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**HOUSE OF COMMONS**  
**OFFICIAL REPORT**

**PARLIAMENTARY**  
**DEBATES**

**(HANSARD)**

**Monday 27 November 2017**

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# HER MAJESTY'S GOVERNMENT

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(FORMED BY THE RT HON. THERESA MAY, MP, JUNE 2017)

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# THE PARLIAMENTARY DEBATES

## OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SEVENTH PARLIAMENT OF THE  
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
[WHICH OPENED 13 JUNE 2017]

SIXTY-SIXTH YEAR OF THE REIGN OF  
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 632

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### House of Commons

*Monday 27 November 2017*

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

#### PRAYERS

[MR SPEAKER *in the Chair*]

**Mr Speaker:** I should like to make a short statement following the announcement from Clarence House today of the engagement of Prince Harry to Meghan Markle. I am sure that Members from both sides of the House will join me in congratulating the couple on this most happy occasion and wishing them all the very best for their future together.

### Oral Answers to Questions

#### DEFENCE

*The Secretary of State was asked—*

#### NATO North Atlantic Command

1. **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): What discussions he has had with his counterparts in other NATO member states on the location of the new NATO North Atlantic Command. [902547]

**The Secretary of State for Defence (Gavin Williamson):** May I start by congratulating, on behalf of those who work in our armed forces, His Royal Highness Prince Harry on his engagement to Meghan Markle? Prince Harry has acted as a proud champion of servicemen and women

in the armed forces, most notably with his commitment to the Invictus games. I am sure we would all like to echo your words, Mr Speaker, in wishing the two of them the very best in their shared future together.

During my first few weeks as Secretary of State for Defence, I have had the privilege of being able to join the Army on Salisbury plain, the RAF in Cosford and the Navy in Devonport. It is truly moving to see the dedication and commitment they all show in their work. On 8 and 9 November, I had the opportunity to join fellow NATO Defence Ministers to discuss the future NATO command. This is about creating a new structure to lead NATO, but the establishment of a command for the Atlantic and its location have yet to be decided.

**Gavin Newlands:** I thank the Secretary of State for that answer, but with Russian submarine activity in Scottish waters at a level not seen since the cold war—just last week, the Russian destroyer the Vice-Admiral Kulakov was escorted through the Moray firth—how can the Secretary of State reassure Scots that, when the command is re-established, it will meet the needs of Scotland, which sits in a vital strategic position with respect to the High North?

**Gavin Williamson:** The hon. Gentleman makes an important point about the increased activity of Russian submarines in the north Atlantic. I am sure he would welcome the investment that the UK Government are putting into Her Majesty's naval base at Clyde. Some £1.5 billion is being spent on investing in Scotland and 6,500 personnel are already based at Her Majesty's naval base at Clyde, and that number is going to increase. NATO and what we do in terms of NATO are vital. It is the cornerstone of our defence. The hon. Gentleman must understand, though, that it is about not only conventional warfare and conventional deterrents but a nuclear deterrent. If we do not recognise the fact that nuclear weapons have been safeguarding our security, then we do not understand what NATO is. I very much hope that the hon. Gentleman will start to welcome our investment in not only conventional submarines in Scotland but nuclear submarines.

**Leo Docherty** (Aldershot) (Con): Does the Secretary of State agree that, when global threats to British interests around the world are increasing, it might seem illogical to have a defence capability review that could decrease our capabilities at a time when we need to be doing everything we can to increase our armed forces' fighting power?

**Gavin Williamson:** My hon. Friend makes a valuable point about making sure we have the right capability for all our armed forces. I am taking the opportunity to look at all the work that has been done and I am making my own judgment as to the best way to go forward.

**Stewart Malcolm McDonald** (Glasgow South) (SNP): I, too, extend warm wishes to the happy couple. My mother has already asked me whether she can join me in London on the day of the royal wedding.

I pay tribute to the Royal Navy assets, including HMS Protector, that have taken part in the search for ARA San Juan. Let us move from the south to the north Atlantic. I welcome the Secretary of State on his first appearance at the Dispatch Box. We do, of course, have differences, but where we can agree in Scotland's interest, we will hopefully do so. With that and the re-establishment of NATO command in mind, does he agree that Scotland is ideally placed to host such a command?

**Gavin Williamson:** I have no doubt that many places in the United Kingdom would be brilliant places to host such a command. I will be making strong representations to all our NATO partners to make sure that we get the very best deal out of NATO. At the moment, it is too early to determine where that command is going to be, but I will be doing everything I can to ensure that it is in the United Kingdom.

**Stewart Malcolm McDonald:** I understand that that matter will be discussed in February next year, so let me just point out to the Secretary of State what Scotland has to offer. It is the most northerly nation not to have any territory inside the Arctic circle; it is in a strategic position, jutting out into NATO's north Atlantic heartland with access to the Icelandic gap; and it has Kinloss and Lossiemouth with unparalleled history in maritime aviation. Given what my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) has also said, will the Secretary of State commit to further investigating the strong position that Scotland is in and taking that to NATO in February?

**Gavin Williamson:** I am always delighted to explore the many benefits that Scotland brings to our Union. The fact is that Scotland is always stronger as part of the United Kingdom than it is on its own. I also very much welcome our continued investment in Scotland. It is absolutely integral to our defence as a nation that we are always stronger together. I would be happy to look at all the evidence to make sure that we continue to get the very best investment in Scotland from our armed forces.

### Departmental Funding

2. **Bambos Charalambous** (Enfield, Southgate) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the adequacy of funding for his Department. [902548]

**The Secretary of State for Defence (Gavin Williamson):** I have regular meetings with the Chancellor. As yet, I have not had a formal meeting with him, but I am very much looking forward to doing so to discuss our shared future.

**Bambos Charalambous:** In a recent letter to the Defence Secretary, 25 of his Conservative colleagues said:

"We look forward to rhetoric being matched in deeds over the coming months."

Will the Secretary of State listen to colleagues from all parts of the House and match the Government's rhetoric with increased resources for our armed services?

**Gavin Williamson:** What we have in our national security and capability review is the opportunity to step back, look at the threats and challenges that face this country, whether it is from cyber or from more conventional threats, and make sure that we have the right resources in place to deliver for our armed forces. That is what I will be looking at. I am looking forward to meeting the Chancellor as well as many others and having those discussions going forward.

**Dr Julian Lewis** (New Forest East) (Con): I warmly congratulate my right hon. Friend on taking up office in this vital position. When he speaks to the Chancellor, will he take the opportunity of reminding him that, in the cold war years, we spent 5% of GDP on defence and that now we spend barely 2% of GDP on defence? Perhaps a target nearer to 3% of GDP on defence might prevent our armed forces from being further hollowed out.

**Gavin Williamson:** I will always listen intensely and very carefully to the arguments of my right hon. Friend. I have always seen 2% as a base as opposed to a ceiling, and I will certainly take on board his thoughts and comments in discussions going forward.

**Mr Kevan Jones** (North Durham) (Lab): I welcome the right hon. Gentleman to his new post and to the world of defence. The National Audit Office report earlier this year highlighted the fact that the Government have committed £24.4 billion to extra equipment, but only another £6.4 billion was actually there in new money for the joint strike fighter. How will he fill that £18 billion black hole in the budget on the basis that both the efficiencies and the headroom identified by the NAO have not yet been met?

**Gavin Williamson:** We have an unparalleled commitment from this Government to continue to increase defence spending on equipment—0.5% above inflation every single year. I will be very happy to look at all the issues in the National Audit Office report and make sure that, working with our industrial partners, we deliver very best value for our armed forces.

**Amanda Milling** (Cannock Chase) (Con): I welcome my right hon. Friend, my constituency neighbour to his place. Training is key to ensuring that our armed forces are operationally ready should they need to be mobilised. Will my right hon. Friend outline what measures are being taken to ensure that training is well funded?

**Gavin Williamson:** We have often been criticised for having the most poorly equipped armed forces, but the best trained armed forces. In my tenure as Secretary of State, I want to ensure that we have armed forces that

have the best equipment and the best training. I have spoken to ministerial colleagues from Norway and other countries across Europe, and they all recognise our commitment to training. We will continue to invest in that, including in what the Royal Marines do in Norway every single winter.

**Nia Griffith** (Llanelli) (Lab): I welcome the Secretary of State to his place, and echo his good wishes—and yours, Mr Speaker—to His Royal Highness Prince Harry and Meghan on their engagement.

Security cannot be done on the cheap. With expert after expert highlighting serious gaps in defence funding, it was surreal last week to hear the permanent secretary say that the man in charge had made no formal pre-Budget requests to the Chancellor for more money. It is one thing to ask and not get, but another not even to bother asking. Did I hear correctly today? Will the Secretary of State confirm that he actually did not make any representations to the Chancellor before the Budget?

**Gavin Williamson**: We have to ensure that we understand the needs of our defence and armed forces. The hon. Lady may wish to rush into things, and to demand and demand, but I want to ensure that we have the arguments ready, we understand the threats that this country faces and we deliver for our armed forces. That is what the focus will be. I have had many conversations with the Chancellor, and I look forward to having many more.

**Nia Griffith**: I think I will take that as a no. This is serious; we hear that the Marines may be cut by 15% and the Army reduced to 70,000. That would seriously put our international credibility at risk. With the Secretary of State's Back Benchers in open rebellion and one of his Ministers threatening to quit over cuts, just how bad do things have to get before the Secretary of State does his job, stands up for defence, and tells the Prime Minister and the Chancellor that enough is enough?

**Gavin Williamson**: I will take many lectures from many people, but it is a little bit rich to be lectured about defence spending by the party that is led by a man who does not even believe in the British Army or a continuous at-sea nuclear deterrent. The Conservative party is the party that is ensuring that we deliver on 2% and that we increase defence spending. Frankly, I find it shocking to be lectured by the party that is led by a man who does not even believe in the British Army.

### Cadet Units: State Schools

3. **John Howell** (Henley) (Con): What plans he has to increase the number of cadet units in state schools.  
[902549]

**The Parliamentary Under-Secretary of State for Defence** (Mr Tobias Ellwood) *rose*—

**Hon. Members**: Hear, hear.

**Mr Ellwood**: I am pleased to see that cadets are so popular in the Chamber today.

In 2015, the Government committed £50 million to increasing the number of cadet units in state schools through the cadet expansion programme. The programme targets schools in less affluent areas and is on track to achieve its target of 500 cadet units by 2020.

**John Howell**: The sea cadet corps in Henley has provided the youngest of my daughters with enormous opportunities for personal development. Does the Minister agree that it is important to support cadet units in state schools, particularly with things such as uniforms?

**Mr Ellwood**: I am happy to agree with my hon. Friend. He is right that cadet units provide life skills, employability and social mobility—things that schools do not necessarily offer themselves. I also pay tribute to the work of the cadets who participated in Remembrance Sunday up and down the country.

**Nic Dakin** (Scunthorpe) (Lab): Last week, I was able to see Scunthorpe's 119 Squadron, which meets outside the school day, but does fantastic work developing young people. The young people and the volunteers are a real tribute to us all. What are the Government doing to ensure that cadet groups—Army, Navy and sea—continue to play an important role in our communities?

**Mr Ellwood**: I congratulate the hon. Gentleman on visiting his local cadet unit, and I encourage other hon. Members across the House to support our cadet programmes when they are in their constituencies. I mentioned the cadet expansion programme; there are 126,000 cadets supporting by 28,000 volunteers, and we are very grateful to them.

20. [902568] **Sir David Amess** (Southend West) (Con): Given the findings of the recently published report by my right hon. Friend the Member for Rayleigh and Wickford (Mr Francois), does my hon. Friend agree that schemes such as the combined cadet force at Westcliff High School for Boys are an excellent way to boost recruitment in the armed forces? Perhaps he will also encourage other schools to adopt the programme.

**Mr Ellwood**: I also pay tribute to my right hon. Friend's work on understanding the challenges we face with recruitment and retention. My hon. Friend is absolutely right to say that, as a starting point, the cadet programme is important to encourage and open up opportunities in the armed forces. Some 20% of those who sign up for the cadets go on to become members of our armed forces, and the other 80% have an affinity and an understanding for them, and a desire to support them, which is also welcome.<sup>1</sup>

**Chris Bryant** (Rhondda) (Lab): The combined cadet force at Treorchy Comprehensive has been going for 10 years now, and it has done a brilliant job. Lots of young people have been given skills and opportunities they would never otherwise have had, and the same goes for the sea cadets in Llwynypia. However, one of the daftest things the MOD did last year was to sell the Pentre barracks for a paltry sum. We now really need a venue for the sea cadets and the combined cadet force to be able to work together. Would the Minister like to visit the Rhondda very soon—he may have some spare time in the near future—to look at the combined cadet force and the sea cadets?

**Mr Ellwood**: I am not sure how useful I would be if I did have spare time in the future. There is an armed forces rationalisation programme of real estate in the UK. Some 2% of the land is owned by the Ministry of

1. [Official Report, 5 December 2017, Vol. 632, c. 6MC.]

Defence and we are going through a process to rationalise that. That may include some locations that the hon. Gentleman mentions, but because of the contribution the cadets make to wider society and the armed forces, we absolutely need to work with local authorities and Members of Parliament to make sure cadets have a place to go.

#### Queen Elizabeth Aircraft Carrier

4. **Tom Tugendhat** (Tonbridge and Malling) (Con): What progress he has made on bringing the Queen Elizabeth class aircraft carrier into service. [902550]

**The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin):** HMS Queen Elizabeth has returned to Portsmouth after a successful second set of sea trials. Her commissioning ceremony is planned for 7 December in the presence of Her Majesty the Queen. The handover to the Royal Navy from the contractor is planned for the end of the year.

**Tom Tugendhat:** Does my hon. Friend agree that there is now a sense of urgency? Not only are we planning a global future for ourselves, which will require a greater presence around the world, but with the royal wedding coming as early as next year, and with the absence of the yacht *Britannia*, is there not a possibility that the new prince and princess will require something to sail around the seas?

**Harriett Baldwin:** I certainly was not anticipating that line of questioning from my hon. Friend, the Chair of the Foreign Affairs Committee, but he is absolutely right that this new class of aircraft carrier will give a powerful expression of national ambition and intent. They are versatile and agile ships and will be able to perform a wide range of maritime security roles.

**Vernon Coaker** (Gedling) (Lab): Will the Minister confirm that the Government see the future of the Queen Elizabeth, when it comes into service, as an aircraft carrier and not as meeting defence cuts by replacing amphibious landing craft such as HMS *Bulwark* and HMS *Albion*?

**Harriett Baldwin:** I am delighted to confirm that we have not only one aircraft carrier but a second aircraft carrier, which is now structurally complete, at Rosyth. Of course, there will be adaptations to ensure that the carriers are able to support the full range of helicopters in our fleet, but we have absolutely confirmed that we will have a full range of maritime capabilities from these two remarkable and adaptable ships.

**Mr Simon Clarke** (Middlesbrough South and East Cleveland) (Con): It will be essential that we have sufficient surface fleet to provide escort capability for the carriers. Will the Minister confirm that we will indeed have sufficient of the Type 31s and that, where possible, they will be made from UK steel?

**Harriett Baldwin:** My hon. Friend is absolutely right. To give just one example, today in Portsmouth one of the new Military Afloat Reach and Sustainability tankers has been commissioned into the Navy. There are six Type 45 destroyers. We cut steel on the first of eight new anti-submarine frigates, and we are running the competition for the Type 31e global general purpose frigate.

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): HMS *Diamond* recently had to abandon its operations because of issues with its propeller. This means that none of the £1 billion Type 45 destroyers, which have been riddled with issues, is currently at sea. Given the important role that they will play in supporting the carriers, what urgent action are the Government taking to remedy these issues?

**Harriett Baldwin:** There is of course a limit to what we can comment on with regard to the specifics of the situation, but I can assure the hon. Gentleman that as part of our regular force deployment we will be regenerating that capability, and the Royal Navy is able to meet all its operational capabilities around the world.

Several hon. Members *rose*—

**Mr Speaker:** Order. I gently point out to the House that although very engaging, the exchanges have been rather protracted, so progress is slow. There are lots of very important questions on the Order Paper that I am keen to reach, so let us try to speed up.

#### Hawk Aircraft: Overseas Promotion

5. **Wes Streeting** (Ilford North) (Lab): What discussions he has had with the Secretary of State for International Trade on promoting Hawk aircraft overseas. [902551]

**The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin):** The Ministry of Defence and the Department for International Trade continue to work closely with BAE Systems to promote and secure sales of the world-leading Hawk advanced jet training aircraft.

**Wes Streeting:** I recently had the opportunity to talk to Unite and GMB members about the importance of a consistent flow of orders to maintain jobs throughout the supply chain for Hawk. In a recent debate on defence aerospace strategy, the Minister referred to 12 Hawk aircraft for Qatar. Has this figure changed from the six initially announced? Could she update us with progress on getting further orders on the books?

**Harriett Baldwin:** I can absolutely confirm that the Government are working wholeheartedly in every way they can to ensure that we put that order from the Government of Qatar on the order books by the end of the year. That includes—

**Wes Streeting:** Is it six or 12?

**Harriett Baldwin:** I can write to the hon. Gentleman if there is some confusion. I thought it was six.

**Nigel Huddleston** (Mid Worcestershire) (Con): How important are these iconic aircraft to supporting and promoting the soft power of a global Britain?

**Harriett Baldwin:** My hon. Friend and constituency neighbour will know that the Red Arrows have just returned from a very successful tour of the Gulf. Part of what they do is support the wonderful export campaigns that the company is running.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): There are 21 RAF officers sitting in the Gallery today who are due to be deployed on Op Shader in the new year. I am sure that the whole House wishes them well in their future deployment.

Ten days ago, we had a debate in this Chamber on a new defence industrial strategy. Given the jobs that are still vulnerable at Brough and the Qatar order that we still do not have the detail on, can we just have a defence industrial strategy, please?

**Harriett Baldwin:** I am happy to pay tribute to the people who are here in the Gallery today for everything that they do.

The hon. Lady is right to keep raising these issues. I can assure her that the Government are focusing very fully on both the matters that she raises.

**Wayne David** (Caerphilly) (Lab): On the day that the Government are launching their industrial strategy, this country is in danger of losing its sovereign defence industrial capability, not least in aerospace. Will the Minister therefore be specific in telling us what efforts she is making to promote additional orders across the world?

**Harriett Baldwin:** Nonsense! We could not be working harder across the globe. We have not only the Department for International Trade but a fantastic network of defence attachés.

**Wayne David:** What are you doing?

**Harriett Baldwin:** I am working tirelessly on behalf of the Government, travelling around the world to support a range of different export campaigns, as is my colleague, the Secretary of State for International Trade.

### Cyber-Warfare Defence

6. **Mr Alistair Carmichael** (Orkney and Shetland) (LD): What steps he is taking to improve the UK's cyber-warfare defence capabilities. [902552]

**The Minister for the Armed Forces (Mark Lancaster):** We take cyber-attacks very seriously and are aware of the increasing threats. As part of the defence cyber programme, we are investing £265 million in a programme of cyber-vulnerability investigations for military equipment, building a new £40 million cyber-security operations centre, and ensuring that our people are fully equipped to meet the cyber challenge.

**Mr Carmichael:** Is the Department looking at the recent Russian activity in this sphere, especially in Ukraine and Crimea, where it is clear that cyber-warfare has gone hand in glove with conventional warfare? The initiatives that the Minister has outlined today are very welcome, but does he understand that he also has to speak to and include other Departments, commercial interests and media outlets?

**Mark Lancaster:** I was in Ukraine quite recently, and the right hon. Gentleman makes a powerful point. That is precisely why this has to be a cross-Government effort, and why we are spending some £1.9 billion on our national cyber-security strategy.

**Alex Chalk** (Cheltenham) (Con): My constituents in GCHQ are on the front line of the UK's cyber-defence, and they are among the brightest and the best. Recruiting and retaining people of exceptional ability does, however, require competitive levels of pay. May I urge my right hon. Friend and the Foreign Secretary to have that very much in mind when future decisions are made?

**Mark Lancaster:** I was in my hon. Friend's constituency quite recently at GCHQ, looking at the joint work that the MOD and GCHQ are carrying out together. He makes a reasonable point. That is why we are determined to invest in a career structure for cyber specialists, and we will be opening the defence cyber school at the Defence Academy at Shrivenham in January 2018.

**Mary Creagh** (Wakefield) (Lab): Tweets are cheaper than tanks, and Russia, Iran and other state and non-state actors are increasingly looking to cyber and to social media as a cheap, effective way of destabilising the west. The Foreign Secretary told this House that he had seen no evidence of Russian interference in UK elections or the referendum. Has the Minister?

**Mark Lancaster:** Let us be absolutely clear: there are limits on what we can discuss in this Chamber, and I think the hon. Lady will recognise that. In this age of constant competition, this country is under constant attack from both state and non-state actors, and this is a defence capability in which we are determined to continue to invest.

**Mr Bob Seely** (Isle of Wight) (Con): Does my hon. Friend agree that a trade-off between cyber and conventional capabilities is wrong; that the MOD needs to be capable of cyber, conventional and non-conventional forms of warfare; and that further cuts to our niche and specialist capabilities will do strategic harm to this country?

**Mark Lancaster:** I certainly agree that this is not a binary choice. Indeed, perhaps it is more of a digital choice, as we look further on in the 21st century. That is why it is absolutely right that we are carrying out the national security and capability review, because as the threats intensify across the spectrum, we have to invest in those things.

**Fabian Hamilton** (Leeds North East) (Lab): I wonder whether the Minister heard BBC Radio 4's "Profile" yesterday on Yevgeny Prigozhin, otherwise known as Putin's chef, and his so-called troll factory in St Petersburg. If the Minister heard it, he should be very concerned indeed about Russia's increasing efforts at cyber-warfare and the threat of disruption it poses to our democracy and the defence of the realm. What steps are he and the Department trying to take to minimise that serious Russian threat?

**Mark Lancaster:** I am grateful to the hon. Gentleman for giving me the opportunity to say that I did not hear that profile yesterday because I was at the 100th anniversary of Cambrai—the first use of the tank—in France, and a marvellous event it was, too. He makes a reasonable point, and I can only refer him to some of the comments I have made during this question about investment and how seriously we take the threat.

### Partner in Defence

**7. Jack Lopresti** (Filton and Bradley Stoke) (Con): What steps he is taking to ensure that the UK remains an effective defence partner. [902553]

**The Secretary of State for Defence (Gavin Williamson):** The MOD works closely with our allies and partners, making a crucial contribution to Britain's status as a global power. The challenging global security context, including a resurgent Russia, makes our relationships all the more vital. In my first three weeks, I have met Defence Ministers from the US, France and other NATO members, and I will continue to engage widely.

**Jack Lopresti:** Given the current financial pressures within the MOD, does my right hon. Friend agree with Lieutenant General Ben Hodges, who was the commander of the US army in Europe and who said that Britain risks

“going into a different sort of category”

of ally if we cannot maintain our capability commitments?

**Gavin Williamson:** When I had the good fortune to sit down with Secretary Mattis to discuss our partnership, what struck me was the value that the United States puts on everything that Britain does, and the contribution our men and equipment make. He was left in no doubt that that commitment—that resolute support that we have always provided to the United States—will always be there.

**Mrs Madeleine Moon** (Bridgend) (Lab): Despite what the Secretary of State says, Lieutenant General Hodges and James Mattis have both said that we will lose our clout in NATO and our place at the top table if the cuts continue. Will the new Secretary of State commit to stopping the cuts to our capability, and will he make sure that Britain stays at the top table and that we have the capability to defend ourselves and our allies?

**Gavin Williamson:** The Government's commitment to making sure that we have the very best for our armed forces has always been clear. The rising defence budget, which is going from £36 billion to £40 billion, is evidence of that commitment. [Interruption.] The United States knows quite clearly that we will always be there in support of them, regardless of what the hon. Lady's leader may wish. [Interruption.]

Several hon. Members *rose*—

**Mr Speaker:** Order. An unseemly habit is developing of Members asking a question and then proceeding to rant from a sedentary position during the course of the reply. I had a letter about that today from a member of the public, who was most aggrieved. I am sure the hon. Lady would not wish to disappoint the person concerned, and that she will recover her usual composure ere long.

I call Bob Stewart—a well-behaved fellow.

**Bob Stewart** (Beckenham) (Con): I am not normally, but thank you, Mr Speaker.

Bearing in mind our alliance relationships, how long does my right hon. Friend think that RAF pilots will have to continue to fly above Iraq on Op Shader, as apparently Daesh is almost defeated?

**Gavin Williamson:** My hon. Friend raises a very important point. While we have made such amazing progress, with over 1,600 operations flown by the RAF over Iraq and Syria, we should not think that Daesh, as territory is denied to them, are actually defeated, because they will disperse. The threat this country faces means that we will continue to have to fly operations above Iraq and Syria for a considerable time.

**Phil Wilson** (Sedgefield) (Lab): Our amphibious capability is important to our defence partners, so is the future of HMS Bulwark and HMS Albion secure?

**Gavin Williamson:** There has been an awful lot of speculation in the press about all of our capabilities. As part of the national security capability review, we have been asked to look at everything that we do, but I am not going to start any speculation about what the results will be. I have made it clear that I want to look at the evidence and the details, and we are not going to be rushed into any decisions.

### Lethal Autonomous Weapons

**9. Jo Swinson** (East Dunbartonshire) (LD): What assessment he has made of the future threat posed by lethal autonomous weapons; and if he will make a statement. [902555]

**The Minister for the Armed Forces (Mark Lancaster):** The MOD continuously monitors developments and challenges arising from emerging weapon technology, including increasingly automated weapons systems. The UK considers the UN convention on certain conventional weapons to be the right forum in which to discuss lethal autonomous weapons systems, and welcomes the progress made in Geneva by the group of government experts earlier this month.

**Jo Swinson:** Weapons that can kill without human instruction or accountability are not science fiction, but a worrying potential reality with huge moral consequences. If we are to secure international agreement on the control of these lethal autonomous weapons, we need to start from a common understanding of the challenge, so will the Minister re-evaluate the UK's definition of autonomous weapons systems to bring it into line with that of the United Nations?

**Mark Lancaster:** My understanding is that there is no international agreement on what an autonomous weapons system is, which is precisely why calls for, for example, pre-emptive bans would be inappropriate at this point. The task in hand is absolutely to get an internationally agreed definition, and we believe that the UN CCW is the right forum in which to do so.

**James Heapey** (Wells) (Con): Does the Minister agree that no matter what the advances of technology on the battlefield, only humans can effectively hold ground, deterring enemy activity and winning the hearts and minds of local communities, and that we will therefore always need an Army of about the current size or larger?

**Mark Lancaster:** We will definitely always need an Army.

### National Security Capability Review

10. **James Gray** (North Wiltshire) (Con): What progress he has made on the national security capability review. [902556]

**The Secretary of State for Defence (Gavin Williamson):** With threats intensifying around the world, it is vital that our armed forces have the right capabilities in order to defend global security. We are making good progress: evidence has been reviewed, analysis conducted and options developed. I very much look forward to working with my hon. Friend and listening to his comments on how best to take this forward.

**James Gray:** I very much welcome the Secretary of State to his new job because, given his background, he is ideally suited to fighting the corner in the upcoming reviews. Will he please speak to the Prime Minister and remind her that the primary duty of any Government is the defence of the realm? Will he speak to the National Security Adviser, and indeed the Minister for the Cabinet Office, and remind them that they must not use this review as some sort of camouflage to cut our services? Will he speak to the Chancellor of the Exchequer and ensure that he digs deep in his pockets to produce the money we need? Above all, will he speak to his right hon. Friend the Chief Whip and remind him that, if the Chancellor does not do so, he will be facing a very substantial rebellion?

**Gavin Williamson:** I thank my hon. Friend. I can assure him that I will speak to every single one of the people he has mentioned. As he rightly points out, the defence of our nation is the primary responsibility of every Government, and it is one that I take exceptionally seriously. When we see our armed forces and everything they do, and the commitment with which they give themselves to it, we cannot be anything but awed by it. I will do everything I can to deliver for them.

15. [902563] **Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): I welcome the confirmation—a long-known position in Devonport—that the towed array Type 23 frigates will now be based in Devonport, but it is abundantly clear that a cross-party majority of this House is opposed to the Government's plans to scrap HMS Albion, HMS Bulwark and our Royal Marines. Will the new Secretary of State now abandon those plans and confirm that we will protect our amphibious capabilities?

**Mr Speaker:** Order. I am glad that the hon. Gentleman got the word “capabilities” in, therefore making his question relevant to the question on the Order Paper.

**Gavin Williamson:** I pay tribute to my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer), who has continuously lobbied me on the importance of the Type 23 frigate to the Plymouth Devonport dockyard. When I visited the dockyard, I was very impressed to see all the work being done there. I will be looking at all the capability within all our forces to ensure that we get the very best out of everything we do and every pound we spend.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): I, too, welcome the Secretary of State to his new role and wish him all the best for the future, whatever challenges may now await him. I reiterate the point made by my hon. Friend the Member for North Wiltshire (James Gray), and echoed by the Secretary of State, that the defence of the realm is the first duty of Government, above all others. Does he agree that our history as a nation teaches us that lesson again and again?

**Gavin Williamson:** My right hon. Friend always speaks with a high degree of common sense and truth. I pay tribute to him for the work he has done for the Ministry of Defence. I agree with his assessment, because ultimately a Government will be judged on how they defend the nation.

**John Woodcock** (Barrow and Furness) (Lab/Co-op): Maintaining capabilities is as important as creating them, so how much will it cost to upgrade the nation's docking facilities now that it is necessary to refuel all the Vanguard submarines, which was not originally planned, alongside deep maintenance to the Astute class? Who will pay for that?

**Gavin Williamson:** We are working with our industrial partners on that, including Babcock, and looking closely at what the costs will be. I am unable to reveal those costs to the House at this moment, but that body of work is continuing.

### Defence Suppliers: Innovation

11. **Mark Pawsey** (Rugby) (Con): What steps he is taking to encourage innovation by defence suppliers. [902557]

**The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin):** The £800 million defence innovation fund provides great opportunities for innovative suppliers. For example, I can today announce that the defence, science and technology laboratories, working with industry and academia, have developed a cutting-edge new chemical process to recover fingerprints, making it harder for terrorists and criminals to escape justice.

**Mark Pawsey:** The Minister identifies great innovation within our suppliers, but does she also agree that an example is shown by the advanced induction motor technology—the most power-dense electric motors available anywhere—that have been installed on the Queen Elizabeth aircraft carrier, which were manufactured by GE in my constituency?

**Harriett Baldwin:** My hon. Friend is absolutely right to speak up for the amazing work being done in his constituency, not only for the carrier programme, but for the long-lead items for the Type 26 frigates.

**Martin Whitfield** (East Lothian) (Lab): The Government talk about wanting to increase the role of small and medium-sized enterprises in MOD procurement. Can the Minister tell us what steps have been taken to facilitate that?

**Harriett Baldwin:** A range of steps have been taken to facilitate that. For example, we have a single website, which is meant to be an easy portal into what we are

procuring at the MOD. We have shortened the contract we require small businesses to sign, from 18 pages down to three. We also have a system of people within the organisation who can help new businesses find their way around the intricacies of the MOD.

### Service Families

12. **Faisal Rashid** (Warrington South) (Lab): What steps he is taking to improve support for families of deployed service personnel. [902560]

13. **Paul Flynn** (Newport West) (Lab): What steps he is taking to improve support for the families of deployed servicemen and women. [902561]

**The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood):** Personnel deployed on operations must have confidence that their families at home are able to access the support they need. Our welfare support is provided to families before, during and after deployment.

**Faisal Rashid:** The tri-service families continuous attitude survey 2017 found that one in three spouses did not even know where to go for services that provide welfare support while their partner is deployed. Does the Minister agree it is vital that service families know where help is available? What steps are the Department taking to ensure that that is the case?

**Mr Ellwood:** I am sorry to hear that the hon. Gentleman has an example of where the system has perhaps not worked as it should. It is very important, if we are to have the most professional armed forces in the world, that those deployed know that their loved ones are looked after back home. I am happy to meet him to discuss in more detail the particular issue he raises.

**Paul Flynn:** Will the Minister join me in congratulating Newport County football club and Newport Live on recently joining the armed forces covenant? Does he agree that the only adequate way we can deal fairly with those who have been injured in body or mind by their service is to provide them with facilities and benefits that will leave them in a position where they do not have to rely on charities?

**Mr Ellwood:** The hon. Gentleman makes reference to the armed forces covenant. It is probably the single biggest change in support and recognises that no member of the armed forces or veteran should be somehow disadvantaged because of their service. He is right to pay tribute to that, and I encourage all hon. Members to visit their local authorities and ask what is being done to ensure that they are living up to the requirements of the armed forces covenant.

**Robert Courts** (Witney) (Con): One of the most important things for deployed servicemen is to know that their families back home are in safe, secure and high-quality accommodation. The need for the redevelopment of the REEMA sites in Carterton, outside RAF Brize Norton in my constituency, is now acute. Will the Minister please tell me what hope the future accommodation will provide to those servicemen living in my constituency?

**Mr Ellwood:** I was hoping to share with the House the importance of the future accommodation model, which is ensuring that we update the accommodation available to armed forces personnel. Some want to rent and some want to live outside—that is what the accommodation model is all about. If I may, Mr Speaker, I would like to pay tribute to the work of the Families Federations in supporting our armed forces personnel and their families when personnel are on operations.

### Operation Sophia

14. **Alex Burghart** (Brentwood and Ongar) (Con): What assessment he has made of the effectiveness of Operation Sophia. [902562]

**The Minister for the Armed Forces (Mark Lancaster):** The UK has been involved in the European Union's Operation Sophia in the central Mediterranean since its start in June 2015. Since then, Royal Navy vessels have saved over 12,500 lives and over 500 smuggling vessels have been destroyed.

**Alex Burghart:** I thank the Minister for that response. It is welcome that Operation Sophia has saved so many lives, but it is clearly failing to disrupt human trafficking in the way that was intended. Will he talk to our European partners to ensure that it can be recalibrated to achieve that goal?

**Mark Lancaster:** We routinely assess our contribution against the operation's core objectives. We recognise that it has not prevented the flow of migrants, but it has lessened the ability of smugglers to operate in international waters, and forms just one part of a wider Government strategy.

### Topical Questions

T1. [902572] **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): If he will make a statement on his departmental responsibilities.

**The Secretary of State for Defence (Gavin Williamson):** I start by paying tribute to my predecessor, my right hon. Friend the Member for Sevenoaks (Sir Michael Fallon), who has done so much for our armed services and was one of our longest-serving Secretaries of State for Defence. It is a true honour to be Defence Secretary, and I am proud to represent some of the finest armed forces in the world.

I also thank those involved in the UK contribution to the rescue operations for the Argentinian submarine San Juan. The UK contribution to the search includes HMS Protector, HMS Clyde, a C-130 and the Royal Navy's submarine parachute assistance group. I also thank the volunteers and service personnel who did so much to raise money for the poppy day appeal. The appeal, which is valued by so many, has raised tens of millions of pounds and will make a difference to many lives. I also thank the Chancellor of the Exchequer for his kindness and generosity in the allocation of LIBOR fines. I hope that such generosity will continue into the future.

**Daniel Kawczynski:** I am sure that my right hon. Friend will join me in paying tribute to the 150 British troops sent to north-east Poland, to the Suwalki Gap,



on rotational deployment. What steps will he take to ensure that we increase those numbers and continue to support our Polish allies in a post-Brexit world through our NATO alliance?

**Gavin Williamson:** I have already had a great opportunity to meet my Polish opposite number, who is incredibly grateful for our commitment to the defence of Poland. We constantly review troop numbers and are committed to the current rotation, but we are always open to the idea of committing more. We must not underestimate the threat that Russia continues to pose and must be ready to step up to such a threat. Although we are leaving the EU, our commitment to the collective defence of Europe is not diminished.

**Nia Griffith (Llanelli) (Lab):** It is alarming that one of the scant references to defence in the Budget is to forces families in the private rented sector—a less than subtle hint that the future accommodation model threatens to fragment our forces communities. With the private sector characterised by high rents and variable landlord performance, what guarantees can the Minister give that under the future accommodation model, no service personnel will be forced out of service accommodation and scattered into the private rented sector?

**The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood):** I think the hon. Lady would agree that we need to provide an offering that attracts new recruits and retains those serving. We also have to recognise the competition we now face from within the private sector and the jobs sector. That is why we have an armed forces people programme looking not just at accommodation but at the offering right across the board. It is important that we roll out the new accommodation model. A pilot scheme will be introduced at the end of next year. It will provide an offering that gives people the choice between staying on the garrison, renting and owning their own property.

T2. [902573] **Rehman Chishti** (Gillingham and Rainham) (Con): Prince Harry has done tireless work to improve mental health support for our armed forces and veterans. Will the Minister update the House on what the Department is doing in that respect? Like all colleagues, I congratulate Prince Harry and Meghan Markle on their great news today.

**Mr Ellwood:** Mr Speaker, I join you and the Secretary of State in congratulating Prince Harry and Meghan on the announcement of their engagement. I had the privilege of working with Prince Harry in Toronto this year. The Invictus games are absolutely his project. They started in London and continue next year in Sydney. They give those who perhaps have given up on life a new chapter through sport. Prince Harry is to be hugely commended for the work he does, along with the rest of the royal family, in supporting our brave armed forces personnel and their families.

T5. [902576] **Mr Paul Sweeney** (Glasgow North East) (Lab/Co-op): The Secretary of State might be aware that in 2009 the terms of business agreement signed between the MOD and BAE Systems secured the future of complex naval shipbuilding in this country by ensuring a commitment to invest to create a shipbuilding

infrastructure in the top quarter of all shipbuilding capabilities world wide. In the recently published national shipbuilding strategy, that commitment is no longer given. Will he confirm that the commitment in the terms of business agreement to creating a world-class shipbuilding industry remains?

**The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin):** Of course I can confirm that we have a commitment to a world-class shipbuilding industry. Indeed, the shipbuilding industry in Scotland has a pipeline of work going out two decades.

T3. [902574] **Bob Blackman** (Harrow East) (Con): I congratulate my right hon. Friend on his appointment. Will he confirm that he is committed to the development of the Dreadnought style of submarines, and reaffirm his commitment to ensuring that we retain our independent nuclear deterrent?

**Gavin Williamson:** My hon. Friend has raised a valid point. Of the three major parties—us, the Labour party and the Scottish National party—the only one that can guarantee that we will have an independent nuclear deterrent is the Conservative party. Let no one forget that.

T8. [902579] **Nick Smith** (Blaenau Gwent) (Lab): Britain's defence industry supports hundreds of jobs in the South Wales valleys. Will the Government support our armoured fighting vehicle industry and allow it to compete for the prime contract for the Boxer armoured vehicle?

**Harriett Baldwin:** The hon. Gentleman's question gives me an opportunity to pay tribute to the fantastic work that is being done on the 589 Ajax vehicles. This is the largest contract for military vehicles that has been awarded in the country for 30 years, and it involves a lot of work for the South Wales workforce.

T4. [902575] **Robert Jenrick** (Newark) (Con): I was pleased to hear the Secretary of State express his steadfast support for NATO. What further steps will we be taking to support our NATO allies in Estonia in the face of increased Russian aggression?

**The Minister for the Armed Forces (Mark Lancaster):** My hon. Friend will be aware that at the Warsaw summit in 2016, NATO committed itself to responding to Russian belligerence through enhanced defence, deterrence and dialogue. I am delighted to have been able to visit our armoured battlegroup in Estonia this summer. About 800 personnel are delivering the enhanced forward presence, together with the Royal Air Force, which has already supported that operation on two occasions.

T10. [902581] **David Linden** (Glasgow East) (SNP): Will the new Secretary of State get off to a better start than his predecessor by confirming that the new Royal Fleet Auxiliary orders will come to the Clyde, and that those vessels will not be built abroad?

**Harriett Baldwin:** I can confirm that—exactly as outlined in the recommendations of the national shipbuilding strategy, and as has been stated before in the House—that

particular part of our shipbuilding programme will be open to international competition, including shipyards on the Clyde.

T6. [902577] **Nigel Huddleston** (Mid Worcestershire) (Con): Does the Secretary of State agree that as we leave the EU we must remain committed to all our European allies, and will he update the House on what we are doing through NATO to support our allies in Romania?

**Gavin Williamson:** Having had the opportunity to meet my opposite number from Romania, I am aware that one of the real threats that it continues to face is increasing pressure from Russia. Britain has a long and proud tradition of locating troops and resources in Romania, and we are continuing to do so with Typhoons operating in Romanian skies. Our commitment to that, along with the standing NATO naval task group, is an important bulwark against increasing Russian aggression on the eastern flank.

**Mike Hill** (Hartlepool) (Lab): This coming Thursday marks the 36th anniversary of the disappearance of a young toddler, Katrice Leigh, from a NAAFI complex in west Germany. As the Royal Military Police's Operation Bute is still live, will the Secretary of State agree to review the case and meet me, and my constituent Mr Richard Lee, Katrice's father, to discuss the matter?

**Gavin Williamson:** I should be more than happy to review the case and meet the hon. Gentleman to discuss it in greater detail.

T7. [902578] **Peter Heaton-Jones** (North Devon) (Con): Last year it was announced that Royal Marines Base Chivenor, in my constituency, would be closing. The previous Secretary of State visited it subsequently, at my invitation, and announced a review of the decision. Will the Minister please update me on the progress of the review, and indicate when a final decision might be made?

**Mr Ellwood:** I am aware that 24 Commando Engineer Regiment is based at Chivenor, and that the location has historical importance. As my hon. Friend will know, it is due to close in 2027 as part of the rationalisation programme, but I should be more than happy to sit down with him and discuss the situation a bit further.

**Diana Johnson** (Kingston upon Hull North) (Lab): The Minister has already spoken about the important trade role that the Red Arrows play as ambassadors for great British aeronautical engineering. Will the Secretary of State, who knows East Yorkshire well and knows how important those skilled jobs are to Brough, look again at the request from 142 Members on both sides of the House for renewal of the fleet for the Red Arrows?

**Harriett Baldwin:** I am glad that the hon. Lady pays tribute to the Red Arrows' amazing trade promotion role. She will know as well as anyone that the current Red Arrows will be in service until 2030, so a decision to replace them will not need to be made until after the end of this Parliament.

T9. [902580] **Vicky Ford** (Chelmsford) (Con): Will my right hon. Friend provide an update on the work being done by British servicemen and women to train local forces in Afghanistan?

**Gavin Williamson:** We have already seen the announcement of an uplift of 85 personnel, who will be going to Afghanistan to support the work of the Afghan army. We will be supplementing that with an additional 60 service personnel, in order to continue the training and support that the Afghan army needs. While we have seen substantial progress made in Afghanistan, we cannot take that for granted. We must continue to support the Afghan Government as they continue to root out extremism.

**Stephen Pound** (Ealing North) (Lab): Despite the dangerously depleted state of the service, the Royal Navy has for the first time ever been chosen to mount Queen's Guard—and very smart and taut they looked too, in my opinion. Will the Secretary of State take this opportunity to pay tribute to the Royal Navy—in fact, to the senior service?

**Gavin Williamson:** It would be a great honour to pay tribute to the senior service. Having been on HMS Queen Elizabeth, HMS Westminster and HMS Sutherland and seen the work they do, one cannot help but feel proud. I am very tempted to give you an honorary captaincy of a ship—[*Interruption.*] Sorry, and you, Mr Speaker; I think I have handed out two already. To be honest, Mr Speaker, I thought of you more as an admiral than as a captain, and if that gets me out of a slightly difficult situation, I will make you an admiral of a fleet.

**Mr Speaker:** I now realise something I had never previously known: that charm is the middle name of the right hon. Gentleman.

**Kirstene Hair** (Angus) (Con): RM Condor in my constituency of Angus has been home to the elite 45 Commando unit since 1971. Over the last 46 years it has been the lynchpin of the local community, and the base is one of Angus's major employers. Will the Minister confirm that there are no plans to close RM Condor and that 45 Commando's place in Angus is secure? Does he agree with me about the extremely reckless behaviour of nationalist politicians in scaremongering on this serious matter?

**Mr Ellwood:** As I touched on earlier, there is a large area of Britain owned by the MOD. It is important that we rationalise this real estate, and that means looking at a number of locations. Ninety-one across the country have already been earmarked. If memory serves, I think it is just the airfield in this case that needs to be looked at—the remainder is staying in place—but I will be happy to sit down and discuss it with my hon. Friend.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Captain Speaker, the Secretary of State is fresh, new and busy, but can I beg him to read John Fitzgerald Kennedy's little book "Why England Slept"? Does he not think that England has been sleeping while the world has become a much more dangerous place?

**Gavin Williamson:** I think there has been a tendency since the early 1990s to think that the world is a much safer place than it actually is. There has been a tendency sometimes to sit back and believe that everything is just going to be safer and safer. The world is rapidly changing, and it is not just threats from terrorism; it is threats from peer enemies as well. We need to understand what those threats are and make sure that we are equipped to deal with them. I am looking forward to a Christmas break, as I am sure the whole House is, and if I get a few hours spare, I will be sure to read the book.

**Sir Hugo Swire** (East Devon) (Con): At the risk of being given an honorary captaincy, may I congratulate my right hon. Friend on his job? I am sure he will do it extremely well. In his ongoing and delicate discussions with the Treasury, will he remain aware, first, that there are those of us on this side of the House who believe that the defence budget has been pared back about as far as it can be, and secondly, that when it comes to Trident renewal many of us on this side of the House do not believe it should be part of the defence budget? Indeed, it distorts the defence budget, and if that is part of his argument, he will have considerably more support than perhaps he knows.

**Gavin Williamson:** Everything that my right hon. Friend has raised will be part of the review. He has raised the important question of nuclear capability being part of the defence budget. It has traditionally not sat as part of the defence budget; that changed only post-2010. It is vital to look at all options as part of the national security and capability review, and I look forward to speaking to him and seeking his advice and thoughts on the issues that he has raised.

**Douglas Chapman** (Dunfermline and West Fife) (SNP): The Secretary of State began today by outlining the three places that he had visited in the early days of his appointment, on which I congratulate him. What reassurances can he give to the workers at Rosyth that their contracts will be secure following the departure of the Queen Elizabeth class carriers, and will he visit Rosyth?

**Gavin Williamson:** I have already had the privilege of visiting Scotland, and I will be certain to visit Rosyth in the future. I am incredibly grateful for the amazing work that has been done on the construction of HMS Queen Elizabeth and HMS Prince of Wales, and we

look forward to working with all our industrial partners to ensure that we have a robust industrial defence sector. I very much hope that we will have the support of the hon. Gentleman's party for that and for the defence of the whole of the United Kingdom.

**Mr Mark Francois** (Rayleigh and Wickford) (Con): The Secretary of State has had a foretaste from both sides of the House today of the furore that is likely to follow if HMS Albion and HMS Bulwark are deleted from the inventory. May I humbly suggest that, given the relatively small saving that that would represent, the game is simply not worth the candle?

**Gavin Williamson:** Someone once said to me that there was no such thing as a former Chief Whip, and I always listen with great intent and interest to the views of all colleagues.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. We must move on.

**Harriett Baldwin:** On a point of order, Mr Speaker.

**Mr Speaker:** I will take this point of order, colleagues, as I understand that it flows directly from these exchanges. Points of order would otherwise come after statements.

**Harriett Baldwin:** Further to the question from the hon. Member for Ilford North (Wes Streeting), I should like to clarify that the statement of intent for Qatar is for six Hawks, which gives 12 months of work at Brough.

**Mr Speaker:** I am most grateful to the Minister for that clarification—[*Interruption.*] Somebody is wittering from a sedentary position that he knew that, but he might be in an exclusive category of one. For others, however, the information is useful and we are grateful to the Minister for taking this opportunity to provide it.

**Stephen Pound:** Aye aye, sir.

**Mr Speaker:** Order.

## Forensic Evidence: Alleged Manipulation

3.38 pm

**Ms Diane Abbott** (Hackney North and Stoke Newington) (Lab) (*Urgent Question*): To ask the Secretary of State for the Home Department if she will make a statement on the developments surrounding the alleged manipulation of forensic evidence at the Randox and Trimega laboratories in Manchester.

**The Minister for Policing and the Fire Service (Mr Nick Hurd)**: I thank the right hon. Lady for her question and apologise on behalf of the Home Secretary that it is me responding to her. I should also like to take this opportunity to place on record my congratulations to Prince Harry and his fiancée.

In January, Randox Testing Services informed Greater Manchester police that there may have been a manipulation of test results at its laboratories. Ongoing police investigations have since uncovered the possibility of the same manipulation having occurred at Trimega Laboratories. Criminal investigations by Greater Manchester police into the alleged manipulation of toxicology results are ongoing. The House will therefore understand that I must be cautious in my response, but I want to assure Members on both sides of the House that the matter is being treated with the utmost seriousness, given the need to retain public confidence in our justice system.

