1215	<i>continued</i>	
Devolution: East Midlands .....	1224	Local Government Funding.....	1213
Devolved Business Rates.....	1211	Planning.....	1225
Flooding: EU Solidarity Fund.....	1217	Private Rented Sector.....	1223
Help to Buy.....	1224	Social Care.....	1216
Homelessness .....	1220	Social Housing.....	1222
House Building .....	1218	Topical Questions .....	1225

# WRITTEN STATEMENTS

Monday 21 March 2016

	<i>Col. No.</i>		<i>Col. No.</i>
<b>BUSINESS, INNOVATION AND SKILLS .....</b>	55WS	<b>TRANSPORT .....</b>	56WS
Green Investment Bank .....	55WS	High Speed 2.....	56WS
<b>LEADER OF THE HOUSE .....</b>	55WS		
Short Money .....	55WS		

# PETITION

Monday 21 March 2016

	<i>Col. No.</i>
<b>CULTURE, MEDIA AND SPORT .....</b>	7P
BBC licence fee.....	7P

Members who wish to have the Daily Report of the Debates forwarded to them should give notice at the Vote Office.

No proofs of the Daily Reports can be supplied. Corrections which Members suggest for the Bound Volume should be clearly marked in the Daily Report, but not telephoned, and *the copy containing the Corrections must be received at the Editor's Room, House of Commons,*

**not later than  
Monday 28 March 2016**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE  
PROMPT PUBLICATION OF THE VOLUMES

Members may obtain excerpts of their Speeches from the Official Report (within one month from the date of publication), on application to the Stationery Office, c/o the Editor of the Official Report, House of Commons, from whom the terms and conditions of reprinting may be ascertained. Application forms are available at the Vote Office.

#### PRICES AND SUBSCRIPTION RATES

##### DAILY PARTS

*Single copies:*

Commons, £5; Lords, £4.

*Annual subscriptions:*

Commons, £865; Lords, £600.

LORDS VOLUME INDEX obtainable on standing order only. Details available on request.

BOUND VOLUMES OF DEBATES are issued periodically during the session.

*Single copies:*

Commons, £105; Lords, £60 (£100 for a two-volume edition).

Standing orders will be accepted.

THE INDEX to each Bound Volume of House of Commons Debates is published separately at £9.00 and can be supplied to standing order.

*All prices are inclusive of postage*



---

**CONTENTS**

**Monday 21 March 2016**

**Oral Answers to Questions [Col. 1211] [see index inside back page]**  
*Secretary of State for Communities and Local Government*

**Budget Changes [Col. 1231]**  
*Answer to urgent question—(Mr Gauke)*

**European Council [Col. 1244]**  
*Statement—(Prime Minister)*

**Welfare [Col. 1268]**  
*Statement—(Stephen Crabb)*

**Budget Resolutions and Economic Situation [Col. 1290]**  
*Debate (Third day)*

**Mid Yorkshire Hospitals NHS Trust [Col. 1347]**  
*Debate on motion for Adjournment*

**Westminster Hall**  
**BMA (Contract Negotiations) [Col. 449WH]**  
*General Debate*

**Written Statements [Col. 55WS]**

**Petition [Col. 7P]**  
*Observations*

**Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]**

---