The Government's immediate priority is to work with the police and the independent Forensic Science Regulator to establish the full scale of this issue and the potential impact on the public. I laid a written ministerial statement on this matter before the House on 21 November. I understand completely that public confidence in the justice system is absolutely vital, which was why the written ministerial statement noted that my hon. Friend the Minister of State, Ministry of Justice, who is in the Chamber, will be overseeing the review process for individual cases and will work closely with Ministers from other Departments who are impacted by the outcome of this investigation.

Retesting in criminal cases has been under way since May and is ongoing, and the police, the Crown Prosecution Service and coroners will be contacting affected individuals once the outcomes of the retests are known. The Department for Education has also asked all local authorities in England to review their records to establish whether they commissioned tests from Trimega, and to consider whether any action is necessary to fulfil their safeguarding responsibilities. It is unlikely that decisions about the welfare of children will have been taken solely on the basis of toxicology test results, but the Department for Education has asked local authorities to assure themselves that the rationale for decisions made about children's safety and wellbeing is not now called into question. The Government fully understand that people may have concerns about family cases, which is why the Ministry of Justice has created an application form to allow people to apply to court to have their cases looked at free of charge, if they are concerned.

Government officials will continue to work with the police to monitor the scale of this pressing issue as information emerges. Furthermore, as Greater Manchester police's investigation continues, we are considering what lessons can be learned to ensure that public confidence in forensic science is upheld.

**Ms Abbott**: Does the Minister accept that this is the biggest forensic science scandal for decades? It involves not only data that includes evidence used in sex cases, violent crimes, driving cases and unexplained deaths, but the liberty of subjects, so does he understand the concerns of victims and of people who might have been convicted on the basis of unsafe data? Is it true that Ministers did not consult the chief scientific adviser on the decision to privatise the Forensic Science Service but merely informed him of that decision two weeks before announcing it?

Is the Minister able to tell the House how long it will take for all the retesting to be completed? Is he able to say more about the scale of the problems at the two named laboratories? When will he be able to provide the House with full details, subject to legal proceedings? Are any other labs under suspicion? Is he able to specify the likely cost to the public purse arising from retests, appeal procedures, and possible litigation and compensation payments? What is the Government's response to the likely human cost of incorrect forensic evidence in family court cases? What is the scale of comparable costs in criminal court cases?

Does the Minister agree with Professor Peter Gill, one of Britain's most distinguished forensic scientists, who said that it was difficult to imagine the scandal having occurred under the Forensic Science Service, when scientists were routinely sent mock cases that were checked as a quality control? He stated:

"When you get rid of that system the quality is quite difficult to maintain".

Does the Minister accept that many stakeholders, including those in forensic science, believe that the problems and the allegedly faulty data that we are now seeing flow directly from the misconceived decision to privatise the Forensic Science Service?

**Mr Hurd**: I start by agreeing wholeheartedly with the right hon. Lady that this is an extremely serious matter. Members on both sides of the House will completely understand why it could be unsettling for any potential victims—there is no doubt about that at all. At its heart, this matter is about public confidence in our justice system—it is as serious as that.

Where I do disagree with the right hon. Lady—we are coming from a different place on this—is when she tries to squeeze this into a Labour political narrative around "public good, private bad." I simply tell her what the independent Forensic Science Regulator has expressed:

"No reasonable set of quality standards could guarantee to prevent determined malpractice by skilled but corrupt personnel".

I would go further. I think that there is general understanding and agreement that there has in fact been increased stringency in the standards and quality requirements for forensic science within the CPS—*[Interruption.]* There is muttering on the Labour Benches, but this has been driven by the Forensic Science Regulator, who in 2011 published the first codes of practice and conduct for forensic service providers. I am not at all sure that we could have regulated against this situation.

The right hon. Lady asks about testing. I can confirm that 70% of top priority cases are already in the system for retesting—there are around 10,000 cases in relation to Randox. I cannot answer some of her other questions because they fall within the boundaries of the police criminal investigation.

I understand the right hon. Lady's point about costs and the impact on the criminal justice system, about which we are obviously concerned, but it is too early in the testing process to be making judgments. If we are to have a clearer view of the impact, we will need to see where that process leads but, as she would expect, we and our colleagues in the Ministry of Justice are monitoring it very closely.

**Several hon. Members** *rose*—

**Mr Speaker:** Order. I am keen to try to conclude these proceedings by 4 o'clock, if possible. This is an important matter, but there is a statement to follow and a very, very heavily subscribed continuation of the Budget debate, which colleagues will want to factor into their calculations when asking questions.

**Robert Neill** (Bromley and Chislehurst) (Con): Perhaps the Minister can help us a little more on this very serious matter. Can he give us some idea of the dates over which this alleged wrongdoing took place and how they relate to the changes in the Forensic Science Service? What percentage of the samples involved were or were not used for evidential purposes in criminal cases or others?

**Mr Hurd:** My hon. Friend is entirely right that what is alleged goes back over many years—[*Interruption.*] Some of the issues at the other organisation may go back as far as 2010. My central point is that any attempt to try to link this to the FSS issue is driven by tribal politics, rather than clear assessments of the underlying reality.

**Carol Monaghan** (Glasgow North West) (SNP): It is imperative that the public trust forensic science testing and, by extension, criminal and civil justice as a whole. There were warning signs about the firm's predecessor, Trimega, which had seen children almost taken into care on the basis of erroneous evidence. That major mistake should have been a red flag to the Government, so why were they not alert to the risk presented by the Radox lab, given that its predecessor had such a poor record?

Does the Minister agree that the privatisation of vital elements of the justice system without proper oversight can lead to errors or deliberate tampering, and that the cost both to the individuals affected and to confidence in the justice system outweigh any money saved? Finally, what steps will he take to restore the public's faith in forensic expert evidence and the justice system as a whole?

**Mr Hurd:** I clarify that, although there are possible employee links, Trimega and Radox are separate organisations. Trimega was doing something different and was subject to a different regulatory regime—for better or worse, the regulatory regime in relation to the family courts has always been lighter. However, I completely agree with the hon. Lady about the seriousness of the allegations and the issue underlying the investigation into Radox, which is why, following the analysis of what has been done, I believe that the Government and the system have acted very quickly to respond to the information we received in January 2017 by setting up proper processes of retesting and prioritising these cases.

**Nigel Huddleston** (Mid Worcestershire) (Con): To reassure my constituents, will the Minister confirm that, for the most serious family and criminal cases, it is highly unlikely that a decision would have been made solely on the basis of one individual toxicology test?

**Mr Hurd:** I do believe that to be true, and my understanding is that in some of these family cases more than one test will be taken. However, that does not take away from the uncertainty that people involved in these cases may feel, which is why my colleagues in the Ministry of Justice have set up a bespoke process that people can access quickly under which they can request that their case is reviewed.

**David Hanson** (Delyn) (Lab): In passing, it is worth noting that when my right hon. Friend the Member for Tynemouth (Mr Campbell) and I were Home Office Ministers, we ruled out the privatisation of the Forensic Science Service. But my question to the Minister is this: if wrongdoing by a private sector company is found in due course, what penalties will be levied against it?

**Mr Hurd:** How nice to have been a Minister before the age of austerity. The answer to the right hon. Gentleman's question is that he is jumping the gun in terms of the police investigation. We should let Greater Manchester police do their work.

**Rebecca Pow** (Taunton Deane) (Con): Obviously this is extremely serious. Can my hon. Friend confirm that his Department is providing all the necessary support so that the police can prioritise testing live cases?

**Mr Hurd:** I thank my hon. Friend for that question. Again, I am satisfied, having reviewed our process, as I do regularly, that the system and the gold command, which was set up very quickly, have done a good enough job of prioritising cases and getting retesting going as quickly as possible. As I said, the last numbers I saw suggested that 70% of the priority cases were in the system for retesting.

**Tom Brake** (Carshalton and Wallington) (LD): Is the Minister able to say whether Radox's contract has been suspended? Is he able to say, in general terms, whether a company that was guilty of manipulation would have to pay all costs associated with retrial, for instance?

**Mr Hurd:** As I understand it, the police have suspended all contracts with Radox. Radox is co-operating with us fully on identifying the priority cases and getting the retesting done as quickly as possible. On the right hon. Gentleman's question about future costs, I refer back to what I said before: we need better evidence about the impact on cases.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): The Minister accuses Labour of politicising the forensic service, yet it was his Government who chose to privatise it out of the mistaken and ideologically bankrupt view that everything is better when it is done in the private sector for the profit motive. Will he now distance himself from that ideology and recognise that public confidence in the justice system requires public servants?

**Mr Hurd:** I refer the hon. Lady to what I said before and to the view of the independent regulator, who arguably knows more about this than anyone in the House. She has expressed the view that

“no reasonable set of quality standards could guarantee to prevent determined malpractice by skilled but corrupt personnel”,

which it looks increasingly clear is what has happened. That is what the independent regulator has said, and I am really sorry if it does not correspond with the views of the Labour party.

**Paul Flynn** (Newport West) (Lab): Professor Peter Gill is the most distinguished forensic scientist. He did magnificent work on DNA mass profiling. His authority is unquestioned, and he warned that what happened with privatisation would lead to the present situation because of a lack of trust in results. I have spent my working life in laboratories, so I know how highly prized the integrity of scientific results is. This is a very rare situation, with an accusation having been made, and I am afraid it is the Government who have taken a political stance on this. The Opposition and the scientific community are absolutely right to be deeply concerned.

**Mr Hurd:** As I said clearly at the outset, I do think that the situation is extremely serious, but I agree with the hon. Gentleman’s diagnosis that it may be a rare one. Again, I repeat the view that the regulator has reached about the efficacy of any standards of regulation to prevent

“determined malpractice by skilled but corrupt personnel”.

Again, I place on record the progress that has been made since 2011, when the regulator published the first codes of practice and conduct for forensic science providers. I do think that there is increased stringency in the standards and quality requirements for forensic science, and that matters enormously because of the way this underpins confidence in forensic science within the criminal justice system.

**Graham Stringer** (Blackley and Broughton) (Lab): The Minister does himself no credit when he says that this is a tribal issue. I direct him to three reports—not one or two—by the cross-party Science and Technology Committee that criticised his Government’s Home Office for not consulting Professor Silverman, who was the scientific adviser to the Home Office. I also suggest that he reads the evidence—three times—from Dr Tully, the Forensic Science Regulator, who said that murderers and rapists will go free because of the changes that the Government made. Not one party but all parties came to that conclusion. Given what appears to have happened in my constituency, will the Minister, after the courts have dealt with the matter, look into conducting a full review of forensic science services?

**Mr Hurd:** As I have made clear, this is an enormously important issue. We need to get hard evidence of what happened and its impact on the system, and all lessons will have to be learned from that process. I know that the Opposition do not like it, but the point I am trying to make is that the urgent question was about what happened at Randox, not about the privatisation of the Forensic Science Service. As the independent regulator said, there is no link.

**Liz McInnes** (Heywood and Middleton) (Lab): I used to work for the NHS as a clinical scientist, and every test that we did in our laboratory, including toxicology testing, was subject to rigorous internal and external quality control standards. It is my understanding that the Forensic Science Regulator has no statutory authority over private forensics laboratories. When will the Minister give the regulator statutory authority?

**Mr Hurd:** In the 2016 forensic science strategy, we committed to placing the Forensic Science Regulator on a statutory footing by the end of this Parliament. We are seeking the appropriate parliamentary opportunity to do that.

**Tony Lloyd** (Rochdale) (Lab): The Minister does not seem to be aware that senior police officers think that the Forensic Science Service has been a mess ever since privatisation, with long delays affecting victims and the wider justice system. One reality of the current situation is that there will have to be significant retesting, which will cause further delays. The Government have to look into this matter and reviewing the decision to privatise needs to be central to that process.

**Mr Hurd:** I agree that retesting is the priority and that that needs to be done as quickly as possible—that is a Government priority—but I do not think that revisiting the decision on the Forensic Science Service is a priority. As I have said, that decision was taken in 2011. We have seen increased stringency in the standards and quality requirements. We should not be revisiting those old arguments.

**Diana Johnson** (Kingston upon Hull North) (Lab): Following on from the question asked by my hon. Friend the Member for Heywood and Middleton (Liz McInnes), the Forensic Science Regulator said in January that she needed statutory powers to enforce regulation as soon as possible—not in 2022, but as soon as possible. Will the Minister think again?

**Mr Hurd:** I do not need to think again. I have said we are going to do that and that we are trying to find the right parliamentary opportunity to do so.

**Chris Elmore** (Ogmore) (Lab): Children’s social services and judges make decisions on adoption and fostering on the basis of forensic science services. What assurance can the Minister give, especially in relation to adoptions since 2010, that children have not been removed from families on the basis of false forensic information? What conversations has he had with Ministers in the Welsh Government about the failings of the Forensic Science Service with respect to Welsh adoptions?

**Mr Hurd:** My hon. Friend the Minister for Children and Families, who is sitting next to me, has written to all local authorities to ask them to review the cases in which the organisations in question may have been involved. As I understand it, he should be receiving all the evidence by the end of this week and we will take it from there.

## Industrial Strategy

3.59 pm

**The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark):** With permission, Mr Speaker, I will make a statement on the Industrial Strategy White Paper, which has been published today.

Today, at one of the most important, exciting and challenging times in our history, the future is unfolding before our very eyes. New technology is creating new industries, changing existing ones and transforming the way in which we live our lives. We need to ensure that we are well prepared to prosper in this future. The decision to leave the European Union makes that even more important. More decisions about our economic future will be in our own hands to take, and it is vital that we take them well.

We start from a position of considerable strength: we are an open and flexible economy, built on trade and engagement with the world; we have earned a reputation as a dependable and confident place in which to do business thanks to our high standards, respected institutions and the rule of law; we have achieved higher levels of employment than ever before in our history; we are known for innovation and discovery, with some of the best universities and research institutions in the world producing some of the most inventive people on earth; and we have commercial and industrial sectors, from advanced manufacturing to financial services, and from life sciences to the creative industries, which are among the best in the world.

Our industrial strategy will build on those strengths, but it will also address weaknesses. We need to do more to make the most of our untapped potential. As the Chancellor said in last week's Budget, although we are proud of our strong record of high employment, our average productivity—output per hour worked—is less than it could be. Productivity may not be the most exciting term, but it really does matter for people all around the UK. High productivity means greater earning power and better paid jobs. For our country, it means more money to spend on our public services.

Today's Industrial Strategy White Paper starts with the five foundations of productivity: ideas; people's skills; infrastructure; the business environment; and the importance of every place in the country. For each, we are clear about the kind of economy that we need to be.

Our vision is that the UK will be the world's most innovative economy. It will have good jobs and greater earning power for all, make a major upgrade to our infrastructure, be the best place in which to start and grow a business and have prosperous communities across the country. It is a long-term strategy, working to make changes now, but looking to the future, and we are taking action to realise it. Let us take research and development as an example. Our reputation is as one of the best countries in the world for science and research, but we cannot take that for granted; we must reinforce it. Last week, we announced an increase in public investment in R and D, with the aim of reaching a combined public-private spend up from 1.7% to 2.4% of GDP by 2027, and to 3% thereafter.

I strongly believe that there are few problems that cannot be solved by the innovation and ingenuity of British business and science. History has shown that partnerships between business, Government and science

can work—from the outstanding collaborations that we have had in the automotive and aerospace sectors to the recent partnerships in our creative industries.

Strategy has to be for the long term; a short-term strategy is a contradiction in terms. Other countries have benefited from establishing policies and institutions that can endure. That is why, through the consultation on the Green Paper, we have worked with businesses, industry bodies, investors, trade unions, universities, colleges and research institutions, and many others to establish a shared commitment to the actions that we will take now and in the future.

After our consultation on the Industrial Strategy Green Paper, we saw an overwhelming response to the question that we asked on whether we should pursue sector deals, as industries came forward with plans for their future. Today, we have struck ambitious sector deals with four sectors: life sciences, construction, artificial intelligence and automotive. I welcome the huge interest on the part of other sectors that are coming forward with their plans. There are still those who hear the words "industrial strategy" and associate them with the mistakes of the past—of thwarting competition, shielding incumbents and continuing with the status quo. This is not the approach that we will take. Our modern industrial strategy is not about protecting the past. It is about taking control of our future as a nation.

We have set out four grand challenges—identified on the advice of our leading scientists and technologists—that will be supported by investment from the challenge fund and matched by commercial investment. The challenges are: artificial intelligence and the data-driven economy; clean growth; the future of mobility; and meeting the needs of an ageing society. Whether we like it or not, these challenges are sweeping the world. If we act now, we can lead from the front, but if we wait and see, other countries will seize the initiative. For each of these challenges, our industrial strategy sets out how we can seize the opportunity—from using AI to raise productivity in all sectors to making our energy intensive industries competitive in the clean economy, and from supporting the transition to zero-emission vehicles to harnessing the power of big data to diagnose illnesses earlier and improve the quality of life for so many people in this country.

Britain needs to be a leader, not a follower—a country that is ahead of the curve, not behind the times. This is an opportunity to rally behind this industrial strategy, to raise our productivity and to build a country that is fit for the future. I commend this statement to the House.

4.5 pm

**Rebecca Long Bailey (Salford and Eccles) (Lab):** I am pleased that the White Paper seems to acknowledge many of the fundamental problems faced by our economy, and give credit to the Secretary of State for adopting one of Labour's policies to set national missions or "challenges", as he likes to call them. But as I delve into the finer details of the paper, the aims of which may be well intentioned, it appears to be little more than a repackaging of existing policies and commitments.

The Office for Budget Responsibility figures contained in last week's Budget were a damning assessment of the impact of seven years of Conservative austerity, with productivity, real wages, and GDP growth and GDP per capita revised down, but debt revised up.

[Rebecca Long Bailey]

The Conservatives' economic credibility has been shot to pieces, with people earning less than they did in 2007 until at least 2023. We have to go back to 1820, when George IV ascended the throne, before we find a time when productivity increased less than this over a 10-year period.

Today, I was full of hope—desperately hoping that the Government would press the reset button—but they have simply restated their plans for a £31 billion national productivity investment fund. As TUC analysis shows, this only raises investment to 2.9% of GDP, whereas the average for leading OECD industrial nations is 3.5%. Labour even called on the Chancellor to use his Budget to level up regional investment in line with London, but only one—just one—of the named transport projects in the national productivity investment fund is in the north. The development of local industrial strategies is certainly welcome, but will the Secretary of State admit that they simply could not deliver the desired effects under the Government's current investment plans?

The strategy restates the commitment to raise total research and development investment to 2.4% of GDP. This is moving in the right direction, but it is still behind world leaders and far less ambitious than Labour's commitment to reaching 3% of GDP by 2030. The allocation of £725 million to the industrial strategy challenge fund is again welcome, but it seems to lack any real strategy. As Sheffield Hallam University recently found, the areas already identified by the fund

“account for little more than 1 per cent of the whole economy (by employment) and 10 per cent of UK manufacturing.”

Many of the policies focus on R and D spending in only a handful of specified sectors in which the UK already has a comparative advantage. This will do nothing to help the millions who work in large, low-wage, low-productivity sectors such as retail, hospitality and care, or people who do not live in the golden triangle made up of London, Cambridge and Oxford.

Finally, this industrial strategy fails to start from the bottom up. It is all well and good talking about leading the fourth industrial revolution, but this can only happen with a highly skilled, technology-savvy workforce. After seven years of Conservative Government, only 11% of students in England take IT at GCSE, and only 30% are at schools that provide it. That is certainly not laying the foundations for an economy of the future, and the amount of money for skills outlined today does not even begin to make up for the cuts inflicted on our education system since 2010. Indeed, the money allocated for the national retraining scheme amounts to only 6.6% of the funding slashed from the adult skills budget since 2010.

This industrial strategy may well be a start, but I fear that the Government have simply produced a public relations gimmick that is thin on detail, thin on investment and thin on ideas. I truly hope the Secretary of State will listen to my concerns as well as those from business and the trade union movement over the coming months, because we have one chance to reset our economy, and if we let this slip through our fingers, the people of Britain will never forgive us.

**Greg Clark:** I am grateful to the hon. Lady. When she has the time to read the Industrial Strategy White Paper we have published today, I hope that she will reflect on the substance, content and ambition of this strategy and that she will come out in support of it.

One thing that the hon. Lady should know, and that every Member of the House knows, is that for our country to prosper, we need a sound economy. The last time the Labour party was in government, we had the biggest financial crisis since the 1930s, racking up billions and billions of pounds of extra debt for our children and grandchildren to pay. As usual, the Labour party has not learned the lesson from that, because its proposal is to borrow an extra £250 billion. In attracting the confidence of the world to invest in this country, the hon. Lady needs to make sure that the economy is sound. In the prospectus that she puts forward, there is nothing that is capable of achieving that.

In the weeks ahead, I hope the hon. Lady will discover that, around the country—from north, south, east and west, and from business organisations to trade unions to our respected scientific institutions—there has been substantial collaboration, based on the Green Paper, which has resulted in some major changes. It is a strategy for the long term—it is right that it should be the strategy for the long term—but it is being backed up by investment now. In the Budget just last week, we saw the announcement of the biggest increase in investment in research and development in this country that there has ever been. The hon. Lady should welcome that because it is being welcomed throughout the country.

With our partners right across the United Kingdom, we will implement this industrial strategy. I hope, when the hon. Lady goes out and talks to businesses and leaders across the land, that she will find that there is great support for this approach and that she will join us in seeking to implement it and to provide the certainty we need in the years ahead.

**Several hon. Members rose—**

**Mr Speaker:** Order. Just before we get under way, I remind the House that the subsequent business is very heavily subscribed. Secondly, I point out again to the House, as I did on Thursday, that there is a growing phenomenon, I am afraid, of Members turning up late for statements—that is to say, after the relevant Minister has begun the statement—and then expecting to be called. This is in defiance of very long-standing parliamentary convention. So, today, I am afraid, and there are some very capable and assiduous Members involved—no fewer than seven—I am going to say I will not call people who turned up late. Members have really got to get used to looking at the monitor and getting here in time, and if they do not, they lose out. So please do not come to the Chair and say, “Yes, but there is a special mitigating circumstance. I was responding to an email from a long-lost relative” or, alternatively, “I was feeding my budgerigar, and it couldn't wait.” The answer is, those matters, if they arise, must be put second, and the Chamber first. We will await the contributions of those distinguished and illustrious Members on another occasion.

**Michael Fabricant (Lichfield) (Con):** After the unremitting negativity from Labour, may I say how enthusiastic my right hon. Friend has been—and rightly so—about advanced manufacturing, R and D, science and technology, and pharmaceuticals? What steps is he taking to increase productivity in a different sector that employs over 3 million people in the United Kingdom—tourism and hospitality?



**Greg Clark:** My hon. Friend is absolutely right, and I am grateful for his question. One of the challenges is that we have is to make sure, right across the economy, that we are taking the opportunities to raise the productivity and performance of sectors in which many people are employed. The tourism and hospitality sectors are very important in that. They feature in the industrial strategy as two areas where it is particularly important to work together with firms big and small, as we are doing, to establish training institutions and spread technology so that we can raise their performance to compare with the strongest performance elsewhere in the economy.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): I thank the Secretary of State for advance sight of the statement.

We welcome, finally, this overdue industrial strategy. We welcome also the recognition of the grand challenges of artificial intelligence, clean growth, future mobility, and the ageing society—all of which are very important to Scotland. It therefore says everything that there has been no consultation with the Scottish Government nor any attempt to match the Scottish Government's economic plan, particularly given that the Scottish Government lead in life sciences. How will that working with the Scottish Government be taken forward?

This is not an outcomes-based approach such as we have seen working successfully in Scotland. A plan without knowing its destination is just a plan, and it does not guarantee success. If it did, it would answer the big question on skills. The Secretary of State said that there was no point in having short-term strategy, but it has been pointed out, in terms of the Budget, that the training and learning budget fell by 13.6% per person in real terms between 2007 and 2015. With the uncertainty over Brexit already affecting EU nationals, perhaps he could tell industries where the skills that will be required in the short to medium term will come from.

While we welcome the £7 billion, which is a very big number, for productivity, why, according to the Red Book, does it apparently not come into effect until 2022? Do we not need to address productivity now?

**Greg Clark:** I am grateful to the hon. Gentleman for his questions. Working together with the Scottish Government is very important. On some devolved matters, it makes sense for them to be joined up. Last week, I had the privilege of meeting Keith Brown, the Scottish Government Minister responsible for this area. When the hon. Gentleman gets a chance to read the paper, he will see that there is substantial reference to our close working with the Scottish Government. It is very important that we do that.

On skills, the hon. Gentleman is absolutely right. It is foundational that we should equip our people with the skills that they need to take on the jobs that are being created. He might have missed the fact that we have increased very substantially the number of hours that people are being taught in further education colleges, so as to raise them in line with the best in the world. That is a very important contribution to this.

On the extra investment that the Chancellor announced, the national productivity investment fund is to be further extended to 2022. That is why the figure that he announced was for that particular year.

**Anna Soubry** (Broxtowe) (Con): I congratulate the Secretary of State on this document. The problem with Labour Front Benchers is that they think it is all about money. Money is important, but it is how and where we spend it that matters the most. We need an industrial strategy that is bold, realistic about the failings, and has a huge vision. This document has that. Will he commit to making sure that he continues to work with British business to put this excellent strategy into action?

**Greg Clark:** I am grateful to my right hon. Friend, not least for her excellent work as a Minister in the Department for Business, Innovation and Skills in laying the foundations for this work, which is of benefit to every single part of the country. One of the mistakes that was made over many decades by successive Governments was not to recognise the importance of local economies in creating the right conditions for businesses to succeed. That is prominent in the strategy, and I know that she has been a particular champion of it.

**Rachel Reeves** (Leeds West) (Lab): Industrial strategy, particularly in sectors such as the automotive sector, depends on a model of just-in-time delivery. One concern of that sector, in particular, is that things will be held up at ports if we leave the European Union and the customs union. What assurances can the Secretary of State give businesses that we will have frictionless as well as tariff-free trade after we leave the European Union? Without that, productivity will deteriorate even further.

**Greg Clark:** The hon. Lady is absolutely right about the importance of making sure that we can continue and, indeed, expand our trade, not just with the European Union but with the rest of the world. She is absolutely right that the model of the automotive sector and many other sectors requires the availability at very short notice of components and products. That is why it is very important that the deal that we negotiate should give us the ability to trade without tariffs and with the minimum of friction.

**Sir Desmond Swayne** (New Forest West) (Con): How confident is my right hon. Friend that we can measure productivity accurately?

**Greg Clark:** My right hon. Friend asks a characteristically acute question. It is true to say that some of the measures of productivity do not do justice to the importance of the issue. We would not, for example, want to substitute our model of very high employment for the model of some other countries, where there is very high productivity among people who are employed, but a large number of people unemployed. That would be the wrong thing to do. We propose in the strategy to set up an independent council, which will set a baseline against which our performance can be judged independently and which will report to the House. I think that that is the right way to apply rigour to the question that he raises.

**Sir Vince Cable** (Twickenham) (LD): I welcome the statement, albeit that it has taken the Government two and a half years to conduct what is, essentially, a rebranding exercise. Does the Secretary of State agree that the essence of improving productivity is skills? If he is going to reverse the absolutely catastrophic decline

[*Sir Vince Cable*]

now occurring in apprenticeships, he should go back to the model that he and I worked on. It would have increased the number and quality of apprenticeships and scrapped the apprenticeship levy, which has been appallingly maladministered.

**Greg Clark:** I had hoped that the right hon. Gentleman would give a more enthusiastic welcome to some things, which I thought he would be in favour of, not least the substantial increase in investment in research and development. When he was Secretary of State, we managed to maintain the level, but this is the biggest increase there has ever been, and I thought that he would welcome that.

Apprenticeships are very important. We have made great strides in improving the number and quality of apprenticeships. The new system is bedding in, and I think most observers recognise that the initial figures are not a guide to the future. The right hon. Gentleman is absolutely right that we want to encourage the take-up of more good apprenticeships.

**Mr Mark Prisk** (Hertford and Stortford) (Con): Unlike my former Secretary of State, the right hon. Member for Twickenham (Sir Vince Cable), may I welcome what the Secretary of State has said, which is both insightful and forward looking? In the light of that former relationship, I encourage him to be willing and patient in dealing with collaboration, which is something that the right hon. Gentleman and I had to deal with.

May I ask my right hon. Friend about a local question, which also concerns life sciences? Hertfordshire has the highest life sciences sector concentration of almost any county. May I therefore ask Ministers to involve our businesses, our local enterprise partnership and our local authorities closely when it comes to life sciences—welcome as it is that investment has been announced today, albeit elsewhere?

**Greg Clark:** I am grateful to my hon. Friend for his welcome for the White Paper. He will see that one of its important features is the recognition that clusters—that is to say, businesses in the same sector all reinforcing each other—can lead to excellent performance.

On the basis of this strategy, substantial new investments have been committed in the life sciences sector, but these are the first in a pipeline of new investments that will follow all across the country and in every part of the United Kingdom, justifying the attention and the work that we have been engaged in—led by Sir John Bell, the eminent scientist—to make sure that we are the go-to place in the world for anyone with an interest in the future of the life sciences.

**Chuka Umunna** (Streatham) (Lab): The publication of the strategy is welcome, but I have two asks of the Secretary of State. First, for this to succeed in the long term, it has to be able to survive changes of Government. Is it not about time that we set up a cross-party commission to build the political consensus needed to produce further iterations of the strategy? Secondly, let us be honest and recognise that the biggest institutional barrier to what he is proposing is the Treasury. Treasury orthodoxy has never properly got behind the concept of an industrial

strategy. Is it not time to change his Department into a proper Ministry of economic reform that takes on all non-fiscal economic policy, across the Government, and which is equal to, not subordinated to, the Treasury?

**Greg Clark:** The hon. Gentleman makes an intriguing set of suggestions. Let me start by completely agreeing with him that it is right to establish and support a strong consensus on the long-term commitments that we need to make in this country. It seems to me that other countries around the world have benefited from having a shared commitment to policies and institutions that investors know are going to endure, and that is the approach we intend to take. That is precisely the reason why we have had such an extensive consultation, involving all parts of the country and all parts of the economy—and across parties. He is right that the best way for the strategy to endure is for it to have the commitment and involvement of people who have an interest in the future success of the United Kingdom.

This is true across Government, too. The hon. Gentleman is right to say that in times past—in decades past—the finance Ministry has regarded itself as precisely that, but I think the importance of accepting that our national prosperity requires business to succeed in all parts of the country is recognised. Anyone who looked at the Budget last week and saw the commitment made by the Chancellor to, for example, research and development, will recognise that this is a whole-Government commitment, but the hon. Gentleman is absolutely right that it also needs to embrace the whole country.

**Robert Halfon** (Harlow) (Con): On the point made by the right hon. Member for Twickenham (Sir Vince Cable), it is worth noting and putting on the record that we have 900,000 apprentices at the moment, which is the highest ever figure in our island's history.

I strongly welcome the industrial strategy. Does my right hon. Friend not agree that a key part of it is supporting further education and skills, including through institutes of technology? An important example is the multimillion pound investment in the new Harlow College skills academy at Stansted airport, which was visited today by my wonderful hon. Friend the Minister for Climate Change and Industry.

**Greg Clark:** I am grateful to my right hon. Friend for his comments. He worked very hard to achieve the success in the number of apprenticeships that we now have. He is right in what he says about Harlow College. That is a very good example of how working closely with a big local employer—in this case, Stansted airport—can make sure that the jobs available through the success of that airport and its associated industries can be taken up and spread among people in his and neighbouring constituencies. It is doing a fantastic job—I know my right hon. Friend was thrilled by the Minister's visit today—and I am pleased to say that it features very strongly in the industrial strategy.

**Mr Dennis Skinner** (Bolsover) (Lab): Does the Secretary of State seriously think that it is possible to convince the country that a Tory Government—I repeat, a Tory Government—have got the capacity to introduce a decent industrial strategy? In 18 Tory years while I was in the House, they closed down most of the shipbuilding industry,

they got rid of a lot of the steel industry, they closed every single pit and now they are buying 40 million tonnes of coal from countries we do not even trust. These are the actions of a Tory Government, and—remember—let us stop this nonsense about trying to tell the people that unemployment is now lower than it was after a Labour Government, because during the Labour Government after the second world war, it was down to 2.2%, or 440,000, and when it hit 1 million, Ted Heath was in government. What a lousy bunch!

**Greg Clark:** What I say to the hon. Gentleman is that every time there is a Labour Government, it is a Conservative Government who have to reverse the chaos caused and revive the economy. To give him an opportunity to calm down and reflect on the policies set out in the strategy, let me make him a present of this copy of the White Paper, which I hope he will find inspiring reading. I am sure that he will look at the policies in detail and, when he comes back for the next Question Time, bring himself to commend them.

**Conor Burns** (Bournemouth West) (Con): I commend my right hon. Friend's statement. Many of us know how hard he has worked on the strategy, and how widely he has engaged. I invite him to use this opportunity to reaffirm the central role of Britain's universities in future growth and technological advance. I invite him to visit my constituency and see what Bournemouth University has done to create an incredible new tech sector, resulting in Bournemouth being voted the fastest growing digital economy in the United Kingdom.

**Greg Clark:** I am grateful to my hon. Friend for his comments. The role of universities is absolutely vital. They have worked with us very closely on the development of the strategy. They are central to the local economy in almost every part of the country, and not just in educating the population—local people and those who travel to study—but in the research and leadership they offer. I would be delighted to visit Bournemouth's excellent university with my hon. Friend, to congratulate it and to discuss how we can take its success forward in the local area.

**Alison McGovern** (Wirral South) (Lab): The Secretary of State answered my hon. Friend the Member for Leeds West (Rachel Reeves) elegantly, but all he really did was restate the premise of her question, so let me give him another chance. Page 202 of the White Paper refers to a

“programme that will target areas where businesses need to improve to match the best in Europe.”

The problem with competing with businesses in Europe is that they will be members of the single market and, according to the Government, we will not. Has he made representations to the Prime Minister, asking her to change her position?

**Greg Clark:** I am interested that the hon. Lady has got to page 202 already—that is high productivity. Of course, as the White Paper makes very clear, we want not only to continue our international collaborations, but to deepen them. That is very important, because the most productive industries are international. A big part of our negotiations, which she knows full well are continuing, is focused on getting a deal that is not just in our interests, because exactly the same logic applies

to our European partners; they have no more interest than we do in interrupting those deep and successful relationships. That is why we have made that commitment.

**Rachel Maclean** (Redditch) (Con): I welcome the industrial strategy, as a proud midlands MP representing a constituency that played its part in building our reputation as the workshop of the world. Will my right hon. Friend please say a little more about how we will go further in addressing some of the productivity gaps between London, the south-east, Oxford and Cambridge and our regions? May I suggest that a great way to do that would be to build an institute of technology in Redditch?

**Greg Clark:** My hon. Friend makes an excellent proposal. Let me choose one of the aspects of the industrial strategy that is relevant: the importance of local leadership with the powers to make a difference. She is fortunate as a midlands MP, as we are fortunate in this country, to have Andy Street as the new West Midlands Mayor, who is already playing such a significant leadership role in the area. As my hon. Friend will know, last week, the Budget set out significant investment in the region's transport system in order better to connect those areas that have not been well connected to Birmingham and other towns and cities in the midlands, which we know internationally is key to raising productivity.

**Nic Dakin** (Scunthorpe) (Lab): I absolutely applaud the industrial strategy for saying that we need to build on our strengths. One of our great strengths is our foundation industries, such as steel. Will the Government get on with energetically pursuing a sector deal with the steel industry, so we can add it to the other four deals he announced today?

**Greg Clark:** I will indeed. The Minister for Climate Change and Industry—there is no more energetic person than the Minister of State—met the steel sector today to pursue those discussions. The sector features in the White Paper published today and the hon. Gentleman knows that I agree with him on its importance. I am full of enthusiasm for that being brought to a conclusion.

**Oliver Dowden** (Hertsmere) (Con): I welcome the Secretary of State's emphasis on creative industries and construction, both of which are large employers in my constituency. Does he agree that there is a real risk of inflationary pressure in the construction sector, particularly if we are to meet our ambitious housing targets; and that in the short term, as we leave Europe, that will mean a need for continuing immigration and, in the longer run, for encouraging more young people into this industry, which is often very well rewarded?

**Greg Clark:** As my hon. Friend knows from the Budget, we are committed to a big expansion of housebuilding. It is therefore important to ensure we have the skills and the workforce to take up those opportunities. One of the prime areas of focus in the construction sector deal is investment by the sector in training the next generation of construction workers, so we can avoid precisely the problem he describes.

**Norman Lamb** (North Norfolk) (LD): Does the Secretary of State recognise the urgency of reaching a decision on our future participation in successors to Horizon 2020? Does he also recognise that further public investment

[Norman Lamb]

will be needed to reach 2.4% of GDP on research and development spend? How will he ensure that that public investment is spent around the country, so that everyone benefits from it?

**Greg Clark:** I am grateful to the right hon. Gentleman for his questions. He is right that international co-operation in research—not just with other European countries, but around the world—is the foundation of our success. Typically, Nobel prizes are these days awarded to teams representing many different countries. We are very clear in the strategy that we want to continue and extend the joint work we do with other countries. On the increase required, he will see in the strategy document that it is to be allocated by our scientific community, but with a particular regard to how we can make sure that clusters of excellence in research all around the country can benefit from the increased funding.

**Giles Watling (Clacton) (Con):** I commend the Secretary of State for his very positive statement. Does he agree that the tourism industry—worth £127 billion, 9% of GDP and vital to my constituents in the glorious sunshine coast of Clacton-on-Sea—should be at the forefront of any industrial strategy, as it is a powerful way forward out of recession and post-Brexit?

**Greg Clark:** I do indeed. Many of us have had the pleasure of visiting Clacton and Frinton, whether as day-trippers or in some other capacity, in recent years and look forward to doing so again. My hon. Friend is absolutely right that tourism is a very important industry. The sector has in some cases been associated with lower levels of pay than other areas. Working with the sector, we want to see how we can invest in improvements in productivity, so it can be a much better paid sector than has been associated with it in the past.

**John Grogan (Keighley) (Lab):** Given the important chapter in “Industrial Strategy” about devolution, will the Secretary of State agree to meet the 17 council leaders in Yorkshire from all parties who are advocating a “one Yorkshire” devolution settlement, so they can work in partnership with the Government to deliver an effective industrial strategy for the county?

**Greg Clark:** I would be delighted to do that. It is a mark of the strategy that it points to the success of decisions made locally and having clear local leadership. There have been, and continue to be, discussions in Yorkshire on the best arrangement, but I am very happy to meet the hon. Gentleman and his colleagues.

**Fiona Bruce (Congleton) (Con):** I welcome the strategy. Siemens, which has a pioneering digital factory in Congleton, is one of the companies that has led on the recent “Made Smarter” review. Does the Secretary of State agree with the principles behind the review, and that priority should be given to upskilling 1 million industrial workers to enable digital technologies to be successfully exploited, and so put the UK at the forefront of the fourth industrial revolution?

**Greg Clark:** I do indeed, and I would like to put on the record my thanks to Professor Jürgen Maier, the head of Siemens in this country, and his team for

producing that very important report. It is a good example of how digital technology affects almost every sector in the country. He has recommended a series of steps that we will implement in the months ahead and that will be of great benefit to the whole economy.

**Tony Lloyd (Rochdale) (Lab):** The Secretary of State will recognise that further education and apprenticeships are fundamental if towns such as Rochdale are to be part of the productivity change he wants to achieve. Will he, then, consider Greater Manchester’s long-held demand that the post-16 education and training budget be devolved to Greater Manchester?

**Greg Clark:** Yes, the success of the devolution arrangements in driving forward local economies has been considerable, as the hon. Gentleman, being the former Mayor, knows, and we want to see more of it. He is right to draw attention to the particular challenge—but also opportunity—of having towns within city regions place a particular focus on how they can be helped to play a bigger role in the rise in productivity now being experienced with the success of some of these devolved arrangements.

**Alan Mak (Havant) (Con):** I thank the Secretary of State for his statement and for including the fourth industrial revolution as one of the key drivers of his industrial strategy policies. Will he continue to support small and medium-sized enterprises such as Havant-based 3D printing business Dream 3D, which is already using new technologies to create new jobs and improve productivity?

**Greg Clark:** I will indeed. I am grateful to my hon. Friend for his tireless work in chairing the all-party group on the fourth industrial revolution and promoting the importance of embracing the new technologies of the future. He is absolutely right that there is a big opportunity for small and medium-sized businesses in particular. We have succeeded in having some of our biggest firms comprehensively embrace new technology, and the strategy points out some areas in which we can work with small and medium-sized businesses to diffuse that across the economy more generally.

**Graham Stringer (Blackley and Broughton) (Lab):** The key to any successful industrial policy must be low and competitive energy costs. Energy costs in the United States have halved, and the reductions in China and India have been similar, but ours have gone up. How will the Secretary of State change that damaging trend?

**Greg Clark:** The industrial strategy is very clear and makes that precise point. We have a substantial report from Professor Dieter Helm, the energy economist, looking at how we can meet our carbon reduction commitments but at the minimum cost to consumers, whether they be domestic or industrial consumers. I hope that the hon. Gentleman will have a chance to look at the report, which we will be responding to shortly, because our ambition is as he describes: to minimise the energy costs facing businesses.

**Martin Vickers (Cleethorpes) (Con):** I particularly welcome the commitment in the document to local industrial strategies, especially the reference on page 226

to the Greater Grimsby project board, of which I am a member. It is a private sector-led board. Does my right hon. Friend agree that that is the best way forward for developing strategy, and will he commit to meeting the board in the not-too-distant future?

**Mr Speaker:** I had not previously been aware of the hon. Gentleman's membership of that important board, but I am now.

**Greg Clark:** I was aware of it, and I am delighted that my hon. Friend asks this question. There is a big opportunity for Grimsby, Cleethorpes and the surrounding area to participate in the revival that this industrial strategy offers. The board, which involves the private sector and people with a big commitment to Grimsby and the area, is featured for the particular reason that its leadership is already achieving results, and we are very keen to push that forward.

**Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op):** The Secretary of State will be aware that the best ceramics in the world are made in Stoke-on-Trent. I am partially heartened to see, on page 224 of this illustrious document, a reference to its ceramics industry. However, the Secretary of State has previously been very supportive of a sector deal, and the industry was hoping that details of it would be included in the industrial strategy, but they are not there. May I press him on that? What support can the ceramics industry expect from the industrial strategy, and would he be willing to meet representatives of the British Ceramic Confederation to talk about what support we can secure now, rather than waiting for the next round of deals to be published?

**Greg Clark:** I share the hon. Gentleman's enthusiasm for Stoke-on-Trent and its leadership in ceramics. In fact, just last week I was talking to Laura Cohen, who leads the British Ceramics Confederation; and Abi Brown, the deputy leader of the city council, is a huge champion of the industry. As the hon. Gentleman pointed out, it features in the industrial strategy, and I think it is one of the sectors that have a stellar future. For instance, ceramics technologies can be applied to new uses in relation to medical and other devices. That is why the prospects of a sector deal are so exciting, and it has my full support and commitment.

**Amanda Milling (Cannock Chase) (Con):** I welcome my right hon. Friend's statement. A number of Members on both sides of the House have mentioned the importance of collaboration. If the industrial strategy is to succeed, it will require cross-Government effort to deliver the five foundations of productivity. Will my right hon. Friend outline the measures that have been taken to ensure that the strategy is genuinely embedded across Whitehall Departments?

**Greg Clark:** My hon. Friend has made an excellent point. Given that different industries are coming together—for example, the energy sector and the motor industry share an interest in battery storage—it makes no sense for the Government to operate in silos. Part of the purpose of the strategy is to ensure that Government policy in all the different Departments pulls in the same direction to support the industries of the future, to help them to create good jobs, and to improve the earning power of the country.

**Christian Matheson (City of Chester) (Lab):** I find myself in the unusual position of agreeing with Lord Heseltine, who suggested that the best strategy for industry in the United Kingdom might be not to leave the European Union. However, we are where we are.

The aerospace sector has experienced some difficult times recently. A great many orders have gone abroad, particularly to the United States, with no reciprocation. What will the Secretary of State do to stand up for a sector in which we have a world-leading position, given that we do not have the relationship that we should have with some of our major partners?

**Greg Clark:** We do stand up for the aerospace sector. It is one of the most successful sectors in terms of joint working, both with the firms in the sector and with the Government. We have a good record of working together. As for ensuring that we obtain orders in this country, there is a big role for us all to play in spelling out the benefits to other countries of products and services that are made in and provided from this country, and I hope the hon. Gentleman will join me in doing that.

**Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con):** My right hon. Friend is a great ally of Teesside, and there is so much in the strategy document that is welcome, whether it relates to steel or to the Heathrow northern logistics hub. However, I want to focus briefly on carbon capture and storage. The Teesside Collective is keen to make progress on it. When will we know how we can go about bidding for the £15 million of feed funding that we are seeking?

**Greg Clark:** I am grateful to my hon. Friend for what he has said. I particularly commend the Mayor of Tees Valley, Ben Houchen, who was instrumental in, for instance, the proposals for the regeneration of former sites of special scientific interest that has been so well received on Teesside. I am aware that my hon. Friend initiated a successful Westminster Hall debate on this subject. As he knows, we want to get on with testing technology for carbon capture, utilisation and storage, and Teesside offers a particularly attractive environment for that because of the connections between the different users and suppliers in the area, but there needs to be a competition that can lead to an award. I know that my hon. Friend is proceeding with that, and I know that Teesside will be very well placed.

**Jonathan Edwards (Carmarthen East and Dinefwr) (PC):** Page 218 of the White Paper shows that, after decades of economic misrule from Westminster, gross value added per hour worked in central London is 150% of the UK average, while in Wales it is only 81.4%. Therefore, a litmus test for the Secretary of State's strategy should be how it tackles geographic productivity and wealth inequalities. What benchmarks is he using to determine success or failure in addressing those challenges?

**Greg Clark:** The hon. Gentleman is right to raise the issue. The productivity challenge that we face is about disparities. We have some of the most productive people and places in the world, but we have other places that are behind that level. The relentless focus of the industrial strategy is therefore on how we can close that gap by raising the earning power of those who are following.

[Greg Clark]

He will see that Wales—its industries and training and education system—is a prime area of focus throughout the strategy. I was pleased to work with Ken Skates, the Minister in the Welsh Assembly Government, to co-ordinate our work precisely to close that gap.

**Kevin Foster** (Torbay) (Con): I am sure the Secretary of State will agree that a key test for the industrial strategy will be how it spreads prosperity to all parts of the UK. Does he agree that a good way of doing that in Torbay would be to agree the bid for an institute of technology to be built in Paignton?

**Greg Clark:** My hon. Friend makes another ingenious bid for the area. The history of technology in Torbay and the firms that have located there—I enjoyed meeting some of them on a visit with my hon. Friend a little while ago—provide particular reasons why it is an attractive location for such an institute.

**Diana Johnson** (Kingston upon Hull North) (Lab): To improve growth and prosperity in this country, we need to ensure fair transport investment in all parts of the country. I have just received a written ministerial answer showing that the disparity in investment between the south and the north has widened since 2012. What is the Secretary of State going to do to get the Department for Transport on board with his strategy?

**Greg Clark:** When the hon. Lady studies the White Paper in detail, she will see that one of the proposals is to look at the dynamic effect of investments—how a transport investment can transform the prospects of an area. That can be taken into account, we propose, in making transport decisions in the future, which will be of benefit to her constituents.

**Rebecca Pow** (Taunton Deane) (Con): I, too, welcome the drive to up productivity with its links to the clean growth strategy. Does my right hon. Friend agree that this approach to upping productivity is one of the best planks that we can put in place for continued prosperity and sustainability? Would he like to pay a visit to Taunton Deane, to look at the opportunities provided therein for some of the funding to come our way? We must not forget the south-west, and we have a great opportunity on our new Nexus business site.

**Greg Clark:** I would be delighted to visit my hon. Friend's constituency. As she points out, not just in this country but all around the world economies are becoming cleaner and greener, and if we can establish leadership in the research and development and, critically, the translation of those discoveries into industrial products and processes, we can benefit substantially. We are already doing that in the offshore wind industry and others. It is a world full of opportunities for more of that, and of course the south-west has a particular role to play in that.

**Alan Brown** (Kilmarnock and Loudoun) (SNP): The Secretary of State's document rightly stresses the importance of transport infrastructure and digital infrastructure, yet when it comes to Scotland, his Government have just imposed a £600 million cut to the future rail investment

programme and to date we have been underfunded in terms of superfast broadband. Will he confirm that Scotland's funding from the £740 million digital infrastructure programme and the £400 million fund for electric vehicle charging will be allocated on need, which covers Scotland's landmass and geography, and will not be based on arbitrary population or other measures?

**Greg Clark:** Of course we recognise that, and I have made the point throughout our discussions this afternoon that every place requires a consideration of its particular challenges. The geography of Scotland means that different decisions will be appropriate there compared with more urban parts of England, for example. We completely recognise that, which is why we are setting out a localist approach to ensure that we make the right investments for the right places.

**Vicky Ford** (Chelmsford) (Con): I congratulate the Secretary of State on the industrial strategy, and on announcing more investment in science and research than any Government have done in the past 40 years, particularly in advanced technologies such as quantum technologies. Anyone who wants to see gravity sensing need go no further than Chelmsford. Does he agree that investing not only in blue skies research but in near-to-market innovation is key to ensuring that bright ideas happen and stay in Britain?

**Greg Clark:** I completely agree with my hon. Friend. Making new discoveries is something that we have a deserved reputation for, and we must not take that for granted. We must reinforce that success. Where we have been less successful, however, is in translating those discoveries into practice and, in particular, in creating manufacturing jobs here. That is why medical manufacturing has an important role to play in the life sciences sector deal, and I am thrilled that on the basis of that industrial strategy, major investments have been announced today from the American company MSD and the German company Qiagen, to reinforce the success of that important sector.

**Paul Flynn** (Newport West) (Lab): How many pages of the Secretary of State's strategy deal with the immense value of tidal power? It is non-carbon, it is green, it is British, it is eternal in its duration and, unlike other renewables, it is entirely predictable. Will he temper his manic enthusiasm and optimism by reading the National Audit Office and the Public Accounts Committee reports on Hinkley Point, which say that it will cost us £30 billion in subsidies that will be paid for by the poorest consumers?

**Greg Clark:** I am not going to temper my enthusiasm; quite the opposite, in fact. We have many opportunities in clean energy, with many breakthroughs in prospect. As was pointed out earlier, we have to ensure that the cost to consumers is taken into account, and that is the judgment that we need to make when it comes to projects such as the one the hon. Gentleman has just described.

**Nigel Huddleston** (Mid Worcestershire) (Con): The Secretary of State is welcome to come and talk industrial strategy in Worcestershire any time. Can he confirm that the industrial strategy is intended not to be a 254-page document that will sit on a shelf gathering dust but a

deliberate statement of strategic intent and policy that will change over time? Will he tell me how it will be refreshed and changed?

**Greg Clark:** My hon. Friend makes an important point. The purpose of the strategy is not just to inform the decisions taken by Government Departments—although it is important that they should be consistent with it—but to give confidence to investors so that they can predict the direction of policy. We have seen that today in the life sciences sector. It is important that the strategy is kept refreshed and up to date, and one of the proposals in the paper is to establish an industrial strategy council, which will be an independent body that can report to the House and others on progress and ensure that we are agile enough to keep up with developments in technology.

**Justin Madders** (Ellesmere Port and Neston) (Lab): As the Secretary of State knows, the Vauxhall car plant in my constituency is facing a huge challenge for its survival, so the focus on the supply chain in the automotive sector, on page 202 of the strategy, is to be welcomed. In order to be a success, however, we will need more than good intentions. Will he tell us what financial incentives will be available to encourage suppliers to relocate to the UK?

**Greg Clark:** Part of the sector deal with the automotive sector will do precisely what the hon. Gentleman suggests—that is, look at the supply chain and create opportunities, backed by the industry and the Government working together, to make it easier for suppliers, including small suppliers, to locate in this country. He is bang on the money: that is what was proposed by the sector and it has been agreed in the sector deal. That shows the value of this strategic approach, with the Government and the sector working together to address some of the known opportunities.

**Robert Jenrick** (Newark) (Con): From speaking to businesses and investors, Brexit is of course driving some uncertainty, but when they speak frankly, they say that their greatest fear is a hard-left Labour Government and the investment-destroying, punitive taxation that would come with them. What role is played in the industrial strategy by low, simple taxes and by great incentives, such as the world-class research and development expenditure credits?

**Greg Clark:** My hon. Friend makes an excellent point. Everyone should be seeking to build confidence in the UK economy. We make it clear in the industrial strategy that some of the UK economy's strengths are

that we are an attractive place for business to locate, which is why we are one of the biggest places for inward investment around the world, that we create more new businesses than any other country, that we are a competitive place with no sheltering for incumbents, and that we are a place of low taxes in which enterprise is rewarded. Those things are foundational to our success, and I cannot understand why any party would want to set itself against that.

**Ruth Smeeth** (Stoke-on-Trent North) (Lab): The Secretary of State has already praised the wonderful ceramics industry, which has its home in Stoke-on-Trent, and the work done by the British Ceramic Confederation for the past two years on developing an industrial strategy. It is great to see a photo of my sector on page 224 of the White Paper, but we really need a strategy for Stoke-on-Trent, so will the Secretary of State meet me and my colleagues on the all-party parliamentary group for ceramics, which I chair, to discuss how we can move that forwards and develop what my constituency and city so desperately need?

**Greg Clark:** I am always keen to meet people from the ceramics industry and from Stoke-on-Trent and the surrounding area. It is a fantastic industry for the future as well as the present—great strides are being made. It is an endorsement of the approach in the Green Paper of asking whether we should have sector deals that there was such an emphatic yes that some sectors, including ceramics, submitted their own proposals, and I am keen to take them forward.

**Chris Elmore** (Ogmore) (Lab): I am sure that the Secretary of State is aware that I chair the all-party parliamentary group for the coalfield communities—if he was not, he is now—and the group has done significant work on trying to look at the regeneration of such communities. In relation to the White Paper, how does he intend to bring jobs and investment to those communities, which have suffered over successive generations in terms of job losses, economic growth and, indeed, health outcomes?

**Greg Clark:** The hon. Gentleman makes an important point. The White Paper contains a substantial section on the importance of local places and the role they can play in reviving their economies. It looks in particular at establishing local industrial strategies that are not only about the big cities, but about smaller towns and communities. The strategy presents an opportunity to former coalfield communities and others to play a big role in helping to drive up their future prospects.

## Points of Order

5.3 pm

**Several hon. Members** *rose*—

**Mr Speaker:** Order. There is a flurry of points of order—the insatiable curiosity of Members knows no bounds. I call Dr Julian Lewis.

**Dr Julian Lewis** (New Forest East) (Con): On a point of order, Mr Speaker. You will recall that I raised a point of order on 23 October about the fact that the new National Security Adviser, Mark Sedwill, had declined to give evidence to the Select Committee on Defence about the ongoing capability review, saying that that was a matter for the Joint Committee on the National Security Strategy. Mr Speaker, you will have seen from Defence questions—others may have seen this from a major article in *The Daily Telegraph* today—how crucial the capability review is for defence, even though Mark Sedwill said in his letter declining to come to the Defence Committee:

“Because the main decisions on defence were taken during the 2015 SDSR, this review is not defence-focused.”

I beg to differ. Given that the then National Security Adviser, Kim Darroch, and his deputy, Julian Miller, gave oral evidence to the Defence Committee on 11 September 2013, what powers does the Committee have to instruct relevant witnesses to appear before us when both the substance of the matter and the precedent are in favour of our wishing to take evidence from a witness such as the National Security Adviser?

**Mr Speaker:** I am grateful to the right hon. Gentleman for his point of order, of the detailed content of which I had no advance knowledge. However, I make no complaint about that whatsoever.

I listened carefully to what the right hon. Gentleman said, and I would respond as follows. First, in my judgment, it is not principally for Mr Sedwill to be the judge of which Committee has competence—I use the term “competence” in the technical sense—in respect of this matter, or indeed to conclude that only one Committee is involved. That is a matter about which other people will have a view, not least parliamentarians. I would very politely suggest to the National Security Adviser that he should be sensitive to the views of senior colleagues.

Secondly, it is a matter of established fact—not least testified to by the exchanges at Defence questions this afternoon—that questions relating to the subject matter that the right hon. Gentleman describes are in order. If such questions were not in order, they would not have been accepted as oral questions by the Table Office, but they were in order, and therefore so were supplementaries appertaining to those tabled questions. That therefore gives the matters a relevance that the National Security Adviser, with the very greatest of respect, is in no position to deny. Thirdly, I would say it is a well-established principle that if a Select Committee requests that a witness gives evidence, in almost every case that potential witness accedes to that request.

Finally, I simply say to the right hon. Gentleman—I do not know whether it is relevant in this case—that I know of an instance in which a potential witness indicated that he did not believe he had much to say that would add to the deliberations of the Committee in question.

However, he was advised that, whether or not he thought that what he had to say would greatly assist the deliberations of the Committee, the Committee nevertheless wished to see him. It might even have been the case that Committee members wanted to say things to him, almost irrespective of whether he wanted to say things to them.

All in all, I therefore think there is a compelling case on this matter. There are powers available to Committees to report a refusal to appear to the House, and thereafter the matter can be escalated. I very politely suggest that it would be highly undesirable for such a procedure to be needed in this case.

In the light of all those considerations, I hope the right hon. Gentleman’s efforts to secure the attendance of the National Security Adviser will now bear fruit. Moreover, I have known the right hon. Gentleman for 34 years as of last month, and while I am sure that the National Security Adviser is an extremely formidable fellow, I would say to him, through the right hon. Gentleman and through the medium of the House, “Give up the unequal struggle and just appear.”

**Mr Chris Leslie** (Nottingham East) (Lab/Co-op) *rose*—

**Mr Speaker:** Order. I am saving up the hon. Gentleman.

**Wera Hobhouse** (Bath) (LD): On a point of order, Mr Speaker. I seek your advice on correcting the record. I gave a speech in the Budget debate on Thursday in which I stated that the Foxhill housing development in my constituency delivers no change in the number of homes for social rent. However, I misspoke; the fact is there will be a loss of 99 homes for social rent. I also seek your advice on how to receive confirmation from the Government that reducing the number of homes for social rent in Bath, or in any city, is in line with Government policy, as it appears in a letter I received from the Minister for Housing and Planning on 2 November 2017?

**Mr Speaker:** I thank the hon. Lady for giving me notice that she planned to raise this matter. As she concluded her effort to do so, there was, if I may say so, a puckish grin on her face, as I think her attempts on this occasion have been mildly cheeky—I put it no more strongly than that.

The hon. Lady said that she wanted to put the record straight. In so far as she was seeking to do so, she has now done so, and it is there for the people of Bath and the organs of popular dissemination in Bath, namely the media, to see that she has done so. Colleagues will have noticed her prodigious efforts to do so.

On the matter of seeking either my advice or a ministerial confirmation, I have to say that this seems to me to be more a point of argument than a point of order for the Chair. However, I can advise her that a number of avenues are open to her if she wishes to press the Government on this matter. My particular advice to the hon. Lady, who is a new Member and an exceptionally assiduous one, is that she should toddle the very short distance from the Chamber to the Table Office, where she can seek the advice of the officials therein on which of those possible avenues might be thought to be the most profitable.



**Dawn Butler** (Brent Central) (Lab): On a point of order, Mr Speaker. I, too, would like to seek your advice. On 23 November, the Secretary of State for Education and Minister for Women and Equalities misled the House in her response to my hon. Friend the Member for Rutherglen and Hamilton West (Gerard Killen). She referred to a joint report by the Runnymede Trust and the Women's Budget Group, "Intersecting Inequalities: the impact of austerity on BME women in the UK", but it does in fact take into account the impact of the national living wage, and of spending cuts to services such as childcare. The Minister also cited the Institute for Fiscal Studies, but its quote came from a report that it had produced in 2011 and does not refer to the WBG and Runnymede Trust report. How can I establish whether the Minister was deliberately misleading the House, or if she just does not know the damage of the Budget to women, particularly black, Asian and minority ethnic women?

**Mr Speaker:** I am very grateful to the hon. Lady for that. I blame myself, because I was so in thrall to the eloquence of her flow, and the flow of her eloquence, that I did not interrupt as quickly as I should have done to say that she certainly should not—and I have to believe would not—accuse a Minister of deliberately misleading the House. She can accuse a Minister of inadvertently misleading the House, but no more than that.

**Dawn Butler** *indicated assent.*

**Mr Speaker:** The hon. Lady nods in acquiescence to my point and I will leave that matter there.

The hon. Lady is obviously dissatisfied and she has put her dissatisfaction on record—indeed, she has done so for a second time as, if I remember rightly, she had a go on Thursday at topical questions and received a similar answer. The hon. Lady is nothing if not consistent and persistent. I also say to her that what Ministers and others say in the House is a matter for them; it is not for me to act as the corrective to Ministers who might be thought to make a mistake, and nor am I a policeman in such matters. The hon. Lady's dissatisfaction will have been noted by those on the Treasury Bench and I am sure she will find other parliamentary avenues to pursue this matter—there is nothing to stop her doing so over and over and over again, although I suspect that she will require no encouragement from me to do so.

**Mr Leslie:** On a point of order, Mr Speaker. You may have noticed that in the past half hour the Department for Exiting the European Union has finally given in following the resolution of this House of Commons that insisted that the 58 Brexit impact assessments—the Government call them "sectoral analyses"—should be published to the Brexit Committee. This is an overdue moment, but I seek your guidance, because these sectoral analyses cover many, many areas of interest to all Members of the House, whatever Committees they serve on. With no disrespect to members of the Brexit Committee, I wonder what you could do—perhaps make representations to the Chair of the Brexit Committee or to the Government, or to both—to ensure that all those sectoral analyses

can be published and made available to all hon. Members. We are talking about aerospace, agriculture, the automotive sector, chemicals, construction, defence, the creative sector, financial services, pharmaceuticals, telecoms, tourism and manufacturing. These are issues that the whole country deserves to know about.

**Mr Speaker:** I am extremely grateful to the hon. Gentleman for his point of order. As he says, publication to the Select Committee has taken place today. I had anticipated that it would, because obviously conversations about this matter took place between the Secretary of State for Exiting the European Union and the Chair of the Brexit Committee, the right hon. Member for Leeds Central (Hilary Benn), and conversations took place that included me. I had expected that the analyses would be released no later than today and am pleased that that has happened.

I note what the hon. Gentleman says about the extent of the interest in the matters covered by the sectoral analyses. My response is to say to him that publication is to the Committee and the matter is in the hands of the Committee. It is perfectly open to the hon. Gentleman—and, indeed, to other Members similarly interested—to approach the Chair of the Select Committee and to seek disclosure. I must emphasise, however, that at this stage it is very much a matter for the Chair of the Committee, although an approach to him is in no way improper—indeed, not least on the back of this point of order, it is very much to be expected. The right hon. Member for Leeds Central is a very experienced Member of this House, as well as an unfailingly courteous one, and I rather doubt that he would be surprised to be so approached.

**Tom Brake** (Carshalton and Wallington) (LD): Further to that point of order, Mr Speaker.

**Mr Speaker:** The right hon. Gentleman is not hailing a taxi, but nevertheless I am happy to hear his point of order.

**Tom Brake:** Mr Speaker, you are clearly someone with great experience of the procedures in this House. Do you feel that there would be a public interest defence if the Chair of the Select Committee decided to make the information available to Members of the House generally so that we could all access the reports?

**Mr Speaker:** I am slightly taken aback by the right hon. Gentleman's inquiry. My response is that the need for a public interest defence, as he put it, would not arise because publication would be covered by parliamentary privilege. In the event of disclosure and there being a disagreement about the wisdom of that disclosure between Members, between the Executive and the legislature, or between the Executive and parts of the legislature, there could indeed be argument, and the Chair of the Committee or his colleagues—or both—could be open to criticism, but no need for a public interest defence would arise. I hope that that is helpful to colleagues.

## Universal Credit (Application, Advice and Assistance)

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

5.17 pm

**Dr Philippa Whitford** (Central Ayrshire) (SNP): I beg to move,

That leave be given to bring in a Bill to reform the Universal Credit application process; to make provision about advice and assistance for claimants, and arrangements for payments; and for connected purposes.

I welcome the Chancellor's removal of the arbitrary seven waiting days, which reduces the waiting time to five weeks, but the Department for Work and Pensions' own data shows that a quarter of all claimants are currently waiting longer than six weeks. If universal credit is paid monthly because it is meant to be like a salary, surely the maximum waiting time should be a month. If the DWP cannot deliver that, the roll-out of universal credit should be paused. It must be recognised that 58% of universal credit claimants are paid fortnightly or weekly and therefore do not have a monthly salary to see them through the waiting time. Many work on zero-hours or low-hours contracts and are unlikely to have any savings to fall back on. The impact has been demonstrated by the Trussell Trust's report of a 30% surge in the use of food banks in universal credit roll-out areas.

Universal credit arrived in my constituency on Budget day—last Wednesday. That means that many of my constituents will be facing weeks five and six at Christmas and new year. It means that they will go into the festive season and the hardest part of the winter without having received their universal credit. I welcome the increase in the advance loans to 100% of entitlement, but I have to ask why, if that can be worked out so quickly, it takes so long to deliver universal credit. I also welcome the fact that the payback has been stretched to a year, but it is important that claimants do not have to jump through hoops and that that is the routine time, so that paying back advanced loans does not generate further financial stress.

The Bill proposes that the Government follow the options that will be available from the Scottish Government in the form of twice-monthly and direct landlord payments. Claimants should not have to jump through hoops for those; they should simply be able to choose their option, because they best understand their own circumstances.

The Bill is an attempt to solve some of the administrative problems, particularly the fact that the circumstances in which a claimant lives are taken into account only on the one assessment day every month, with changes applied to the entire month regardless of how short a time they actually apply. If a child left home the day before assessment day, it would therefore be assumed that they had not been there for the whole month, meaning that the benefits would be reduced. Claimants complete their logbooks online. Computers have calculators, so how hard is it to work out to what proportion of the month changes of circumstances apply?

Similarly, self-employed people face a minimum income floor of more than £1,100. If they earn more, their universal credit is reduced, but if they earn less, it is not increased. Such an approach does not take account of

the variability of many self-employed professions, the drop in people's income if they choose to have a short holiday with their family in the summer, or the effect of the four extra public holidays at Christmas and new year.

There is a need to find a replacement for the award letter to give a detailed breakdown of universal credit components. Some banks have been advised by their risk departments not to lend against universal credit at all. Many working people will now be receiving tax credits through universal credit, but that income may not be counted towards getting a mortgage. Those who are looking for loans may also be refused, and that could drive them into the arms of payday lenders and loan sharks. Trying to tackle this matter could also help to re-establish automatic passporting to other benefits, particularly free school meals. North Ayrshire Council in my constituency automatically registers children for free school meals both to reduce stigma and to ensure that children do not miss out. It is important that we do not lose that advantage.

The Bill calls on the Government to make separate payments the norm. It is often said that universal credit should be like a salary, but salaries are paid to individuals, and it is quite Victorian to go back to the idea of the breadwinner. I certainly would not be too chuffed if my salary were posted to my husband. To be serious, however, financial control is usually the first level of abuse. A survey of 4,000 people showed that one in five had faced financial control or abuse. Although those people are not all women, 88% were women in relationships, which means that they are the vast majority. A woman with no money in her purse at all very quickly becomes isolated from her friends or from any support network because she simply cannot afford to go for a coffee. She feels embarrassed, she starts to withdraw and she ends up isolated. More than half of all women in abusive or violent relationships cite lack of money as their reason for not leaving. No woman should have to choose between poverty and abuse.

The Bill calls for both a cumulative and an equality impact assessment of all the welfare changes over the past five years to be carried out and then published. The biggest loss of income is due to the benefit freeze, the two-child limit and the bedroom tax, but the issues involved in universal credit are compounding the problem. This Bill seeks to find pragmatic solutions. It must not be forgotten that poverty is the biggest driver of physical and mental ill health. It has the greatest impact on children because they find it hard to study when they are cold and hungry. Poverty can blight their lives, ruin their educational chances and reduce their chances of a good job in the future. Instead of ending up spending money on blighted lives in the criminal justice system, dealing with drug addiction or paying benefits to those children, we should invest in them now. There was broad agreement on the policy of universal credit, but we need to fix the reality so that universal credit becomes a flexible and supportive benefit that helps people back to work, but does not punish them for the situation they find themselves in.

I call on the Minister to listen to charities, local authorities and MPs right across this House. It is important that the Government recognise that universal credit is flawed and they need to fix it now.

*Question put and agreed to.*

*Ordered.*

That Dr Philippa Whitford, Neil Gray, Drew Hendry, Kirsty Blackman, Chris Stephens, Alison Thewlis, Frank Field, Norman Lamb, Sarah Champion, Liz Saville Roberts, Paula Sherriff and Lady Hermon present the Bill.

Dr Philippa Whitford accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 16 March 2018, and to be printed (Bill 132).*

## Ways and Means

### Budget Resolutions

#### INCOME TAX (CHARGE)

*Debate resumed (Order, 23 November).*

*Question again proposed,*

That income tax is charged for the tax year 2018-19.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

5.26 pm

**The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson):** I know that the whole House will join me in sending our warmest congratulations to Prince Harry of Wales and Meghan Markle on the announcement of a union that will make the royal family even more global, and Britain more global than ever before.

I am delighted to open the Budget debate. The driving purpose of this Government is to strengthen Britain's global role, to raise our level of national ambition and to prepare for the opportunities before us when this country regains the power to decide our trade policy and strike our own trade deals. As that moment approaches, the House should focus on the salient fact that 80% of the global economy and 90% of world economic growth lies outside of the European Union. The countries of Asia and the middle east have been increasing their relative weight in the global economy for decades, so that the great arteries of world trade are thousands of miles from our continent. Every day, fleets of supertankers carrying 17 million barrels of oil ply the strait of Hormuz, and a quarter of the world's maritime trade passes through the strait of Malacca in south-east Asia.

**Mike Gapes** (Ilford South) (Lab/Co-op) *rose—*

**Boris Johnson:** As I am sure the hon. Gentleman is about to remind us, we are going to create a new, deep and special partnership with our friends and partners in the EU, but Britain is uniquely placed to thrive and prosper in a globalised economy.

**Mike Gapes:** Given that even the Foreign Secretary does not have the power to change geography, what is he going to do to relocate the United Kingdom from Europe—being linked to the European land mass—to south-east Asia or the middle of the Pacific?

**Boris Johnson:** I think that most hon. Members who are listening to the exordium of my speech will appreciate that that is an entirely ludicrous question, since I pointed out, just as the hon. Gentleman rose to his feet, that we are going to make a new, deep and special partnership with our friends in the European Union in addition to the exciting growth opportunities that await us around the world. By history and by instinct, Britain is an outward-looking and free-trading nation, and all we need to flourish is the determination to grasp the opportunities around us. This Budget is designed to equip a global Britain for that challenge.

**Tim Loughton** (East Worthing and Shoreham) (Con): In terms of grasping opportunities, does my right hon. Friend acknowledge that one in 12 people on this planet is an Indian under the age of 28? Does he agree that that is where the future lies, that that is where the opportunities for this country lie and that we can forge a trade relationship with those people only outside the customs union?

**Boris Johnson:** My hon. Friend is absolutely right, and I might point out to him as well that India is just one of 52 Commonwealth nations that together comprise 2.4 billion people and some of the fastest-growing economies in the world, with whom we can now do free trade deals, as he rightly says, outside the customs union. We will be strengthened in that endeavour by being able to build on the success—

**Tom Brake** (Carshalton and Wallington) (LD): Will the Foreign Secretary give way?

**Boris Johnson:** I will give way in a moment, as I am sure the right hon. Gentleman will want to hear these points.

We will be able to build on the success of an economy that has grown for 19 quarters in a row, contrary to what the right hon. Gentleman prophesied, with unemployment that has fallen to its lowest level for 42 years and with 3 million new jobs since 2010—one of the best records in the whole of Europe—and we are forecast to create another 600,000 by 2020.

This Budget will take forward our national success by helping Britain to compete in the industries of the future—robotics, artificial intelligence and self-driving cars. My right hon. Friend the Chancellor is overseeing the biggest increase in science and innovation spending for 40 years, investing another £2.3 billion to keep Britain at the forefront of the technological revolution.

**Tom Brake:** On the subject of something the Foreign Secretary can realistically achieve in the Budget, will he set out for the House when he is going to deliver on his promise of £350 million a week for the NHS—*[Interruption.]* They do not like hearing it, do they?

**Boris Johnson:** With pleasure. As the right hon. Gentleman knows full well, when we leave the European Union, there will be at least £350 million a week, of which we will take back control. As he knows full well, substantial sums from that funding will be available for use in our national health service. If he seriously believes that money should be squandered on ill-audited projects around Europe, he is not expressing the will of the British people.

**Several hon. Members** *rose*—

**Boris Johnson:** If I may, I will make a little more progress.

The right hon. Gentleman will be pleased to know that a new tech business is being created in Britain every hour, and we are dedicating another £500 million to initiatives ranging from 5G mobile communications to full fibre broadband networks.

This Budget presses on with the most ambitious renewal of our national infrastructure in living memory, including the biggest programme of improvements to our road network since the 1970s and the biggest expansion

of our railways since Victorian times, with Crossrail comprising the largest construction project in Europe, to say nothing of High Speed 2, the second biggest.

But we cannot prosper at home unless Britain plays our indispensable role in maintaining the stability and security of the world. It is the right thing to do, but it also means that global Britain is of direct benefit to all our constituents. Millions of British jobs depend on the benign and transformative power of free trade. Last year, we sold goods and services worth almost £100 billion to the United States. Our exports rely, therefore, on other countries being rich and peaceful enough to buy our British products.

When the Department for International Development invests £4 billion in development in Africa, we do this, and we are proud to do this, because it is right in itself and also because 70% of Africans are under the age of 25, the population of their continent is set to double to 2.4 billion by 2050, and these are the great markets of the future.

**Dr Rosena Allin-Khan** (Tooting) (Lab): Last week I returned from the border of Bangladesh and Myanmar, where I heard of unspeakable crimes being committed against the Rohingya people. At this crucial time, the Foreign and Commonwealth Office has had its budget slashed, and I am worried about the effect this will have on our ability to prevent future crimes against humanity. I would like to share my findings with the Secretary of State, so will he kindly agree to meet me to discuss the evidence of genocide in Myanmar?

**Boris Johnson:** I must, I am afraid, correct the hon. Lady. The budget of the Foreign Office is rising from £1.2 billion to £1.24 billion, and including our ODA—official development assistance—spending, it is going to be well over £2 billion every year. There has been no cut in Foreign Office spending whatever; I am afraid that that is absolutely untrue. We are seeing our spending increased rather than the reverse. I have had the opportunity to discuss the crisis in Rakhine and the plight of the Rohingya not just with my right hon. Friend the Secretary of State for International Development, who was there at the weekend, but with many hon. Friends across the House.

**Dr Allin-Khan:** Will the Foreign Secretary meet me?

**Boris Johnson:** May I invite the hon. Lady to write to me about the matter and I will certainly do my best to give her a full answer? *[Interruption.]* I am afraid that, as she can imagine, my diary is very heavily congested. *[Interruption.]* She importunes me for a meeting. It would be wrong of me—*[Interruption.]*

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Hon. Members must not shout at the Foreign Secretary. He has given an answer to a question. People might not like the answer, but he has given an answer, as it is his duty to do, and it does not work to shout at him.

**Boris Johnson:** It pains me to give any kind of negative answer to the hon. Lady, but I must tell her that my diary is very busy. I have had many meetings on the crisis in Rakhine and the Rohingya, and I am not at this stage able to consecrate the time that she wants from me. May I invite her to write to me and I will do my best to help her?

The reason the UK is one of the biggest donors to Bangladesh and to the solution of the crisis in Rakhine is that Burma, one day, will have a great future and we—our country—will be part of that future. When our soldiers and development experts are deployed in northern Nigeria—I have seen for myself the great work that they do—to help defeat the barbaric terrorists of Boko Haram, they are also helping to bring stability to a country rich in natural resources that will, by the middle of the century, have more people than the United States. When we strive to get girls into school in Pakistan, to unite the world behind Ghassan Salamé’s plan for a peaceful Libya, to improve the resilience of Bangladesh to flooding, to help Kenya to beat corruption, or to help tackle the problems of Somalia—all areas in which the UK, global Britain, is in the lead—we are doing the right thing for the world, but we are also investing in countries with huge potential, filled with the consumers of the future.

Our exports rely on shipping lanes and clear international rules enforced with rigour and fairness. We will not be so foolhardy as the Leader of the Opposition, who apparently believes that all this can be taken for granted and left to the good will of foreign powers.

**Ms Nusrat Ghani** (Wealden) (Con): I am concerned that the Foreign Secretary might be moving on from the aid budget without mentioning a very good project that we are involved in—a finance initiative for women entrepreneurs that is helping women in the developing world to set up businesses, not only providing security and stability but enabling them in future to become trading partners with us.

**Boris Johnson:** I am delighted that my hon. Friend has made that valuable point. The emphasis that she places on women’s commercial potential and ability to drive the economy is absolutely right, and it is one of the reasons why all UK overseas effort is focused, above all, on the education of women and girls. I believe that that is the universal spanner that unlocks many of our problems.

We believe that the international rules-based system, on which our safety and prosperity depends, must be defended and upheld. To that end, my right hon. Friend the Chancellor has ensured that Britain has the biggest defence and overseas aid budgets in Europe. The Foreign Office, the Ministry of Defence, DFID and our intelligence services will have a combined budget of £51.2 billion this year, allowing Britain to devote more resources than any other European country to safeguarding our interests and projecting our influence worldwide.

Today, the UK accounts for 13% of the EU’s population but 16% of its GDP, 21% of its defence spending and 25% of its spending on development aid. None of that will be lost to our European friends after we leave the EU, because, as the Prime Minister has said, our commitment to the defence and security of Europe was unconditional and immovable long before we joined the EU, and it will remain equally resolute after we leave.

**Wayne David** (Caerphilly) (Lab): Does the Foreign Secretary not recognise that there is a £20 billion to £30 billion black hole in the Ministry of Defence budget? What is the Budget doing about that?

**Boris Johnson:** As the hon. Gentleman knows full well, we are one of the few countries in Europe, or indeed in the world, committed to spending 2% of our GDP on defence. We are increasing our defence spending year on year, as the Chancellor confirmed in this Budget.

We are demonstrating our commitment by deeds as well as words. At this moment, Britain is providing almost a quarter of the troops in NATO’s “enhanced forward presence” in the Baltic states and Poland. I visited them in September, and I suggest that the hon. Gentleman does likewise. He will see a battlegroup of 800 personnel in Estonia, and it will make him proud. It was extraordinary to see the gratitude of the Government and the people of Estonia, because they see what Conservative Members understand: the people of Tallinn, Riga, Warsaw and Vilnius enjoy just as much protection from NATO as the residents of Berlin, Paris or London. It is right that they do, and they have an equal right to live in peace and freedom.

I say again that not only is a global Britain in our national interest, but we have an obligation to promote the general good. It is an astonishing fact that, when we include our overseas territories, this country is responsible—in addition to all the other aspects of global Britain that I have described—for 2.6 million square miles of ocean. That area is more than twice the size of India and 30 times bigger than the UK. Britain is responsible for a greater expanse of the world’s oceans than are Brazil, Canada or even China. It is possible that some hon. Members are unaware that one third of the world’s emperor penguins are British.

**Sir Edward Leigh** (Gainsborough) (Con): As we are responsible for so much of the world’s oceans, is it really a good idea for the Royal Navy to have only 19 major warships?

**Boris Johnson:** I refer my hon. Friend to the answer I gave a moment or two ago in respect of the colossal investments that the Government and the country are making in our defence and armed services, of all kinds. We are spending 2.2% of GDP on defence, and very few other countries can match that record. I do not know whether my hon. Friend has noticed, but this country has only recently commissioned two of the biggest warships—each of them is longer than the Palace of Westminster—that this country has ever produced, which is a demonstration of our commitment to the Royal Navy.

**Several hon. Members** *rose*—

**Boris Johnson:** I will, if I may, complete my point about the penguins. The penguins have their British status by virtue of their residence in the British Antarctic Territory. We have the fifth biggest maritime estate in the world, giving us a special role in conserving the biodiversity of our seas.

**James Gray** (North Wiltshire) (Con): Will the Foreign Secretary give way?

**Boris Johnson:** I think I know what my hon. Friend is going to say, and I will happily give way to him on this point.

**James Gray:** My right hon. Friend is making some extremely important points, particularly about the Antarctic and the Southern ocean. Will he commit the Government

[James Gray]

to paying particular attention to marine protected areas around the Antarctic coast, which I think he strongly espouses, as do close relations of his?

**Boris Johnson:** My hon. Friend brilliantly anticipates the point I was going to make. As he rightly guesses, the Government's policy is to encircle or, I should say, to engirdle the planet with a blue belt of marine protected areas embracing 1.5 million square miles of ocean by 2020.

**James Gray:** Brilliant.

**Boris Johnson:** Thank you.

The House will know that the careless disposal of plastic waste poses one of the gravest threats to marine life. That potentially lethal material, which is carried by the currents, is choking seabirds and imperilling whales. In 2015, the Government introduced a charge on plastic carrier bags, cutting their use in the UK by 80%, and avoiding the disposal of 9 billion carrier bags, many of which might otherwise have ended up in the oceans. From 1 January, we will ban the production of plastic microbeads, the strongest legal measure of its kind anywhere in the world. This Budget goes further by asking for evidence on how the Government could take more such steps, through new taxes and charges, to combat the menace of marine plastic pollution. That is because Britain's ambitions must be global, as befits our responsibilities, history and tradition.

A global Britain is a safer Britain and a more prosperous Britain. It is profoundly in our interests that we should play the role of helping to guarantee the safety of countries far from our shores—

**Several hon. Members** *rose*—

**Boris Johnson:** With great respect, I will not give way.

As well as taking such actions, we should invest in the development of nations that may be poor today, but will be thriving markets for British exports. I venture to say not just that such an outcome will be good for those countries or for our country, but that the fruits of such investment by a global Britain will be good for the world. I commend this Budget to the House.

5.48 pm

**Emily Thornberry** (Islington South and Finsbury) (Lab): I am delighted to join the Foreign Secretary in congratulating Prince Henry of Wales and Meghan Markle on their forthcoming marriage. However, I was disappointed that the Foreign Secretary did not feel it appropriate to acknowledge a recent sad event. I want to ensure that all of us in the House join in sending our thoughts to the families of all of the hundreds killed, including 27 children, and injured in Friday's horrific terrorist attack on al-Rawda mosque in north Sinai. It is a brutal reminder that by far the biggest targets and the highest number of victims of jihadi terrorists are people of the Muslim faith, and that the inhuman evil that is Daesh, which worships no gods but death and publicity, must be wiped from the face of the earth.

For reasons lost in the past, Budget debates have often been the occasion for some degree of light-hearted exchange over the years. However, not least in the light of the events in Egypt and the serious situation in which

we currently find ourselves as a country economically, diplomatically and militarily, I do not believe that levity is in order today. Especially when it comes to the Foreign Secretary, all the jokes have worn just a bit thin of late.

I am nevertheless glad that the Foreign Secretary is leading today's debate. Back in March he acknowledged how rare that was, because never under David Cameron's Government did a Foreign Secretary lead a Budget debate. In the first two Budgets under the new Prime Minister and Chancellor, however, the Foreign Secretary has been given that honour. Perhaps this is their way of dipping his hands in the blood, as the economic impact of his Brexit plan becomes ever clearer, or perhaps, to be slightly less Shakespearian, it is their way of rubbing the nose of a wild, carefree puppy in the mess he has made.

**Sir Hugo Swire** (East Devon) (Con): Will the right hon. Lady join me and the rest of the House in welcoming the announcement of two major pharmaceutical investments in the UK?

**Emily Thornberry:** Of course I welcome that, but I am concerned that we still have no answer from the Government on what will happen to the European body that currently regulates pharmaceutical trade across Europe. With no answer on that, it is difficult to be able to look at a long-term plan in that regard.

I was talking about the mess. We saw that mess last week in the Office for Budget Responsibility's latest projections. Growth in the UK, which was already projected to be the lowest of all major economies, has now been cut again, in one of the biggest downgrades in our economic history. The truth is that it could be much worse. Let us face the reality. The OBR's forecasts last week were still based on an optimistic assumption of Brexit.

The OBR said:

"Given the legal requirement for the OBR to produce its forecasts on the basis of current Government policy, we once again asked the Government to provide us with any detail on post-EU exit UK policies in relation to trade, migration and EU finances."

Let us note two points about the OBR's language, because Robert Chote is not one to use his words loosely. He said that he had "once again" asked the Treasury for its Brexit plan—presumably, he has been making that request for many months now. What he asked for was very simple but very shocking: he asked the Treasury for "any detail" about its plan. What did the Treasury do in response? According to the OBR, the Treasury sent it a copy of the Prime Minister's Florence speech. How utterly pathetic. That was followed up with a bunch of documents full of aspirations and pipe dreams, with no detail and of no practical worth.

The OBR was left to conclude:

"We were not provided with any information that is not in the public domain."

In other words, the organisation whose legal responsibility it is to forecast the future state of the British economy asked the Government what their plan was for Brexit and was treated just as dismissively as every Member of this House has been treated for the past 17 months. As a result, the OBR concluded:

"Given the uncertainty regarding how the Government will respond to the choices and trade-offs it faces during the negotiations, we still have no meaningful basis on which to form a judgment as to the final outcome and upon which we can then condition our forecast".

Seventeen months on from the referendum, the OBR still has “no meaningful basis” on which to make a forecast about what Brexit will mean, either because the Government refuse to tell them, or because the Government cannot decide what kind of Brexit they want.

However, let us be absolutely clear about one thing: as dreadful as the OBR’s forecast for growth and the public finances is, it still assumes that there will be a deal on future trading arrangements between Britain and the EU. It has not even attempted to look at the consequences of a no-deal outcome on trade, employment and growth. Therefore, when the Economic Secretary to the Treasury responds at the end of the debate, will he address one specific question? The Government have said that they will conduct precautionary preparations for the prospect of a no-deal, cliff-edge Brexit. Can he please reassure the House that, as part of those preparations, the OBR will be asked to assess the likely economic and fiscal impact and to publish that paper as soon as possible, so that Parliament and the British public can fully understand the costs of that scenario?

**Mr Iain Duncan Smith** (Chingford and Woodford Green) (Con): Will the right hon. Lady give way?

**Emily Thornberry:** I will of course give way to the right hon. Gentleman, but I wonder whether we could do it this way: if he has a question for me, I have a question for him. Of the 32 taxes listed in the Red Book’s table of current receipts, which one is forecast to take in less money year on year over the next six years?

**Mr Duncan Smith** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. Let me just point out that it is not normal practice to ask questions of Back Benchers from the Dispatch Box. The right hon. Gentleman is not required to answer the question. Indeed, if he takes longer than 20 seconds, I will stop him.

**Mr Duncan Smith:** If the right hon. Lady wants me to become her adviser, I am very happy to do so, although of course that has a cost attached: I would advise her to leave her position at once. Can she answer a very simple question? During the election, her party made it very clear that it would have Britain leave the customs union and be outside the single market, and it said that again after the election. Then her party began to drift, and the other day the hon. Member for Brent North (Barry Gardiner), now sitting on her right-hand side, said, “Actually, we could remain in the customs union and the single market.” While she is interrogating the Government, perhaps she would like to make clear what her party’s position is on leaving the European Union.

**Emily Thornberry:** It is such a shame that during those 20 seconds or so the right hon. Gentleman did not answer the question. The answer is on page 82 of the Red Book—*[Interruption.]*

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. I stopped people shouting at the Foreign Secretary, and I will stop people shouting at the right hon. Lady. Listen to her answer.

**Emily Thornberry:** The table on page 82 shows that only one of the 32 taxes listed will fall, and that is the bank levy. That tells us all we need to know about the Government’s priorities in the Budget.

As for what the Government’s plans are and what they are doing to the country, let me turn to the substance of the Budget and today’s theme of global Britain. In recent years the Treasury has taken great pleasure in writing a section of the Red Book entitled “The Global Economy”, which is usually used to trumpet the fact that Britain’s economy was the envy of the western world.

**Mr Duncan Smith:** Will the right hon. Lady give way?

**Emily Thornberry:** I am not going to.

In 2016 that section of the Red Book ran to a full 10 paragraphs, beginning with the boast that:

“Britain is forecast to grow faster than any other major advanced economy”.

Well, what a difference a year makes. Now that section runs to just one measly paragraph, on page 13, and it does not state how much Britain will grow compared with the rest of the world. For that comparison, we must turn to the OBR, which has stated:

“The pattern of strengthening growth across the other major advanced economies this year contrasts with the slower pace of growth in the UK.”

While it has slashed its forecast for UK growth up to 2022, it has upgraded its forecast for the rest of the world. George Osborne used to boast in every Budget that Britain was winning “the global race.” We now have a Government lagging along at the back of the global field and falling ever further behind. So much for global Britain.

If anyone thinks that growth figures are just numbers on a spreadsheet with no real-world implications, they should turn to two areas where the downgrading of Britain’s growth is already having direct and immediate effects: our spending on defence and on development.

**Toby Perkins** (Chesterfield) (Lab): Is my right hon. Friend aware that in the past 35 minutes the Secretary of State for Exiting the EU has written to the Select Committee to say that the reports being provided are not complete and do not actually contain anything that might be commercially sensitive, thus adding very strongly to the point she is making? The Government are taking on the most significant economic challenge the country has faced since the second world war without a modicum of the basic detail they need to take on the task. Does it not shame the Government and Parliament that we are facing this kind of catastrophe without any serious information?

**Emily Thornberry:** My hon. Friend makes a very serious and important point. It is a shame that such an important and serious contribution is met by laughter on the Government Benches.

Let me turn to defence. It is not often that I find myself in agreement with the right hon. Members for Mid Sussex (Sir Nicholas Soames) and for Bournemouth East (Mr Ellwood), but I absolutely agree with them that the Government’s proposals to reduce the size of our Army to below the 70,000 mark, a cut of 12,000 from current

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plans, is nothing short of a scandal. Nor would it be acceptable to cut still further our naval capabilities by taking the amphibious ships, HMS Albion and HMS Bulwark, out of service.

We all heard the International Trade Secretary say yesterday that the Government would attempt to reach “some sort of compromise” on these cuts. Well, I have to say to the Government that there is no basis for compromise here. We should not even be having this discussion. Our armed forces are stretched to the limit as it is and they cannot take another round of cuts, so when we hear from the City Minister later on this, who himself served with such distinction as a young man in the Royal Regiment of Fusiliers, I hope he will make it clear, on behalf of the Treasury, that there will be no cuts in the size of the Army and no cuts in the Navy’s amphibious assault ships.

**Sir Edward Leigh:** I have already made my point about the armed forces, and in that sense I agree with the right hon. Lady, but does she not realise that the cost of the national debt in interest alone is the equivalent every year of 10 Queen Elizabeth aircraft carriers? I am sure she would agree with me that the way to solve the problems with the MOD budget is not to increase the national debt.

**Emily Thornberry:** The national debt, as I understand it, has more than doubled under this Government, so we take no lessons from them. Surely it is important to borrow to invest in order to grow our economy. It is, essentially, a different attitude to economics.

Let us hope the Minister goes further and corrects one major omission from the Budget on the issue of spending. On the Labour Benches, we welcomed last week’s guarantee that the increase in nurses’ pay would be funded through additional money from the Treasury with no cuts elsewhere to the NHS budget. We will hold the Government to that guarantee. Can we have the same assurances over the much needed and long-overdue increases in paying for our armed forces? It would be entirely wrong and self-defeating if those increases were to be paid for by further cuts in personnel, equipment or living conditions, so I hope the City Minister will be able to give us an assurance on that.

**Grahame Morris (Easington) (Lab):** Does my right hon. Friend believe that the Government are doing enough, as set out in the Budget, to tackle tax avoiders and tax evaders, some of whom are resident in British overseas territories and dependencies, to ensure that the Treasury has enough resource to pay nurses and others?

**Emily Thornberry:** My hon. Friend makes a very important point. Studies have been made, have they not, of the amount that each tax inspector can bring in to HMRC? Cutting back on the number of people is simply counterproductive.

**Dr Julian Lewis (New Forest East) (Con) *rose*—**

**Emily Thornberry:** I will give way to the Chair of the Defence Committee.

**Dr Lewis:** In the past, it has been possible to make common cause between the Government and Labour Benches on the need to secure the future of the nuclear deterrent. Can we now make common cause on a recognition that the bare minimum of 2% of GDP is simply not enough, bearing in mind the fact that for several years after the cold war, in 1995-96, after we had taken the peace dividend, we were still spending 3%, not 2%, of GDP on defence?

**Emily Thornberry:** I am grateful to the right hon. Gentleman for that question and I will come on to answer it if he will give me a moment.

Beside the specific proposals, there is a wider point of principle on defence spending, which takes us back to the question of falling growth. We on the Labour Benches have long argued that the way the Government meet the target to spend 2% of GDP on defence is wholly inadequate. Defence spending should mean spending on defence, not on Ministry of Defence pensions, as the right hon. Gentleman and the Select Committee have pointed out, or on any other items that the Government simply lump in to meet the target. We need to ensure, at a time when growth is being downgraded—we are dangerously close to a period of falling GDP—that the Government do not use that as an excuse to cut the armed forces budget, in effect treating the 2% figure not as a target but as a cap. If anyone thinks that is a fictional risk, let us take a look at the budget for international development.

I am told this is different but I believe it is not. The Budget speech in March this year was one of the first I can recall since coming to this House, under Chancellors from different parties, that made no mention of international development and our obligations to the poorest in the world. I believed at the time that it was a temporary aberration, but sadly it happened again last week. This time, the omission was far more serious. Say what you like about George Osborne—and I am sure the Foreign Secretary frequently does—at least when he used to cut the international development budget and keep it capped at 0.7% of GDP, he would stand in front of this House and announce that decision publicly. It is a disgrace, by contrast, that the Chancellor last week chose to cut £900 million from the overseas aid budget over the next two years but did not think it worth mentioning in his speech, let alone detailing exactly which projects and programmes will be cut in the world’s poorest countries as a result of the Government’s failure on growth.

**Sir Hugo Swire:** Will the right hon. Lady give way?

**Emily Thornberry:** I gave way to the right hon. Gentleman once before. I am sure he will be able to cover any points he wants to make in his speech.

Across the world, this is a precarious time for investment in international development. The US Congress is battling to limit Donald Trump’s proposed cuts to foreign aid and the global fight against malaria, but still the only question is the size of the eventual cuts, not whether they will go ahead. Closer to home, the EU’s proposed 2018 budget includes a 6% cut in development spending, a cut that dwarfs any proposed increase in spending on humanitarian aid.



**Ms Ghani:** I am a little bit concerned that the right hon. Lady might be misleading the House. The 0.7% figure is enshrined in law, and surely she recognises the extra funding placed not only with the World Service but the British Council, which does a huge amount of work on human rights and education, and deals with some of the trickiest countries around the world. We should not dismiss this country's commitment to international development.

**Emily Thornberry:** I simply refer the hon. Lady to the Red Book, where she will see that there is less money being spent on international development. It is a great worry to us all and I know it will be a great worry to her. I therefore hope she will join us in speaking to the Chancellor about our responsibilities, because we are at a time of great difficulty internationally. As I have been attempting to outline, there are cuts not only from the United States but the EU. If we are, in effect, spending less money, too, at such a precarious time, that should cause us all concern. It was extraordinary that the Chancellor of the Exchequer chose not to mention it at all in his speech.

**Dr Roberta Blackman-Woods (City of Durham) (Lab):** Does my right hon. Friend agree that what the Government and the Conservative party do not recognise is that the commitment is to 0.7% of GDP, so when GDP falls, as we learned it did in the Budget, the amount of money going to international aid also falls? The Chancellor should have made that clear last week. *[Interruption]*

**Emily Thornberry:** So in conclusion, here we are debating Britain's place in the world, in respect of a Budget that could not bring itself to mention how we are ranked globally on growth; here we are debating defence, in respect of a Budget that did not once mention defence spending or armed forces pay or disclose the Government's secret plans to cut the size of our Army to below 70,000; here we are debating international development, in respect of a Budget that is scandalously silent on the issue, even while raiding almost £1 billion from its budget.

If that is what the Government mean by "global Britain", I would hate to see their vision of isolation. We might see it soon enough, however, because there is one thing that sums up the Budget and the giant mess the Government have got us into: the great flourish with which the Chancellor turned, for approval, to the Foreign Secretary and announced that he would be spending £3.7 billion on preparing for a no deal Brexit—£3.7 billion of taxpayers' money just to prepare for failure. That is exactly 100 times what the Foreign Secretary wasted on his ludicrous vanity project, the garden bridge, and 110 times what the Chancellor set aside to help the NHS cope with the upcoming winter crisis.

That is the price we are all now paying—literally—for a Government who have spent the 17 months since the referendum fighting among themselves and fighting for position, instead of fighting to get the best deal for Britain—17 months in which, as the OBR report said, we have been given absolutely no detail of the Government's plan for trade, migration or EU finances; 17 months during which the prospect of no deal has gone from a straw man used to threaten the EU in negotiations to a realistic and increasingly inevitable outcome. And all this is because of the Government's utter failure to

agree on what they want and the Prime Minister's total inability to show any leadership, whether to her Cabinet or her Back Benches. That is why we are in this mess, why our growth figures are in the global toilet, and why we are wasting £3.7 billion preparing for failure and short-changing the NHS, threatening to cut the Army and raiding the budget for the poorest in the world to pay for it.

The Government are not turning us into a global Britain; they are turning us into a global laughing stock—a global example of bad government, hopeless leadership and a useless Budget. For all their talk of a global Britain, the Government are driving the country at breakneck speed off a cliff, at the bottom of which lies ever greater isolation and ever deeper economic misery. The Budget was one of the Government's final chances to apply the brakes, but instead they are spending £3.7 billion simply greasing the wheels. It might have saved the Chancellor his job, but it was a shameful dereliction of his duty.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. It will be obvious to the House that this is a very popular debate, with well over 50 colleagues having indicated to me that they wish to speak, so we have to have—*[Interruption.]* Order. It would be as well to listen. We must have an immediate time limit of four minutes.

6.13 pm

**Tom Tugendhat (Tonbridge and Malling) (Con):** First, I wish to take a brief moment to correct the record: the economy is growing, unemployment is falling, our friends are investing, and the country is doing well. Opposition Members will be astonished to hear that, however, because all we see from them is darkness, while all we on the Government Benches can see is light. Still, 'twas ever thus.

While we are on the subject of light, perhaps I could point to a few things the Budget has done well. First, it has recognised investment in foreign affairs. My right hon. Friend the Foreign Secretary highlighted that clearly when he spoke about the budgets for the intelligence services, defence, DFID and the Foreign Office as being in many ways linked—which, of course, they are. It is not possible to think about the defence of the United Kingdom, its protection, its influence, or its help to others without wrapping them all together, and that is why I am pleased the Government are bringing them together so much more strongly than ever before. The fact that my right hon. Friend the Member for North East Bedfordshire (Alistair Burt) and my hon. Friend the Member for Penrith and The Border (Rory Stewart) sit as Ministers in both the Foreign Office and DFID shows very clearly the link between the two.

I would be grateful to hear a little more from the Foreign Secretary about a few areas. On the European lay-down, it is important to maintain our friendship with the EU. He was clear that although we will be looking for opportunities elsewhere, we on the Government Benches believe in opportunities everywhere; one of those places, of course, is among the 27 members of the EU. I am keen, therefore, to hear a little more from the Government about how we see the lay-down of embassies and partnerships under the common foreign and security policy, the common security and defence policy, the Political

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and Security Committee, and perhaps even in terms of permanent structured co-operation. Will he talk to us a bit about that?

It is through these established orders that Britain has made herself strong. It is not by accident that we have become a trusted partner and a feared adversary over these past few hundred years; as the Foreign Secretary again said—I find myself in unusual times when I agree with most of the things he says—it is because of the international rules-based system: a system that we helped to write. It is important that we remember our role not just in its formation, but in its maintenance, which is why I urge him to talk a bit more about those areas.

When we talk about maintenance, we mean not only our diplomatic network but areas such as GCHQ. Just as the Navy guarded our sea routes and communications throughout the 18th and 19th centuries, hanged pirates and kept the Malacca straits open, so GCHQ deals with pirates today—okay, it is slightly different: a little less of the hanging; a little more of the hacking.

**Sammy Wilson** (East Antrim) (DUP): Does the hon. Gentleman accept that while the Government have shown generosity towards the other European nations in assuring them that we will continue in that role, they have not shown the same generosity in the trade negotiations?

**Tom Tugendhat:** My hon. Friend—I do consider him a friend—will know extremely well that I think the UK's generous position towards the defence of Europe is not only important, but a matter of our own self-interest. Our frontier should start not at Dover, but at the furthest extents of our allies and ships. In ensuring that we have a continuous at-sea nuclear deterrent and that our submarines and ships are under way across the globe, we ensure that we push our borders out from our own shores and that our people are safer.

**Dr Julian Lewis:** My hon. Friend mentions the continuous at-sea deterrent. Given the necessary upfront investment in new submarines, what does he make of the idea put about on the Government Benches that perhaps this major investment should be met from the Treasury reserve?

**Tom Tugendhat:** My right hon. Friend knows extremely well that before 2010 that was exactly where it was met from, because it is an ongoing operation. I urge the Treasury to look very hard at doing so again to ensure that the flux in funding that comes with an expensive programme such as the nuclear deterrent is maintained by the whole of Government. It is, after all, a strategic programme, not a military programme in the standard sense.

There is so much more that we can do. It is not just about the lay-down of defence, although we have spoken about that; it is about the lay-down of our diplomats and aid workers. I am keen that over this coming period we look very hard at this and focus on our strategic priority. Too often we hear about “priorities”—in the plural—and this leads to a deception that one can have more than one; all that tells us, of course, is that we have none. The priority for our country must fundamentally be on the rule of law, on the maintenance of the international rules-based system, and on helping our friends to develop those rules that make us all prosper.

Let me give just two examples that have made a huge difference. The first is the transformation in China of the adherence to intellectual property. Over the last 20 years, that change has enabled Chinese businesses to grow prosperous on the back of their own intellectual strengths, which is brilliant not only for them, but for the whole world, because it prevents piracy and encourages wealth development.

On a more prosaic note, land rights in various African countries have started to be guaranteed. That is a huge advance, because it enables small farmers—smallholders—to own capital, to trade, to develop and to invest. Again, we have an opportunity to promote the international rules-based system, the rule of law, and, indeed, British values.

6.20 pm

**Peter Grant** (Glenrothes) (SNP): Let me begin by associating myself with those who have sent messages of congratulations to Prince Harry and to Meghan. I also offer warm congratulations to all the young couples who have today declared their undying love for one another, particularly those for whom marriage would have been unlawful just a few short years ago.

Let me also—along with, I am sure, all other Members—associate myself with what the right hon. Member for Islington South and Finsbury (Emily Thornberry) said about the appalling tragedy that took place in Egypt a few days ago. It was, I think, a reminder that although the first priority of our defence and security policies must be to defend and protect us, we also have an obligation to protect anyone who needs to be protected. We should never believe that because the threat of terrorism begins to retreat from our shores, we have no responsibility to continue to support those in Egypt and elsewhere who need to be helped to rid themselves of the scourge of terrorism within their own boundaries.

When I came into the Chamber, I had a feeling—it has been confirmed by what I have heard so far—that the Government's definition of “global Britain” and where Britain's place in the world should be is very different from where I want my country to be, and from the role that I want it to play in the world. People may regard my country as Scotland, as I do, or they may insist that it is the United Kingdom. Regardless of that, I simply do not recognise the Government's direction of travel as being towards the place that my constituents, and indeed my compatriots, want the United Kingdom to head for. Perhaps this is the simplest way of describing the problem: in a headline debate on Britain's place in the world, neither the opening speech nor the winding-up speech is being made by an International Development Minister. What does that tell us about where international development really lies in the Government's priorities?

When I think about where Scotland's place in the world should be, I think of organisations such as Mary's Meals, which was set up 25 years ago in a tiny village in Argyllshire. I suspect that most people could not even pronounce the name of that village, let alone find it on the map, but it is called Taynuilt. Mary's Meals now provides free school meals for more than a million people in the world's poorest countries, and recently, just before celebrating its 25th anniversary, it reached the extraordinary milestone of providing its billionth meal. Those 1 billion meals have not only provided nourishment, but helped to support the education system in Malawi and elsewhere.

I think of the efforts of two of my constituents a few years ago in response to the refugee crisis in the Mediterranean. Lauren Daly and Lewis Cunningham issued an appeal for any donations that might help the refugees. Two days later, they issued an appeal for a lorry, because they had already collected enough to send to the refugee camps. A few days after that, they issued an appeal for a warehouse to hold the tons and tons of stuff that had been donated.

I think of the actions of people in my former parish of St Columba's in Cupar and in St Matthew's in Auchtermuchty, in the constituency of my good and hon. Friend the Member for North East Fife (Stephen Gethins). Over a number of years, they have provided a huge amount of infrastructure for a school in an impoverished part of Uganda, including science teaching laboratories, accommodation blocks, a water supply and school kitchens. All those things have helped the school to become one of the best performing schools in the area. I have no idea what percentage of GDP or what percentage of the income of those volunteers was contributed. Much more important than thinking about percentages is thinking about the impact that their actions are having.

With all three of those examples, I am immensely proud of people's efforts to help others in the world's poorest countries. They did that not because it looked good on a CV and not because it would earn them brownie points in the House of Commons or elsewhere, but because it was the right thing to do. When I think of where Scotland wants to be in the world, I think of Mary's Meals, of Lauren and Lewis, and of St Columba's and St Matthew's. I am sorry, but when I think of where the Government appear to want to take Britain in the global world, I think of the ethnic cleansing of the Chagos Islands, and of £2 billion of arms sales to a country that is accused of more than 150 counts of crimes against humanity in Yemen. I have to ask whether those two directions of travel are at all reconcilable; as we say in Fife, I hae ma doots about that one.

**Ross Thomson** (Aberdeen South) (Con): I am genuinely grateful to the hon. Gentleman for giving way. Scotland is part of the United Kingdom, so it has access to the Foreign and Commonwealth Office, its embassies—there are hundreds across the world—and the Department for International Trade, which ensures that Scottish fish products are sold in China and Vietnam, and that Scottish whisky is on its way to markets in India. Is that not a great direction of travel for Scotland in the United Kingdom?

**Peter Grant:** I suspect that I have much more confidence in the world-class quality of the food and drink that is produced in Scotland than the hon. Gentleman. I do not believe that Scotch whisky really depends on the Foreign Secretary to become a world leader, and I do not believe that the world-class food and drink that we produce in Scotland really depends on gunboat diplomacy to make people throughout the world understand. What it does depend on is barrier-free access to markets, and it is a bit rich for those who support the removal of our barrier-free access to the biggest single market on the planet to claim to have a monopoly of wisdom about how to develop our international trade.

Let me say once again that I do not accept the argument that the sole purpose of foreign policy is to benefit wealthy investors and bankers in these islands.

The most important part of the foreign policy of any developed and wealthy nation is to ensure that its wealth is distributed so that terrorist attacks such as the ones that we have seen in Egypt recently, and the starvation that takes the lives of thousands of children every day, become things of the past. If I have to pay a wee bit more income tax, or any other tax, to make that happen, I for one am more than happy to dip into my pocket.

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): The hon. Gentleman referred to the intervention in Yemen in a castigating way. Will he at least acknowledge that many Arab countries are involved in the war in Yemen, and that they are trying to avert a humanitarian crisis and deal with the difficulties in that country that are a direct result of Iranian intervention in support of the Houthi rebels? The situation is much more complicated than the hon. Gentleman is trying to suggest.

**Peter Grant:** I entirely agree that it is more complicated than it is often presented as being. I have not said that Iran is entirely innocent, but Iran is not buying £2 billion-worth of weapons of war from the United Kingdom, and Saudi Arabia is. Saudi Arabia stands accused of war crimes. Until those allegations are investigated, I do not think that we should be selling weapons to those who may be committing crimes of mass murder, and I do not consider the question of whether or not they are using our weapons to commit those crimes to be relevant.

When I looked at the timetable for our Budget debate, I saw "Monday: global Britain", and thought, "That's not going to take very long, is it?" The fact is that even the Government's own misguided ambitions for Britain's place in the world, which I believe are still based on the fanciful belief that we are somehow entitled to retain an empire and colonies, rather than a simple acknowledgement that the world has moved on since the days when any nation could claim the right to colonise any other nation—

**Alec Shelbrooke** (Elmet and Rothwell) (Con): Will the hon. Gentleman give way?

**Peter Grant:** No, I will not give way just now.

When we look at Conservative Members' responses to statements by the sovereign Government of Ireland over the last couple of days, we have to wonder whether they recognise that that country's Ministers have not only the right but an absolute responsibility to speak in the interests of their citizens. If what they say happens not to coincide with the interests of citizens in the rest of the British Isles, that might be something for negotiation.

Even despite the Government's misguided ambitions for the role that they think Britain is entitled to play, that role is being catastrophically undermined by the shambles—"shambles" is as strong a word as I can use in the Chamber—of Brexit. Nor is it helped by the fact that we have a Foreign Secretary of whom people in the west of Scotland might say, "You cannae take him anywhere," to which the response would be, "Or you have to take him twice—the second time to apologise." When the Foreign Secretary assured us that he had had a number of meetings on the Myanmar crisis, I could not help wondering how many were required for him to apologise for the crassly insensitive and offensive way in which he referred to the people of Myanmar in one of his official pronouncements. We can joke about the

[Peter Grant]

buffoonery of the right hon. Gentleman, who is no longer in the Chamber. Everybody can say things that are stupid and wish that they had not, but if they start to make too much of a habit of it, especially if they hold as important and sensitive a position as Foreign Secretary, the time comes when the Prime Minister has to start asking whether she has the right person in the job.

We have heard a lot from Conservative Members during our Brexit debates about how leaving the European Union will open up all these wonderful markets for the United Kingdom. It might open up the American market, if we comply with the requirement announced two weeks ago by the American Secretary of Commerce to drop our opposition to genetically modified foods and chlorinated chicken. That is too high a price to pay, so I hope that the Treasury Minister who sums up today's debate will confirm that if that is the requirement, there will be no deal with the United States of America.

I remind the House of a report published in the last Parliament by the Select Committee on Exiting the European Union on the Government's negotiating priorities, particularly in the context of global Britain. Paragraph 170 says:

"The Government should seek a UK-EU Free Trade Agreement...which covers both goods and services and retains the mutual recognition of standards and conformity assessments."

It finishes:

"The Government should maintain the maximum possible flexibility in its negotiating approach to achieve these outcomes."

I am not quite sure how unilaterally deciding that the customs union and single market are off the table counts as flexible or anything like it.

Paragraph 198 says:

"The Government must provide more clarity as to the features of its preferred customs arrangement with the EU and how it will differ from a customs union."

That report was published months and months ago—certainly before the election—but we still do not have that clarity from the Government. We hear the same platitudes, the same soundbites and the same slogans, but we still have absolutely no firm and concrete proposals, even for how they are going to square the circle of the border that runs across the island of Ireland, never mind how they are going to reconcile the irreconcilable and maintain full access to the single market when those who set it up made it perfectly clear that countries can be in or out, but cannot have full access without being members.

Madam Deputy Speaker—[*Interruption.*] Mr Deputy Speaker, I realise that there has been a sex change while I have been on my feet; I apologise to both of you. We hear the Government talk about prioritising the rule of law—the previous speaker referred to that. That is an excuse for turning a blind eye and a deaf ear to the brutality of the Spanish police against some of the citizens of Catalonia.

Why is it that we have annual state visits and state banquets for a Prime Minister whose Government act unlawfully in their occupation of the sovereign territory of Palestine? The UK Government believe that Israel is breaking the law by doing that, so why do they continue to have official state visits for the Prime Minister of a

country that the Foreign Secretary believes is acting unlawfully, if the rule of law is so important to Her Majesty's Government?

We often hear that the wishes of residents must be paramount. With regard to the residents of the Falkland Islands and Gibraltar, I agree with that 100%. What account have the Government taken of the wishes of the former residents of the Chagos islands, whose treatment by previous UK Governments could properly be described as ethnic cleansing or indeed abduction? By today's standards it may well fall under the UN definition of genocide, which includes the forceful or fraudulent removal of a population. What account has been taken of their wishes? It seems to me that if we steal something from someone, the only way to make an apology seem sincere is to offer to hand it back. Having stolen the islands from their population, no apology can be sincere unless the Government are prepared to offer to hand them back.

**Luke Graham** (Ochil and South Perthshire) (Con): Will the hon. Gentleman give way?

**Peter Grant:** No. Time is short and I do not want any other hon. Members to miss a chance to speak. [HON. MEMBERS: "Give way!"] If the hon. Gentleman has put his name down to speak, he will get the chance; if he has not, it is unfair on those who have done and who may have prepared speeches.

The debate so far confirms that the direction in which the Government intend to take all four of these nations is very different from the direction that the people of Scotland have made it clear that they want to take. The United Kingdom Government's vision of their place in the world is very different from how the people of Scotland see our place in the world—I suspect it might be very different from how a lot of the ordinary people of England, Wales and Northern Ireland see their place as well. If the Government believe that Scotland has no option but to follow their lead and be dragged into fulfilling a role in the world that is not the one we want, they are making a mistake as monumental and momentous as any in the catalogue of disastrous misjudgements that we have seen by Ministers in this Government over the last two years.

6.36 pm

**Tim Loughton** (East Worthing and Shoreham) (Con): It is very difficult to follow that speech, but on an upbeat note, I welcome this measured, balanced and forward-looking Budget, which, coupled with today's industrial strategy, looks beyond Brexit with optimism and realism. Alas, the same cannot be said of the Momentum alternative from the Opposition. Only the shadow Chancellor, or perhaps Paul Daniels, could possibly have the chutzpah to claim that spending commitments of £330 billion already racked up, resulting in debt interest payments of £270 billion over the next Parliament—as predicted by the very forecasters whom the right hon. Member for Islington South and Finsbury (Emily Thornberry) was so keen to quote earlier—would amount to nothing and pay for itself.

We cannot be complacent, and I certainly welcome the renewed urgency in tackling the productivity deficit and the industrial strategy, which concentrates on smart technologies, clean technologies, fast technology and

preventive technology, because that is key. This year alone, China and India will each produce 1 million engineering graduates, many of them working in manufacturing and service sectors in high-tech industries. In 20 years, many of the growth jobs will be jobs that do not exist today, so education is key. That is why I welcome the investment in research and upskilling that is a hallmark of this Budget and today's vote of confidence by the pharmaceutical companies in this country's future in that area.

I welcome the help for business and the end of the staircase tax, which was feared. I welcome the help for small house builders in particular, with the extension of the home building fund to help more house building projects on small sites. I also welcome the commitment to more homes. We need to build more homes, as well as more new towns, so I welcome the stamp duty exemption for first-time young buyers. There are some unintended omissions. People will not qualify if buying a property jointly with somebody who has previously owned one or even somebody who has made a loss on previous properties. There are also question marks over how shared ownership is treated, but the principle is absolutely right.

However, we need to be more imaginative in promoting rent-to-buy schemes and creating incentives for the three quarters of a million empty properties that we still have in this country. There is also the bigger issue of fairness in stamp duty. The average price of a house in my constituency of Worthing is £327,000, while in Wrexham it is just £179,000 and in Wakefield it is £186,000, but the rate of stamp duty is the same. Should it not be based on size rather than price, depending on what part of the country people live in? We need to incentivise downsizing by older people to free up family homes, and they would still have to pay stamp duty under the current regime. We need to think smarter about incentivising imaginative intergenerational developments that encourage and enable families to stay closer to each other, rather than being priced out of the area where they grew up.

As chairman of the all-party parliamentary wine and spirit group, I should like to cite one world-beating industry: the wine and spirit industry. It supports 554,000 jobs in this country and generates £50 billion for the economy.

**Ms Ghani:** As my hon. Friend might know, the Foreign Office has 274 posts in 168 countries, and they are perfectly placed to export or promote English sparkling wine, specifically from my constituency of Wealden, as outlined in my ten-minute rule Bill, which he supported earlier this year.

**Tim Loughton:** My hon. Friend anticipates my next point. I am delighted that the Chancellor chose to freeze the duty on wines and spirits, but the duty on a bottle of wine is still £2.16, and the duty on a bottle of sparkling wine is £2.77. In France, the duty on a bottle of wine is 2p. Surely, after Brexit, we can give a boost to the English wine industry, which will be producing 10 million bottles, to allow our quality wines to compete even more on an international level. English sparkling wine beats French champagne hands down in blind tastings throughout the world. Also, why should there be a higher rate of duty on sparkling wine, when it is of a lower alcoholic strength than still wine? Surely that point has been conceded, given the action that is being taken on white cider.

**Sir Edward Leigh:** Britain is producing excellent white wine, but there is a real problem with increased alcoholism and liver disease. Does my hon. Friend think that the solution would be to introduce unit pricing, to try to freeze young people out of the market for very high-alcohol drinks?

**Tim Loughton:** No, I think the answer is to encourage people to drink wisely and in a balanced and responsible way, and to drink higher value and higher quality English and British products.

I also welcome the extension of the rail discount card to those aged between 26 and 30. However, there is a flaw in that arrangement because the cards cannot be used at peak times, when many people need to travel to work. A bigger problem is the fact that many 16-year-olds who have to get to school or college or to their jobs often qualify for adult rate fares on buses and trains. I urge the Chancellor to have a look at that as well. I also urge him to look again at the case of the WASPI women, who continue to suffer the biggest injustice as a result of the change in pension ages. Perhaps at the very least he could extend the free bus pass to those women who would have qualified for their pensions at an earlier age.

Finally, one area that does not get much of a mention in the Budget relates to families and early intervention. I know that the Chancellor sympathises with this issue. Family breakdown in this country costs £49 billion a year and it is also one of the sources of the housing shortage, with families living in fragmented circumstances. We need to invest much more to deal with the problems of broken and troubled families, as well as with perinatal mental health and with child neglect, which alone costs this country £15 billion a year. Just as the Chancellor invests in roads, infrastructure and business in order to boost the economy, so we should invest more in our young children, as they represent the most valuable future of our nation and our economy.

**Several hon. Members** *rose—*

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. Before I bring the next speaker in, it might help those who are higher up the list to know that if they intervene on others, they will go to the bottom of the list, because all they are doing is taking minutes off the others. I am sure that everyone will want to accommodate one other.

6.43 pm

**Dr Rosena Allin-Khan (Tooting) (Lab):** Over the past 50 years, the United Kingdom has had a proud history of leading the world in protecting and advancing the cause of humanity. We have vaccinated millions against diseases, given more than 5 million children around the world an education, and fought off fascism on the continent. Our ability to do all that is one of the key reasons that this country has been a beacon for people around the world. There was a time when the Foreign Office exerted a positive influence globally, but I worry that it has now lost its standing on the world stage and that it is afraid to intervene when necessary. What does that tell the world about our poverty of ambition for what the UK can stand for in the future? I worry about what that means for the future generations around the world who will need our Government to step in at times of crisis. I worry about the unnecessary suffering that will go unchallenged, and about the stateless refugees

[*Dr Rosena Allin-Khan*]

who have fled state-sponsored violence with no hope of returning home. And yes, at this moment, I worry about those Rohingya refugees in border camps who now fear forced repatriation after fleeing persecution and violence.

I recently visited the border of Myanmar and Bangladesh to treat patients in a clinic and hear the testimonies of the Rohingya people, a million of whom have fled torture and persecution in Myanmar. I returned from there last week. When I was there, I met and treated refugees who recounted their harrowing journey and their experiences back in what they had called home. What was most striking was that 80% of those in the camps were women and children. One man recounted a night when the Myanmar army arrived in his village. He described how the entire village of 3,000 people was razed to the ground. All the menfolk were dismembered and murdered, and the women were dragged by their hair and gang raped. Children who were fleeing were dragged back to the village and thrown alive on to burning fires. For the military, age was no barrier. They threw babies on to the fires. I held those charred babies in my arms last week.

I welcome the efforts our Government have made to provide aid and assistance—I really do—but if our efforts are not to be in vain, we need to take firmer action to prevent further atrocities. The extra aid package announced by the International Development Secretary today is a welcome step, but thus far, our action equates to giving a gunshot victim a sticking plaster while allowing the shooter to roam free. The Bangladesh and Myanmar Governments have struck a deal to send the Rohingya back to Myanmar. Our Government must, with international partners, ensure the protection of the Rohingya by preventing forced repatriation, as well as by providing the essentials they need to survive and by guaranteeing their safety if they do go back.

My biggest worry so far is that no external organisations have been allowed access to Rakhine state. The UK must use all its leverage power to get access, and send a ministerial delegation to the region to investigate. As permanent members of the United Nations Security Council, we have the power to act. Our failure to act in the face of genocide goes against everything it means to be British: we must be courageous, compassionate and generous. We have to ask ourselves: will we be on the right side of history? The suffering of the Rohingya people is another opportunity for us to prove that the human capacity for good will always trump that for evil.

6.47 pm

**Nigel Huddleston** (Mid Worcestershire) (Con): There is much to praise in this Budget. It contains something like 300 measures, many of which focus clearly on the future and on the nation's potential and creativity, including those on artificial intelligence, driverless cars and fibre broadband, and on enhancing our science, technology, engineering and maths—STEM—skills base. We are already one of the world's most advanced digital nations, and many of the measures in the Budget will enable us to secure that digital leadership for many years to come. I also warmly welcome the increase in spending for the NHS, for housing and for infrastructure, as well as the additional changes to and money for universal credit.

Of course, the Government are able to spend money only because of the hard work and effort of the British people. There is no such thing as Government money; it is taxpayers' money, and public debt is merely deferred taxation. We must be careful never to forget that. We are slowly but surely putting the age of austerity behind us, and I hope that in the next few years we will see further increases in spending on health, education, social care, the police and our armed forces. Those are the things that the British public say they want us to spend money on. They are not stupid, however, and they know that when times are tough, the Government need to tighten their belt in the same way as they do in their own households.

It is telling, however, that the British public's attitude is changing. They are confident that this Conservative Government spend their hard-earned money wisely, and opinion polls are showing that there is a greater willingness to accept increased taxation. We might need to consider that at some point. However, they would be willing to pay more tax only if they had absolute confidence that the money would be spent carefully, and that is something that the Conservative party—and only the Conservative party—can deliver. We are rightly and instinctively the party of low taxation. We will dive into people's wallets only if there is an absolute necessity to do so. We would prefer, instead, to chase after tax dodgers and close loopholes so that normal hard-working families do not have to pay more tax.

We are also spreading the tax burden fairly. The tax gap is at an all-time low, corporation tax is increasing, and the top 1% of income tax payers pay 28% of all income tax. At 45%, the top rate of income tax is higher now than it was for 99.7% of the last Labour Government, during which it was 40% for 13 years. In 2010, the tax-free allowance was a measly £6,475; it is now £11,500, and I am pleased that it will go up to £11,850 next year. That has enabled us, the Conservatives, to take 4 million of the lowest paid out of income tax altogether, with the average taxpayer saving £1,000 on their tax bill every year. That is important for the lowest paid in society. Furthermore, the Conservatives have increased the minimum wage. It was £5.93 in 2010, but the living wage is £7.50 today, and both the living wage and the minimum wage get inflation-busting increases in this Budget. While the Opposition may talk about helping the least well-off in society, it is the Conservatives who act, and long may that continue.

6.50 pm

**Mr Ronnie Campbell** (Blyth Valley) (Lab): As a Labour MP who wants to leave Europe, I am a rare animal. I am a non-believer in the undemocratic way that the European Union has been run for many years, but I do get a bit worried when I think about how we are going to pay £40 billion to leave the place. It beggars belief, and I wonder what is going to come next. Are we going to agree to the rules for another two years? Things keep on coming along.

I want to talk about my constituency and what is happening there, especially to the police. We have had seven years of austerity, and I do not believe that it has come to an end, as the hon. Member for Mid Worcestershire (Nigel Huddleston) said. We are not getting any further forward with austerity; we are in the same place as we were before the Budget was presented.

Northumbria police have had the biggest slice taken out of their budget of any police force. It has been reduced by 37%, or £124 million, and any authority that takes that sort of cut—be it the police or whatever—will lose. Its reserves have been reduced from £71 million to £11.9 million. I hear a lot about authorities having to use their reserves, local government in particular, but they cannot use them all the time. Reserves have to be kept for a reason. The number of police officers in Northumberland has fallen by 900, from 4,187 to 3,283—a reduction of 22%.

The number of police community support officers has been reduced by 244 over the same period. The number of police staff has been reduced by 279, and police stations have closed. It is worrying. We are taking the biggest police cut in the country, and we are getting concerned. I am sure that all the other Members for the area would agree with me, and I hope that they will get up and mention it. We cannot take any more cuts, but I understand that another £51 million of cuts is to come by 2020, when I should imagine we will have no police at all.

On housing, the situation is interesting in Northumberland. We had a core strategy that was put through by the previous Labour council before the elections in May this year. The plan took six years, and we got it in place, but then the Conservatives got in power and scrapped it. It is now a free-for-all in Northumberland, and people can build anywhere they want. When the Conservatives said that they were going to build so many houses in Northumberland, we asked the question and, lo and behold, they are only going to build them on the green-belt areas in my constituency and in that of my hon. Friend the Member for Wansbeck (Ian Lavery). As for Berwick, Alnwick, Hexham or Ponteland, they are not going to build on the green belt there—oh no—just on the green belt in our constituencies. They will have to start building more schools if they want that many houses built in my area, because we do not have any room in our schools, so I do not know what they are going to do for the pupils in my area.

6.55 pm

**Sir Hugo Swire** (East Devon) (Con): Coming at a time when we are exiting the EU, this is a prudent Budget. Obviously, we would have liked to see more of our own special things in it, but that is the nature of a Budget. The problem for the Opposition is that, despite stresses in some areas, the British economy is performing pretty well on the whole, which is why the polls show that, even at this stage, the Conservative party is either level-pegging or ahead of the Opposition, which is a real problem for them.

Leaving the EU presents the United Kingdom with an opportunity to think about itself, to redefine itself and to decide where it wishes to go. It was US Secretary of State Dean Acheson who, in the aftermath of the second world war, famously said:

“Great Britain has lost an empire and not yet found a role.”

That was true. When we think about our withdrawal east of Suez and about throwing our lot in with the EU, an individual British role was in a sense submerged by those events, but it is now incumbent on us to talk Britain up and our constituents want us to do that. It may be a difficult challenge for some and, judging by some of the contributions from the Opposition tonight, that is not their inclination, but people want us to talk

Britain up and to think about how we can reinvigorate our advantages. With one of the best militaries in the world, we have hard power. We are committed to NATO, and we encourage others to spend the amount of money that we are spending. We are a permanent member of the UN Security Council. Those things give us real global influence, and we should be proud of them and guard them jealously.

Increasingly, our soft power cannot be divorced from hard power; we need to use them both at the same time. We have our values, our parliamentary system, the work of institutions such as the British Council, our culture and our royal family. I say that at a time when the world is yet again focused on us due to the engagement of Prince Harry and Meghan Markle.

**Ms Ghani:** My right hon. Friend mentioned the British Council, which recently noted that one in seven world leaders studied at a British university. That presents a great opportunity for us not only to promote our universities, but to export our values overseas.

**Sir Hugo Swire:** My hon. Friend is absolutely right, and I will come to that in a minute. When I used to travel around the world on behalf of the Foreign Office, it was fantastic to have the GREAT Britain campaign branding everything that the UK was doing.

On the subject of the Foreign Office, I note that the budget will be £2 billion in 2017-18 and then £1.2 billion in the subsequent two years. I have some nervousness here. I understand the arguments about official development assistance, but let us compare that with the Department for International Development's budget in those years: it goes from £7.6 billion to £8.2 billion—I cannot quite understand how the right hon. Member for Islington South and Finsbury (Emily Thornberry), who speaks for the Opposition, managed to regard that as a cut. I believe that the Foreign Office should own what the UK does abroad. There are too many departments in capitals around the world that do not dovetail with what the FCO is doing. I will leave it until another time to make the point again that the more closely integrated DFID is with the FCO, so much the better.

The Foreign Office needs to expand. We are obviously withdrawing from the European External Action Service—the Federico Mogherini-led overseas diplomatic corps of Europe—so we need to think about where we are going to re-resource our posts around the world. I believe in an international, rules-based system, and I believe in Britain's role in it. I would also like the UK Government to lead on a new financial architecture. The Bretton Woods system is outdated and fails to recognise the emergence of countries such as China.

I want a properly resourced military that retains our amphibious capabilities and our peacekeeping role. I want the UK to engage better with the Commonwealth, and what better opportunity is there to restate our commitment to it than the Commonwealth Heads of Government meeting in London next April? I want the UK to recognise and recommit to our responsibilities to our overseas territories. I ask the Foreign Secretary whether we can press the OECD harder to look at the redefinition of aid and to consider why we cannot provide more aid to the overseas territories. Some of the calculations on middle-income countries are fallacious. Financial services are counted in those calculations,

[*Sir Hugo Swire*]

but the money does not go to individuals in those countries—the money often flows in and out. We should be able to fund our overseas territories properly.

I would like us to engage with the neglected markets of Latin America. I would like British companies to take advantage of China's one belt system. My hon. Friend the Member for Wealden (Ms Ghani) referred to scholarships, and we should boost the Chevening, Marshall and Commonwealth scholarship programmes, possibly bringing them together as one scholarship programme. We can continue to lead on climate change and on protecting vulnerable states—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I call Alex Cunningham.

7 pm

**Alex Cunningham** (Stockton North) (Lab): The future of global Britain will start with Britain facing greater isolation in the world. We are taking a begging bowl around the world and pleading for trade deals to give our nation a future beyond Brexit, and it is not going well. Sadly, the Chancellor's Budget has nothing to ease the way. Yes, he has set aside £3 billion to help us over the shock, but I remind him that it cost £1 billion just to buy off the Democratic Unionist party to prop up a weak Government. No one should be in any doubt that, although countries may want special trade deals with Britain, they will exact a challenging price. Two examples: the USA wants us to drop our food safety standards, and India suggests that the UK must be prepared to allow more immigration if it is to agree a deal.

The Government must change course. They must end the public sector pay cap, introduce further controls on high interest, bring forward investment in infrastructure, reverse the planned tax giveaways for the super-rich and reject a deregulated, no-deal, race to the bottom Brexit.

Living on industrial Teesside, I am well aware of the international status of many of our companies, from CF Fertilisers, Lotte and Chemoxy to Quorn, Fujitsu and Greenergy—they are all striving to be internationally competitive while sustaining investment and jobs. They have done a grand job until now, but the uncertainty surrounding them has resulted in very real concern that frustrates local managers as they compete with their international owners' other plants abroad for investment in the UK.

Those companies are anxious about Brexit, and they are looking for even greater Government assurance that they will not simply be left to wither but will have a business environment in which to thrive. They want to see the retention of the regulations on the registration, evaluation and authorisation of chemicals for British companies post-Brexit, as exercising common standards with the EU will ease their ability to trade on the continent. I see nothing of that in the industrial strategy.

A few weeks ago, the Government woke from their deep slumber on carbon capture and storage with much trumpeting of the £100 million to be invested in demonstrator projects. That is a positive step, but it is only a tiny step when we need huge leaps to make Britain a world leader.

Teesside got a specific mention in the Budget speech, in which the Chancellor appeared to announce a major investment in the former SSI site in Redcar. He announced £123 million of funding, but the reality is that the Government are giving themselves the cash to fulfil a funding commitment that had already been made to keep the site safe. That means we will get just £5 million.

I share the deep disappointment that there is nothing to improve public sector pay. Replacing Conservative Members' heartfelt and passionate speeches in support of our police, our health staff, our council workers and our prison officers with hard cash to give them a pay rise would go some way to helping those people to meet increased inflation.

The Government cannot starve a system of funds, watch it start to crumble and then half-heartedly try to inject some money and claim they are rescuing it. The NHS asked for an extra £4 billion a year, and instead it got a promise of £350 million for this winter and £10 billion over the course of the Parliament for capital projects.

This is my seventh speech after a Budget, and it is the seventh time that I remind the House that in 2010—seven years ago; three sevens, maybe my luck will be in—the hospital for Stockton was cancelled. Ever since we have faced the looming threat of the closure of the accident and emergency department either at North Tees or Darlington, which will force people to travel further for emergency treatment. I represent an area where unemployment remains more than double the national average, where health inequalities are part of everyday life and where our businesses seek real assurances from the Government that there is a future out there. I still feel pessimistic after this Budget.

7.4 pm

**Alec Shelbrooke** (Elmet and Rothwell) (Con): There is much to welcome in the Budget, not least when we talk about Britain on the global stage. Infrastructure investment in this country will be important in raising our productivity and making us fit for the global stage. With that in mind, the £300 million to link other infrastructure improvements to the HS2 project is important to me, not least because it will link the HS2 station at Leeds to the main line, an idea raised by Transport for the North. That means there is now no need for a mile-long viaduct over Swillington in my constituency. It is not just about saving money on the project; the money should be reinvested in local trams and trains to ease congestion in the city of Leeds. We cannot be truly globally competitive if we are not working efficiently. It sucks away the productivity of this country if people lose a lot of time getting to work.

I was frankly appalled to hear the comments of the hon. Member for Glenrothes (Peter Grant), the foreign affairs spokesman for the Scottish National party. He said that Britain has no role to play in the world, which is simply not true.

**Peter Grant:** I do not remember saying that Britain does not have a role to play in the world. What I said, and I will say it again, is that the role in the world the UK Government appear to have decided for Britain is not a role that the people of Scotland will be comfortable following. Nobody would deny that any country in the



world has a role to play. If the *Official Report* shows that I said anything different, I will withdraw it. *[Interruption.]*

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. The Front Benchers have had a good go tonight. If they are going to intervene, it has to be with very short interventions. I am very sorry but, if people give way, others might fall off the list.

**Alec Shelbrooke:** My Conservative colleagues simply do not recognise what the hon. Member for Glenrothes has just said as a fact in Scotland. There is only one party on the rise in Scotland, and it is not the SNP.

The reality is that our country and this Government can stand proud of our work on the world stage. I pay tribute to the hon. Member for Tooting (Dr Allin-Khan). The whole House recognises that she is a credit to the medical profession, and it is a credit to this House that she took time to go out to see the Rohingya crisis at first hand—it is a terrible situation. I recognise what she said about babies, as I heard the reports on “From Our Own Correspondent”. I cannot imagine the pain she must have been through. I pay tribute to her, because she is a credit to this House and to her profession.

That represents what this country is good at, which is helping in the world. I am proud that more money has been spent by Britain alone than by all the other European countries added together to help the Syrian refugees in Lebanon, Jordan and Turkey. We have been taking refugees, too—not to the extent that other nations have, fair enough, but we have been doing our bit. More importantly, we are putting resources on the ground. I simply do not recognise the view that this Government, however people want to describe them, are setting this country out as a place with which nobody wants to be associated, because that is not true.

It was the Royal Navy that was in the hurricane-torn areas of the Caribbean. Going back a few years, it was the Royal Navy that sorted out the Ebola crisis in Sierra Leone. This Government have committed to raising the defence budget by 0.5 percentage points over inflation year on year, because we recognise the need to invest in our armed forces.

Yes, only a few nations spend 2% or more of GDP on defence, but we are one of even fewer nations to spend more than 20% of our defence budget on capital infrastructure within our armed forces. That shows the renewal of our Royal Navy under this Government and our investment in other areas of defence. There is much on the global economy and global Britain of which we can be proud.

We have heard many people, and we will hear more this evening, talk about Brexit and where Brexit is, but Labour Members cannot carry on talking about Brexit without coming to one fundamental decision: we cannot nationalise if we are in the single market, so for Labour Members to say that they feel the Government should maintain our membership of the single market is totally at odds with the manifesto they stood on. I do not think we should be nationalising, which is looking backwards, but the reality is that we simply cannot nationalise under state aid rules if we are in the single market. I therefore seek some clarity tonight. Is it the Labour party’s position that it definitely wants to leave the single market?

7.9 pm

**Dr David Drew (Stroud) (Lab/Co-op):** Unlike my hon. Friend the Member for Stockton North (Alex Cunningham), this is my first Budget speech in seven years, so I shall enjoy myself in making it. In his great roman à thèse on the situation of Britain, “Sybil”, written in 1845, Disraeli referred to the two nations: the nation that was growing in prosperity—the bourgeoisie, the landowners and professional classes; and the wage slaves in the factories and those who eked a bare existence on the land. Unfortunately, if Disraeli were to come back today, he may see the similarities, rather than the differences. We are quite simply talking about two nations here.

In my short Budget speech, I wish to draw attention to a number of issues that highlight those two nations, the first of which is housing. Although the £44 billion is a welcome figure, we need to boost local authority housing—what we used to call “council housing”. The only reference to this in the Red Book, on page 63, states:

“The Budget will lift Housing Revenue Account borrowing caps for councils in areas of high affordability pressure, so they can build more council homes.”

That takes effect only in 2019-20, so we already have to wait a year, and we are talking about £1 billion. My simplistic calculation leads me to believe that that may allow us to build a few hundred homes, but we have a crisis in social renting and it needs crisis finance. We are not providing that.

Other areas are simply ignored in the Budget—for example, the care sector. Much of my local care sector is in crisis; there is not the money to provide any decent quality of care. Renewables are flatlining. If we are to go towards the carbon-free economy, we have to boost renewables, yet aside from a brief mention there is nothing about them in this Budget. Likewise, we are not trying to do anything other than offer placebos on education. Sadly, the national funding formula, which many of us who have supported the f40 campaign have long awaited, has not improved the funding of many of our schools. Indeed, things are worse for many of our schools because of the way in which the Government have, by a clever trick, now conflated the special educational needs budget into the base budget. That is a tragedy because it is our children who will be suffering.

I welcome the comments in the Budget on what we intend to do about plastics, but we need to go much further in tackling waste. We need to boost the way in which we deal with food recycling, recognising that there is an alternative to incineration, which seems to be how the Government Front Benchers see us dealing with waste. In a time of air quality problems, that is exactly the wrong direction to go in. I welcome what the hon. Member for East Worthing and Shoreham (Tim Loughton) said about the WASPI women. I had a short meeting with them on Saturday and it was one of the most moving meetings I have ever sat in, just because they feel that they have been robbed. To me, all those issues are clear dividing lines. We live in a country where we do not want those dividing lines. We need to bring it back together and I hope that a future Government will—

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Order. I call Sir Robert Syms.

7.13 pm

**Sir Robert Syms** (Poole) (Con): I sat in this House for 13 years when the Labour party was in government and listened to many speeches by the right hon. Gordon Brown, including a number in which he said he would abolish boom and bust. That was before we had the most almighty bust in 2007-08—

**Alex Cunningham:** Thanks to the banks.

**Sir Robert Syms:** Well, you were the people who regulated the banks and you were the people in charge for 13 years. Before we hit the crisis, you had a 3% deficit and you were too reliant on bankers' bonuses and the City to provide money. The problem with that was that the deficit spiralled up to £160 billion. The then Labour Chief Secretary to the Treasury left a note saying that there was no money—and there was no money. When I look at the Red Book today, I see that the deficit for the foreseeable future is less than £50 billion. That means we have reduced it by well over £100 billion, which is a remarkable achievement. While doing that we have upped the income tax allowances from £6,000 to £11,500; increased the minimum wage and the living wage; kept up our commitments to the third world with the 0.7% foreign aid commitment; kept the economy growing; taken 4 million people out of tax; and created more than 3 million jobs. What's not to like about this Government's progress over the past seven or eight years?

In 2009, Eddie George, the then Governor of the Bank of England, said that whoever takes over this country's economy will be ruined for a generation, yet my party has won two general elections—I admit that the 2017 one was on penalties. The reality is that this Government have been elected in 2010, 2015 and 2017, and I think that if there was a general election today, we would win, because we are more realistic and optimistic about the nation's prospects. The country has made a decision. History will tell whether it is the right or the wrong one, but the country wants optimistic politicians who are going to go out and make a success of the decision the people have made. There is a big wide world out there. We need to have a decent relationship with our European partners, and I hope and believe we will have a decent negotiation. But it is right and proper that the Government make preparations so that if things do not work out properly, we can continue to manage our affairs.

The OBR has come up with some forecasts that are not as optimistic as they were, but throughout the time the OBR has done this, its forecasts have gone up and down and have never been right. That is because they are forecasts, and events come in. My view of life in the world over the next four or five years is a rather more optimistic one. We have relatively full employment, business is going to have to invest if it is to increase productivity, and I believe it will, and I think we are going to do well as the years go by. Clearly, there are uncertainties, and changing our relationships will cause short-term problems, but over five, 10 or 15 years, I think Britain is going to be a great success story. And I believe the United Kingdom is going to be a great success story, because the Union that is the great success for our nation is that of England, Scotland, Wales and Northern Ireland. I am therefore optimistic because the Government produced a good and balanced Budget,

which has given a little bit of a tax cut and a little bit of increased spending, but which, broadly speaking, sticks to the financial plan. At the end of the day, sound finance is the only way of being a caring Government.

7.17 pm

**David Hanson** (Delyn) (Lab): This is a debate on Britain in the world but, as hon. Members know, all politics is local, so I wish to focus on what is happening in my constituency and how issues in the world are affecting it. This Budget has shown me, once again, that austerity is not working, that the pain of austerity is hitting the poorest people in my community hardest, that major businesses have real uncertainty about the future because of the current EU situation, and that key industries in my area need real answers from the Government about the future of their economy in the next few weeks and months ahead.

My area in Wales has faced a 7% cut in its budget from the Welsh Assembly over the past seven years—this is real money being lost. That has had an impact on our ability to build council houses, although my local Flintshire County Council is trying to defy that by building them now, and on public services. The public sector pay cap is squeezing hard the incomes of people who are contributing to our society and working hard in their communities. We have uncertainty about the European Union, and the Foreign Secretary's opening remarks provided no clarity on the key issues that my constituents face. We also have that squeeze on local government spending, which is difficult.

In my area, we make things. We make planes and cars, we produce steel, we do construction and housing, and we have farming and tourism. Yet all those industries, even today, face uncertainty because of the inconsequential approach of the Government to the European Union issue. Let me take Airbus as just one example. It employs 6,000 people in my constituency. It is asking for a transitional deal for two years and wants to remain in the single market. Its chief operating officer, Tom Williams, has said that the world is now a dangerous place for this successful company with high-skilled workers that produces world-class planes. Airbus exports £6 billion-worth of goods to the European Union each year as part of the manufacturing industry. Its employees make 80,000 trips each year to make those planes in France, Spain and elsewhere. This is a really important issue.

EU funds worth £680 million come into Wales each year, but I heard nothing from the Foreign Secretary about what will replace those funds. The farming industry in my area exports £250 million-worth of sheep and beef products to Europe, but we have heard nothing today about tariffs or what will happen in respect of contracts that may well be signed as early as February and March next year. We will potentially have to compete with Australia and New Zealand in the sheep and beef markets.

**Tim Farron** (Westmorland and Lonsdale) (LD): The right hon. Gentleman makes an incredibly important point about sheep farming and exports. Does he acknowledge that 40% of British sheep products are exported, with 90% of that going into the single market? We face a 52% tariff on those products under World Trade Organisation rules.

**David Hanson:** The hon. Gentleman is absolutely right. His is a sheep-producing area. Alongside tourism, and the production of planes, cars and steel, my area

produces sheep and beef products that are exported. It is critical that we have answers on these issues. If we are to leave the EU, which my constituents voted to do, we need to understand at least what the access to markets will be, what the tariffs will be, and what future production values will be. In his response to this debate, and elsewhere, the Minister should provide some clarity on these matters so that my constituents know exactly what we face.

We face a squeeze on local government expenditure. On behalf of Labour councillors on Flintshire County Council, my hon. Friend the Member for Alyn and Deeside (Mark Tami) and I sent a petition to the Treasury last week. We face a real squeeze at a time when we are seeing increased charges for services and cuts to real expenditure. The county council has been doing a good job in trying to manage the economy as well as it can.

With all that uncertainty, we need not only clarity from the Government, but something referred to in paragraph 4.88 of the Budget document, which says:

“The government will begin formal negotiations towards a North Wales growth deal.”

With due respect, the Chancellor promised that a year ago, and he promised it again in March this year. When he came to Mold in my constituency during the general election campaign to try to unseat me, he promised it then. He is now promising “negotiations” in this Budget, so all I ask of the Minister is that he tells us how much money is behind that plan and how long the negotiations will take. Can we ensure that, when they are finished, we will have improved infrastructure, improved transport links and improved investment in our economy to create jobs, given that jobs may well be put under pressure because of what is happening now with the European Union?

7.22 pm

**Sir Edward Leigh** (Gainsborough) (Con): I wish to follow on from what my hon. Friend the Member for Poole (Sir Robert Syms) said. This has been a good week for the Government because we are focusing on the most important thing—the Budget and the economy—rather than on ourselves.

When people start to think about what is going on in the economy, they start to wonder whether the Labour party yet has the answers. If I was a Labour MP, I would be worried that the opinion polls show us level-pegging. Why? Because the No. 1 problem that faces our economy—it is infinitely greater than so many other problems, particularly Brexit—is the size of the national debt. The question the Labour party has to answer is whether adding to that debt would solve our problems.

I sat through the speech by the shadow Chancellor, the right hon. Member for Hayes and Harlington (John McDonnell), so I heard him say that he wants to invest for the future. That sounds plausible, but the trouble is that it does not matter what the money is spent on—schools, hospitals, capital or revenue—because if that increases the national debt, our interest repayments increase. The problem we face as a nation is that our interest repayments on the national debt are already more than what we spend on defence, about which we have been talking, and the police every year.

The national debt is far too large. The shadow Chancellor tells me, “You’ve added to the national debt.” That is entirely true—the national debt is still rising by £186 million

a day. I am allowed to speak for four minutes, during which the national debt will rise by £200,000. But would we solve our problems by adopting the Labour party’s strategy, which would add to that national debt? We are already facing so many problems in repaying it. I said that the national debt will increase by £200,000 in the four minutes of this speech, but it was increasing by £300,000 a minute when the coalition Government took power in 2010.

**Alec Shelbrooke:** A minute?

**Sir Edward Leigh:** Yes, it was increasing by £300,000 a minute.

The central point for the Opposition is that they have to be credible, as new Labour found out in the years before it took power in 1997. The central credibility argument is whether, when the national debt is so crippling—as I said earlier, our repayments are equivalent to paying for 10 Queen Elizabeth-class aircraft carriers every year—we can solve our problems by adding to it. My contention is that that is absolutely not the case.

Well into this Parliament, the reason why the Conservative party is still level-pegging with the Opposition, who should be way ahead, is that the Labour party has no credible economic plan to try to lift us out of our national debt, except for borrowing more, spending more and raising taxes. Who would suffer in that scenario? Would it be us? No, it would be our children and grandchildren, because we would be loading that debt on to them. Of course, as the national debt increased under Labour’s plans, interest rates would rise even more and mortgages would become more expensive. Who would suffer? The young who want to get mortgages. Labour Members’ policies simply do not add up. Until they come face to face with reality, they will never become the Government of this country.

7.26 pm

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): The Chancellor spoke for more than an hour last Wednesday, but he did not mention several of the most pressing issues for my constituents. Particularly notable was the lack of any mention of additional money for social care, despite the Government’s saying in the general election that they would fix social care. The Care Quality Commission has said the system is at “tipping point”, yet the Government did not allocate any more money to social care through the Budget. Funding an additional amount through council tax is simply not enough. Nor was there any mention of help for the many WASPI women in this country.

**Maggie Throup** (Erewash) (Con): Will the hon. Lady give way?

**Dr Blackman-Woods:** I apologise, but I am short of time and lots of people want to speak.

The theme of this debate is the UK and the world, which is apt, because the Chancellor was unable to hide how badly the British economy is doing, especially compared with the economies of our global competitors. The most recent OECD forecasts have UK GDP growth as the third lowest out of the 35 member nations. Our productivity is among the lowest, too, and that is stifling our economic growth. In recent years, productivity growth

[Dr Blackman-Woods]

has underperformed every forecast made by the Office for National Statistics and the OBR, and last Wednesday the Chancellor was forced to admit that it has been flatlining for years. The Trades Union Congress put it really well when it said:

“Our workplaces are not fit for the future: UK productivity has flatlined for a decade, and we are ill-equipped to take advantage of new technological developments. Poor quality employment practices, weak enforcement of labour rights and low investment in training leave British companies lagging behind.”

We know what the Government should be doing to tackle the productivity crisis. They need to invest in skills and education, in technology and digital services, and in infrastructure right across the piece—everything from roads to ports to airports and housing. They also need to get companies to invest more in research and development. However, the Budget was weak on several of those issues. It is unclear whether the £20 million announced for further education colleges is new money and we do not know when they will get it. We all know that apprenticeships are a great way to upskill the workforce, but the Government’s record on them is poor. Statistics from the Department for Education show that there has been a 60% drop in the number of people starting apprenticeships.

Little new money was announced in the Budget for transport and infrastructure, especially in our regions. Most of the money is still concentrated in London and the south-east. Although we do not want to take money away from those areas, we do want the Government to recognise the very real need for additional investment in infrastructure, particularly in the north-east, so that businesses can continue to grow.

We also know that the money that was announced for housing—£7 billion of new funding—is massively short of the £50 billion that the Secretary of State for Communities and Local Government said was needed. This Budget continues the Government’s failed austerity policy and does nothing for my constituency.

7.30 pm

**Michelle Donelan** (Chippenham) (Con): This Budget is outward looking and is designed not only to weather any potential storms from Brexit, but to seize the opportunities that they may bring for us as a global-facing country.

There has been some talking down of our economy recently, and, specifically, in this Chamber today. It would be foolish and naive to oversell the economic state of the country, but it is crucial that we stop this negative Britain bashing. It is damaging our economy, our morale and our ability to attract inward investment.

Let us remind ourselves of some of the key facts: the UK has now seen 19 consecutive quarters of continuous economic growth; employment is up by 279,000 from a year ago; and another 600,000 people are forecast to be in work by 2022. In Chippenham, my constituency, youth unemployment has fallen from 7.5% in 2012 to 2.5% now. The number of VAT-registered businesses has risen by more than 2% in the past tax year alone. Yes, the growth forecast for 2017 has been reduced from 2% to 1.5%, and forecasts for 2018 to 2021 have been revised down, but the reality is that the economy is

still growing. It is irresponsible and incorrect to suggest otherwise. Moreover, it is the predicted rate of growth that has been revised down. The key words there are “predicted” and “growth”. The post-Brexit figures are, in fact, far better than some have predicted. The real worry here is the productivity lag, which we need to fix. The Budget highlighted the Government’s understanding of that and the need to target it, which seems to have been omitted and overlooked by the Opposition.

We have invested half a trillion pounds in our infrastructure since 2010, and the Budget builds on that, including transport measures to help productivity. The Budget also announced the largest boost to research and development support for 40 years, with a further £2.3 billion investment from the National Productivity Investment Fund. The Budget means investment in our digital infrastructure. The increase of the National Productivity Investment Fund to £30 billion will help investment in technologies such as artificial intelligence and driverless cars. It will have an impact up and down the country, particularly in my constituency in AB Dynamics, and in Dyson, which is across the border in North Wiltshire.

Investing in and fostering skills is vital to productivity, but they have to be the right skills for our economic success, which is why the Budget’s focus on T-levels, mathematics and computer science, is so important. As an aside, I look forward to the long-anticipated publication of the careers strategy, which I hope will foster a greater link between careers advice and the labour market’s needs and predictions. By continuing to make work pay, this Budget will also help productivity. I am talking about the increase in the personal tax allowance to £11,850 and an increase in the national living wage by 4.4%

In conclusion, we are the fifth biggest economy in the world. Since 2010, we have 1 million more businesses that are creating jobs. We are the fifth largest exporter in the world and the top destination for inward investment in Europe. Let us not talk down Britain or our growing economy. As I said at the beginning of my remarks, that is irresponsible and incorrect. Yes, there is much that we need to do to foster growth, but this Budget recognises that and focuses on targeting the productivity lag. It is a plan for Britain of which we can continue to be proud.

7.34 pm

**Toby Perkins** (Chesterfield) (Lab): This Budget was a huge wasted opportunity as well as an acknowledgement of failure. Those of us who listened to the Foreign Secretary’s speech today were staggered that he spent longer talking about penguins and plastic bags than he did acknowledging Brexit, the most serious threat to our economy. I was one of those MPs who campaigned for remain but found that their constituents voted leave. I am willing to go out there and say to my constituents that I will support their vote, but we need to have a sense from the Government that there is a plan and a basic competence in the negotiations that they are carrying out on Britain’s behalf. The Government need to seize the moment—as huge as it is—and show us that they are on top of the opportunities that exist. They are now making ludicrous claims, for example, that we could not nationalise the trains if we stayed in the EU. Such claims are utterly discredited and suggest that they have nothing left to say about how to make Brexit work.

I was elected in May 2010 on a programme that promised to halve the deficit by 2015 and to eradicate it by 2020. That plan was ridiculed by the Tories as inadequate—they said that it would consign our children to a lifetime of paying down debt. That now seems wildly optimistic compared with the performance of this Government. This evening, we heard the hon. Member for Gainsborough (Sir Edward Leigh) talking about debt as though he was not a member of a party that has increased our debt by half a trillion pounds since 2010. The Government have no credibility on the deficit or on debt. In 2010, they told us that it would be gone by 2015. By 2014, it was going to be gone by 2018. Now we are told that it might be gone by 2025. I am willing to bet my house that, by 2025, this country will still have a deficit. The Tories have no credibility when talking about the deficit. Now we have a Budget that fails to address any of the key questions that might see our economy moving in a more positive direction.

There was nothing in the Budget about social care, the local government crisis, and the inadequate investment in the NHS. Schools in deprived areas are facing a real funding crisis. This Budget could have championed a real growth programme, with infrastructure investment of the sort that we will need to make Britain a more attractive place in which to invest in future. We could have had that at a time when apprenticeship starts are collapsing. The Budget has failed the test of the moment.

There was also a failure to recognise the need to make universal credit work for people who are not close to work. I welcome some of the measures that have been taken to alleviate organisational failures, but universal credit does not work for the self-employed and it is positively cruel for the disabled. In questions last week, I heard the protestations of the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), who recognises that his legacy is being tarnished. The actions on housing and homelessness were also utterly inadequate.

The tragedy of this Budget is the tragedy of this Government. They are out of ideas, more interested in their own survival than the national interest, and unable to grasp the size of the moment that a combination of the tides of history and their own ineptitude has brought upon us all. When we needed investment and innovation, we got obfuscation and confusion. When we needed decisive action to rescue universal credit, we got a partial tidy-up of failures that never should have happened. There was nothing on social care and nothing on the NHS. The Budget is a catastrophe for our schools and the deficit will now last till the end of never. This was a failed Budget from a failing Government who really have run out of ideas. It is time for them to step aside for a party that has not.

7.38 pm

**Julia Lopez** (Hornchurch and Upminster) (Con): I am grateful for the chance to contribute to a debate about the kind of country that we seek to build in the exciting new era before us. Too often, Britain's decision to leave the EU has been mischaracterised as a backlash against modernity, and the reflex of a nation still mourning an imperial past. Now is the time to counter that miserable misperception with an unashamed vigour and a sense of urgency. We shall need both UK businesses and Government to engage with one another as never

before, understanding that neither the private nor the public sector alone is a panacea in addressing the challenges and seizing the global opportunities ahead. The launch today of our industrial strategy marks a positive step down that road and builds on the foundations laid by this Budget.

Last week, the Chancellor recognised that strategic infrastructure will play a critical role in unlocking housing and economic development and connecting us to new opportunities overseas. The Government have already committed themselves to delivering the lower Thames crossing, which will not only open up new pockets of housing development, but link to state-of-the-art port and logistics facilities in nearby London Gateway and Tilbury Port, and to the expanding London City airport and continental crossings in Essex and Kent. I am working with the Department for International Trade and businesses in my constituency to take advantage of these local trade routes by exploiting UK Export Finance, improving exporters' access to capital and enabling suppliers to fulfil new orders. Meanwhile, by lifting housing revenue account borrowing caps for councils in high demand areas, my local council in Havering will be able to take advantage of Crossrail's arrival by maximising the benefits of its ambitious housing and estate regeneration scheme.

The new spirit of collaboration extends to the increasing interaction between our schools, universities and public services, opening commercial opportunities at home and abroad. I recently returned from Guangzhou in China, where I visited a high-tech women and children's hospital that is working with academics at the University of Birmingham in genetic research and new medical technology. Opportunities abound to build even deeper economic ties with China and other international allies in this field through knowledge transfer partnerships and our new international research strategy. The NHS's sheer buying power, the Government's commitment in this Budget to higher research and development spending, a large and hyper-diverse patient group in cities such as London, and collaboration between universities and health services all create the ideal environment for international investors in the UK and the potential for more exportable expertise.

I welcome the Budget's emphasis on productivity and technology, particularly the additional resource for lifelong learning, computing and the core subject of maths. However, a number of my constituents have expressed concern that the focus on core subjects such as maths is leading to the neglect of non-core subjects in our schools such as art, design and technology, and the humanities. This could risk skills shortages in our world-beating creative industries—sectors that have benefited enormously from targeted tax credits in recent years, and from which we derive enormous soft power.

Finally, a truly competitive global Britain must be one that nurtures our competitive advantage in services. For all the promise of the EU single market, provisions for services and digital technology are far from advanced. We have an enormous opportunity, should we secure a trade deal with the likes of the United States, to set out comprehensive agreements on services that could act as a template for global standards and regulation, particularly in new technologies.

I welcome this Budget and its complementary industrial strategy for their recognition that a truly global Britain will be one that invests in the kind of collaborative

[Julia Lopez]

partnerships that transform the knowledge of our private and public sectors into growth and prosperity for our citizens.

7.42 pm

**Mr Tanmanjeet Singh Dhese** (Slough) (Lab): In 2011, the Conservative-led Government imposed a two-year pay freeze on public sector pay. In 2015, they imposed a maximum 1% rise for four years from 2016-17 onwards. The large number of letters and emails from my constituents in Slough highlight the strength of public concern. Indeed, an online petition launched by Unison calling for an end to the pay cap has more than 145,000 signatures. The Government have claimed that the pay cap has ended, yet the Chancellor announced nothing in his autumn Budget to give public sector workers the increase that they so deserve. The workers need an increase, and we all need them to have it. The Institute for Fiscal Studies has warned that if the cap remains, the public sector will

“struggle to recruit and retain the workers it needs to deliver public services, and the quality of those services will therefore be at risk.”

Seven years into the public sector pay squeeze, our worst fears have been realised. Real-terms cuts to public sector pay are failing not just workers, but everyone who relies on these vital services. The cap and funding cuts have created a recruitment and retention crisis, meaning that we will all end up paying more in the end. The Government announced the cap and they have defended it on two grounds—that public sector pay remains attractive compared to the private sector, and that it is unaffordable to provide decent pay rises. However, neither argument stands. Just over a month ago, the Treasury’s own figures revealed that public sector wages had dipped below the private sector for the first time since before the financial crisis. Data showed that workers in the public sector were paid an average of 0.6% less than their private sector counterparts in similar positions, whereas the Treasury estimated in 2010 that public sector workers were 5.8% better paid than those in comparable roles in the private sector.

Recent research from the Institute for Public Policy Research has shown that if public sector pay was raised by inflation, 43% of the cost would be reclaimed by the Treasury through taxation, lower welfare payments and higher GDP growth—a boost of £800 million in the year 2019-20. Indeed, those sums could be reinvested in public services. If all 5 million public sector workers were granted a pay rise of 3%, the extra cost to the Treasury—over and above the Government’s already promised 1%—would be just over £3 billion a year. That is not a generous pay rise, and would not compensate for years of cuts in real wages. However, it would enable public sector workers to keep up with inflation. As if the pay cap had not crushed morale enough for these vital workers, the Government’s preparations for Brexit are placing additional strains on our public services. It is predicted that the extra inflation created by Brexit will cost the average public sector worker more than an extra £1,000 in real wage losses.

The UK’s public services keep the country on the road. Public sector workers already do more than anyone could reasonably ask of them. A pay rise for nurses, paramedics,

fire officers and police officers is fair and affordable. I urge the Minister to take heed and do what is necessary for our nation’s interest.

7.46 pm

**Colin Clark** (Gordon) (Con): It is a privilege to have the opportunity to speak. I congratulate the Chancellor on the Budget. This Budget, with one apparently small tax change—a first in the world—is predicted to inject £40 billion into our economy. That is important to the UK and monumental to the Scottish economy. Scottish Conservative colleagues and I have relentlessly lobbied Treasury Ministers on that change. Following on from my hon. Friend the Member for Gainsborough (Sir Edward Leigh), I believe that this was a good Budget for Scotland. I am, of course, referring to transferable tax history for the oil and gas industry, the measures on VAT relief for the Scottish police and fire services, and the measures on whisky and spirits. Twelve Scottish Back Benchers, an excellent Secretary of State for Scotland and our Holyrood colleagues were very convincing—perhaps as convincing as the DUP.

I will focus on the global opportunities of oil and gas. The industry still employs 300,000 people in the UK and it has produced a staggering 40 billion barrels of oil. The oil and gas industry has been a huge contributor, and that is far from over. UK production met 79% of the UK’s oil demand and 53% of gas demand in 2016. Now, imagine how the Germans feel about being supplied with Russian gas. So it is globally significant to us that the North sea is still of such importance.

The sector has contributed massively to our engineering skills and has huge global opportunities. The UK continental shelf is one of the most challenging offshore basins, and UK technology has spread throughout the world. In my constituency, we have STATS Group, which is a pipeline intervention company based in Kintore; Hoover Ferguson, which is now a global company; and Wood Group, which started in the north-east and has now become a £5 billion company following a merger with Amec Foster Wheeler. The Treasury has helped to create the most fiscally attractive place to produce oil and gas. That is recognised by Shell and BP, as well as newcomers such as Chrysaor, which recently invested \$3.8 billion in the North sea. Let us not believe the myth that it is all over for the North sea.

Transferable tax history for the oil and gas industry could be a game-changer. Those who depend on oil and gas for their livelihoods will be celebrating. They are not the fat cats portrayed by the Labour party, and they are all too often overtaxed by the Scottish Government. Decommissioning is tax deductible, so the measure is transformative. The relief is from November 2018. I have spent my entire working life immersed in corporate finance, so I know that getting this right is very important. The Treasury must be commended for not acting too quickly. The industry has turned around its record on safety and the environment, and it is important that we recognise our continued dependency on the oil and gas industry because it is playing its part in decarbonising the UK and the rest of the world. Oil will also continue to dominate transport.

What is important about this investment is that it is leading growth. New players can improve productivity, which that investment ushers in. The investment is also a boost to the industry’s global reach and to Britain’s global reach, and it boosts inward investment.

At this time, during the Brexit negotiations, the oil and gas industry should be a beacon to British industry. It is global Britain at its best.

7.50 pm

**Rachael Maskell** (York Central) (Lab/Co-op): Today's debate on the Budget started with a focus on foreign affairs but, in the light of the fact that we are watching our economy rapidly contract as a result of the chaotic Brexit this Government are presiding over, it is right that I focus on the NHS, not least due to the Foreign Secretary's failed promise that the NHS would receive £350 million every week—he even had the nerve to come to my constituency with that bus to announce that, but my constituents had the good sense to ignore him.

The unravelling Budget statement has demonstrated that the Chancellor's insistence, despite seven years of economic failure, on continuing with austerity, which continues to fail services and communities, is staggering. Growth—down; productivity—down; and wages—down. Austerity is hurting so many people: wage cuts for our public servants, social security cuts for disabled people, and 4 million people living in poverty, including children. Many of them are without a home, many are on the streets, and far too many children and adults are suffering mental distress—and there was nothing in the Budget to support them.

York is particularly hard hit. Rocketing house prices mean that people need nine and a half times their wages to buy a property, and average wages fall far below the national average. Buying a house has now been made worse by this Budget. Renting privately is out of reach, and the number of homes for social rent is falling, while homelessness is rising.

I must ask why York schools have moved from being the seventh worst funded to the very worst funded, and why the most economically deprived areas in York are receiving the greatest cuts—yes, less money. York kids deserve the very best, and I will fight for their futures. As for jobs and infrastructure, the scale of private and public sector cuts is hurting York. I urge the Government to intervene: stop the closure of our barracks as a first step—there are 1,600 jobs there that we urgently need.

I also have to ask those on the Treasury Bench what happened to the business rate consultation we were all promised at the last Budget. While York traders work hard, we cannot ignore the severe challenges that business rates present. It is a broken system, and page 188 of the industrial strategy does not assist.

Now, back to the NHS. The Government have placed York in the capped expenditure process. There needs to be an acknowledgment that the funding formula, historically and currently, leaves a £20 million to £25 million funding gap in the health economy. That is after severe rationing, smart prescribing and a move to non-hospital patient case management. The leaders in the health economy have done everything to stem the costs, yet, before the winter, the money has run out, and the trust is in the distressed cash regime, having to take out a loan, with interest, to pay back who knows when or how. We need to make sure this issue is addressed because, under the NHS constitution, they cannot make further cuts. The issue in York is an ageing demographic with co-morbidities—frail people needing vital urgent care.

Will the Minister use some of the paltry £2.8 billion announced for the NHS in the Budget to address this crisis?

There was no mention of social care last Wednesday from the Chancellor, when 1.9 million older people are living in poverty. Economic and health inequality are linked. Please take care of our older people; it is a national scandal that, in the sixth richest country in the world, more than 40,000 older people are dying each year of the cold. These precious lives, well lived, have paid into the system. These lives could be saved.

If this Government have no capacity to help the poor and the vulnerable, or to meet need and to invest in our services and our economy, there is one answer: Labour.

7.54 pm

**Rishi Sunak** (Richmond (Yorks)) (Con): Global Britain can be built only on the foundation of sound public finances. That is why, for me, one number above all in the Budget stood out: next year, our debt percentage will start falling. Finally, we can see through to the time when the country will stop borrowing and live within its means again.

Fiscal responsibility is not just an ideological pursuit. Without a prudent approach to borrowing and debt, ordinary people pay the price. They pay it through slower growth, less fiscal resilience and interest rates that begin to climb. Let me start with growth.

As Government borrowing grows, it crowds out the lending available to British businesses to expand and invest. The results of these things around the world are clear. On average, economies with debt exceeding 90% of GDP grow 1 percentage point slower than those where it is between 30% and 90%, and 2 percentage points slower than those where it is below 30%. If it were not for the actions of this Government, our nation's debt would already have spiralled well beyond 90%. Although a 1 percentage point hit to growth does not sound like a lot, it would be £100 billion in GDP, and £40 billion less to the Treasury's coffers.

If the argument on lower growth was not enough, higher borrowing has other costs too. Unless we build resilience in public finances, the economy will not have the flexibility to respond to future economic slowdowns. The consequences could be severe. Italy entered its recession with debt at 100% of GDP. Since then, its defence budget has been cut by 12%. Portugal's debt was 70% of GDP. In the last five years, education has been cut by 16%. And then there is Greece: its debt was 100% of GDP, and the result was a health budget cut in half. In Britain, we are investing record amounts in our schools, our military and our NHS. If we do not get debt under control now, while the economy is growing, we will not be able to maintain this record when the going gets tough again.

I turn to interest rates. In modern times, the average 10-year gilt yield has been 5%—four times higher than what we are currently paying to borrow. This situation will not last forever. Also, the more we borrow, the less confidence markets might have in our ability to repay, and the faster those rate rises will come. We already spend more on debt interest than we do on the police and our armed forces combined. As our interest rates rise, that means less for schools, hospitals and welfare. But it is not only the Government who pay when rates

[*Rishi Sunak*]

go up—it is ordinary people, with their mortgages, their credit cards and their bank loans. A 1 percentage point hit means £1,000 on mortgages a year.

This is a disciplined Budget delivered by a Chancellor who believes in the importance of fiscal responsibility, and I commend it to the House.

7.57 pm

**Emma Dent Coad** (Kensington) (Lab): I would like to return to a subject very much on the minds of my constituents: the vexed and highly emotive one of Government funding for retrofitting sprinklers in high-rise flats, which I feel is being sidelined. It is being decided on a case-by-case basis, and we understand that many councils are being refused this vital funding.

What kind of future are we planning for our children? What kind of society shovels money into the overseas accounts of the tax-dodging wealthy while refusing a safe home to those who create that wealth? This is the world our local poet Potent Whisper calls “Grenfell Britain”. In this Grenfell Britain, we give tax breaks to the rich for their empty investment flats, all fitted with sprinklers, but there is barely a penny towards retrofitting sprinklers in fully occupied high-rise homes that house those who are the engine room of our economy.

In this Grenfell Britain, this Government continue to find ways to avoid their responsibilities. For four years, the Government ignored the recommendations of the Lakanal inquest, after six people perished—11 pages that could have saved 71 lives. They are continuing to ignore the pleas of survivors, evacuees and other affected families for them to provide safe homes for everyone, even after 71 of our neighbours died in the most horrific circumstances—many in front of our eyes. Altogether, that is 857 people made homeless.

What am I to tell Hamid, who is thankful that his 90-year-old mother, whom he cares for, was with relatives that night? Both were made homeless by the fire. What can I say to this proud, hard-working man, who had his business and was proud to say that he paid his taxes and paid for himself and his mother’s care? What can I tell this man who saved the life of his neighbour, a good friend of mine who had predicted the atrocity? Hamid and his disabled mother are still living in a hotel after five and a half months. Most recently they were offered a flat five storeys up, when he had expressly said that, owing to trauma, he must have a ground-floor flat. Instead, he was offered a flat with one staircase and one lift—a brand-new flat with no sprinklers.

What am I to tell the father of two little girls, both lost in the fire along with his wife? The loving father who was determined to say goodbye to his children, who opened those little white coffins to say goodbye to a few tiny remains—what do I say to him: that they died in vain? What do I say to the family who dragged their disabled relative down innumerable flights of stairs past their neighbours who had collapsed there, to the woman who lost her baby, or to the one who had had her baby, back in temporary accommodation after her return from hospital?

What do I tell the people who survived this atrocity and fear for the lives of others? “No change. The Government will not take responsibility. Tax breaks for

the rich; no sprinklers for the rest”? This Government need to understand that decent people who pay their taxes—across Kensington and across the country, of all political parties—are disgusted by the shameful and inadequate response to the ongoing humanitarian disaster at Grenfell Tower, and by the shameful refusal of the Government to adopt recommendations to fit sprinklers and to fund it. Shame on this Government. Listen to the people; find your humanity. Grenfell Britain is your legacy—let us change it.

8.1 pm

**Maggie Throup** (Erewash) (Con): I am pleased to be able to contribute to tonight’s debate on the Budget. I want to highlight three main areas: the support for electric vehicles; the additional funding for STPs—sustainability and transformation partnerships—and the NHS; and the funding for HS2 infrastructure.

First, I welcome the Government’s ambition for the UK to be world leader in electric cars, thus contributing so cleverly to the global Britain. It is a great ambition. However, a local independent garage owner in my constituency, Jonathan Wright, shared with me the level of concern that he is hearing from other garage owners about the cost of retraining their mechanics in the new technology of hybrids. I ask the Minister to consider what measures could be put in place to plug the black hole in hybrid technology training, not just for the new apprentices coming through but for the existing workforce who are going to be so crucial if we are to move forward at the rate that we expect with new technology for our vehicles.

**Jim Shannon** (Strangford) (DUP): Will the hon. Lady give way?

**Maggie Throup:** No, because I am short of time.

Secondly, on health and social care, I, like other Conservative Members, welcome the £2.8 billion of additional resource funding for the NHS in England. I was saddened by the comments of the hon. Members for City of Durham (Dr Blackman-Woods) and for Chesterfield (Toby Perkins), who are no longer in their places, and the hon. Member for York Central (Rachael Maskell), who still is. I ask them to read the Chancellor’s speech, because he committed £2.6 billion to sustainability and transformation partnerships—programmes that help people to stay in their own homes and in the community, and try to keep them out of hospital. That, to me, is social care. Just because we have not labelled it as social care does not mean that it is not social care. I am delighted that the Chancellor took on board my submission for the additional STP funding. We can only make the desired switch from the acute setting to the community setting with the appropriate transitional funding. I am sure that the additional £2.6 billion of funding that has been allocated will be well spent. This principle of providing care in our communities makes me believe that Derbyshire County Council’s threat of closure of Hazelwood care home in Ilkeston in my constituency is completely wrong. Ill-thought-through actions such as closures of care homes threaten the viability of STPs and must not be allowed to happen. STPs are a crucial part of our future.

Thirdly, I want to touch on the £300 million support for infrastructure for HS2. Again, I am delighted that the Chancellor recognised my submission on this. Only by



investing in more than just the train line itself will the true potential of HS2 be unlocked. I would appreciate more details on this funding. With Erewash and, in particular, Long Eaton, Sandiacre and Stanton Gate being dramatically impacted by HS2, I could spend the whole £300 million in Erewash alone, but I am sure that I will not be allowed to. My shopping list for this money is quite long. It includes acquiring land for business relocation, acquiring land for new homes where those made homeless by HS2 can be rehoused, a new motorway junction at junction 25A of the M1, and improving the existing road infrastructure to ensure that it can cope with the additional traffic that HS2 will undoubtedly bring to the area. I welcome the measures in the Budget and commend it to the House.

8.5 pm

**Tommy Sheppard** (Edinburgh East) (SNP): It never ceases to amaze me just how complacent many Government Ministers and those in the political leadership of this country appear to be with regard to addressing the underlying economic catastrophe that the country is facing. To paraphrase Kipling, “If you can keep your head when all around you are losing theirs, you probably don’t appreciate the seriousness of the situation.” There is now an amazing disconnect between their arrogance and glibness—and in the case of the Foreign Secretary, bombast and pomposity as well—and the real economic facts on the ground that are shaping the lives of millions of citizens of this country. This is not so much about driverless cars as a driverless Government.

We look now at the global dimension of this Budget. The first thing we should consider is the image of this country in the world. What does this Budget say about our character? How will others judge us for it? How will they judge a country that now lies 31st of 34 OECD countries in the economic growth table? How will they judge a country where, by their own admission, the Government say that by 2022 real wages will not be back up to the level they were in 2008? There has been a decade and a half of wage stagnation in this country: a decade and a half of austerity, adversity and struggle for many working people in this country trying to make ends meet and seeing their own hopes and those of their kids dashed because they cannot do so.

**David Linden** (Glasgow East) (SNP): Does my hon. Friend share my disappointment that the Budget did very little on pay for those who are under 25? Indeed, the rate of pay for apprentices rose to a meagre £3.70 an hour.

**Tommy Sheppard:** Indeed I do. That was the third observation that I wanted to make about how people might see us—how we treat our own people.

Let us remember that this Budget does nothing to cancel the attacks on the poor that have been contained in the past few Budgets. We still have the bedroom tax. We still have the cuts to employment and support allowance. We still have, albeit with some mitigation, the roll-out of universal credit and the visiting of penury on the poorest and the most disabled in our country. Any country will rightly look at us and judge us according to how we treat those who are least able to defend themselves. When they look at the record of this Government, I think they will judge them harshly.

Brexit clearly overshadows the whole debate about Britain in the global economy. I remind colleagues that we have not left the European Union. We have not even begun to leave the European Union. Indeed, we do not, as of today, yet have a plan to leave the European Union. All we have is a stated intention—the idea of Brexit, and already the idea of Brexit is having a material effect on the ground. I refer Members to page 14 of the Red Book, where paragraph 1.19 is a harbinger of what is to come. It points out that the drop in the projected growth in GDP is not just because of the per capita drop but because fewer people will be contributing to the economy due to a net drop in migration of 20,000 people. This is only the beginning. If we tell young people from Poland, Spain and Greece that they are not welcome to come and live and work here, not only will our public services be in jeopardy but we will not be able to collect their taxes, and that will have an economic effect on paying for those public services in the first place.

Already the European Medicines Agency and other institutions are leaving just because of the idea of Brexit. Not a mile away, across the City of London many financial organisations are preparing to make an exit and shift their European regional headquarters to another place. The effect of that will be dramatic, and it is irresponsible in the extreme for the Government of the day to come to the House and present a Budget that has no contingency whatsoever for those possibilities. The Government are planning for a series of options on Brexit, one of which is a hard Brexit with all the attendant tariff controls and trade barriers, and yet they have made no contingency for what might happen. That is the height of irresponsibility.

In the final 20 seconds, I want to mention the situation in Scotland. We welcomed the Government’s decision to scrap VAT for police and fire in Scotland, but if it was the right thing to do today, it was the right thing to do a year ago and the year before that. It is intellectual banality for the Government to base their policy on who makes the argument rather than the content of it.

8.10 pm

**Mark Pawsey** (Rugby) (Con): I am grateful for the opportunity to make a brief contribution on the Budget, which sets out that we have a strong economy that is showing remarkable resilience. Of course, there are Labour Members who would talk Britain down. We expect Oppositions to oppose—that is what they do—but usually they set out what they would do instead and, crucially, the cost implications of their plans. Many Members are former councillors, and most councils are offered an alternative budget at the time their budgets are set. Where is Labour’s alternative? How much would Labour spend? Where would it spend the money? What taxes would it raise to pay for its proposals, and how much extra would it borrow? Those are all legitimate questions, to which the shadow Chancellor’s answer is that that is all on his iPad. That is what advisers are for.

The Opposition like to claim that they are a Government in waiting, but in reality the country is waiting for answers and for a credible alternative from the Opposition. The British people see an Opposition with no financial credibility who would, if they were in government, saddle our children and grandchildren with crippling debt, raise taxes, punish businesses and destroy jobs.

[Mark Pawsey]

They then see a Conservative Government with a proven seven-year track record who have created 3 million more jobs, cut taxes, taken 4 million people out of tax altogether and made Britain a great place to do business once again. The shadow Chancellor may not do numbers, but we know it is the British people who would pay the price if Labour was ever allowed to implement its reckless plans.

This Budget and the ones before it have laid the foundations for our future. In terms of global Britain, we have always been a country that has taken the lead, and I believe it was on that basis that the Chancellor made his remarks about single-use plastic items, which are littering our planet and oceans. It is important to investigate how charges and the tax system can reduce waste. The measure is not intended to raise revenue or to contribute to funding our public services. As someone who spent 30 years in the plastic food service industry, I know that the industry will respond positively to the calls for evidence. Any intervention must be effective and evidence-based. It must maximise rates of recycling and minimise the amount of valuable and recyclable material that is lost to the environment. A key question will be: will this reduce plastic in the ocean? I fear that such measures will make little difference, because just 2% of plastic waste in our oceans originates in Europe and the US, and about 0.2% is litter that originated in the UK. This issue needs to be tackled globally, and we need to address the areas of greatest leakage.

In that context, I want to pick up the point that the Chancellor made about incentivising cleaner air through changes to vehicle excise duty to encourage people to switch to electric vehicles. That will be important in urban areas. In my constituency, we are building the new electric version of the traditional London taxi, following a new £350 million investment. I note the Chancellor's proposal to exempt those vehicles from the VED supplement from April 2019, but there is a strong case for bringing that measure forward. It would save drivers £1,550 over five years and provide an important reward to those who adopt the new technology early.

We have a strong economy and world-class public services. The Budget builds on the successes of the past seven years.

8.14 pm

**Sandy Martin** (Ipswich) (Lab): Whatever else we might have expected in the Chancellor's Budget statement, the significant infrastructure investment that we need to enable us to compete on the world stage post Brexit would have been welcome. The private sector is not set up to invest in our transport infrastructure, so if the Government will not do that, British industry and trade will continue to be hampered by poor communications and logistics. On the other hand, a really radical level of investment in our roads and railways would not only provide the stimulus that our construction sector needs, but make it physically possible for British firms to transport their goods to market at a reasonable rate.

More than 4 million 20-foot equivalent container units go through Felixstowe port every year. It handles 40% of the country's container traffic and is by far the biggest port. Sixty per cent. of the trade through Felixstowe comes from the midlands and the north, so any Government

who were serious about enabling trade with the rest of the world would ensure that the transport connections to Felixstowe were as modern and effective as possible.

The A14 around Cambridge and Huntingdon is in the process of being completely rebuilt, at a cost of around £1.5 billion. That is very welcome, but there are various other weak points along the A14 that the Government are not addressing, and they ought to be. The junction between the A14 and the A12 is not fit for purpose and we urgently need a fully grade-separated junction at that point. Above all, when the Orwell bridge has to be closed, thousands of articulated lorries are forced through Ipswich town centre, sometimes taking in excess of three hours to traverse the town. Quite apart from the terrible disruption to the life of my constituents whenever that occurs, can we begin to imagine the cost to business of having all those lorries and goods sitting idly in traffic jams in Ipswich? It is time for an Ipswich northern bypass, which would enable trade to continue to flow freely to our most important port. That is not just a parochial ask; it is about our nation's ability to trade.

If the road route to Felixstowe is unsatisfactory, the rail route is seriously wanting. Various improvements have been made to it over the years, but it should be the premier rail freight line in the country. Hutchison Ports has made great strides in trying to get as much of its freight on to rail as possible, but it is constrained by the state of the line. It sends around 30% of its containers by rail, but it could double that if the line were up to scratch. Significant parts of the line are single track. There are several unsatisfactory junctions, especially at Haughley, Ely and Leicester, and the whole line is operated by diesel-hauled locomotives, which are more expensive to run than electric ones and far more polluting of the environment. I have been told by rail freight experts that if that one line were electrified, it would provide the kick-start needed to convert our rail freight to electric haulage, and to make a step change in the economic viability of rail freight.

Because the line is so unsatisfactory, a significant proportion of the freight between Felixstowe and the midlands has to travel into London, round on the north London line and out again. It would cost around £1 billion to have a first-rate rail line linking our main port to the midlands, which is in contrast to the 50 times as much that is being spent on HS2. Whenever such proposals are raised, however, the response is always, "Ah, but there is not enough money." We cannot afford not to invest in transport, and we particularly cannot afford not to invest in our rail freight. It is time for comprehensive investment in our transport infrastructure, but the Budget provides only enough funds for tinkering at the edges.

8.18 pm

**Luke Graham** (Ochil and South Perthshire) (Con): The delivery of the British Budget is one of the most important political events of the year. As an accountant—I refer to my entry in the Register of Members' Financial Interests—and a new MP, I was extremely humbled to witness its delivery at first hand from these Benches. The Budget is even more important considering Britain's place in the world, the advent of Brexit, the pace of technological change, and the geopolitical shifts that we have witnessed from America, the middle east and China. There is a disturbing rise in negative politics.

With divisive referendums, resurgent nationalism and challenges to the western model of economic management, there is a feeling that we are stepping backwards. We are naive if we think that such discourse has an impact only on politicians, as was illustrated on my recent trip to Lornshill Academy in my constituency, whose students talked about how Donald Trump's views had started to shape debate in their school—and not for the better.

That is why the cautiously optimistic Budget delivered by the Chancellor is so important. As many colleagues will appreciate, a Budget is not just an accounting exercise; it is a statement of political intent. I believe that this Budget speaks volumes. It commits the Government to raising the national minimum wage, especially for younger workers. The increase by 5% for such workers is the largest in 10 years.

**David Linden:** Will the hon. Gentleman give way?

**Luke Graham:** No.

The Budget has introduced a new railcard for 26 to 30-year-olds, helping those already in work and progressing their careers. It also addresses some of the issues raised by me and other hon. Members about the implementation of universal credit. It builds on the Government's record on jobs and our success in lowering corporation tax, which has encouraged businesses while bringing in a record £55.6 billion to use in tackling the deficit and investing in our public services.

The Government's action on tax evasion and compliance has been furthered in the Budget. As a member of the Public Accounts Committee who sat through its hearing on VAT fraud, I welcome the Chancellor's measures to extend HMRC's powers to make online marketplaces jointly and severally liable for the unpaid VAT of overseas traders on their platforms. That move that will bring about greater equity for British traders and increase our tax take.

The Budget was good in introducing measures to support all the regions and nations of the United Kingdom. I was pleased that the Chancellor was able to deliver approximately £35 million a year extra for police and fire services in Scotland, changing regulations to undo the damage done by the SNP, because of its obsession with centralisation, that has cost police and fire services in Scotland £140 million. It was warned and advised not to take such action, and even Conservative colleagues in Holyrood changed their position when they saw the costs of centralisation and the impact it would have on services. Despite that, it has taken Westminster to fix the problem—but that is the benefit of being four nations, but one country united together.

**Jim Shannon:** The Government's central economic strategy and industrial strategy have, in conjunction with the Northern Ireland Assembly, reduced unemployment in my constituency from 5.6% to 3.4%. That is good news, and I suggest that this Government should continue to work with regional Assemblies and keep on reducing unemployment.

**Luke Graham:** It is true that there has been a good story for lower unemployment, and it shows that the Government's financial and industrial strategies compare very favourably with the SNP's lack of an education

strategy, and certainly its lack of a health strategy. Scotland has gone from No. 1 to No. 3 on education in the United Kingdom.

I was pleased to hear the Chancellor confirm the Treasury's commitment to the Tay Cities and Stirling and Clackmannanshire city deals, which will have a transformative impact on the two council areas in my constituency. They will bring investment to South Perthshire, Kinross-shire and Clackmannanshire. I am supporting proposals from community groups and businesses to boost long-term economic activity in my constituency.

Spirits are also very significant in my constituency. I have 20% of maturing Scotch whisky in my constituency, so hon. Members might want to come and visit. Last week's freeze in duty not only reassured the industry domestically, but signalled internationally that the UK will support its home brands and is ready for more international trade. *[Interruption.]* If the hon. Member for Glasgow East (David Linden) wants to intervene, he should stand up. I believe that having Scotch whisky in the vanguard will lead to more productive trade meetings with colleagues from around the world.

Opposition Members have made increasing criticisms of the Government in virtually every area of policy. While there has been criticism, there have been very few constructive alternatives. The Budget tackles honestly some of the tough challenges we face, for example by lowering growth forecasts to face the global and domestic reality while putting in place practical measures, such as £2.3 billion for investment and research to tackle our productivity problem. All these positive measures have been constructively argued for and delivered by Conservative Members.

**David Linden:** Given the amount of influence that the hon. Gentleman says the Scottish Conservatives have at Westminster, what is he doing about asking the Chancellor to abolish the two-child policy and rape clause?

**Luke Graham:** That is not the topic for this debate. We have seen such influence, and we have delivered. We have delivered the VAT back for the police, and we have delivered on transferable tax histories. We have done more in six months than SNP Members have managed to do in two and a half years, and certainly a lot more than the SNP has managed to do in its 10 years in government at Holyrood.

The Budget does not deliver everything, but it takes steps to address domestic challenges and to ensure that we are ready for more international competition. For the students in my constituency, it shows that a difference can be made in politics—and a positive one at that.

8.24 pm

**Ms Marie Rimmer** (St Helens South and Whiston) (Lab): As I listened to the Chancellor talk about driverless cars in the Budget speech last week, what struck me was how few of his measures will help the residents in St Helens, Whiston and Prescot in my constituency. He said nothing about the fact that we are facing the longest fall in our living standards on record. A reasonably waged family in my constituency with two children will be £800 worse off every year after 2021.

There was nothing in the Chancellor's speech about securing a long-term solution for funding care for our older and vulnerable people. There was no additional

[Ms Marie Rimmer]

funding for care packages, and our elderly and disabled still face savage cuts from the £10 million general grant reduction announced in previous Budgets. Despite the council raising the social care precept of 3% for this year and next year, with £2.5 million from previous years, there was no additional funding to meet the ever growing demand for social care year on year. The slight increase in funding to help cope with the annual winter crisis at A&Es was welcome, but even with the pioneering work of St Helens Council and St Helens and Whiston Hospitals, it will not ward off the increase in the number of elderly and infirm people at A&Es.

I asked the Prime Minister how she would use the Budget to address police funding, but the Chancellor said nothing about funding for the police—he did not mention the police—or about how to fight the 20% rise in violent crime given the 22% cuts to frontline policing in Merseyside. He ignored the increases of 19%, in domestic abuse, of 20% in violence and of 26.5% in rape. There are outstanding prison recalls, and gun and knife crime is increasing. There have been two candlelit vigils for murdered young people in my constituency this weekend. Merseyside exports more organised crime groups and county line issues than any other area in the country. Merseyside police dealt with 8,729 missing people, of whom 64% or 5,601 were aged 16 and under. These children and vulnerable adults are at high risk of extreme physical and sexual violence, gang recriminations and trafficking. My constituents fully support our police and are trying to rebuild their communities as safe places free of knives, guns and exploitation, and my constituents are petitioning for more police.

We need a Government who support the public and public services—a Government who care. The Chancellor said nothing about the ongoing 3% real annual cut in benefits. Of course, nothing was said about replacing the eye-watering £94 million funding taken from St Helens Council services by 2020. Yes, there is some hope for those poor individuals sleeping rough on the streets, although the money will not go that far.

The help for a few young people to buy homes is welcome, but we need to be clear that the Chancellor's housing proposals will not work in St Helens and Knowsley. None of my people earns anything like enough to buy a property worth £300,000. The stamp duty cut for first-time buyers only works if they are one of the small number of households who can afford such a property. Help with the deposit for a mortgage is no use to people who have already bought a small terraced house that their growing family can no longer fit into. The stamp duty change will channel much of our hard-earned income to those in the south. Less than 0.5% of my constituents would be able to buy a property at £300,000, and because the Chancellor has abolished brownfield land regeneration funding, the Government are not acting now against companies that hoard building land and their advisers.

The Budget feels a bit like the Government's new cars: driverless and heading down the wrong road and on to reckless destruction—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order.

8.28 pm

**Jack Breerton (Stoke-on-Trent South) (Con):** Britain's future is indeed a global one. As the Foreign Secretary made clear today, we are leaving the European Union but not retreating in on ourselves; there is a whole world of opportunities that we can and must pursue. That will, in the words of the Red Book,

“see the UK becoming a world leader in new and emerging technologies, creating better paid and highly skilled jobs.”

Nowhere will that future be more welcome than in Stoke-on-Trent, and the key to our success in that global future lies in our building on the strengths of Stoke-on-Trent's unique local history, not least as a world leader in ceramics, design, technology and manufacturing.

My constituents were very clear in the EU referendum—they voted by 70% to leave—and they think that Brexit should indeed mean Brexit; that it should mean something manifestly different from the status quo. Many people in Stoke-on-Trent South felt strongly that EU membership had not been enough to benefit traditional working-class areas, that it had not been enough to bring improvements in our quality of life, and that it had not been enough to realise the huge potential for a major revival of our world-class ceramics industry.

The Budget has a firm emphasis on skills, cutting-edge technology, infrastructure and a sustainable cost of living. I hope that the Government's national commitment can be capitalised upon locally by existing manufacturers, and by new or even returning manufacturers, especially in our world-class household ceramics, giftware and, of course, bricks and tiles, across the Potteries.

The modern industrial strategy will mean that Stoke-on-Trent and Britain are fit for a global future. Critical to that is ensuring that Stoke-on-Trent can benefit from capital investment, with projects such as HS2 delivering lasting local benefits. It is essential to maintain our enviable connectivity at the heart of the UK as a globally important centre of manufacturing and distribution.

In Stoke-on-Trent, we make art from dirt, and we sell our incredible products right around the world. “Made in Stoke-on-Trent” and “Made in Britain” are huge marks of quality, and these back stamps can command a premium price in the international ceramics markets. They are the soft power behind hard cash. The link between industry, design and art is what makes Stoke-on-Trent such a culturally unique place. Winning the 2021 city of culture bid would transform the opportunities from these industries, promoting Stoke-on-Trent as a more attractive place to live, work and visit.

For areas that have a strong manufacturing tradition, such as Stoke-on-Trent, and not just in ceramics but in a whole number of industries, opportunities will flow from Britain's becoming a truly global trading nation. Working in tandem with our modern industrial strategy, we can champion new trade agreements beyond our shores, with our partners in the EU and with the wider world.

By getting T-Levels and apprenticeships right, by investing in success and by ensuring prestige, we are providing clear routes to employment—tangible career paths in the global economy—and providing opportunities to our aspiring manufacturers and technicians of the future. The Government's role as the driver of global Britain must be to open world markets to our local

manufacturing excellence and to continue to push our industries to become more internationally competitive. Investing in infrastructure, skills and innovative research will mean greater prosperity, improving the quality of jobs in places such as Stoke-on-Trent.

The Government have worked hard to increase our international tax competitiveness, and to enable smaller businesses to grow and compete with the global players—

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. I call Angela Smith.

8.32 pm

**Angela Smith** (Penistone and Stocksbridge) (Lab): Thank you, Madam Deputy Speaker. I think this is the first time I have spoken in the Chamber while you have been in the Chair.

This Budget debate is quite rightly primarily about Brexit, and the statistics underpinning the Chancellor's statement last week have to be read in that context. From being one of the fastest growing economies in the G7, we are now joint bottom. Indeed, over the next five years our economy is forecast to grow more slowly even than that of Greece. I could say much more about the statistics. It is of course true that our productivity gap is a major factor in our faltering performance, as it acts as a huge brake on growth. Despite this dreadful situation, investment intentions by businesses are weakening because of uncertainty about the future of the British economy in the context of a shambolic Brexit process. The situation is fragile.

The Budget is based on a positive outlook for negotiations, yet there is a lot of scope for things to go badly wrong. The biggest fear, as far as our wealth creators are concerned, is a cliff-edge Brexit, with the UK leaving on World Trade Organisation rules. That would mean, according to the Chancellor's own forecasts, the economy emerging at 7.5% smaller by 2030 than it would otherwise have been. Even if the Government secure a Canada-style trade deal, the Treasury estimates that the country will be only around 1% better off than if we leave on WTO rules. It is hardly enticing, is it? Analysis also suggests that trade deals with other countries will add only 5% to our trade, and nowhere near compensate for the 40% reduction in trade consequent on leaving the single market.

The Government need to acknowledge the warning signs sent out by the figures underpinning the Budget. The first and most important response needs to be an acknowledgement that there is no such thing as a bespoke deal. There is only no deal, a trade deal on Canada-like terms as a third country, or continued membership of the single market and the customs union. It is that latter option that promises business certainty for the future, and which will encourage investment and improvements in the country's productivity, giving the Chancellor—whoever that may be—more room for manoeuvre in future years. Maybe at some time in the future we will have a woman Chancellor making good on our place in the single market.

At a time when the NHS is desperate for money, it is surely madness to keep pursuing a policy that threatens to cost us dear. The truth is that we cannot end austerity without growing our economy. The Budget last week made that fact painfully clear and it is my contention that growing the economy is best secured by staying in

the single market. The fear with the present course the Government are following is not only the sheer chaos of it, but the failure to accept the pragmatic view that disruption to our economy must be avoided at all costs.

It is not in the national interest to allow this to happen and the Government should and must act responsibly. Those on both the Government and the Opposition Front Benches should grasp the nettle and accept that membership of the single market and the customs union offers the best deal for Britain.

8.36 pm

**Mr Simon Clarke** (Middlesbrough South and East Cleveland) (Con): This was a good Budget: strong on housebuilding; fair to young people wanting to travel and to young families who want to own their home; credible on the debt and the deficit; and transformative for Teesside.

The north-east lies at the heart of global Britain. We are the only net exporting region of the country. For those who do not know my area, it is hard to overstate the economic and emotional significance of the Redcar steelworks. The fact that they stand cold tonight, rather than producing molten Teesside steel, has felt, for so many and for so long, to be the final indignity for an area that was brought into being to create and has instead often been synonymous with decay. Identity, cohesion and pride are pale words to set alongside overfull hearts about the consequences of what the closure has meant.

There are very few company towns and areas in our country. This was one and it is in that context that the Government's commitment to the South Tees mayoral development corporation needs to be understood. Our mayor Ben Houchen and the mayoral development corporation board have been working overtime and there have been 60 expressions of interest in the site. This is the most exciting regeneration project in the whole country. The Prime Minister visited in August and we have now received £182 million of investment. That is why it is so powerful a signal that central Government, so profoundly mistrusted and so often derided, are opening the door to a better future so that Teesside is not a charity case, but is able to earn our future on equal terms with the rest of the world.

What cannot be excused, and what I will not forgive, is the reaction of local Labour politicians and the debate they have tried to whip up about the announcement somehow being about recycled funding. They have been so quick to downplay it, to pour cold water on this flicker of hope and this life breathed into the embers of SSI. Not only are they wrong—the fact is that this is new money, as confirmed by the Treasury—but they are damaging. What kind of signal do they send to investors? What kind of message do they send to our constituents? What kind of service do they perform to Teesside? There is an irony too bitter for words: they are the first to denounce the Government for betraying the north-east, yet when money is provided they are more interested in their own faux outrage than in furthering the area's best interests. Bob Cuffe, an independent member on the MDC board and the north-east managing director of Trinity Mirror, tweeted:

“Breaking News. Yesterday Teesside was at risk of an outbreak of optimism and hope. Families wondering if potentially good news had broken out. Thankfully Loyal Labour Forces came out quickly with Party Gloom Blankets to try and extinguish the hope.”

[Mr Simon Clarke]

The *Evening Gazette* has been running an excellent “Invest in Teesside” initiative. It is time for the whole area—businesses large and small, politicians of all colours and standing—to come forward and wave the flag for Teesside. It is time for optimism in our area.

The latest figures show that the north-east has just set a new record: the highest ever level of employment. Moreover, the number of unemployed people has fallen by almost 10% on a year ago. This is testament to the energy and ingenuity of all the firms I have visited across my constituency. The South Tees mayoral development corporation needs to be supported to flourish, but it is not the limit of our ambition. I have spoken already about carbon capture and storage. I could also mention the new Sirius Minerals mine or free port status for Teesport, which will create huge opportunities in a global world. That is the vision, that is the journey and, for as long as I have any part to play in the future of our area, that is what will be realised.

8.40 pm

**Bambos Charalambous** (Enfield, Southgate) (Lab): I wish to focus on three areas of deficiency in the Budget: education, social care and the public sector.

Many schools across the country are struggling financially. The Chancellor, while promising an extra £40 million to train future maths teachers, seems sadly to have missed the point. The Government’s ideologically driven onslaught on education has led to an exodus of teachers, and many schools are now struggling to recruit. More teachers are now leaving the profession than joining it. The Government do not fully understand the low morale of teachers and staff in schools following the underfunding of education by successive Tory-led Governments. Why would any high-calibre maths graduate now choose teaching instead of a job as an analyst in the City making large amounts of money with half the paperwork and stress?

There was nothing in the Budget for primary school funding either. In order to entice students to study maths A-level, the Chancellor has offered a maths premium of £600, but if primary schools are not properly funded, the children could be struggling at secondary school. The £1.3 billion previously announced by the Secretary of State for Education will do nothing to reverse the £2.7 billion of cuts to school budgets since 2015. The Chancellor could have addressed the fact that schools now have to pay more in national insurance and pension contributions than they once did. These are the real issues squeezing schools.

There was also no increase in the budget for special educational needs and disability funding, which has been frozen for several years. Earlier this year, the Local Government Association warned that due to the lack of funding and rising demand, SEND children were at risk of being turned away from mainstream schools. If schools and local authorities cannot meet the needs of SEND children, what are they supposed to do? The sad thing is that the most vulnerable children will suffer, which is totally unacceptable. More investment is urgently needed in this area.

While I am on the subject of the vulnerable, the Chancellor has decided to give insufficient funds to the NHS, rather than the £4 billion that the head of NHS

England called for in order to meet the urgent demands faced by the NHS this winter. The Chancellor seems to think that those pressing demands end at the hospital door. He has decided to give nothing for social care, which will no doubt lead to more bed blocking and seriously affect the help that people need coming out of hospital. This is a massive snub to the elderly and those needing social care services. Social care has seen cuts of £6.8 billion over the past seven years, and there is an estimated annual £2.5 billion funding gap.

Once again, there is nothing in the Budget for local authorities, many of which are at breaking point following year-on-year cuts to their budgets since 2010. Social services is the largest area of expenditure for many local authorities, and failure to properly fund it is leading to untold damage and distress to our most vulnerable and often elderly citizens. The Chancellor and the Government seem to be willing to borrow more but not to invest it in educating children, supporting the most vulnerable or supporting local services. A sign of a civilised society is how it treats its most vulnerable citizens. Stripping the state to the bone hits the vulnerable first and hardest. The Government are failing our society.

8.44 pm

**Paul Masterton** (East Renfrewshire) (Con): I start by welcoming the news from India about the Chennai Six. I very much hope that those men will be home soon.

I am pleased to have the opportunity to respond to a Budget that does not shy away from the issues facing the nation but sets out a clear, sensible and pragmatic approach to how to tackle them; a Budget that creates a positive vision for the future of our country and invests in it; and a Budget that most of all delivers for Scotland.

I was sent to this place by the people of East Renfrewshire on the back of two clear promises: to oppose a second independence referendum, and to speak out for Scotland’s interests at Westminster. Since 2.38 am on 9 June, that is exactly what I have been doing, and last week’s Budget was the fruition of months of patient, constructive, determined work alongside my Scottish Conservative colleagues. Real progress was delivered, not through shouting and screaming from the sidelines, but through talking, discussing and persuading behind the scenes—but then that is the benefit of electing Scottish Conservatives. We keep Conservatives in Nos. 10 and 11, and we get to step behind the door. We do not have rammies in the street outside; we make our arguments in the corridors of power.

I welcome the freeze in whisky duty, the new tax relief for the oil and gas industry, the commitment to further city and regional growth deals, the clearing up of the SNP’s mess on police and fire VAT, the £2.2 million for Poppyscotland, the £3.3 million for Scottish charities from LIBOR grants, the extension of the rural fuel duty rebate scheme, and the £2 billion of extra funding that is winging its way to Scotland to be spent as the Scottish Government see fit. The truth is that, if it were not for the Scottish Conservatives, the price of a bottle of whisky would be going up. This is a major pre-Brexit boost for one of our most important industries, with exports of more than £4 billion a year. Whisky is the biggest net contributor to the UK in goods, supporting more than 40,000 jobs. I cannot think of a better example of an industry and a brand that speak to a global Britain.

East Renfrewshire is benefiting from £44 million in infrastructure funding as part of the Glasgow region city deal. I know what a difference city deals make to local communities, and I am delighted by the support that has been committed to Tay Cities, Stirling and Clackmannanshire, and the Borderlands growth deal. Those deals demonstrate that Scotland benefits when our two Governments work together, collaborating to deliver jobs and prosperity. They will empower businesses in the areas involved, enabling them to expand their horizons and attract talent from around the globe.

The provision of an additional £2 billion for the Scottish Government to spend as they consider best should be welcome news, but for the SNP, of course, there is no grievance that cannot be manufactured. If they are not complaining about not getting enough money, they are complaining about getting the wrong type of money. The truth is that the Scottish Government have always been happy to use financial transaction funding for affordable housing, business investment, and vital infrastructure projects. When the UK Government use this method, it is devilish smoke and mirrors, but when the Scottish Government use it, it is

“a half-billion pound vote of confidence in Scottish business, Scottish workers and the Scottish economy.”

Unfortunately for the SNP, Scotland sees that dishonest, hypocritical, grievance-seeking agenda for what it is. Scotland recognises that this Conservative Government have delivered for Scotland.

I welcome the increase in the national living wage, the increase in the personal allowance, the freezing of fuel duty, the transformative investment in research and development to ensure that Britain is at the forefront of technology, and the measures to support small business growth. I pay tribute to my hon. Friend the Member for South Cambridgeshire (Heidi Allen) for the work that she has done to bring about the £1.5 billion package of improvement measures for universal credit, which have been welcomed by my local citizens advice bureau in Barrhead and by other branches and organisations throughout the country. I would love to be welcoming the increase in the higher-rate tax band, a change in the approach to business rates and the removal of stamp duty for first-time buyers, but, sadly, they will not apply north of the border—unless, that is, the Scottish Government’s Finance Minister sees some sense.

Scotland’s first Budget, delivered at Westminster, is now complete, and we await the second, from Holyrood, on 14 December. Whatever that may contain, we already know one thing for certain: that 12 brand new Scottish Conservative MPs have delivered more for Scotland in five months than 56 noisy but ultimately useless “Nats” managed to deliver in two years.

8.48 pm

**Sarah Jones** (Croydon Central) (Lab): The big story from last week’s Budget was clear: there is little room for manoeuvre on the economy unless we improve our productivity. We need to spend only five minutes in the company of anyone from the Institute for Fiscal Studies to see that our downgraded productivity forecasts spell real problems for the UK, particularly as we approach the full force of the Government’s chaotic Brexit.

Britain’s influence in the world has always had at its heart a strong economy, driving trade and growth across the globe. My own constituency of Croydon developed

as a town on the principal route between the south coast and London, a gateway to this country since mediaeval times. Competing on the world stage necessitates an economy that the world can work with easily and that it will look up to. Those who enjoy this sort of thing, as I do, will follow the various global country-branding matrices, which always place Britain satisfyingly near the top as a nation brand; but these things shift, and as our economic performance becomes stunted and freedoms of movement and trade are taken away, our reputation as a place in which to work and invest will suffer.

I think we would all agree that productivity holds the key to maintaining and building on our place as a world-leading economy, so how do we help our businesses, and the people employed by them, to become more efficient? There are two clear concerns that we must address before we go any further: the two pillars of education and infrastructure. The correlation between a strong education system and productivity is clear, and it was extremely disappointing to see no significant mention of education in the Budget. My borough of Croydon has the largest number of young people in London. We have 16,000 people in further education or apprenticeships, but I was devastated to hear that the number of apprenticeship starts between May and July fell by 61%.

There is a growing crisis in our schools, which threatens to undermine our local and national economy for a generation. I surveyed over 50 Croydon headteachers recently, and 93% told me that they had been forced to cut staff due to funding. Three quarters had cut teaching assistants and, shockingly, 85% said they had been forced to cut support for children with special educational needs. This is not helping our country’s productivity. In the last Parliament, the Conservatives cut adult education by 47%. This is not helping our country’s productivity. Prospective university students in England are now looking at average debts of an astonishing £50,000—higher than almost anywhere in the developed world. This is not helping our country’s productivity. The Chancellor’s Budget and today’s industrial strategy allocate some money for parts of our education sector, but to avoid real-terms cuts we need billions more in investment just to restore real-terms funding to 2015 levels.

The second pillar of productivity is, of course, infrastructure. London is our most productive location and it is where our housing shortage is most acute, yet London recently slipped to the bottom of the regional house building tables. The Mayor of London was right to say that this was the most anti-London Budget in a generation. It did not offer a single extra penny in grants for affordable housing in London, and, according to the Office for Budget Responsibility, the Government’s headline measures on stamp duty are more likely to benefit current owners than first-time buyers. The Government must change their mindset from seeing housing as a commodity to seeing it as a pivotal means of increasing our nation’s productive potential.

More housing will kick-start productivity only if the right type of infrastructure supports it. Croydon Council recently gave the green light to a transformative project led by Westfield and Hammerson to bring thousands of new jobs and homes to Croydon, but we are hampered by our infrastructure. East Croydon station has the second highest number of rail interchanges in the country. The Brighton mainline, which serves Croydon and other important south London destinations, desperately needs

[Sarah Jones]

£1 billion to handle the increase in demand that it will face in the coming years. Overcrowding on the network is hampering our productivity.

To sum up, the challenges we face, from artificial intelligence to an ageing population, from climate change to Brexit, are serious, but unless we get the foundations in place to improve our productivity, we will not stand a chance.

8.52 pm

**Ross Thomson** (Aberdeen South) (Con): In leaving the European Union, we are re-joining the rest of the world. Our trade with the EU is in deficit and declining, and our trade with the rest of the world is in surplus and rising. The golden opportunity presented to us by Brexit is for Britain to lead the world as a global free-trading nation, championing trade liberalisation and taking on the voices of protectionism.

My constituency is dominated by the truly global oil and gas industry, which is, to quote Oil & Gas UK's "Blueprint for Government":

"A global energy industry, anchored in the UK, powering the nation and exporting to the world".

That is seen in current industry exports, which are expected to account for 43% of the UK supply chain turnover in 2017, up from 41% in 2016. To secure the industry's global competitiveness and ensure that it captures a large share of an ever growing energy market, it is crucial that the right fiscal and regulatory regime is put in place to incentivise investment. To date, this Conservative Government have created one of the most competitive fiscal regimes anywhere in the world, by providing an unprecedented level of support for the North sea sector, with tax breaks worth £2.3 billion, the creation of the Oil and Gas Authority, and investment in the Aberdeen city region deal.

We all recognise that the job was not quite done yet, and our top ask, as a group of new Scottish Conservative MPs, was for the Chancellor to introduce transferrable tax history. I am delighted that Scottish Conservatives, engaging positively and constructively with our colleagues, have exerted influence at the heart of Government to deliver for Scotland. This policy change in the Budget can help to unlock upwards of £40 billion of new investment by allowing the transfer of tax history from the seller to the buyer when North sea assets are sold on. TTH can bring new inward investment by enabling more deals to be done on late-life assets. It can prolong the life of mature fields by many years. This highly competitive fiscal regime will ensure that the UK is a global leader in mature basin management and support the industry in meeting its vision for 2030 and its aim of doubling the supply chain's share of the global market from 3.7% to 7.4% by 2035. This industry is one of the true global industrial success stories of the UK, and with its truly global reputation, it is a shining example of the global role that Britain can play outside the EU.

There is more to Aberdeen and the north-east than oil and gas. The region is also home to a thriving food and drink industry, and it is known for its whisky exports. That is why I am delighted that, in this Budget, Scottish Conservative MPs have delivered for the industry a further freeze on the duty on spirits, making a bottle of whisky £1.15 cheaper than it would otherwise have

been since the duty rise ended in 2014. With the opportunity to forge our own new bilateral trade deals and agreements, we can take Scottish whisky to growing markets of the world such as India, and with the support of this Government, whisky will thrive with Brexit. As we have heard, there are huge opportunities for the United Kingdom. We have a new and historic opportunity to design a new trade policy and sign new deals. Let us seize that opportunity, and let us make the most of it.

8.56 pm

**Dr Paul Williams** (Stockton South) (Lab): The Prime Minister spoke in Florence of a

"new era of co-operation and partnership"

for the UK's international affairs. Since then we have seen Brexit negotiations falter, tension between the Foreign Office and the Department for International Development over aid spending, and now a Budget that lacks a clear vision for Britain. From an insufficient amount of new money for the former SSI site in Redcar, to just £335 million to deal with this winter's crisis in the NHS and social care, this Budget was an opportunity missed.

The theme of today's debate is global Britain, but the Budget had little to say on international development. We have a proud tradition of taking a lead on international development, with successive Governments committing to spend 0.7% of gross national income on overseas aid. This reputation should not be besmirched by murky deals with other nations' militaries. We should be investing in the poorest communities, lifting people out of poverty and building local capacity to reduce long-term dependency on aid. We should be investing in conflict resolution and in growing the economies of the poorest countries of the world.

The Budget also had nothing to say about how we will finance our future relationship with the world. We will need to replace our current diplomatic relationships with nations in the EU as we withdraw, by investing considerably in a new European diplomatic corps. Extra investment will also be needed to expand our relationships outside Europe to take advantage of any opportunities that leaving the EU might bring, but this cannot be at the expense of international development. It needs to be in addition to our commitment to the world's poorest. Global Britain will not command respect through our actions on the world stage alone; that will also depend on how our actions at home are perceived by our neighbours.

People who voted to leave the EU wanted to see healthcare improve. They expected more money to support the NHS frontline, but our staff feel demoralised and undervalued, applications from EU doctors and nurses have collapsed as uncertainty continues about their employment rights, and our waiting times for children's mental health services are a national embarrassment. The £335 million for this winter is too little, too late to help the NHS to cope with the pressures it has now, and it is certainly a far cry from the figure plastered on the side of the Brexit bus. Yes, £2.8 billion over the next three years is welcome, but for the sustainability and transformation partnerships to be a reality, they need more resources. NHS leaders say that these amounts are not enough to sustain, let alone transform, healthcare.

The Budget also contained no new funds for social care—another missed opportunity. With our local authorities under pressure and most NHS trusts saying



that their problems are made worse by the crisis in social care, we cannot afford to wait until next summer for a social care Green Paper. An offer has been made by MPs from across the House to collaborate on looking at the future of health and social care funding, and I encourage Ministers to work with all parties to deliver a sustainable solution to the care crisis. I urge Ministers, instead of focusing on Brexit battles around the Cabinet table, to focus on delivering for the British public, and to work with us to deliver the change we need to meet the challenges Britain faces.

8.59 pm

**Andrew Bowie** (West Aberdeenshire and Kincardine) (Con): On Friday, I was in my constituency office reflecting on a Budget that is building a Britain fit for the future. Westhill is the global centre for subsea excellence, and my office is surrounded on all sides by the headquarters and offices of American, French, Abu Dhabi and Norwegian oil and subsea engineering companies. Few other places in the country symbolise not only the global international nature of the oil and gas industry, but the welcoming and attractive nature of our country as a place to invest, do business and thrive. We can all be incredibly proud of our global reputation. Whether projecting soft power, playing host to ambassadors and leading industrialists on board one of our frigates or destroyers, working alongside our allies in the Gulf, combating piracy off east Africa or delivering humanitarian aid, I have seen with my own eyes the incredible force for good that is our Royal Navy and its sailors and marines.

We are also the cultural capital of the world. The total value of services exported by the UK's creative industries in 2014 was £19.8 billion—an increase of 10.9% since 2013. A prime example of our cultural strength and our soft power reach is the Royal Edinburgh Military Tattoo. It could be described as the perfect hybrid of British hard and soft power, bringing together servicemen and cultural ambassadors from around the world, acting as an export catalyst and exporting the British military and its and our values on the world stage. The tattoo sells tickets in 102 countries, with 30% of its audience coming from aboard. Having already taken the show to Australia and New Zealand, the aim now is to set its sights on China in 2020, which I hope the whole House can support. I am very lucky to be married to a girl from Sweden. That means that I have of course endured my fair share of Scandi-noir over the years, and I can tell the House with authority that no country does telly better than the Brits. From “Taggart” to “Broadchurch”, “Downton Abbey”, “War and Peace” or “Blue Planet”, Britannia really does rule the airwaves, exporting more television programmes than any other country in Europe.

I am proud of our global Britain, our incredible armed forces, our unparalleled diplomatic corps and the attractiveness of this country to foreign investment, especially around my constituency. I am proud of our global cultural reach, but I am probably even prouder of the record of successive Conservative Governments, who committed to and delivered on spending 0.7% of our GNI on international aid—more than was ever managed by the Labour party. Our aid forms a crucial part of securing the UK's place in the world and helps to put an end to disease, hunger and extreme poverty.

Britain has always taken its international obligations seriously, and we will continue to do so. Britain has fought for freedom from tyranny, for liberty and democracy, for human rights and for freedom of the press around the world. We are the first to respond to the call for aid and the first to deploy our brilliant troops and aid workers in some of the world's most dangerous and challenging locations.

We lead the word in our educational and cultural offerings and remain one of the most attractive countries in which to invest. As we stand today on the brink of a new dawn, I am proud of what this country has done in the past, proud of what we are doing today and, with this Budget, excited for what we will achieve in the future. That is why I commend the Budget to the House.

9.2 pm

**Tom Brake** (Carshalton and Wallington) (LD): I suppose that nobody in the Chamber should be surprised that the Foreign Secretary was more comfortable talking about penguins than he was about the £350 million a week for the NHS—I guess the penguins probably reminded him of the Bullingdon Club days. Opposition Members need to remember that the Foreign Secretary is very sensitive about being reminded of his pledge, so I encourage everyone to use that at every opportunity. I wanted the Foreign Secretary to identify where in the Budget the £350 million a week was going to come from and when it was going to be available, because I was going to put in a bid for £400 million, which the hon. Member for Mitcham and Morden (Siobhain McDonagh)—a neighbouring constituency—will recognise as the figure required for St Helier Hospital's improvements. However, the Foreign Secretary was of course unable to offer the £350 million that he had painted on the side of the bus.

This Budget brings the day of reckoning for the Brexiters on the Government Benches—and for some on the Opposition Benches who do not appear to be here today—a day closer. It says that Brexit, with fewer skilled workers and less investment, will hammer our productivity and damage our economic prospects, and that has already started in the automotive industry.

Many Members have quoted the Institute for Fiscal Studies, which says:

“The forecasts for productivity, earnings and economic growth make pretty grim reading... GDP per capita will be 3.5% smaller in 2021 than forecast less than two years ago... a loss of £65 billion to the economy.”

I find it bizarre that Conservative Members ask us to be cheerleaders for the Government, given the figures the IFS is reporting on the Budget's impact on the economy. The Chancellor promised a surplus of £10 billion in 2019-20, and now he is promising that the deficit will be reduced to just £35 billion at that point.

There we have it: forecasts for productivity and growth are down; the number of apprenticeships is dramatically down; the forecasts for debt and inflation are up; and the date for clearing the deficit has been pushed back yet again. Neither the Government nor, I am afraid to say, the official Opposition have the answer to the economic calamity we are facing.

The Government's answer is to drive the car fast towards the Brexit cliff, to invoke the will of the people and to keep their fingers crossed on the way down. The official

[Tom Brake]

Opposition's position seems to be to drive the car fast towards the Brexit cliff and when it leaves terra firma, like Dick Dastardly and Muttley in "Wacky Races," to remain poised in mid-air for two years before invoking the will of the people and keeping their fingers crossed on the way down. That is clearly Labour's position, because the shadow Foreign Secretary, the right hon. Member for Islington South and Finsbury (Emily Thornberry), was not able to answer the question on what her position is.

The Budget provides no answers to the critical economic challenges that the UK faces, yet the answer is relatively simple: invest in infrastructure and housing; scrap the apprenticeship levy; and stay in the single market, the customs union and the European Union. That is why the Liberal Democrats are pressing for a vote on the deal and an exit from Brexit.

9.6 pm

**Robert Courts** (Witney) (Con): It is a great pleasure to follow so many hon. Members. They have spoken on a range of topics, one or two of which I will pick out.

Contrary to what we keep hearing from the Opposition, the economic picture is very rosy. We have a growing economy and record inward investment. The deficit has come down by three quarters since 2010, and debt will be falling as of next year. There has been an extraordinary economic turnaround, given the situation the country was left in by the last Labour Government.

We have the fifth biggest economy in the world, we are the fifth largest exporter in Europe and we are the top destination for inward investment in Europe. This is a Budget that seeks to strengthen Britain's position in the world, to confront the challenges we face with confidence, and to embrace the technological future. Britain has a unique place, positioned as it is in Europe, but with close links to the United States, the Commonwealth and developing markets throughout the world. There are a number of reasons for that, including our outlook and our industriousness. We also have enormous soft power. Our education system educates the brightest and best, and it exports our values throughout the world.

Tourism and culture are important to west Oxfordshire. My hon. Friend the Member for West Aberdeenshire and Kincardine (Andrew Bowie) mentioned that £19.8 billion of investment comes into the UK. With a value of £300 million, and 4 million visits a year, tourism and culture is probably the most important thing to west Oxfordshire's economy. Nationally, we have the BBC and a great number of other extraordinarily important cultural icons. Much of "Downton Abbey" is filmed in my constituency, and we also have Blenheim Palace, which has been a film set for everything from Harry Potter to James Bond. As we have heard, the industrial strategy builds on that through the creative industries policy and evidence centre, which will promote the inward tourism that is so important to west Oxfordshire and the country.

Exporting businesses are also important. There is incredible innovation in my constituency and throughout the United Kingdom in aerospace, information technology and manufacturing. The Federation of Small Businesses has called this Budget business-friendly—and quite rightly, too. This is a Budget that has an action plan to unlock £20 billion of patient capital investment to finance

growth in just the sort of innovative firms that we have in west Oxfordshire. There will be a £2.5 billion investment fund through the British Business Bank, with private sector involvement taking the total to £7.5 billion.

Research and development is crucial, and it is getting the biggest boost for 40 years, with £2.3 billion extra investment from the national productivity investment fund, which itself has been expanded by £8 billion. This takes total direct R&D spending to £12.5 billion by 2021-22. We have heard about the investment in artificial intelligence and driverless cars. They are just the start of the emerging technologies throughout the country in which we will be able to invest, and this is of enormous importance. There must be investment in skills, too, so I am delighted to see that there is £177 million for maths teachers and computing.

In the last 30 seconds available to me, I will speak briefly about Oxfordshire. I am pleased that in addition to the investment in the companies I have spoken of, we have investment in the Cambridgeshire, Milton Keynes and Oxford expressway, an important road and rail link uniting the two great centres of learning and business with that great thriving city in the middle. This will be extremely important, and there is a Government package for investment and infrastructure of £30 million for each of the five years. This Budget ensures that this is a Britain that can face the future with confidence and thrive.

9.10 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): The most striking features of the Budget are the parts the Chancellor tried to ignore: growth and wages. After all we have been through, and after all the promises about long-term economic plans, austerity and building for the future, the reality is that average earnings will be no higher in 2022 than they were in 2007. We are heading for the worst decade for pay growth for 210 years. Given all the lectures from Conservative Members, it is worth pointing out that the Chancellor is now on target to borrow £30 billion more by 2020 than was predicted just a year ago. Apparently, it is okay to be in that position but still to lecture others about the dangers of borrowing to invest.

The greatest disappointment is that the Chancellor does not seem to recognise the impact of rising food prices, although 78% of my constituents who replied to my cost of living survey were worried about the failure of wages to keep pace with inflation, with 80% stressing the impact on family budgets of rising food prices. The Government also look very out of touch when it comes to funding the fight against crime, tackling social care—that was one area in which we might have expected progress after the fiasco of their manifesto—and recognising the plight of schools.

**Stephen Lloyd** (Eastbourne) (LD): Will the hon. Gentleman give way?

**Steve McCabe:** I will not, because we have only a short time left and other Members want to speak.

It is disappointing that the partial response to the problems with universal credit is being delayed. That issue was raised by 94% of people who responded to my survey. They will not understand why the Government are only cutting the waiting time to five weeks, or why we need to wait another three months for action, especially with all the pressures over Christmas. They certainly will not

understand the continuing freeze on benefits. One way in which savings could be made would be to address the cost of work capability interviews for people who have long-established and well-documented illnesses that clearly leave them unable to work. Even those responsible for the assessments concede that this is a punitive and pointless exercise, with decisions often reversed at appeal after months of worry and suffering.

It is not all bad. I am hopeful about the industrial strategy and, on the back of today's news about life sciences, I hope that Ministers will shortly come to Birmingham to announce support for Birmingham Health Partners and the Institute of Translational Medicine so that the extraordinary medical advances that are being pioneered there also become a focus for new jobs and industries. I also want more effort to boost our region's skills base, which is crucial for the growth that our economy needs. I ask the Minister for Apprenticeships and Skills to look at how we can ensure that those making large contributions to the apprenticeship levy, such as Cadbury in my constituency, get a fair return, and at how we use the levy more imaginatively to involve the self-employed and those in microbusinesses who, if freed from bureaucracy and costs, would be in a position to offer young people high-quality apprenticeships that will lead to real jobs in emerging areas.

9.14 pm

**Siobhain McDonagh** (Mitcham and Morden) (Lab): The hon. Member for Witney (Robert Courts) might have Downton Abbey in his constituency, but at the heart of mine, Mitcham and Morden, is one of the biggest working industrial estates in south London. It is home to dozens of businesses—from scaffolders to skip yards, and from builders to brick yards. Among the lorries, vans, skips and fumes is a converted warehouse housing 84 families and hundreds of children. Four local authorities—Sutton, Croydon, Bromley and Merton—have been housing residents in Connect House because the Government have left them unable to borrow and unable to build so that those families can have a true place to call home. The residents of Connect House are just 84 of the 78,180 families in temporary accommodation throughout the country for whom a new Budget offered some hope of a way out and a place to call home.

The impact of temporary accommodation on the education and wellbeing of the 120,170 children without a permanent home has never been calculated, but I fear that it will continue to be felt in the decades to come. On the morning of the Budget, I received a letter from Mrs Sheridan, the headteacher at Malmesbury Primary School in my constituency, regarding a pupil who lives in Connect House. Since he has moved there, the pupil has been classified as a “persistent absentee,” meaning that his attendance is at such a low level that it will, should it not improve quickly, have a significant impact on his attainment.

Like Mrs Sheridan, I listened attentively to the Budget statement to hear what hope it would offer to her pupil and his friends and neighbours who just want a place to call home. The answer in the Budget was as follows:

“Local authorities will be invited to bid for increases in their caps from 2019-20, up to a total of £1 billion by the end of 2021-22.” The Government estimate that up to 300,000 new homes will be needed each year to combat the backlog and

prevent rising unaffordability, so it is crucial to establish how many homes that £1 billion could build. The answer is just 15,000.

The last time 300,000 homes were built in one year in England was almost half a century ago, in 1969, back when councils and housing associations were building new homes. Since 1939, in fact, the delivery of more than 200,000 homes per year in England has happened only when there have been major public sector house building programmes. Let us consider what happened last year. Of the 147,930 permanent dwellings completed in 2016-17, 82% were in the private sector. Some 25,000, or 17%, were built by housing associations, while 1,840 were built by local authorities.

To meet the target for new homes we need two RTBs: not only the right to buy but the right to build—the right for local authorities to build at affordable prices. Affordable rents do not match the Government's definition of 80% of market value, because that is not affordable to anyone. We can go on talking about this issue, but we are putting more salt into the wounds of those who do not have a home if we simply refuse to liberate the land and the money to make building possible.

9.18 pm

**Thelma Walker** (Colne Valley) (Lab): I wish to use the next few minutes to set out an alternative Budget—one that the UK, as a leader of global nations, should have delivered; a Budget that works not only for the haves, but for the just about managing.

This Budget was an opportunity for the Chancellor to speak to the homeless and the sick; to the looked-after child, the disabled man, the 80-year-old with dementia and the businessman and woman; to the teacher and the nurse; and to our police and firefighters. That is who the Chancellor should be speaking to. Unfortunately, he failed to deliver a Budget for our nation.

Since 2010, tax avoidance has cost the UK economy nearly £13 billion. Imagine what that £13 billion could do for those who need our support in this country. What could we pay for if we just had £1 billion of avoided tax paid back? Well, £1 billion could fund 125 miles of railway track electrification that the Chancellor and the Transport Secretary promised my constituency of Colne Valley and those who travel between Leeds and Manchester. Once again, the Chancellor has ignored what he previously promised and instead decided to plough more money into HS2, which is already off the tracks with its spending. The Chancellor's offer on transport was more Thomas the Tank Engine than a quality trans-Pennine rail service.

One billion pounds would also help to build 50,000 shared ownership homes or 16,600 social housing units. We need a housing strategy to build affordable and social housing like we had in the 1940s and 1950s. We need a housing strategy that puts infrastructure in place at the same time so as not to overpower local communities.

I now wish to turn my attention to something that was totally missing from the Chancellor's Budget—social care. Frankly, I am lost for words that he did not think it was worth his time to mention social care. Was it deliberate? After all, last time the Conservatives talked about social care, they lost their parliamentary majority, and the weak and wobbly coalition of chaos was formed.

[*Thelma Walker*]

We have an ageing population and we need to make sure that our mums and dads are cared for in their old age. My local council, Kirklees, currently spends £101.8 million per year on adult social care, which is 35% of its total budget. Kirklees has had its direct funding from the Government cut already by £129 million, and a further £65 million will be cut by 2021. In addition, it is predicted that the number of people in Kirklees over the age of 65 will increase by 29% in the next 13 years. How will the Chancellor's Budget actually help Councillor Kendrick in Kirklees to continue to provide support for vulnerable older people in Colne Valley?

My alternative budget would do the following: fund electrification of the trans-Pennine Manchester to Leeds rail route, updating trains and making the trains work for the communities that they need to serve; fund social and affordable housing for the many and not just the few; fully fund social care; reopen Sure Start; and scrap the public pay cap.

Let me return to the start of my speech. Yes, the Chancellor had some nice soundbites in the Budget last Wednesday, but we need a Budget to help those who are just about surviving, that invests for the future and future generations, and that works for the many, not just the few.

9.22 pm

**Jo Platt** (Leigh) (Lab/Co-op): It is great to follow my hon. Friend the Member for Colne Valley (*Thelma Walker*).

In the build-up to last week's Budget, I was pleased to hear speculation that it could end the last seven years of crippling austerity, and that, following Labour's successful general election campaign, the Government might finally listen to the suffering up and down the country. Members can therefore imagine my surprise when the Chancellor sat down at the end of his speech having failed even to mention the words "social care" let alone to propose a funding settlement to tackle the crisis. He also failed to mention policing or counter-terrorism, which are under more pressure than ever.

There is still no plan, direction or leadership from this Government to strengthen our local economies, such as that of my constituency of Leigh. Therefore, once again, the burden of this Budget will end up falling on our hard-working public services, which will be asked to take on even more responsibility without the means to do so.

To put this matter into context, my constituency's local authority of Wigan will have had £160 million of cuts to its budget by 2020, which means that key public services, on which our most vulnerable rely, have been withdrawn. Let me inform the hon. Member for Rugby (*Mark Pawsey*), who is no longer in his place, that coming up with alternatives is not just something for the Opposition. Local councils across the country have warned the Chancellor that they face a £5.8 billion funding gap over the next two years. That will mean that 60p in every pound that people pay in council tax could be spent solely on children and adult care services that councils provide. That leaves hardly anything for other vital services provided by local authorities, such as cleaning our streets, running leisure centres and

keeping our public libraries open. But instead of funding our local authorities, the Chancellor only heaped on more responsibility without the ability to deliver.

This Government have long talked about the integration of health and social care, yet the Budget has done nothing to address the matter. The Government fail to recognise the huge impact of the underfunding of social care on our NHS, local authorities and communities. The same is happening in children's services. The cuts to local authorities, Sure Start centres and early intervention and prevention grants, and the failing 30 hours' free childcare policy are putting more vulnerable children at risk. The story of this Budget is therefore one of failure and neglect—failure to address the country's long-term economic needs, to invest in our future and to fund our public services, which have been neglected by this Government for too long.

Britain deserved a bold, comprehensive and ambitious Budget that funded public services and protected local authorities. Instead, we got a threadbare Budget from a Government clinging to power, who choose to ignore the deep crisis we face in society. Those issues will not simply disappear. We must therefore confront them with the strength, resolve and determination that only a Labour Government can provide.

9.26 pm

**Mohammad Yasin** (Bedford) (Lab): It is an honour to follow my hon. Friend the Member for Leigh (*Jo Platt*).

This Budget will forever stand as a reminder of why we should never trust the Conservative party with the economy. Its mismanagement of fiscal policy since 2010 has led us to the longest fall in living standards for 60 years, and that looks set to continue well into the next decade. The deficit will not be eliminated for at least another 16 years. Growth is below 2% in every forecast year for the first time in modern history, and annual pay will not return to its 2008 peak until 2025, all because of an austerity programme that has bought so much pain with no gain. This Budget gives us nothing but more of the same—more austerity, and more attacks on the poor and vulnerable. It also gives us the same tired solutions, with a few scraps here and there for the NHS, hints that nurses might get a pay rise and changes in stamp duty for first-time buyers that are more likely to drive up prices in an already inflated market. All these sticking plasters just go to show that the Government have no idea how hard it is out there for people who struggle to make ends meet on wages that have not increased for years while inflation and living costs continue to rise.

Public services and public service workers are on their knees, but their desperate cries for more pay have been largely ignored: NHS staff have been all but ignored; teachers and pupils—ignored; firefighters—ignored; the chief constable of Bedfordshire police, who said publicly that he no longer has enough police officers to protect the public, has been ignored; local authorities—ignored; social care recipients—ignored; and mental health sufferers—ignored. That's a Conservative Government for you.

The east midlands rail franchise threatens a poorer service for Bedford rail users, who have been let down by the Government's cancellation of their plans to electrify the line from London to Sheffield, leading to slower and less environmentally-friendly trains. And talking

of broken promises, it is now time for this Government to tell the nation the truth. Brexit is hurting our economy. That is not just because of the fall of the pound or because we are now the worst-performing advanced economy in the world, but because this is costing us a huge sum of money before we even leave—£3 billion, just to prepare for Britain's exit on top of the £700 million that was already put aside. Hidden in the Red Book was an extra £3.5 billion every year to the EU after Brexit, even after transition. Just imagine how that could transform our NHS.

This is no Budget for the future, this is not prosperity and this is not progress—and it certainly does not reveal a nation ready to take on the challenges of the uncertain future Brexit brings.

9.30 pm

**Faisal Rashid** (Warrington South) (Lab): I would like to take this opportunity to raise transport and housing budget-related issues.

I was extremely disappointed that the Chancellor has chosen to make little headway in addressing the north-south divide that continues to prevail in our country. The fact remains that we have greater gaps between our regions than any other OECD country, and this Government are simply not doing enough to address that.

Infrastructure is key to the development of the northern powerhouse the Government hope to build. They have introduced yet another toll in the north-west. It will cost my constituents and other residents in the region in excess of £1,000 a year to cross the new Mersey Gateway toll bridge. Many of their journeys will be made simply to travel to work or to attend hospital appointments. I urge the Government to reassess that situation and to use the next Budget to find the funds to scrap these tolls and to alleviate that burden on my constituents and on businesses. It is about time the Government began to invest properly in northern infrastructure.

Let me move on to housing, the green belt and air quality. In constituencies across the UK, including mine, there is a huge shortage of affordable homes. Under Conservative-led Governments, we have seen homelessness double, ownership fall to a 30-year low, the lowest number of social rented homes built since records began, and the number of new affordable homes fall by half since 2010. There was no new direct central Government investment in affordable housing in the Budget. Many of the houses that have been built are simply not affordable, leaving families, first-time buyers and many others unable to step on to the property ladder.

I welcome the Chancellor's commitment to continue the strong protection of our green belt, but this Budget remains a missed opportunity to strengthen the protections and to enshrine a brownfield-first approach to development. The Government have so often been strong on words but weak on action, so it is no surprise that, despite strong protections, evidence collected by the Campaign to Protect Rural England shows that there has been a 54% increase in the number of homes being built or that have been planned to be built in the green belt in the past year—the biggest year-on-year increase in two decades. There is increasing evidence that local authorities are turning to development in the green belt as a result of mounting pressure from the Government to meet housing targets and to produce local plans. These councils

are responding to a series of national messages and policies that are forcing many of them to release green-belt land to receive financial incentives and avoid sanctions.

The Government must do more to address the housing crisis, to protect our green belt and to improve air quality.

9.33 pm

**Darren Jones** (Bristol North West) (Lab): I am not sure what briefings Government Members are reading, but all the ones I have read have made it clear that the message from this Budget is dire. Economic growth—downgraded. Productivity—down. And the potential of a pay rise apparently on ice for anything up to 17 years. That is all in the face of an ever-increasing burden of Government debt, fuelled by the persistence of a failed austerity-first economic policy.

Britain has gone from being one of the fastest-growing economies to one of the slowest. It is blindingly obvious that the main reason is Brexit. Yet I come to this place every week to be told that it will all be fine. It clearly is not fine. The Budget shows that this remarkable period of Brexit self-harm is causing pain to our country and to my constituents, not just now but for generations to come.

Britain maintained its post-imperial standing in the world due to its thriving economy, its ability to build consensus in the European Union while influencing policy in the United States, and the strength of our military. Yet today we are in the relegation zone of the league of major global economies. We are pulling out of the European Union while the President of the United States pulls away from everyone else. We have brewing rebellions over a lack of investment in our armed forces. We are telling the world that Britain is closed. We have decided to hide from the challenges and the opportunities of globalisation. We are hoping that if we keep our heads under the union flag-branded pillow, with "Rule, Britannia" on loud enough in the background, everything will be okay.

In Bristol North West, we have one of Europe's largest hospitals; workers and supply chain businesses for advanced manufacturing at Airbus, GKN, Rolls-Royce, Boeing and the Ministry of Defence; world-leading researchers and academics at Bristol University and the University of the West of England; one of the largest digital economies in the UK outside of London; a port managing imports and exports across the world, including tens of thousands of motor vehicles each year; and 40,000 homes, 35% of which are owned with a mortgage and 35% rented. In the face of a hard Brexit, the economic reality for my constituents is a disaster. We will see delays at Bristol port causing gridlock on our roads, with re-directed car imports and exports due to leaving the customs union; waiting times rocketing due to departing EU doctors and nurses; clinical scans and cancer treatments potentially postponed due to impending deadlines on importing medical isotopes from the continent; the loss of investment and jobs due to the possibility of advanced manufacturing leaving the UK; and families left with little money each month due to increases in rent and mortgage payments following Bank of England increases in the base rate to try to control Brexit-induced inflation—all this, alongside no additional core funding for our schools, our police or our social care at a time when Brexit is costing billions and billions.

[Darren Jones]

There is one positive that I could be told by this Government to give to my constituents in Bristol North West. I would put the national interest first, revoke article 50, and stop this Brexit period before it causes any more damage—something that the Government are empowered to do. At the very least, I would commit to staying in the single market and the customs union to protect jobs, investment, standards, and the value of the pound. We need to wake up and deal with this Brexit disaster. That is the elephant in the room in this Brexit process and in the industrial strategy announced today—not just for the British people but for Britain's standing and her role in the world. This Budget fails to do that. I hope that this Brexit Parliament can show that it is up to the challenge of putting it right.

9.37 pm

**Paul Blomfield** (Sheffield Central) (Lab): Each year during the September recess, I conduct a community consultation over three weeks, with about 40 meetings. This provides a really valuable snapshot of people's top concerns. This year, right across the constituency, the common theme to those concerns was antisocial behaviour and low-level crime chipping away at the quality of people's lives and undermining our communities: growing homelessness, street begging, people on motorbikes terrorising neighbourhoods, drug debris in playgrounds, and addicts openly injecting in parks.

There are some really great people in voluntary organisations, in the local authority and in the police trying their very best to tackle the issues, but their hands are tied behind their backs by the lack of resources. We are seeing the cumulative impact of cuts over the past seven years, and not just in statutory services. There is a vital relationship between the voluntary and statutory sectors, which work together to make a difference on drug and alcohol abuse, getting rough sleepers' lives back on track, or addressing disengaged young people. The voluntary sector relies on local councils for much of its funding. Councils have been cut more than any other area of public spending, and because of the way that the formula has been adjusted, they have been cut most in towns and cities such as mine, where the need is greatest. Since 2010, Sheffield City Council has lost 45% of its grant from central Government—£195 million. Now, with all the pressures of social care, we are facing £60 million of further cuts in the year ahead. We are not alone. Even the Conservative-led Local Government Association said of the Budget that it

“offered nothing to ease the financial crisis facing local services... The money local government has to run services is running out fast and councils face an overall £5.8 billion funding gap in just two years”,

as my hon. Friend the Member for Leigh (Jo Platt) pointed out.

Like towns and cities across the country, Sheffield is at a tipping point. In such situations the pieces are often picked up by the police, who are doing a tough job that is made tougher by these cuts. In South Yorkshire, frontline police are down 18%, and we have lost almost one in five officers. Police civilian staff are down 24%, and their roles are key, too. Police community support officers are down 27%, in roles that have been vital to building the relationships that cut crime.

The Chancellor needs to reflect seriously on the perfect storm that the Government's policies are creating in communities up and down the country, and he needs to address it in the local government and police settlements. It is not just the sustainability of our councils and our police forces that is at stake, but the sustainability of our communities.

9.40 pm

**Barry Gardiner** (Brent North) (Lab): The global theme of today's Budget debate has enabled the House to examine the impact of the Chancellor's statement on Britain's place in our world and our readiness to respond to the global challenges we face. Many of those challenges have been referred to by hon. Members. The whole House was shocked by the attack on the al-Rawda mosque, in which 305 Sufi worshippers, including 27 children, were slaughtered. The threat of terrorism is global, and although this particular atrocity was perhaps symptomatic of the metastasis of the cancer that is Daesh and a result of its military defeat in Raqqa, we must understand the implications for the strength of our military.

Many hon. Members on both sides of the House, including my hon. Friend the Member for Caerphilly (Wayne David) and the Chairs of the Foreign Affairs and Defence Committees, have warned that cutting our armed forces by a further 12,000 will seriously undermine our global capacity. Recently, Government Back Benchers have reportedly engaged with their Treasury colleagues on this subject in the fashion of an English wicketkeeper greeting an Aussie batsman. The depletion of our armed forces capacity in an uncertain world is something that the Government contemplate at their peril.

Another challenge, which was raised powerfully by my hon. Friend the Member for Tooting (Dr Allin-Khan), is the appalling suffering of the Rohingya people who have fled from Myanmar's Rakhine province. Their plight moved the new Secretary of State for International Development to tears on her visit over the weekend to Bangladesh, and she is reported to have said that it appears to be ethnic cleansing. I think that most hon. Members in this House would simply say, “Yes, it is.” But I pay respect to her for going so quickly to apprise herself of the situation there and in the Caribbean. I trust that she will be a strong advocate for her Department's financial needs against the siren voices in the Conservative party who wish Britain to downgrade its 0.7% commitment or to circumscribe our aid budget in such a way as to refocus it away from poverty reduction, disaster relief or sustainable development. My hon. Friend the Member for City of Durham (Dr Blackman-Woods) was shouted down by Government Members when she pointed out that, as page 22 of the Red Book sets out, ODA budgets will be adjusted to reflect the OBR's revised GNI forecast. They will, therefore, be cut by £375 million in 2018-19 and £520 million in 2019-20—a reduction of almost £1 billion.

There have been 17 named storms in the Atlantic hurricane season this year, many of them at category 5. That has made the season the costliest on record, with an estimated \$367.5 billion of damage. Harvey, Irma and Maria have not just cost dollars; they have devastated the lives of our friends and Commonwealth partners throughout the Caribbean and beyond. UK assistance has been vital to many of those countries, and we welcome the £5 million that was made available to

Dominica, as well as the additional funding announced from DFID when the Prince of Wales visited Antigua and Barbuda last week. But perhaps the Foreign Secretary should reflect on the 10% cut in the financial support for our overseas territories and consider reversing it.

Disaster relief is not the answer to climate change, which is one of the central challenges facing the international community. With the UN climate conference having just finished in Bonn, the opportunity provided by the Budget should have been used to make key policy announcements on policies that would mitigate climate change. Instead, we find that there will be no new low-carbon electricity levies until 2025, and there is nothing for renewables or investment in domestic energy efficiency, or for the necessary transformation of our grid structures to bring on new localised production, microgeneration and supply. Instead, there is a clean growth plan—six years late—that will not even meet the target set in the fourth carbon budget, never mind the fifth carbon budget.

No international debate should or could have taken place today without reference to the appalling war going on in Yemen. Yesterday's *Financial Times* leader on the looming famine in Yemen is one of the finest editorials I have read. It refers to the risk that allies of Saudi Arabia face in being complicit in the use of starvation as a weapon of war. It is chilling. It says that the conflict has

“descended into a new circle of hell after Saudi Arabia committed its air force to defeating Houthi rebels”

earlier this year, and began destroying bridges, roads, markets and container ports. The infrastructure breakdown means that food is reaching the hungry “fatally slowly”, and that was before the Saudis decided to block even humanitarian aid in reprisal for a missile fired at Riyadh earlier this month. Seven million people are now on the brink of famine, according to the UN.

The relation of this tragedy to the Budget becomes clear when we look at the OBR projections for trade growth. Globally, world trade is set to grow year on year by approximately 4%, but the Government's own projection of the contribution trade will make to our own domestic growth declines to zero by 2019, and stays at zero for four years throughout the life of this Parliament. It is no wonder that the Government have been reluctant to jeopardise the £4 billion deal to sell Saudi Arabia British fighter jets. Human rights must not be regarded as a commercial inconvenience. If our country wishes to stand tall in the global community, we must do so on the basis of our values. We need to ensure that we do not end up pawning our democratic values to boost our failing economy.

The central facts of the Budget determine how our country is able to respond to all these international challenges. I agree with the hon. Member for Poole (Sir Robert Syms) who said that sound finance is the only basis for a caring Government. We need a strong economy, and the Budget figures did not show that. Growth has been revised down by 0.5%, productivity by 0.7% and investment by 1.5%. This Budget admits that previous Treasury promises have not been met, but it has failed to set out a vision to take our country forward.

Business growth and trade are crucial to our capacity to act and to lead in the world. My right hon. Friend the Member for Delyn (David Hanson) posed the key questions

on which businesses need certainty if they are to lead the economic revival we so desperately need: what tariffs and quotas will they face, and what will our future trade relationships look like—the no deal Brexit my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) warned about, or the deal that the Brexit Secretary once upon a time boasted would give the UK the “exact same benefits” that we currently possess as members of the single market?

The Chancellor told the nation what he thought was more likely when he announced the £3 billion to prepare for a no deal Brexit. It is therefore no wonder, as my hon. Friend the Member for Chesterfield (Toby Perkins) pointed out, that the Foreign Secretary spent more time talking about penguins and plastic bags than about Brexit. My hon. Friends the Members for Stroud (Dr Drew), for Colne Valley (Thelma Walker), for Leigh (Jo Platt), for St Helens South and Whiston (Ms Rimmer), for Stockton North (Alex Cunningham) for Stockton South (Dr Williams) and for Enfield, Southgate (Bambos Charalambous) spoke powerfully about the Budget's failure to address the needs of our health service: £4 billion is needed next year; £1.6 billion has been provided. They highlighted the irony that social care, which was a defining issue in the general election, got scarcely a mention.

In a brilliant speech, my hon. Friend the Member for Croydon Central (Sarah Jones) not only exposed the anti-London nature of this Budget, but highlighted the total lack of any stimulus to housing supply, as indeed did my hon. Friend the Member for Warrington South (Faisal Rashid). My hon. Friend the Member for Croydon Central highlighted the fact that the need for the productivity growth on which depend our country's future prosperity and successful engagement on the international stage. Productivity will depend on the two pillars of education and infrastructure investment, so it is not coincidence that these were the two key offers that the Labour party made in our manifesto at the general election, with our national transformation fund and our national education service.

It would be tempting to claim that this Budget proves that the Government have lost their way. The truth is that they never had a direction in the first place. The Prime Minister is a prisoner of her Cabinet, and her Cabinet is divided against itself. Sooner or later, the electorate will put them out of their misery and we will have a Budget for the many, not the few.

9.50 pm

**The Economic Secretary to the Treasury (Stephen Barclay):** I thank my right hon. Friend the Foreign Secretary for opening the debate. He spoke with customary élan about how the Budget will ensure that Britain capitalises on the industries of the future—robotics, artificial intelligence and self-driving cars. He was right to highlight that a new tech business is created every hour in Britain, powered by a workforce who have seen 3 million more jobs created since 2010 and unemployment at its lowest level for 42 years. He set out our ambition to be global and outward looking, to protect maritime and environmental standards, and to use our defence, overseas aid and intelligence capacity to project influence around the world.

The debate has benefited from a wide range of contributions. The Chair of the Foreign Affairs Committee, my hon. Friend the Member for Tonbridge and Malling

[Stephen Barclay]

(Tom Tugendhat), spoke about the effectiveness of soft power and described the Foreign Office and DFID working to project that power in order to promote international rules.

The hon. Member for Glenrothes (Peter Grant) gave the powerful case study of Mary's Meals, which shows not just Scotland's reach around the world, but that of the United Kingdom. I think that his pride in the good work done by that charity was shared on both sides of the House.

My hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) highlighted how much the Opposition would increase debt. He mentioned the specific measures in the Budget to help business, such as the staircase tax, as well as the importance of building homes, which is a key measure in the Budget, including the abolition of stamp duty for the vast majority of first-time buyers.

The hon. Member for Tooting (Dr Allin-Khan) spoke about her recent experiences in Myanmar in a way that I think touched all Members of the House. She spoke of the tragedy she saw unfolding there and explained the important treatment she has been able to offer those fleeing persecution.

My hon. Friend the Member for Mid Worcestershire (Nigel Huddleston) correctly highlighted that 4 million people have been taken out of tax entirely by this Government through the increase in the personal allowance.

The hon. Member for Blyth Valley (Mr Campbell), who is no longer in his place, spoke in a way that I think many Government Members welcomed, highlighting the importance of honouring the vote to leave the European Union, as his constituents voted to do. He also talked about the importance of housing, which is at the centre of the Budget.

My right hon. Friend the Member for East Devon (Sir Hugo Swire) spoke about the importance of soft power, as well as hard power, and the value of the Commonwealth.

The hon. Member for Stockton North (Alex Cunningham) said that his Budget speech was the seventh he had made, and I fear that it was no more positive than the previous six. That characterises the difference between the optimism on the Government Benches and the pessimism on the Opposition side.

My hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke) highlighted the importance of High Speed 2 and connectivity to Leeds. He also recognised the contribution of the hon. Member for Tooting.

The hon. Member for Stroud (Dr Drew) accepted the £44 billion commitment on housing but failed to recognise the £1.3 billion put into school funding earlier this year.

My hon. Friend the Member for Poole (Sir Robert Syms) reminded the House—should we need reminding—that the previous Labour Government left a note stating, "There is no money left," because Labour always goes too far. His optimism reflects the optimism of this Government.

The right hon. Member for Delyn (David Hanson) highlighted how his constituents make things and called for a transition, so I am sure that he valued the commitment that the Prime Minister gave in her Florence speech.

My hon. Friend the Member for Gainsborough (Sir Edward Leigh) highlighted that debt interest remains a bigger expense than the defence and policing budgets combined and how, under the previous Labour Government, £300,000 was added to our debt Bill every minute.

The hon. Member for City of Durham (Dr Blackman-Woods) mentioned the TUC but omitted any mention of the extra funding for Unionlearn, which I am sure she welcomes.

My hon. Friend the Member for Chippenham (Michelle Donelan) highlighted the 19 consecutive quarters of growth and the increase in employment, and my hon. Friend the Member for Hornchurch and Upminster (Julia Lopez) recognised the value of strategic investments in infrastructure unlocking much needed housing.

My hon. Friend the Member for Gordon (Colin Clark) flagged up how it was a good budget for Scotland, reflecting on the convincing representation of Scottish colleagues—we have certainly come to see that in the Treasury. My hon. Friend the Member for Richmond (Yorks) (Rishi Sunak) highlighted how debt as a percentage of GDP is set to fall, as the Government stick to their fiscal target.

The hon. Member for Kensington (Emma Dent Coad) spoke of the tragedy of Grenfell, but did not mention the £28 million in the Budget for additional community support to victims—set out on page 63 of the Red Book, if she missed it.

My hon. Friend the Member for Erewash (Maggie Throup) highlighted the funding for electric vehicles and the scope of the UK to be a leader in that new technology. My hon. Friend the Member for Rugby (Mark Pawsey) highlighted the absence of any credible alternative Budget from the Opposition.

The hon. Member for Ipswich (Sandy Martin) valued the stimulus of investment in infrastructure and gave credit to the Government for the £1.5 billion upgrade of the A14, but seemed to omit the Government's commitment to upgrading Ely junction. My hon. Friend the Member for Ochil and South Perthshire (Luke Graham) flagged up the increase in the living wage and the Government's lowering of corporation tax, and how that is boosting business.

The hon. Member for Edinburgh East (Tommy Sheppard) spoke about the importance of migration. The Government recognise the benefits of migration; we just want to control it, rather than leave it uncontrolled.

My hon. Friend the Member for Stoke-on-Trent South (Jack Brereton) highlighted the importance of investing in skills and the value of open markets for quality design, technology and ceramics. The hon. Member for Penistone and Stocksbridge (Angela Smith) spoke of the importance of productivity. My hon. Friend the Member for Middlesbrough South and East Cleveland (Mr Clarke) flagged the exciting regeneration projects in his constituency and his optimism in the Budget.

My hon. Friend the Member for East Renfrewshire (Paul Masterton) highlighted the difference that Scottish Conservative MPs are making in the Government. My hon. Friend the Member for Aberdeen South (Ross Thomson) highlighted the benefits to the oil and gas industry from measures in the Budget. My hon. Friend the Member for West Aberdeenshire and Kincardine



(Andrew Bowie) spoke about the force for good provided by the Royal Navy and the value of cultural exports in projecting soft power.

The right hon. Member for Carshalton and Wallington (Tom Brake) spoke of a day of reckoning. Most of us on the Conservative Benches thought that was the 2015 general election, when the Liberal Democrats did get that day of reckoning.

My hon. Friend the Member for Witney (Robert Courts) talked about the impact of patient capital and how that will be a stimulus for growth. The hon. Member for Leigh (Jo Platt) appeared to think her party had won the general election. I am sorry to break the news to her, which I am sure will come as a shock.

This Budget builds on the heavy lifting the Government have done to bring down the deficit by three-quarters since 2010 through delivering 19 consecutive quarters of growth. It ensures we remain on track to meet our fiscal targets, while continuing to invest in our core public services. It expands the national productivity investment fund by a further £8 billion, meaning that in real terms the Government will spend £25 billion a year more on infrastructure than the average spending under the last Labour Government.

This is a balanced Budget, in contrast to a Labour Opposition who always go too far. They would borrow £500 billion and burden the country with huge debt interest payments. This is a Budget that ensures Britain is fit for the future.

*Ordered, That the debate be now adjourned.—(Mike Freer.)*

*Debate to be resumed tomorrow.*

## NHS Continuing Care

*[Relevant document: Oral evidence taken before the Public Accounts Committee on 1 November on Funding NHS Continuing Healthcare, HC 455.]*

*Motion made, and Question proposed, That this House do now adjourn.—(Mike Freer.)*

10 pm

**Norman Lamb** (North Norfolk) (LD): I suspect that I will not be alone in the House in having concerns about how NHS continuing care is operating these days. Concerns about the process will have been raised by the constituents of many hon. Members on both sides of the House. It is worth recognising that the process of NHS continuing care has always been fraught because a lot of money often turns on the outcome, and the families affected are often going through a very difficult time as they cope with a loved one with serious care needs. However, particular things are happening in the system now that seem to justify our spending some time on considering whether the current situation is acceptable.

As the NHS and the care system struggle with what I think are impossible finances, some wholly unacceptable practices are emerging around the country, some of which I want to deal with this evening. First, it is clear that a postcode lottery is emerging, with no democratic legitimacy at all. The massive variation in the acceptance rate for applications for NHS continuing care has no apparent justifiable explanation. The BBC's "Inside Out East" programme made a freedom of information request about the period between July 2016 and July 2017. It found that Birmingham South Central clinical commissioning group rejected 75% of those assessed for NHS continuing care, whereas the figure for Tameside and Glossop CCG was just 5%. Given that this is public money, how can we possibly justify such an extraordinary variation without any democratic legitimacy? The BBC's figures also showed that 73% of people in my constituency were turned down, but that the figure for Manchester was just 17%. These are not odd examples—there are enormous variations across the country. I would be grateful if the Minister could explain how these extraordinary variations are happening and what she and the Government intend to do about them.

**Maggie Throup** (Erewash) (Con): In my experience, this depends not just on the postcode, but on how the referral is made. If a referral is made through a hospice, the process is clear and transparent, but with other mechanisms, it is more smoke and mirrors.

**Norman Lamb**: The hon. Lady might well be right. That does not justify the variations, but it is a possible explanation for part of the problem.

Secondly, the number of people nationally who are found to be eligible is falling. The National Audit Office found that the proportion of people assessed as eligible for standard continuing healthcare by CCGs reduced from 34% in 2011-12 to 29% in 2015-16.

**Jim Shannon** (Strangford) (DUP): Does the right hon. Gentleman agree that home care packages must be better funded so that people can live independently at home, while still being cleaned and cared for, but that that is extremely difficult due to the finance available?

**Norman Lamb:** I will come on to that point in a moment. We are seeing more and more cases of couples being forcibly separated, which is really shocking and a denial of their human rights, so I agree with the hon. Gentleman.

At the end of March 2017, 57,000 patients were eligible for continuing healthcare in England, which was down 1.6% on the previous quarter and 2.7% on the previous year. What possible explanation for that can there be? Demand is rising significantly every year across the country, yet the number of people entitled is going down. That must be due to decision makers imposing tougher eligibility criteria.

**Rosie Cooper** (West Lancashire) (Lab): Is the right hon. Gentleman aware of the trend in my constituency of people who are already in receipt of continuing care being reviewed and deemed no longer eligible? As a result, the cost of their care is pushed on to local government, instead of continuing to be met from within the health service?

**Norman Lamb:** I am aware of that. Often there is no change in such people's condition, but sometimes their condition deteriorates. Sometimes the cost is pushed on to the local authority, but sometimes it is pushed on to the family, which is another very serious concern.

There are also a great many complaints about the process that is used. There are complaints about evidence being ignored, which can result in a judgment that someone is ineligible for NHS continuing care, and about professionals lacking an understanding of the condition that they are supposed to be considering. A survey conducted by the Continuing Healthcare Alliance found that 66% of people felt that professionals knew little about the condition that was under consideration. More seriously, there were allegations that medical opinions were being ignored. The BBC heard from three health workers who revealed, effectively as whistleblowers, that medical opinions were actively ignored as part of the process.

**Wera Hobhouse** (Bath) (LD): It took one of my constituents several months and many phone calls even to receive an assessment for her relative. When she finally managed to receive it, the nurse on the day said that it was unlikely that continuing healthcare would be provided. Does my right hon. Friend agree that treating relatives in such a way when they are already going through a very difficult emotional time is unacceptable, and that staff should be given training before undertaking such assessments?

**Norman Lamb:** I do agree. The problem is compounded by the long delays that people have to face, often at very stressful times when they are wondering whether they will have to sell a home to pay for care and have no idea what the outcome of the process will be.

There are a number of cases around the country in which the costs of packages have been capped, with top-ups required from relatives. A growing number of clinical commissioning groups are applying a cap to what they will pay for home support packages above the cheapest care home alternative. That is really insidious. At the extremes, it is reasonable to recognise the pressures on public finances but, as the BBC reported on "You and Yours", 19 CCGs refused to pay for home care

packages if the costs were 10% higher than the costs of a care home. There are many cases in which couples who may have been married for decades are suddenly forcibly separated. What are we doing? That is inhuman, and, as I have said, it breaches a human right—the right to a family life.

**Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): I congratulate the right hon. Gentleman on securing this debate on a very important subject. I have encountered cases in my constituency in which people have been delayed from leaving hospital because an argument is raging between the local authority and the CCG about who is ultimately responsible for payment, partly because the CCG is encouraging people to opt for cheaper care home provision even if that is not what they want. Has the right hon. Gentleman come across similar cases in the course of his research?

**Norman Lamb:** Depressingly, I have. Earlier this evening, when I was giving the Speaker's lecture, I made the case that we need, ultimately, a pooled budget for both health and care to stop these awful arguments between the health and social care silos.

**Dr Caroline Johnson** (Sleaford and North Hykeham) (Con): In my experience, trying to define which is the social care part of an individual's need and which is the medical part can be very challenging, as many people will have a combination of both. Does the right hon. Gentleman agree that the Government's proposal for accountable care systems in which one group is responsible for meeting both needs is a great step forward?

**Norman Lamb:** If it were happening, I would. I totally agree that we need to bring health and social care together in localities, with a single budget and single commissioning. I think that we need to work across parties to come up with an ultimate long-term settlement for the NHS and the care system.

Families are also in the invidious position of being asked to provide, in effect, a top-up for care if they want their loved one to remain at home, rather than being forced into a care home. That is fine for those who can do it, but not good for those who cannot afford it. It is also completely contrary to any notion of personalisation—the concept of the person, what is important to them and their priorities being at the heart of decision making—which the Government accept. When I was working with the Conservative party in coalition, we passed the Care Act 2014. Its fundamental principle was the individual's wellbeing, yet now are saying to people, "No, you're going to go into a care home because it's cheaper." That is not acceptable, but it is happening around the country.

**Maggie Throup** *rose*—

**Norman Lamb:** I will give way for the last time.

**Maggie Throup:** The right hon. Gentleman is very generous. He makes a strong case, but sometimes people's healthcare needs are so great that it is impractical for them to be looked after in their own homes, so things are not quite as cut and dry as he is indicating.

**Norman Lamb:** If there are good medical reasons, people can of course have the discussion and it might be decided that a care home is the right place, but I am talking about cases in which the only issue is the finances. People are told, "It costs 10% more to provide care at home. You're going into a care home." That is not acceptable, but it is happening.

The BBC reported on a family who were paying a top-up of £250 a week. Top-ups are not permissible under the legislation, but that is happening around the country. The BBC gave a case study of a man in Salford, paralysed from the neck down, who was entitled to NHS continuing care. His entitlement was assessed as 168 hours a week, but the CCG was willing to pay for only 105 hours. What was the result? He has been stuck in hospital since Easter in the way that the hon. Member for Stoke-on-Trent Central (Gareth Snell) described. It is outrageous. Another case highlighted by the BBC was that of Mark in Norwich, who has type 2 spinal muscular atrophy, a progressive muscle-wasting condition, and very limited mobility. He has had a personal health budget worth £73,000 for the last six years, but it has now been cut by a third. How does he cope with a reduced care package when he has such a condition, which is deteriorating as he lives longer?

The Equality and Human Rights Commission has written to the 44 CCGs with the most disturbing policies of hard caps to make it clear that it is a breach of human rights law if people are deprived of the option of living at home and therefore the right to a family life. There are also concerns that there is an expectation in the costing of the care package that people will work for the minimum wage. Of course some people work for the minimum wage, and they should be accorded the utmost respect, but much of the work involved is complex and challenging, so it is very disturbing if there is an assumption that only minimum wage work is undertaken.

NHS England expects efficiency savings from the continuing healthcare system. That cost £3.1 billion in 2015-16, which was 4% of the total CCG spend. The figure is expected to rise to £5.2 billion by 2020-21 because of increased demand. In its efficiency plan, NHS England requires CCGs to achieve efficiency savings of £855 million by 2020-21, but how? The National Audit Office found that only £149 million is spent on administration, which is where efficiency savings can be made, so I will be grateful if the Minister explains how that efficiency saving can be achieved except by cutting people's care plans, which is in my view intolerable.

Then there are the delays, as my hon. Friend the Member for Bath (Wera Hobhouse) mentioned. The national framework says that people should know the outcome within 28 days, but long delays are common across the country. The National Audit Office said that a third of claims took longer to process than that, with 10% of the total taking more than 100 days. Even more disturbing are delays in the fast-track process for end-of-life care. It is really important to make a speedy decision in such cases, perhaps to get someone out of hospital to the place where they want to be. There is a 48-hour standard, but Marie Curie found in its "Making every moment count" report that there was enormous variation, with less than a third of cases meeting the 48-hour timeframe. Many CCGs did not know how long they were taking, and 57,000 people waited longer in 2015-16. Delays can mean that people with a terminal illness are stuck in

hospital, unable to die in the place of their choice. When I was a Minister, I introduced a legal right to a personal health budget, but we find again and again that arbitrary caps are being placed on personal health budgets, and that people are expected to accept a care plan that involves a percentage reduction compared with what the cost of provision would be for authorities.

There is an enormous case for reform. I have argued for an NHS and care convention that brings the parties together to come up with a rational solution that meets people's needs and does not treat them in this rather disgusting way, especially when so much stress and anxiety is involved in coping with someone with very considerable care needs, especially at the end of their life. The system is arbitrary, costly, bureaucratic and enormously variable around the country. It involves no democratic accountability or justification, and it undermines the principle of putting the patient first. What are the Government going to do about it?

10.15 pm

**The Parliamentary Under-Secretary of State for Health (Jackie Doyle-Price):** I thank the right hon. Member for North Norfolk (Norman Lamb) for securing the debate and giving the House a chance to discuss NHS continuing healthcare. He has achieved a pretty good attendance here tonight, given that it is a Monday on a one-line Whip, which is symptomatic of the interest in the subject. I find that heartening, and he spoke with great sincerity and passion about his concerns. We are grateful to him for that; I know that he thinks very deeply about this subject.

This subject provides challenges, as the right hon. Gentleman pointed out, and he made some valid points about the problems facing the continuing healthcare system. In particular, the Government are aware of issues around variation and the complexity in the system. He highlighted some important examples of that. He also highlighted discrepancies, which he was right to raise. We all recognise the frustration that many members of the public sometimes have with the current system. For those with complex needs, and their families, the process can be very difficult to understand, which can lead to stress and confusion at an already difficult time in their lives. He will know that variation in the system has been a concern for some time. First, I will set out what the Government are doing to address those things and to try to achieve consistency, before I turn to some of the other concerns.

Decisions about NHS continuing healthcare are important and have a big impact on people's lives, which is why it is right that there is a careful and considered decision-making process in place, which must take into account each individual's care and support needs. My officials are currently working on updating the NHS continuing healthcare national framework, which is the national guidance that underpins the system. That will help health and social care professionals across the country to apply the framework more consistently and effectively, and improve the experience for individuals. We are working with NHS England, local authorities and key stakeholder organisations such as the Continuing Healthcare Alliance and other charities on this update, to ensure that we draw on the full range of experience and knowledge. Members of the public with experience of NHS continuing healthcare have also made a valuable contribution to this process.

[Jackie Doyle-Price]

I would like to reassure the House that this update to the national framework will not affect eligibility for NHS continuing healthcare, or the extent of the service provided by the NHS. Instead, the update aims to clarify the process and improve outcomes for patients, carers and their families, and those working in the health and care system. The Department will publish this update to the national framework in the new year. However, we understand that these changes alone are not enough to deliver all the necessary improvements, particularly on issues such as the variation in eligibility decisions that the right hon. Gentleman highlighted. That is why we are working closely to support NHS England with its NHS continuing healthcare improvement programme.

The aim of the improvement programme is to consider how NHS continuing healthcare services can be improved by addressing key areas of concern—namely, variation in patient and carer experiences, and ensuring that assessments occur in the right place and at right time. That issue has also been raised in the debate tonight. The programme will set national standards of practice and strengthen links between other NHS England work programmes that promote the personalisation of care.

To some extent, there will always be some variation in NHS continuing healthcare eligibility rates, and that can be due to wide range of reasons, such as the age dispersion within a local population, variation in levels of health need between geographical areas and the availability of community services, including step-down beds, intermediate care, rehabilitation services and end-of-life services. However, NHS England analysis shows that variation in NHS continuing healthcare eligibility is reducing over time. Work to address variation has already seen improvements, with an approximate 7% reduction in the distribution of variation across standard NHS continuing healthcare eligibility decisions since 2013-14, but the National Audit Office report shows that we obviously have some way to go.

The NHS continuing healthcare assessment process has also been mentioned tonight, and NHS England has introduced a quality premium for 2017 to 2019 to incentivise clinical commissioning groups to carry out more than 80% of assessments within 28 days. Clinical commissioning groups with the highest number of delayed cases are required to establish improvement plans setting out key milestones and planned improvement measures.

The right hon. Gentleman mentioned the claim that budgets are effectively being capped, but I want to emphasise that the national framework for NHS continuing healthcare makes it clear that the starting point for agreeing an NHS continuing healthcare package and the setting where NHS continuing healthcare services are to be provided should be based on the individual's preferences. However, in some situations, a model of support preferred by the individual will be more expensive than other options and clinical commissioning groups can take comparative costs and value for money into account when determining the model of support to be provided. None the less, the principle that healthcare is free at the point of delivery should and does stand.

Right hon. and hon. Members also raised the breach of human rights and the challenges made to some CCGs. We are interested in the thinking behind that and will explore such issues further.

The right hon. Gentleman discussed the wide variation in the conversion rate of assessments. In his constituency, the conversion rate of 24% appears low when compared with the national average of 31%, but that has to be set against the fact that standard NHS continuing healthcare is currently available for 68.13 per 50,000 people compared with a national average of 43.04 per 50,000 people. I make that point because meaningful comparisons are difficult, but he is right to highlight such issues so that we can satisfy ourselves that we are delivering the commitments in the Care Act 2014, which states that no one should be deprived of care if it is based on their need.

The right hon. Gentleman suggested that some clinical opinions were being questioned, so I want to make the Government's position clear. CCGs must have regard to the guidance, which states:

"Financial issues should not be considered as part of the decision on an individual's eligibility for NHS continuing healthcare, and it is important that the process of considering and deciding eligibility does not result in any delay to treatment or to appropriate care being put in place."

All hon. Members should ensure that that is being adhered to and make appropriate challenges where we believe it is not. The Government and NHS England are looking at strengthening our assurance processes to ensure that those standards are met and that CCGs comply with the national framework. Since April this year, that now includes extended quarterly reporting of NHS continuing healthcare data metrics and robust improvement monitoring, including on eligibility and assessment conversion rates.

I know that the right hon. Gentleman wrote to NHS England about the performance of North Norfolk CCG. I am sure that he is waiting for the outcome of the review with some interest, and I will not be surprised if I hear from him again on this. I am grateful for his interest in this subject and for the spirit in which he made his comments.

As we are all living longer, the challenges to the health service and the care system are becoming ever greater, and he is absolutely right to highlight the need for cross-party co-operation as we address these issues and set the long-term future of care and health on a more sustainable footing.

**Rosie Cooper:** I understand how the system should be and how the Minister wishes it to be, but our comments tonight have been about how the system is. We can make information available to the Minister about instances that show the system is not working as she describes. I have a constituent with a severe spinal injury who was getting continuing healthcare. There was a tick-box exercise that she thought was just a review, but, nine or 12 months later, the care has been taken away.

**Jackie Doyle-Price:** I would be happy to look into that case. I have received advice that continuing healthcare packages for lifestyle or physical conditions are often altered depending on progress. The guidance under the framework is quite clear on what is applicable, who is eligible and what conditions are not eligible. Where there is a question on whether obligations are being met under the law—the obligations are enshrined in the Care Act and under the NHS principle that all treatment should be free at the point of delivery—the hon. Lady is right to make that challenge. I am more than happy to investigate that case.

I am running out of time, and I am sure this will not be the last time we address this issue, so I conclude by thanking the right hon. Member for North Norfolk for securing the debate and thanking all hon. Members who have shown an interest. This debate bodes well for our discussions over the coming months on these vital subjects.

It is vital that we continue to work closely with NHS England, local authorities and key stakeholders to improve the system for everyone. There is a lot of work to do and, although the direction of travel in some respects is positive, as with all these things, we are all less patient than we would like to be.

I hope the right hon. Gentleman can appreciate that the Government and NHS England are very much aware of the challenges in this area, both in his constituency and in the constituencies of other hon. Members. I am confident that the steps we are all taking to improve the system are the right ones and will deliver an improved experience for patients, families and carers based on a more consistent application of eligibility and variation.

*Question put and agreed to.*

10.27 pm

*House adjourned.*



# Westminster Hall

Monday 27 November 2017

[SIR DAVID CRAUSBY *in the Chair*]

## University Tuition Fees

4.30 pm

**Mike Hill** (Hartlepool) (Lab): I beg to move,

That this House has considered e-petition 182953 relating to university tuition fees.

It is a pleasure to speak under your chairmanship, Sir David.

Tuition fees were introduced in September 1998 under the then Labour Government as a means of funding tuition for undergraduate and postgraduate students at universities, with students required to pay up to £1,000 a year in fees. Over the years, those fees have rocketed, with some courses costing £9,250 for a typical three-year period. That is something the Chancellor is seeking to address and cap at a lower rate, while the Labour party has pledged to abolish tuition fees altogether.

Some observers argue that tuition fees have helped to improve the higher education sector and offer, by generating much-needed income for universities and allowing extra resourcing into education, improved facilities, research, student support services and high-quality staff. Others argue that tuition fees are simply plugging a £3.3 billion gap between the cost of research at universities and the revenue it generates. Whichever way we look at it, the issue of tuition fees and the provision of student loans is controversial. People being put in debt before they even start a career is rightly not popular with students, irrespective of the threshold of earnings required before repayment.

According to the Sutton Trust, eight out of 10 students will never fully repay their tuition fee loans, and the decision to raise the minimum earning level at which loan repayments kick in from £21,000 to £25,000 means that 81% of graduates will not pay back what they owe. Its report, "Fairer Fees", identifies that typical debts on graduating are around £46,000, rising to £52,000 for those entitled to take out maintenance loans to cover the costs of living. The report also shines a light on the implications of Brexit. Currently, EU students studying in the UK are entitled to the same tuition fee loans as British students, and figures for last year show that 11%, or 8,600 people, remained in arrears. The position after Brexit remains unclear.

Universities, safe in the knowledge that virtually guaranteed income streams from tuition fees would rise every year, thus giving them financial stability, have been accused of paying eye-watering salaries to vice chancellors and the like, and are very much on the back foot as tuition fees have been put under intense scrutiny politically. The petition that we are debating puts the whole subject into sharp focus, and I believe that this debate is timely, given cross-party unease with things as they stand.

Back in the day, when I accessed higher education, we were provided with a grant, which had to be topped up through parental contributions. My folks did what they could but could not afford their full share, so like many other working-class kids from low-income backgrounds

I struggled to get by—but I did, and at least I did not end up burdened with too much debt. Personally, I am uncomfortable with the fact that people—usually young people—have a financial noose placed around their neck on graduating, especially with the figures showing the high level of debt that remains unpaid.

**Margaret Greenwood** (Wirral West) (Lab): I congratulate my hon. Friend on introducing this really important debate. I apologise for the fact that I cannot stay for all of it because I am meeting a group of schoolchildren from my constituency shortly. Does he agree that at a time of low productivity it makes absolutely no sense to have disincentives for people to progress to higher education, which would improve their skills educational attainment?

**Mike Hill:** I absolutely agree, and that is especially the case for people from low-income backgrounds. I would prefer to see the end of tuition fees and a return to a grant-based system or alternative method of funding.

4.35 pm

**Lee Rowley** (North East Derbyshire) (Con): It is a pleasure to serve under your chairmanship, Sir David. I have to confess to being slightly surprised at being called first, but none the less I am very happy to contribute to the debate and thank you very much for the opportunity to do so. I also thank the hon. Member for Hartlepool (Mike Hill) for introducing the debate.

I wanted to contribute this afternoon because the subject is close to my heart and of particular interest to me. When I read the petition I was somewhat intrigued by some of the statements made in it, and I think it is important that such debates be based on the actual reality. As we know, the petition states:

"University fees are rising more and more."

Well, a month or so ago there was a statement saying that university fees would be frozen, although I accept that the petition was probably submitted before that was announced. It goes on to say:

"£9000 for university fees is too high and the stress of being in debt is what puts individuals off applying for degrees."

I completely understand that notion, but the reality does not bear it out; the statistics, the data and what happens day in and day out in our universities do not suggest that that is actually occurring.

I looked at the UCAS information submitted after the last round of UCAS applications were made. The number of 18-year-olds who went to university last year, when this scheme was in place, was at record levels, at nearly a quarter of a million students, up 1.5% from previous years; the total number of students currently in university is over half a million, which, again, is at a record level and over 0.5% up; and someone from the kind of income groups and social economic groups that the hon. Gentleman described, and which I think he and I both originate from, is 70% more likely to go to university now than they were in 2006. I accept that there is a challenge and that many people are concerned, but the reality is that many more students are going to university compared with a number of years ago, and many more students from low-income backgrounds are going to university compared with a number of years ago. My first fundamental point is that we have to be careful to have these debates on the facts.

[Lee Rowley]

Secondly, we have to look again at what the principle is. What are we ultimately trying to do around university fees? The key point I always come back to when debating the principle of tuition fees is that somebody has to pay, so the question is who? The answer is either general taxation—that is, the taxpayer pays—or that some contribution is made by the people who will ultimately benefit from this the most. When I went to university in 1999, it was the second year of tuition fees. I paid £1,000, although I recognise that is nothing like the amount of money asked for today. I accept the notion that if someone will benefit—if they are likely to achieve a greater amount of pay over their working life—they should be expected to pay a greater share of the amount it costs to get them into that position.

**Margaret Greenwood:** On that point, does the hon. Gentleman agree that there is a societal good in having a highly educated population? The cost of that education should not be placed entirely on the individual, but we as a society should value it and pay for it?

**Lee Rowley:** I completely accept that there is a societal good, and that is exactly why we should have debates such as this one. The reality is still that a proportion of the cost per student, on average, in our university sector is being paid for by society. An increasing portion is being paid for by the individual, but a portion is still being paid by society. The hon. Lady is absolutely right to make that statement. The system already makes provision for that, and the question is where we draw the line.

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): From the hon. Gentleman's remarks and his answer to my hon. Friend the Member for Wirral West (Margaret Greenwood), does he accept that there needs to be a balance and that £9,000 tuition fees for the majority are wrong? That should be scaled depending on what institution someone goes to and what course they attend, for example, and there should be factors determining how much people pay in tuition fees or not.

**Lee Rowley:** I accept in principle that there should be a societal contribution and an individual contribution, which I think the hon. Member for Wirral West (Margaret Greenwood) was querying. My argument—the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) was absolutely correct about this—is that when an individual gains the most, they should be expected to contribute the most. We can have a party political debate about where to draw those lines, and I would probably take a different view from the Labour Members in the Chamber and from the Leader of the Opposition. In principle, somebody pays, and the question is whether that comes from general taxation or, at least, a contribution from the individual. My view is that it should be a contribution from the individual, and I understand, accept and support the direction of travel on tuition fees in recent years.

The motion that we are debating is about reducing fees to £3,000. In preparing for the debate, I looked at some economic bases on which the current system works. In my understanding, if we reduced fees to that amount, it would blow a significant multi-billion-pound hole in the national finances. I would not support that, but if it happened, the proponents of the measure

would need to explain where the additional money would come from. It would be likely to reopen the debate about whether we should cap student numbers, which raises a question about supporting aspiration. It would probably also reopen the debate about the amount of money spent on supporting students through waivers, outreach programmes, measures to increase retention, combination discounts and hardship funds, with which nearly £0.4 billion is associated for the coming year. I would be interested to hear from those proponents where the alternatives would come from or what would be stopped if the proposed tuition fee reduction went through.

**Dr Rupa Huq** (Ealing Central and Acton) (Lab): I am listening carefully to the hon. Gentleman. Does he not accept that there can be workforce issues with particular professions, such as nursing and midwifery, which we have at the University of West London in my constituency? Professor Peter John, the vice-chancellor, has contacted me, saying that he is worried about the 20% decrease in applications since the nurse bursary was cut. It feels as if student fees are adding insult to injury. The hon. Gentleman has pointed out that £3,000 is a bit of an anachronism because no one has suggested going back to that, but that profession has particularly suffered, with applications down 60% on the normal cycle for the February intake. Given that there has been a steep fall in EU nurses, frozen pay and NHS cuts, it feels like that profession is being battered by this measure as well as everything else.

**Lee Rowley:** I thank the hon. Lady for that point, but I am not au fait with the specific subject and area that she outlined. However, if we accept the principle, which started in the late '90s and was extended in subsequent periods, of trying to engender choice in this area and accept some element of market-based principles—I know that is controversial with some in the Chamber—then when there are demand, challenge or supply problems, the market mechanisms should have the opportunity to work.

I do not want to be totally critical of today's debate, because I recognise that there is a genuine issue and that the petitioner began the petition because of genuine concern about where we had ended up as a country. I accept that the system as a whole has some issues, which is why I welcome the Government's full review of tuition fees and the education system in general. I recognise that there has been inflation in the system in recent years and discussions about vice-chancellor pay in the past few months. I accept that initially, when the larger fee came in, not all institutions were expected to go to the top amount, so the review is timely and important. The argument is not about whether the system works perfectly now, because it does not—no system ever works perfectly, but this one obviously has challenges—and it is not about whether areas can be improved. Specific, obvious issues with the system have been highlighted in recent months, and I accept all that.

Ultimately, we come back to the principle that somebody pays: the taxpayer or the individual, or the individual makes a contribution. I think it is entirely legitimate that the individual makes a contribution. I support the system as it stands, pending the fuller review of the detail. For me, this is ultimately a question of a quasi-hypothecation or no hypothecation. Somehow the money



will be spent and it will be paid back. The question is: who pays it back? Is the money associated with the people who get the greatest benefit? In my view, the people who benefit the greatest should contribute the most.

**Jim Fitzpatrick** *rose*—

**Sir David Crausby (in the Chair):** I remind hon. Members that the same rules apply in Westminster Hall as in the Chamber. If Back Benchers wish to speak, they will need to stand up to indicate that. As only Jim Fitzpatrick stood up, I will call him first.

4.45 pm

**Jim Fitzpatrick** (Poplar and Limehouse) (Lab): It is a pleasure to see you in the Chair today, Sir David. Thank you for calling me earlier than I had anticipated. You have explained why and, fortunately, colleagues will not have to wait too long for their turn, as I will not detain them for long.

I am grateful to the Petitions Committee and my hon. Friend the Member for Hartlepool (Mike Hill) for the opportunity to participate briefly in the debate. I am pleased to follow the hon. Member for North East Derbyshire (Lee Rowley), who made a thoughtful contribution, outlining the pressures on the further and higher education system and the pros and cons of different elements. It was a fair presentation and I look forward to hearing the Minister respond to his comments, and to everybody else's, including those of the Scottish National party spokesperson, the hon. Member for Glasgow North West (Carol Monaghan), and of my hon. Friend the Member for Blackpool South (Gordon Marsden). I suspect that my hon. Friend and I were the only two people in the Chamber today who were in the Commons when tuition fees were introduced in 1998, so I look forward to his wisdom prevailing in the debate from the Labour Front Bench.

I confess that I only realised the debate was taking place when the communications hub alerted me that my constituents had contributed the 10th-highest number of signatures to the petition—12,089. I tried to work out why that might be the case, but I have not arrived at a conclusion. I have not seen email traffic from my constituents to support the level of concern that the numbers suggest, but the petition has obviously attracted them and I am pleased to make a contribution.

I am grateful to the House of Commons Library for its background paper. Reading it brought back memories of our debates in 1998 on introducing tuition fees at £1,000 and then, in 2004, on raising them to £3,000. Our discussions were along the lines that the hon. Member for North East Derbyshire indicated—about the cap on student numbers and releasing it to allow more young people to go into further and higher education, which would require some assistance and contribution through tuition fees. That argument clearly won the day.

In 1998, I was ambivalent about the £1,000 level, mainly because the conditions attached meant that most young people and families in my constituency would not be expected to pay since the majority of my young constituents came from below the household income threshold at which it would be required. Tuition fees would not have added to the pressures that they

experienced simply because of the size of household incomes in Poplar and Canning Town, as it was in those days. I assume that I supported the proposal—I have no recollection of not doing so.

However, the sister policy of abolishing maintenance grants, which the hon. Gentleman also mentioned and which the Library briefing paper focused on, concerned me. Whereas fees and their introduction would have had minimal effect, the proposed abolition of maintenance grants would have had—and did have—a profound impact. I voted against it, and that was my first—and probably only—vote against a three-line Whip in our 11 years in government. I knew that many families locally would not have been able to support their children into further or higher education without the grants. The briefing paper makes just that point by quoting the National Union of Students president, who said in her evidence to the House of Lords Economic Affairs Committee that simply abolishing fees would not help students, and that

“just scrapping tuition fees will not solve the problem. It is about maintenance support. Scotland is a prime example. It has no tuition fees, and students are still struggling. It is important to reinstate maintenance grants.”

Sir David, I am sorry I did not include you in our little gang of survivors from 1998, because you are non-political when in the Chair, but you were there, and you will remember, as will my hon. Friend the Member for Blackpool South, that, interestingly, the Labour Government restored maintenance grants four years later, recognising that they were an important policy. That was welcome.

**Dr Huq:** My hon. Friend is making an excellent speech on his rebel past and what fees were like before they turned into the monster that they have become. In those days, did he foresee cases like that of Siobhan Hallett of Acton? She makes £27,000 and her repayments are £58 a month, but if she works any overtime, her repayments rise to £115. She says:

“I feel like I am being robbed every time I try to better myself in society.”

She wants to get on the housing ladder, but she is being penalised by rising loan repayments. The Student Loans Company is taking what she earns.

**Jim Fitzpatrick:** My hon. Friend makes an important point about repayments—when they start, how much is repaid and at what interest rate. To be fair, the hon. Member for North East Derbyshire raised those points as well. I am sure that the Government are trying to weigh up all the different elements, because they all affect each other and the system is clearly unfair. I am sure that when my hon. Friend gets a chance to make her own contribution, she will focus on that; I might intervene to support her points, because they are emphatic and critical to young people's quality of life during their time at university.

**Deidre Brock** (Edinburgh North and Leith) (SNP): The hon. Gentleman referred to the situation in Scotland. Is he aware not only that students in Scotland are not saddled with £27,000 in debt in the way that students in other parts of the UK are, but that last year, additionally, almost 3,000 students qualified for a non-repayable bursary or had their funding increased? Will he comment on that particular situation?

**Jim Fitzpatrick:** I am grateful to the hon. Lady for mentioning Scotland. I will come back to that. The position is also referred to on page 13 of the House of Commons Library briefing; I note that the Scottish Government are currently conducting a review of Scottish funding. That is welcome, because there are questions about how the policies on tuition fees, loans and repayments are applied in England, Scotland, Wales and Northern Ireland. I am pleased to hear that the Scottish Government are carrying out a review. I will return in a moment to what the Library briefing says about that.

As I was saying, I supported the introduction of tuition fees to help raise the cap on the numbers of young people going into further and higher education at college and university, because it was clearly recognised that the ceiling had been there for too long—30% was not right for our 21st-century country—and a change had to be made.

The Library briefing makes the point that each £1,000 cut in tuition fees would cause universities to lose £1 billion in income, or else the taxpayer would have to make up the difference, as the hon. Member for North East Derbyshire said. I do not support the abolition of tuition fees, but neither do I support £9,000 across the board. They should be variable, with the highest fees for the Russell group alone; £3,000 certainly seems too low for those universities. The petition, which is welcome, indicates that this debate is very much still alive.

**Bill Grant** (Ayr, Carrick and Cumnock) (Con): There is general agreement that for good-quality university education to be sustainable, it must be paid for. There are many aspects to that, including the public purse and the individual. Does the hon. Gentleman agree that maybe we should consider looking to employers, who are also beneficiaries of graduates and postgraduates in their businesses? Could they be greater players in funding the education system that we need and desire?

**Jim Fitzpatrick:** The hon. Gentleman makes a good point. My hon. Friend the Member for Wirral West (Margaret Greenwood) said in her intervention that all of society benefits when a highly skilled cadre of young people come through the system. They make us more productive, more energetic and more able to compete in the world market. These are difficult questions for the Minister. I am sure that he has all the answers for us, and we look forward to hearing them in due course. Yes, a contribution across the board is entirely appropriate.

The Library briefing has some interesting paragraphs on fees, as I mentioned in response to the intervention by the hon. Member for Edinburgh North and Leith (Deidre Brock). Page 13 says:

“The free fees policy in Scotland has been discussed by many commentators, most noticeably by academic Lucy Blackman Hunter, who has suggested that free fees benefit middle-class students the most. It has also been suggested that the free fees policy is unsustainable and has led to the underfunding of Scottish universities and rising debt among poorer students.”

As I mentioned, the Scottish Government have indicated that they will be holding a review. I certainly wish them every success in that. My son went to Glasgow University, although as a London-born resident he paid full tuition fees.

**Deidre Brock:** I appreciate the point, but that does not address the fact that many students now in university in Scotland will leave with significantly smaller debt

than students in England who are currently paying £27,000, as has been mentioned, and those paying slightly less elsewhere in the United Kingdom.

**Jim Fitzpatrick:** The hon. Lady makes a good point. The point has also been made that many students are leaving university with debts so high that they will never pay them back. The loss to the Exchequer is transparent. It suggests that the balance is wrong and needs adjusting. I do not detract from what she said, but the Library briefing says that the Scottish Government are reviewing the situation. Maybe they will make some adjustments to indicate how they would make the balance more equitable.

In conclusion, I am grateful to the petitioners for the opportunity to make these brief comments. Debts, interest rates, unpaid loans and fee levels have been key manifesto issues in every election at least since 2001. From this debate, it is clear that that will continue.

4.57 pm

**Alex Sobel** (Leeds North West) (Lab/Co-op): It is a pleasure to serve under your chairship, Sir David. I thank my hon. Friend the Member for Hartlepool (Mike Hill) and the Petitions Committee for bringing this debate, after the online petition was signed by 160,000 people, so that we can discuss the subject.

This is the issue that first drew me into elected politics as a student at the University of Leeds. I was concerned that the Dearing review would bring forward fees, ending the free education that I enjoyed along with many other Members of this House, and it led me to seek election to the student union executive at Leeds University. I spent that year and every year since then campaigning against tuition fees and for a return to free higher education. This debate is close to my heart. I hope that the Government will take heed and reflect on the damaged caused by increased fees.

This Government and the coalition that preceded them, who introduced £9,000 fees, view higher education as nothing more than a pre-work training course and a source of personal economic mobility. That marketised view of education does nothing to differentiate educational institutions from private profit-making entities and markets such as retail. To a free market ideologue, the system created by the Conservative and Liberal Democrat coalition is entirely logical; for the rest of us, however, it is deeply flawed. My view, and that of the thousands of people who signed the petition, is that tuition fees are not sustainable. I am sure that my hon. Friends will agree that education is not a business but contributes to the common good of the nation—what we used to call the common weal.

To look overseas, Chile under Pinochet reduced and then stopped providing direct grants to universities. Bahram Bekhradnia of the World Bank team that went to Chile to help to reform the system said:

“Universities were funded for teaching only via the tuition fees that students henceforth paid. And students received loans from the government to enable them to pay their fees. Sound familiar?”

This Government’s system is straight out of the Pinochet free market playbook, one widely recognised to have failed. Those are not my words but those of somebody from the World Bank. He continues:

“Well, after three decades, the Chilean government has now concluded that this is an unsatisfactory way to fund higher

education...Chileans are looking for a new system under which the government will provide grants to universities funded from general taxation.”

They have started down that path and away from a fees-based system.

Looking at a country that undertook the free market experiment in higher education over 30 years ago, and which we are still in the early stages of, is instructive about what will happen here in future. First, in Chile, the debt of former students is colossal in relation to their earnings—by far the highest in the world. England has started to catch up: graduate debt is exploding as cohorts of students from the new funding regime complete their degrees. Secondly, just as in primary and secondary education in this country, previous Chilean Governments encouraged private institutions of variable quality in tertiary education, which now educate 80% of people. As a result, there are serious concerns about some private institutions creaming off taxpayer-funded loans for students and making unsatisfactory provision in return. Thirdly, the funding arrangements make it difficult, if not impossible, for the Government to steer the higher education system in a way that is possible with direct grant funding. That matters when higher education is a vital element of a country's economic and social development, as Governments around the world, including the UK Government, increasingly believe.

That is a vision of our future unless we change the system. The Chilean Government under Michelle Bachelet have started to reform the system: 80,000 university students received free education last year and the majority of students had a cost reduction. It took Chile 30 years to reverse the mistakes of a free market in higher education. Let us not repeat the same mistakes here.

It is shameful, given that the contribution of the public purse to universities is one of the lowest in the OECD, that we are not seeing greater levels of state funding for something that contributes so much to our nation's welfare. The Government contribute no more now with £9,250 fees than when £3,000 fees were introduced. In fact, with the proposed freeze at £9,250 this year and next year, universities are seeing a real-terms funding cut. Students are paying for the majority of the system but seeing cuts to university funding from central Government. Students and universities are victims of the Government's chaotic policy. Free market ideology means the Government take no responsibility for the destruction and dismantling of our once renowned centres of education but degrade our institutions by starving them of state funding. It is time to call a halt to the coalition Government's free market experiment and this Government's continuation of it, and to implement a system that encourages readily available higher education for anyone with a will and a desire to learn.

5.2 pm

**Matt Rodda** (Reading East) (Lab): I appreciate the opportunity to speak this afternoon, Sir David. I was due to be a member of a statutory instrument Committee but was kindly relieved of that duty by a colleague. I thank all those who signed the petition that allows us to have this debate. I support the comments made by my hon. Friends the Members for Leeds North West (Alex Sobel) and for Hartlepool (Mike Hill) and by other Opposition speakers.

I will address fee repayments in my constituency. Reading is a university town, as many hon. Members may know, with a particularly high number of graduates. The local workforce has a high proportion of highly skilled and highly trained people in industries such as IT, research in the public and private sectors, and a range of applied technology businesses—many of which are exactly the sort of business that the Government seek to see grow as we are due to leave the European Union. Many of those young graduates are above the loan repayment threshold but do not yet command such a high salary as to be insulated from the effect of fee repayments. I notice hon. Members nodding; the situation is similar in many other high-growth parts of the country.

I will give additional details to illustrate how the mistaken tuition fees policy has a harmful impact on that group of people and on economic growth in areas that are hubs and should be fostered, as the Government have pointed out. A practical example is a teacher in their 20s living in Reading who has effectively had a 15% pay cut—this applies to public and private sector staff, as many private sector employees have had a real-terms pay cut too—but faces an additional charge on their income of up to 9% a year through tuition fee repayments because they are in the cohort that has been through the £9,000 a year regime. We can imagine the impact on key workers such as teachers, nurses, social workers, university staff, IT workers and others. That must also be viewed in the context of high house prices and the high cost of living such as the high travel-to-work costs of a season ticket to London or for local commuting—many people in the Thames Valley commute between towns with growing high-tech industries such as Maidenhead, Reading and Newbury, where Vodafone is based. House prices can be as high as £300,000 for a two-bedroom terraced house in Reading. Not all houses are that price, but that context is significant.

At the same time, a young person in their 20s or 30s who has to repay large amounts of debt, who faces relatively static pay or indeed a pay cut, and who faces high house prices, may want to start a family but may delay that because of the impact of the extra costs and burdens on them. Many employers in high-growth areas such as Reading are suffering staff shortages. The high real cost of repayments in a high cost of living area is part of the cocktail of factors affecting those shortages. We have a shortage of teachers locally, as was pointed out to me by the local head teachers I met last week. Young staff, potentially some of the most important in the educational sector, who have gone through their initial teacher training, who are bedding in and who have a lot of their career ahead of them, are moving out of our area to live in lower cost parts of the country where the effects of loan repayment will be less. The same is true for areas such as social work, nursing and midwifery, where real concerns have been raised; the four-hour A&E wait target has not been met at our local hospital for many months.

Private sector employers are also heading in the same direction. We have some very large employers in our local IT sector, as well as a burgeoning group of entrepreneurial small businesses and a large supply chain. Many people in those supply chain businesses and many of the entrepreneurs cannot command the same salaries as the highest of high flyers in blue chip

[*Matt Rodda*]

industries. I hope the Government will consider that, particularly on the day they have launched their industrial strategy, and reflect on the need to allow these clusters to develop in towns and cities such as Reading—the small and rapidly growing urban centres with universities that are the engines our economy needs as we face the challenge of Brexit.

The challenge of repaying such debts is increasing year on year, given the context I have described. Not only have tuition fees risen, but other costs have too. In particular, the cost of housing is significant and growing because the supply is not expanding. Conservative Members will point to the Government's Budget measures last week, but I remain sceptical because other Government measures have not raised the supply of housing. Sadly, under George Osborne, plans for 1,000 new council houses in my constituency were stopped by the Government's mistaken approach, and the Government have fought the local council's attempts to keep a larger proportion of housing at affordable levels in private developments.

Given the rising house prices, the lack of real housing supply in the area, and the further austerity that will lead to further falls in real earnings for people in the public sector, and possibly for people in the private sector as the local labour market is depressed as a result, it is high time for the Government to reconsider their tuition fees policy. I urge Government Members to do so—particularly the Minister, who I know is a deeply cerebral and thoughtful man. I am sure that they have the best of intentions. If they take a step back, as my hon. Friend the Member for Leeds North West suggested, and look at the international comparators and the trajectory we are on, I believe they will reconsider their worrying and mistaken policy.

May I conclude with a small plug for the University of Reading and other local institutions? Our town is lucky to have them driving local growth in IT, science and other fields. I hope that such growth continues to flourish, but I fear the tuition fees policy may be an obstacle to it.

5.10 pm

**Carol Monaghan** (Glasgow North West) (SNP): It is good to be speaking in a tuition fees debate once again, and I thank the hon. Member for Hartlepool (Mike Hill) for kicking off this afternoon.

The Government enjoy using the phrase “make work pay”, but today I will start by saying that we need to make education pay. For many young people who face the choice between crippling student debt or taking a low-paid, unskilled job, only one route is possible. The hon. Gentleman spoke about his working-class background and how university was a struggle for his family. I understand that completely; I, too, come from a working-class background. I was one of five children, and all five of us went to university. That was only possible because we not only did not pay fees, but had generous maintenance grants to support us and our family while we were at university.

This debate is fundamentally about the value we place on education and about our ambitions for the future of our young people and our nation. Will the young people embarking on tertiary education courses

contribute economically and societally to our nations, or are we providing them with a service for which they must pay? The hon. Member for Leeds North West (Alex Sobel) talked about the free-marketisation of education, and spoke in detail about the experience in Chile. He explained that it took Chile 30 years to understand and appreciate the errors of its ways and change its tuition structure entirely. I really hope it does not take the Minister 30 years to do the same for English students.

The hon. Member for North East Derbyshire (Lee Rowley) asked who pays, and his conclusion was that it should be those who benefit. I do not disagree, but I question exactly who benefits. As legislators, we must be clear about that. In a higher education debate on 13 September, the Secretary of State for Education referred to fees as a “burden” on society—a dangerous piece of spin that the Government can ill afford to peddle. The post-Brexit economic success of the UK will rely on a well-educated population with a range of educational experiences and expertise. We already have skills shortages in science, technology, engineering, maths, healthcare, education and digital, so graduates are needed now more than ever to ensure that the UK remains competitive outside the EU. When we consider that EngineeringUK estimates an annual shortfall of 20,000 graduates in engineering alone, we can see that fees for tertiary education are illogical.

The effects of the tuition fees policy are also clearly demonstrated by the abolition of nursing bursaries. The hon. Member for Ealing Central and Acton (Dr Huq), who is no longer in her place, pointed out that the decline in the numbers of those choosing to study nursing comes at the same time as a sharp drop in the number of EU nurses registering to work in the UK. That needs to be a wake-up call to the Government about their damaging policies.

A fundamental principle of the Scottish National party is that education should be based on the ability to learn, never the ability to pay. We have a strong and principled record of opposing increases in tuition fees in England and Wales, and we will continue to reject any legislation that seeks to increase the financial burden on students. Of course, fees are not the only attack on English students: the interest on tuition fees has risen sharply, maintenance grants have been scrapped, and now we hear that some students' debt on completion of their course has reached an astronomical £50,000, which will leave many young graduates saddled with debt throughout their entire working life. The hon. Member for Reading East (Matt Rodda) spoke about the repayment threshold, and the salaries and costs of living of those who may be just above it. Coupled with increased costs of living, repayment is a huge burden on people's week-to-week finances.

In Scotland, we take a holistic view of education. I have already referred to “tertiary education”, and I try to refer to it generally, because the distinction between further education colleges and higher education institutions in Scotland is fluid. I have heard many times in this place a spin on UCAS figures suggesting that fewer young people from disadvantaged backgrounds enter higher education in Scotland than in other parts of the UK. That is used as an example of why it would be wrong to abolish fees, but I am sure that the Minister and other hon. Members present know that that is simply not the reality.

One third of degree-level courses in Scotland are in further education, but that is not accounted for in UCAS figures. Audit Scotland reports that it amounts to more than 45,000 Scottish students undertaking higher education in Scotland's colleges. In Scotland, many students access higher education from further education, but that is not captured by UCAS figures either. For the benefit of hon. Members who have not heard me cite what UCAS has to say on the matter, let me quote it again:

"For people living in England, Wales and Northern Ireland, UCAS covers the overwhelming majority of full-time undergraduate provision...In Scotland there is a substantial section of provision that is not included in UCAS' figures. This is mostly full-time higher education provided in further education colleges, which represents around one third of young, full-time undergraduate study in Scotland...Accordingly, the statistics on UCAS entry rates and acceptances...reflect only...undergraduate study that uses UCAS."

Put simply, UCAS figures consider only direct entry from school to university; they take no account of degrees delivered in FE or of young people who enter university from an access or college course.

**Bill Grant:** I cite these figures off the cuff, but I believe that in Scotland we have lost 150,000 further education places, which has reduced accessibility to further education for many. Despite the very good efforts of the Scottish Government, we are still not attracting enough people from lower-income backgrounds to university. Those appear to be the facts; the hon. Lady may wish to agree or disagree with them.

**Carol Monaghan:** Perhaps the hon. Gentleman has read some figures but not fully understood them. We have college places aplenty in Scotland; we have college places that cannot be filled. There are now 116,000 full-time college places in Scotland, which is more than ever before.

In a *Times Higher Education* article last year, Professor Danny Dorling of Oxford University wrote:

"In contrast to England, Scotland shows what a real narrowing of inequalities would look like. There, the most dramatic change has been in the proportion of children from the most disadvantaged quintile of areas going to the highest tariff universities. Home student applications continue to rise in Scotland even as they begin to stall in England."

To talk down the interactions between FE and HE in getting young people from disadvantaged backgrounds into tertiary education does a great disservice to the institutions and the young people served by them.

Our free tuition policy benefits 120,000 undergraduate students every year, saving them from the massive debt seen in other parts of the UK. The hon. Member for Poplar and Limehouse (Jim Fitzpatrick) stated that he was probably one of only two Members who were here when tuition fees were first introduced in 1998. In 1998, my son was born. He is now in his second year of university in Scotland and he has no tuition fees. At the moment, he is still debt-free, because like many students in Scotland, particularly in the west of Scotland, he lives at home and he has a job to supplement his life, especially his social life, if that is required. However, he is debt-free and hopefully will remain so.

Even taking into consideration my previous comments about UCAS statistics, the number of students from Scotland's most deprived areas who are entering university

has increased by 19% in just two years. We are clearly ahead of others in supporting such young people to ensure that they remain in education. Alastair Sim from Universities Scotland says that the entry rate for 18-year-olds from the most deprived areas of Scotland is 51% higher than 10 years ago.

Despite the attempts of this Tory Government to use statistics to spin the story, the facts in Scotland are different. In Scotland, we place a value on our young people; from baby boxes to free tuition, we tell them that they are important and we need them. We are told that our free tuition prevents Scottish students from accessing the available places. Again, that would help the Tory spin, but once again I have to disappoint. Since the SNP came to office in 2007, the number of Scottish-domiciled full-time degree entrants has risen by 12%, and since 2013 the total number of funded places available at Scottish universities, including additional places to widen access to students from Scotland's most deprived areas, has also increased.

There is no doubt that the Scottish Government's investment in additional places for access students and for those progressing from college has had a positive impact. We are investing £51 million a year to support 7,000 places, including those for access and articulation from FE to HE.

We are reaping the benefits. UCAS statistics for this academic year show that more than 34,500 applicants living in Scotland accepted a place at university this year, which is an increase of 2% and a record number at this stage in the cycle. Contrary to what the hon. Member for North East Derbyshire said, all other UK nations saw a fall in the number of people accepted to university compared with last year.

**Jim Fitzpatrick:** In my speech, and in response to the hon. Member for Edinburgh North and Leith (Deidre Brock), I referred to a comment in the House of Commons Library briefing paper that the Scottish Government are carrying out a review of this whole area of policy. Is that the case, or is it not? The hon. Member for Glasgow North West (Carol Monaghan) is painting a very positive picture, but if the picture is so positive why would the Scottish Government have to carry out a review?

**Carol Monaghan:** Of course the review is taking place. Despite the positive picture, and it is a positive picture, we do not stop there. We will keep going and keep going, until we can ensure that every young person, regardless of background, can go to university or can see university as something they would like to do.

The Scottish Government are doing other things, too. In Glasgow, they run a project called the advanced higher hub. I have mentioned it before in this place. In Scotland, advanced highers are the highest school qualification. The advanced higher hub is funded by the Scottish Government and supported by Glasgow City Council and Glasgow Caledonian University. It takes young people from disadvantaged schools all over Glasgow and brings them together to do their advanced highers. The idea was that if only one or two pupils were doing advanced highers in a particular school, it was not economically viable to run those courses, whereas bringing pupils from different schools together made it economically viable.

[Carol Monaghan]

One of the side effects of the project arises from those students having their lessons on a university campus, as they start seeing university as something they can all do. University seems normal; the process is normalised. The number of young people who have attended the hub and who are now going to university is just overwhelming. It is a huge success story. We will continue to do all we can to widen access and ensure that our young people are given the best opportunity to succeed.

I want to say something about Labour's position. I welcome Labour's stance on tuition fees and I support any attempts to reduce or abolish those charges, but I struggle to understand Labour's position. I want to have faith in it and I want to believe the Labour party, but we also see the Labour Government in Wales increasing tuition fees. I appeal to Labour colleagues in this place to follow the SNP, talk to their Labour colleagues in Wales and consider what can be done so that the public can be assured of their intent.

**Bill Grant:** There must be two Scotlands—I am sure there are—because the Scotland that I see in my mind's eye has an education system that was at one time the envy of the world but that is now struggling, which I very much regret. I understand that in the programme for international student assessment scales, or PISA scales, which are a measure of education, Scotland has slipped back to 27th, behind Lithuania. I know that PISA is not linked to university or higher education. However, Scotland is good, but we need to make some improvement in our education system.

**Carol Monaghan:** I am happy to talk about PISA and Scottish education. It is amazing that throughout the world Scottish education is lauded as a shining example; it is only here that it is not. We come here and we hear about how awful Scottish education is, but Scottish education is ranked extremely highly.

As for the PISA tests, they look at pure knowledge—rote learning. They ask pupils to recall facts. That is not what the Scottish education system is about. There is an element of that, but it is also about problem-solving, employability, communication skills—in fact, it is about everything that employers are looking for that are not captured in any PISA tick-box tests.

**Richard Graham (Gloucester) (Con):** I am interested in the arguments that the hon. Lady would use when meeting her constituents or others in Scotland about why those in vocational education should subsidise the children of their neighbours who are in higher education. One of the issues for many of us in England is that the huge rise in apprenticeships, whereby people are earning while they are learning and becoming self-sufficient, does not begin to justify those people subsidising their neighbours' children. What does she say to that?

**Carol Monaghan:** I thank the hon. Gentleman for that intervention. We place a huge value on vocational training as well and I invite him to join me at City of Glasgow College, where people are looking not only at degree-level courses but at vocational courses. Nobody there considers those students taking vocational courses to be subsidising anyone else. City of Glasgow College

is a fabulous new facility right in the heart of the university sector in Glasgow; we have Glasgow Caledonian University on one side of it, with Strathclyde University on the other side, and Glasgow University just a mile and a half away. City of Glasgow College is now the shining example to all of those universities, and many young people at the college are the envy of those in the higher education institutions.

**Richard Graham:** I am very grateful to the hon. Lady for giving way again. I have been to Glasgow, although not for a few years, and I would be interested to see how the City of Glasgow College is doing things. However, at the end of the day, if we are going to reduce university fees in the way that she suggests, someone will have to pay for that. The truth about our system at the moment is that we have 20 of the best 100 universities in the world, not least because of the investment that has gone into them. We have overseas students who are effectively subsidising our students and if we lower the fees, someone will have to mind the gap that will be created. Who will that be?

**Carol Monaghan:** It is quite simple; once again, look north. One of my party's fundamental principles is that education is about the ability to learn and not about the ability to pay, as I have already said. Paying for education is a duty of Government, of business and of society, which includes the taxpayer, to ensure that we have a well-educated population that can provide economic growth in different businesses and different sectors. Post-Brexit there will be a struggle to create economic growth. It is a duty of us all to pay our taxes so that those taxes can fund the higher education of our young people.

**Matt Rodda:** I thank the hon. Lady for giving way. I just wanted to make a point of clarification about PISA, which is a very interesting international study. As someone who was a civil servant in the Department for Education some years ago and who has worked in the sector recently, I think it is important to look at the broad picture that PISA gives but also to understand its strengths and weaknesses. One significant thing about PISA is that the countries with education systems that do best in the test tend to be those with high levels of investment in education and of teacher qualification and a generally pro-education culture. Of these, the western countries are Finland and Canada, both of which have a lot to offer in pointing us in the right direction.

The hon. Lady comments on Scotland and on the nature of PISA. My understanding, from having worked with academics who are specialists in the comparison of different education systems and, indeed, in broader educational research, is that there are criticisms of PISA—it is one of a number of measures—but it measures not rote learning but rather students' ability as teenagers to understand complex material and to act on their own. The Minister may want to comment on that as well. Trying to dismiss PISA as the hon. Lady does might be misleading, and she perhaps needs to look further into the issue. That it not to say that PISA is perfect—there is an extensive, learned debate among academics who specialise in education policy on its pros and cons—but I caution her about trying to dismiss it as a rote-learning exercise because, in my understanding, it is not.

**Carol Monaghan:** I thank the hon. Gentleman for his intervention. I am not here to discuss PISA. I am happy to talk about it, but the fact is that the education system in Scotland has changed dramatically over the past 10 years to match the needs of businesses and employers and to allow our young people who want to go on to higher or further education to do so. Many things are done in Scotland that are simply not captured by PISA.

I finish by saying that the Institute for Fiscal Studies has calculated that if student debt were to be scrapped immediately in England £20 billion would be added to the UK Government debt and that delaying the decision until the end of the current Parliament would add £60 billion—three times that amount. That is perhaps something for the Government to think about because if that decision has to be taken, it should be taken sooner rather than later. The SNP is fully committed to guaranteeing fair access to higher education so that every young person, regardless of background, has an equal chance of going to university, and my party will continue to work hard to ensure that.

5.32 pm

**Gordon Marsden** (Blackpool South) (Lab): It is a great pleasure to serve under your chairmanship, Sir David. I thank my hon. Friend the Member for Hartlepool (Mike Hill) for introducing the debate, with crispness but with insight. The truth of the matter is that a lot of water has run under the bridge since the e-petition was initiated. Members will have seen in the Library briefing that it was put together before the general election was called. Debate on it was therefore postponed. As I say, a lot of water has run under the bridge—under our bridge, and the Minister's also perhaps—since then, but the reality that prompted 166,000 people to add their names to the petition remains the same. The current system of fees at record highs, and potentially rising in the years ahead, is unsustainable.

This has been a good-natured, thoughtful debate, with some excellent contributions from both sides of the House. This is the first time I have heard the hon. Member for North East Derbyshire (Lee Rowley), and I pay tribute to his speech. There are always different ways of looking at how things have gone. He cited the figures on participation in education that are handed out by Tory Whips at every Education questions, and they are true, in certain areas and in certain cohorts of young people. However, we have to think not simply about young people but about people of all ages, because that is a key issue we will face in the next 10 years. Indeed, among young people themselves, there are disturbing signs regarding completion, which I will mention later, making the picture perhaps not quite as rosy as the hon. Gentleman suggests.

We have had some excellent contributions from Labour Members. My hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) not only reminded himself and me of our mortality in this place, but also the Chair, which may or may not be a good thing to do. The truth of the matter is exactly as he said. People forget, of course, that the decisions taken in 1998 were the result of the Dearing report. The report had a consensus in this House, because of the issues it needed to address, but even then, there were many concerns about maintenance grants, as my hon. Friend rightly said.

Maynard Keynes famously said:

“When the facts change, I change my mind. What do you do, sir?”

That is one reason why the Labour party is now committed to what we said we would do in our manifesto. The loss to the Exchequer, in my view and, I think, that of many, of the funding processes is becoming unsustainable.

The huge amount of erudition and reference with which my hon. Friend the Member for Leeds North West (Alex Sobel) spoke did not affect the fact that he stressed, absolutely rightly, that the current Government in particular—the previous Government under David Cameron were also guilty of this—have an obsession with an ideological viewpoint which, as I have said before, could have come from the pages of Ayn Rand, in the sense that they regard higher education principally as a private consumable, although from time to time they throw bits of food off the table to the public good. That is one issue with which Opposition Members and progressive Government Members take strong issue. It must be remembered that Bahram Bekhradnia, whom my hon. Friend the Member for Leeds North West mentioned—the Chilean example he gave was a fascinating one—was not only a distinguished director of the Higher Education Policy Institute, which the Minister and I frequently use to bounce ideas off, but a director for 10 years, so he knew what he was talking about.

I was pleased with and interested in the contribution by my hon. Friend the Member for Reading East (Matt Rodda). He made points about the negative—if I can put it this way—nudge impact on groups of people, and he talked particularly about the south-east. From a northern perspective, one reason we were not happy with the freezing of the threshold was that it brought more and more graduates in the north and the midlands into the repayment trap too early. We should see in this whole process the problems of repayment.

The hon. Member for Glasgow North West (Carol Monaghan), whom I was pleased to work with on the Higher Education and Research Bill, made a number of interesting points, some of which I agreed with, some of which I did not. She talked about the impact of fees on English students, but the Government's fee policies affect, and the tuition fees e-petition concerns, not just English students but tens of thousands of students enrolled in higher education in further education colleges, like mine in Blackpool. The issue also affects thousands of Scottish students in England and thousands of students from Northern Ireland. The Minister might want to pause for thought, because the Democratic Unionist party has been less than keen on tuition fees. That was why the DUP absented itself from our tuition fees debate in the main Chamber on 13 September and why the Government had to flee the field on that occasion and were forced to allow our Opposition motion to pass unopposed. The Minister should have a care not to rub his DUP colleagues up the wrong way, otherwise there might be an addition to that £1 billion down payment for their support.

The tuition fee changes that the Government put through before the general election saw the basic rate for tuition fees rise from £6,000 to £6,250 a year. The higher rate moved from £9,000 to £9,250. According to the Sutton Trust's recent report, “Fairer Fees”, the average debt for students is £46,000. Student fees in the UK are 10 times higher than the European average and

[Gordon Marsden]

twice as high as in the US. In June this year, the Institute for Fiscal Studies sounded further alarms about the Government's direction of travel. It said:

"Replacing maintenance grants with loans... results in students from low-income families graduating with the highest debt levels, in excess of £57,000."

It also said that

"changes since 2012 have increased the repayments of almost all graduates, increasing the burden of student loans the most for low and middle earners".

I have made reference to this elsewhere in the House, but the University and College Union commissioned a report from London Economics that was published on 20 July. It suggested that thousands of graduates will suffer a midlife tax crisis from the repayment of accrued interest on student loans. With a ninefold increase in inflation from 0.3% in April 2016—before the Brexit referendum—that will now get radically worse. None of these things exactly hangs out a welcome sign to young people who have got a place or hope to go to university, and that is significant.

The Sutton Trust has issued Members with a factsheet on student debt, but it has also done research that shows that in 2017, financial worries about HE were particularly pronounced, and they increased in families with low levels of affluence. Some 66% of those families were worried, as compared with 46% in high-affluence households. It is no wonder that the results of the survey of student experience by the Higher Education Policy Institute and the Higher Education Academy show that just 35% believe that their higher education experience represented good or very good value for money.

I have talked about the issues around the drop-out rate. Two recent reports from the Office for Fair Access and the Social Market Foundation point to growing drop-out rates, particularly among students from disadvantaged backgrounds. I have already referred to the Sutton Trust survey. It showed the poorest statistics in eight years for school students wanting to plan for higher education.

I will raise a point that the Government seem to neglect. I have talked before about the fact that we can nudge people away from things as well as towards them. The issue is not just a question of the increasing pressure on those who have taken out loans and how that affects their social mobility; it is also a question of how that puts off people who might want to go to higher education in the first place. By its very nature, that is much less quantifiable, but it is a real factor that needs to be discussed.

What is clearly part of the equation is the impact on part-time and mature students. The main casualties of the increases in tuition fees since 2012 from £3,000 to £9,000 have been mature students and part-time learners. In England, there has been a 60% drop in the number of part-time students since 2010-11. The Minister has said on several occasions that he thinks the argument is far more complex than that, but many people, including me, think that the statistics tell their own story. We simply cannot afford to have that haemorrhaging in the involvement of those groups.

The skills figures are stark: only 13% of the 9.5 million people in the UK who are considering higher education in the next five years are school leavers. The majority are working adults. There is a social dimension to

the issue. That is underlined by the fact that one in five undergraduate entrants in England from low-participation neighbourhoods choose—or for financial reasons perhaps have no other option—to study part time. Those are the sorts of people being affected. Even the Minister's distinguished predecessor Lord Willetts has now admitted that the decisions the Government made in 2012 to treble tuition fees—at that time, the fees were buttressed by various safety mechanisms for social mobility, but those were then stripped away by subsequent Governments—weaken that argument about social mobility still further.

Those are not good bases on which this or any Government should defend the current system. Indeed, there is a palpable and growing realisation that the Government's settlement for higher education is divisive and financially unstable, especially in regard to tuition fees. Keith Burnett, the vice-chancellor of Sheffield University, put it sharply in a *Times Higher Education* article in June:

"With total debt forecast to hit £200 billion in six years and to pass £1 trillion by 2045, it will dwarf credit card debt".

On the basis of the Government's disappointing general election results—it is important we recognise that it was not just students who turned against them in a big way; it was young people in general, because the student issue and how the Government were dealing with it was seen as emblematic of their attitude towards young people in general—it is not surprising that there has been lively discussion in government about what should be done. The First Secretary of State acknowledged that student debt was a huge issue. The Leader of the House spoke about it, although she did not come forward to discuss matters properly. One of the leading members of the Government—if one is to believe what one hears, he is very much a darling of Tory activists—the Secretary of State for Exiting the European Union, the right hon. Member for Haltemprice and Howden (Mr Davis), is on record as saying in 2010 that he opposed the plans to increase fees to as much as £9,000 a year. He said

"that is something I don't believe we can allow to continue. I have always been against tuition fees. In 2005 our policy was abolition and I was one of the drivers behind that."

That is the reality of where we stand today. The Government have conceded that the situation with fees is unsatisfactory. If they thought the current system was working well and would be sustainable in the long term, they would not have tinkered with it at the Conservative conference, where they capped the fee rise to £9,250 and increased the repayment threshold of student loans. As one of the central announcements in her conference speech, the Prime Minister committed to a review of HE funding and student finance, but the Minister has yet to reveal the details of that review. At the conference and subsequently, he seemed singularly unhappy about associating himself with the review. The Chancellor failed to mention it in the Budget, so will the Minister let us know the terms of reference for the review? Will it be a full consultation? When will it be brought back?

**Jim Fitzpatrick:** I know that the further education sector is very close to my hon. Friend's heart. I just left the reception of the London region of the Association of Colleges where there was great dismay that the Government have been almost silent on the future arrangements for the further education sector. That is



similar to the absence of any clarity on where the Government are generally going in this whole area that my hon. Friend is outlining.

**Gordon Marsden:** I thank my hon. Friend for raising the situation in further education colleges, because a number of FE colleges, including in my constituency, took the leap of faith in the late 2000s—very much encouraged by the then Labour Government—and set up higher education departments. Those higher education departments must be allowed to flourish, but it seems they are bearing not only the burdens that I am talking about generally, but particular burdens because of the nature of the young people they take in. It is a double whammy, because they take in young people from poorer backgrounds, who are precisely the sort of people most likely to be put off by rising fees. They also take in older people who wish to reskill and retrain, and they too are precisely the sort of people likely to be put off. We know that because we see what is happening with the advanced learning loans that the Government introduced progressively, largely but not entirely for further education, where 60% of the money put out in those advanced learning loans—the figure has barely changed—year by year has remained the same. That is a crisis for FE colleges, but it is also a particular crisis for HE in FE colleges.

Our plans would uprate the funding to universities in line with inflation, whereas the Government's plans basically impose a real-terms cut in funding. Of course, rising fees might have been easier to swallow if they had been put back into the system, but, again, as MillionPlus has said, and as has been referred to today, there has been no increase in direct grant available from Government for university courses in the arts, humanities, social sciences, architecture and economics to name a few of the subjects affected since 2014-15. That means universities are now required to fund programmes that previously were supported by Government, and there has been a decline in capital investment and an 80% cut in the teaching grant. Will the Minister confirm how much funding in real terms universities will lose in each of the next five years as a result of their current position and their decision to freeze fees?

Now that the Government have increased the student loan repayment threshold, whatever else it might mean for the benefit or otherwise of the students concerned, it means that they are going to miss their own RAB target by around 15%, so will the Minister confirm whether they will revise the target?

The University and College Union got it right when it responded to the Chancellor's Budget statement. It said:

“The glaring omission from today's speech was any support for current higher education students, or further detail on the Prime Minister's promised review of university funding in England.”

That is why we have persistently, in both the HE and FE Bills that came through before the general election, argued the case for much greater focus on some of the groups who will be affected by that. That should go to the heart of the way in which student loans are handed out at the moment. The Minister knows that the Student Loans Company has recently been the subject of controversy, but the issue, which I will not dwell on today, of overpayments and how that has affected many students brings us back to the point that the Government and the Student Loans Company are operating a system

that is beginning quite significantly to fail. If the nature of the Student Loans Company board or the Office for Students board were perhaps slightly broader than they are at the moment, more light might be shed on this area.

We appreciate the fact that the Chancellor has listened to our call for proper information sharing between HMRC and the Student Loans Company. Even though it has been postponed until 2019, I hope that that will have a major impact on the current situation. A great deal of thought needs to be given to any major changes in student finance, but the direction of travel matters. We are clear about our direction of travel. We would build bridges for people and not put barriers in their way via a series of measures that stress private good as opposed to public good and which keep people in silos.

5.54 pm

**The Minister for Universities, Science, Research and Innovation (Joseph Johnson):** I am grateful to the petitioners for giving us the chance to have this debate as well as to the hon. Member for Hartlepool (Mike Hill) for introducing it.

Enabling people from all backgrounds to take advantage of the opportunities provided by higher education is obviously an important goal for the Government. Since reforming the student finance system in 2012, the Government have been able to lift the enforced cap on student numbers that had been in place for many years and remove the associated cap on social mobility that it represented. We have enabled record numbers of 18-year-olds, including those from disadvantaged backgrounds, to start in higher education. We have also increased the total resources available to universities by about 25% per student per degree, according to the IFS. As a result of all of that, increased numbers of students stand to benefit from increased lifetime earnings of at least £100,000 more than non-graduates after tax.

[MR CHRISTOPHER CHOPE *in the Chair*]

However, it is only fair that graduates should share some of the costs associated with their education, rather than those costs falling to the taxpayer alone. The system is designed to ensure that those who benefit contribute to the costs of higher education in proportion to the benefits that they receive from it. The motion raises the question of whether we should reduce tuition fees to £3,000. In our view that would be a big step backwards. We estimate it would cost the Government an additional £6 billion a year. The Government would have to choose whether to reduce funding to universities, reintroduce a cap on the number of students who could access higher education, or ask taxpayers, many of whom will be non-graduates, to pay that £6 billion additional cost. None of those options is palatable. We need our universities to be well funded so that they can equip our graduates with the skills and knowledge that they need to contribute to our economy.

**Carol Monaghan:** Will the Minister give way?

**Joseph Johnson:** I want to respond to the points made by the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), and then I will give way to the hon. Member for Glasgow North West (Carol Monaghan). The hon. Member for Poplar and Limehouse clearly does not support the wholesale abolition of tuition fees, which I understand to be the present policy of the Labour party.

[Joseph Johnson]

However, I hope he will acknowledge that the most worrying effect of reducing fees to £3,000 would be to lower the participation of students from lower socioeconomic backgrounds. To lower spending and to control it in the context of rising demand for what would effectively be free higher education, the Treasury would push hard to introduce student number controls that we, thanks to our present student finance system, have been able to lift under our current arrangements.

**Carol Monaghan:** I thank the Minister for giving way. He mentioned who should pay the fees and shoulder the responsibility for that. If we ask taxpayers, “Do you want to fund this particular student £9,000 a year to go to university?” probably their answer would be no, but if we were to say, “Do you want to have teachers in our schools, nurses and doctors in our health service and engineers working on different projects, and your taxes will fund that,” I think the answer would be different.

**Joseph Johnson:** The Government recognise that the cost needs to be shared in proportion to the benefits that flow from higher education. There are public benefits, which the Government make a contribution to on behalf of taxpayers, and there are private benefits, which individual students should make a contribution to. We have a mixed economy for our higher education system, which makes it sustainable and fair.

**Carol Monaghan:** If the Minister is suggesting that the private benefits would be an increased salary, part of the increased salary would be an increased tax, so people would be contributing via their salary.

**Joseph Johnson:** Indeed they would, but it is also important that they make a direct contribution that relates to the benefit they have received, which has been provided for them by a public funding contribution.

**Jim Fitzpatrick:** I echo the point made by the hon. Member for Glasgow North West (Carol Monaghan). In response to the Minister’s challenge to me, he is right: I do not support full abolition, but neither do I support the £9,000 level. I think there is a balance to be struck. On his comment that the Treasury presses hard, I know it does. I have been in government; the Treasury always presses hard. The political choice that one makes, and that the Treasury and the Cabinet make, is how far it is allowed to press, and where the trade-offs are. The hon. Lady says that there should be contributions from elsewhere. The health service has suggested that we have golden handcuffs for those who want to qualify as doctors, and free them from their tuition fees to get them into the NHS and keep them there for the rest of their professional lives. Those choices and judgments have to be made.

**Joseph Johnson:** I would just note that higher education is a devolved policy responsibility in the United Kingdom. Those parts of the United Kingdom that have the present level of fees that we have in England have been able to lift student number controls. Other Administrations, which have made their own policy choices, have not been able to lift student number controls. As a result, under those Administrations we have seen far lower

levels of widening participation than we currently see in England. We genuinely think that returning to a cap on student numbers would be absolutely disastrous for young people from lower income backgrounds.

**Richard Graham:** One crucial element in danger of being overlooked is that the lifting of the cap on student numbers has been extended in a particular direction, very constructively across the country. I refer to the policy on nursing degrees, and the new policy of nursing associates that complements it. Were it not for that, frankly my county of Gloucestershire, and those like it, would have a net deficit of about 350 new nurses per year. With the new policy, the University of Gloucestershire has been able to offer nursing degrees. Over time, that will result in far greater numbers of home-grown nurses than previously, and I am grateful to the Government for that.

**Joseph Johnson:** My hon. Friend is right: putting the funding of nursing places on to the sustainable basis that other students are on will enable far greater participation, and result in an uplift in the numbers of nursing students in this country.

Taxpayers already contribute around half of the costs of the higher education system. We believe that it is right that graduates should also contribute, and that that contribution should be linked to their income. As I have said, that means that those who have benefited the most from their education repay their fair share. The hon. Member for Leeds North West (Alex Sobel) gave us interesting insights from Latin America, which I know is a source of great inspiration for those in the Labour party at present. We look with interest to see what other lessons he draws from Venezuela and countries from that part of the world, as Labour develops its ever-shifting policy on higher education.

Every year, the Government consider the appropriate maximum level of tuition fees, and sets a cap. The Government consider whether the maximum tuition fee amounts should be uprated in line with inflation, to support continued investment in course delivery. We are committed to ensuring the ongoing sustainability of our world-class higher education sector. The student finance system ensures that teaching in our universities is well funded, but that individuals do not pay until they are seeing a good return on their investment. As I said, continued investment in the higher education sector has seen funding per student per degree increase by 25% since the 2012 reforms.

What is more, funding per student is today at the highest level it has been in almost 30 years. The recent decision to freeze the maximum level of tuition fees in the 2018-19 academic year takes account of the views of young people, their parents and Parliament. We have evaluated the current position of our universities, and on that basis, we have decided not to uprate tuition fees by inflation for the 2018-19 academic year. Students will therefore see maximum fees of around £300 less than if the maximum fee had been uprated with inflation.

The hon. Member for Reading East (Matt Rodda) mentioned that his constituents were struggling to repay the cost of their higher education. To help him put it in context, as a result of our decision to increase the repayment threshold to £25,000 with effect from April next year, if one of his constituents earns £30,000 per year,

that constituent will be repaying about £1.20 per day. We think that is a reasonable amount for someone on that level of income to repay as a contribution towards the cost of their higher education.

**Alex Sobel:** Is it not correct that those earning far more will end up paying less because they will repay their loan much more quickly? The total amount of interest that they pay will therefore be far less than somebody on £25,000, who will take much longer to repay their loan.

**Joseph Johnson:** That is right. The amount that someone repays is linked to the amount that they earn in any one year, and the repayment will be more rapid for someone on a higher level of income.

The current student finance system removes the financial barriers for those hoping to study, and avoids students facing upfront tuition fee costs. We have maintained the universal accessibility of the system, which allows all eligible students to access the required finance, regardless of their background and financial history. Critically, monthly repayments depend on income, not on interest rates on their debt, or on the amount borrowed. From April 2018, we will increase the repayment threshold to £25,000, and adjust it annually in line with average earnings after that. That change will benefit around 600,000 borrowers, and will continue to benefit future borrowers. Many borrowers who have already graduated will see their monthly repayments reduced. That change forms part of a considered and costed proposal that reinforces the principles of our student finance system, and puts money back in the pockets of graduates.

**Richard Graham:** Those changes are important and will make a difference to a large number of people. There are, however, two matters on which my hon. Friend knows we do not entirely agree. One is the interest rate. When student loans revert to being repaid with normal interest, I do not see the argument for having them use the retail prices index as a base rather than the consumer prices index. My second point is a wider one. The universities themselves believe that they would be able to attract even more students from abroad—which would help the funding of our universities—were students to be excluded from the immigration numbers. Does he agree that that is something that we might look forward to one day?

**Joseph Johnson:** My hon. Friend raises some interesting points. A longstanding feature of the system has been that it uses RPI, as that includes costs that are relevant to the basket of goods and services that students consume, including housing costs and mortgage interest costs. That is why RPI has been embedded in the student finance system historically.

International students make a massive contribution to our higher education system, economy and society. They enrich the learning experience, and the Government welcome them warmly. We wish to see more international students come to study in the United Kingdom. Members will have seen some positive changes in the Budget, including an expansion of the tier 1 exceptional talent cap, and that route into the country. The Budget also contained measures to make it easier for students to flip into tier 2 after they have finished studying, which means that they can move into work straight after completing their studies, rather than waiting until they

receive a diploma some time later. That will be particularly valuable for people doing postgraduate courses. The Government are taking steps to ensure that we have a competitive offer for international students, so that we continue to be competitive around the world in attracting international students.

The hon. Member for Glasgow North West suggested that the tighter controls on student numbers in Scotland were not restricting opportunities there. I know that she did not want to hear about the OECD's PISA rankings, but she may be interested in taking note of what the Sutton Trust has said about student numbers in Scotland, and how, in its opinion, they have restricted the aspiration of young people in Scotland. The Sutton Trust recently stated that

“Scottish 18 year olds from the most advantaged areas are still more than four times more likely to go straight to university than those from the least advantaged areas”

in Scotland. In comparison, they are 2.4 times more likely in England. We obviously take note of the hon. Lady's points, but she should not give the impression that social mobility in Scotland is being advanced by higher education policy there to a greater extent than by our policies in England.

**Carol Monaghan:** As I explained in my speech, much of the data on student movement is not captured by UCAS figures and is therefore not captured by the Sutton Trust's report, so it is simply not a true reflection of the picture in Scotland.

**Joseph Johnson:** I take note of the hon. Lady's comments. The Sutton Trust has been engaged in this area of study for many years and has had plenty of opportunity to take on board points from her party over the years, but it has evidently chosen not to do so.

The Government remain committed to widening participation in HE. England's sustainable student finance system has enabled record numbers of disadvantaged 18-year-olds to benefit. As my hon. Friend the Member for North East Derbyshire (Lee Rowley) noted, in 2016 disadvantaged 18-year-olds in England were 43% more likely to go to university than they were in 2009, and the application rate for disadvantaged 18-year-olds increased to a record high once again in the 2017 entry cycle.

**Matt Rodda:** I am grateful for the Minister's wide-ranging discussion of the issues. Will he meet employers from my constituency, and possibly from other high-cost areas, to address the issue that my hon. Friend the Member for Leeds North West (Alex Sobel) mentioned—namely, that graduates on middle incomes may end up paying more in tuition fee repayments over time than those on the highest salaries, and that that may have a damaging effect on local economies? I would be very grateful if we could meet the Minister and officials to discuss that matter.

**Joseph Johnson:** I am always happy to discuss these matters with colleagues. I will be keen to do so.

There is always more to do on widening participation, including on the progression of disadvantaged students to more selective institutions and ensuring that the retention, success and progress of some of those students is better. Universities have committed to spend £860 million on improving access and success for students from disadvantaged backgrounds through access agreements

[Joseph Johnson]

agreed for 2018-19 with the independent director of fair access. Through the Higher Education and Research Act 2017, the Government introduced measures to make further progress, including a statutory duty on the new regulator—the Office for Students—to have regard to equality of opportunity in connection with access to and success in higher education for students from disadvantaged and under-represented groups. We have also created a director for fair access and participation within the OFS as an executive board member.

Access and participation plans—the successor to access agreements—will ensure that any provider wanting to charge higher fees must have a plan agreed before they can do so as a condition of their registration with the Office for Students. The Act also created a transparency duty for all providers, which means that they will have to publish application, offer, acceptance, completion and attainment information, broken down by gender, ethnicity and socioeconomic background, so that all students can make an informed choice about which university they attend and so universities can see where they need to make further progress on widening access.

In his thoughtful speech, the hon. Member for Blackpool South (Gordon Marsden) rightly mentioned the numbers of part-time and mature students, as he has done on many occasions when we have discussed these matters. Studying part-time and later in life can bring enormous benefits for individuals, the economy and employers. That is why the Government are taking steps to help hard-working people who want to gain new skills and advance their careers by studying part time. The Government intend further to enhance the student finance package for part-time students by introducing part time maintenance loans in 2018-19. In the 2017 Act, we enshrined the need for the new higher education sector regulator to have regard to part-time study.

The hon. Gentleman also mentioned drop-out rates. Access to higher education is only one aspect of improving social mobility. The full benefits of gaining a degree are experienced only by those who actually complete their studies. Non-continuation rates for UK students at English institutions are lower now than they were in 2009-10 for all categories—young, mature, disadvantaged and black and minority ethnic students. Although progress has been made, the Government continue to look carefully at this area and are working with universities to focus on improving retention via the access agreement process and the teaching excellence and student outcomes framework, one of whose core metrics is non-continuation and drop-out rates, as the hon. Gentleman knows.

The Government are committed to removing access to finance as a barrier to entering higher education, which is why we continue to make more money available to students than ever before. Many hon. Members mentioned living costs. Students who started their courses this academic year—2017-18—have access to the highest ever amounts of funding to support their living costs at university. Our system deliberately targets living cost support at those from the lowest income families, who need it most. Replacing maintenance grants with loans—the theme of several Members' remarks—enabled the Government to increase support for full-time students' living costs by 10.3% for students on the lowest incomes in 2016-17, with a further 2.8% increase in such support for the current year.

With a view to the future, we are further strengthening our approach to widening participation by placing an overarching duty on the Office for Students to consider the promotion of equality of opportunity in relation to access and participation in all that it does. The new director for fair access and participation will have a clear role within the Office for Students to look across the student lifecycle.

The current student finance system is achieving our aims of widening participation and increasing the income that goes to the sector. As I said, funding per student, per degree is up 25% since the funding reforms at the beginning of the previous Parliament. The university system is better funded than it has been at any point over the past 30 years. The progressive nature of the system is ensuring that higher education is open to all people who have the potential to benefit from it. In all of this, the Government are ensuring that the costs of our system are split fairly between graduates and other taxpayers, with graduate contributions linked to income.

The current system has allowed the sector to grow and has made higher education accessible to a greater number of 18-year-olds from disadvantaged backgrounds than ever before. Reducing or abolishing fees would take us back to the days of underfunded universities and limited access for disadvantaged students, and would inevitably result in often hard-pressed taxpayers paying the bill for a system that would benefit the few, not the many: bad for students, bad for universities and poor value for money.

*Question put and agreed to.*

*Resolved,*

That this House has considered e-petition 182953 relating to university tuition fees.

6.18 pm

*Sitting adjourned.*





# Written Statements

Monday 27 November 2017

## DIGITAL, CULTURE, MEDIA AND SPORT

### Heritage Lottery Fund and National Heritage Memorial Fund

**The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (John Glen):** I am today publishing the tailored review of the Heritage Lottery Fund and National Heritage Memorial Fund, which launched on 23 February 2017.

The review sought to provide assurance of the continuing need for the National Heritage Memorial Fund (NHMF), including its activities operating as the Heritage Lottery Fund (HLF), and to identify opportunities to strengthen its effectiveness, efficiency and governance. The review concluded that the organisation's functions of distributing national lottery funding and providing a fund of last resort for heritage at risk of loss to the nation remained vital, and should continue to be delivered in the current model of a non-departmental public body.

The review found that HLF's role in distributing funding for heritage was seen as crucial to the conservation of heritage assets, to engaging communities across the UK with their heritage, and to providing support for heritage organisations to survive and thrive. While HLF has a good reputation in the sector, the review found scope for it to become a more strategic organisation by clarifying its priorities; strengthening its partnerships with other heritage organisations and national lottery distributors; using its data more effectively; and focusing on supporting the sustainability of the heritage sector and heritage assets, including by supporting skills capability in key areas such as digital engagement.

The review also recommended that HLF focus its efforts to promote inclusion and diversity by developing a strategy for engaging underrepresented groups and by streamlining its grant application processes. While HLF is a relatively lean organisation, the review supported its efforts to become more efficient, including by reducing its estate, developing an internal digital strategy, and ensuring its consultant network—the register of support services—is cost-effective. Additionally, there are recommendations for the Governments of the UK to clarify priorities for the heritage sector, to update the policy directions given to HLF, and to work with HLF to promote the intrinsic, economic and social value of heritage.

The review was carried out by DCMS with input from the Scottish Government, Welsh Government and Northern Ireland Executive given the UK-wide nature of NHMF/HLF. The review was carried out with the full participation of NHMF/HLF, and an independent challenge panel was appointed to assure its robustness and impartiality. The review gathered evidence from a range of stakeholders from across Government, from the cultural and natural heritage sectors and others with an interest in heritage, and through a public consultation. I would like to thank all those who contributed evidence to the review.

The report is available at: <http://www.gov.uk/government/publications/tailored-review-of-the-heritage-lottery-fund-and-national-heritage-memorial-fund>.

[HCWS270]

## EDUCATION

### Correction

**The Minister for School Standards (Nick Gibb):** Information supplied by the Data Modernisation Division of the Department for Education has been identified as containing incorrect facts in the response provided to three parliamentary questions from the hon. Member for Brighton Pavilion concerning the volume of children's records passed on to the police and the Home Office (PQ48634, PQ48635 and PQ52645) and in figures quoted during a House of Lords debate on 31 October 2016 on the Education (Pupil Information) (England) (Miscellaneous Amendments) Regulations 2016.

Following the identification of this issue, the accuracy of all previously supplied figures relating to these uses of national pupil database have also been checked. Rigorous new processes have now been put in place to ensure the robustness of all current and future figures.

In response to PQ48634 and PQ48635, the correct figures are that 33 access requests of the NPD data were made by the police during the period in question and 16 of these resulted in data being shared. Information about 62 pupils was shared.

In response to PQ48634 and PQ48635, the correct figures are that during the period in question, requests relating to a total of 2,461 individuals had been made by the Home Office to DfE and 531 records had been identified within DfE data and returned.

In response to PQ52645 the correct figures are that 531 records sent to the Home Office were related to pupils and 1,930 of 2,461 requests were not returned due to DfE not being able to find a match within the NPD for those records.

[HCWS272]

## INTERNATIONAL TRADE

### Trade Matters

**The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox):** The Secretary of State has announced the Government's decision to appoint nine Her Britannic Majesty's Trade Commissioners (HMTCs) to head the overseas operations for the Department for International Trade (DIT). These HM Trade Commissioners will lead export promotion, investment (inward and overseas direct investment) and trade policy overseas.

These are Senior Civil Service appointments and a fair and open recruitment competition will begin shortly, in line with Civil Service Commission principles.

[HCWS271]

## TRANSPORT

### Drones Update

**The Minister for Transport Legislation and Maritime (Mr John Hayes):** My noble Friend, the Parliamentary Under Secretary of State for Transport (Baroness Sugg) has made the following statement.

Today I am setting out new measures the Government are taking to ensure the UK remains at the forefront of the exciting and fast-growing drones market, while putting the correct legislative framework in place to guarantee it is also safe and secure.

As the Government's industrial strategy sets out, we have the potential to cement our status as the leading location where technology companies want to build their businesses, where scientists and engineers drive innovation and where investors want to invest. Drones are an important part of this emerging industry.

Our police, fire and search and rescue services all now regularly use drones in emergency situations to help save lives. Drones are also being used to inspect and maintain key national transport infrastructure—reducing the risk of accidents and driving industry productivity and efficiency.

UK drone companies are exporting their services across the world, showcasing Britain as a leader in innovative services and generating productivity and growth across a range of sectors.

The potential for expansion is significant, but this is an advancing and developing industry which faces a number of challenges. If we are to realise the full potential of this new technology, we must also maintain our world class aviation safety record and address certain safety and privacy concerns.

In response to our consultation on drones, we committed to a review of the current powers available to law enforcement agencies. My Department has been working with the police, the Home Office and the Ministry of Justice. This review has highlighted some gaps, reflective of how aviation technology is being used in such a broad and varied way across many industries and by the public.

This can pose extra challenges for the police when investigating and prosecuting crimes, and when carrying out their duties to protect safety and security more generally.

As such, we will look to include in our draft Bill new police powers where drone users would need to produce registration documents on request, ground a drone safely in certain circumstances and the ability to seize and retain a drone's components if there is reasonable suspicion of it having been involved in an offence.

The consultation response also set out our intention to explore the concept of mandating the use of safety and airspace awareness apps. The draft Bill will build the regulatory framework to ensure these apps meet required standards and issue correct information.

These kinds of apps give drone users easy access to the data they need to determine if a flight can be safely and legally made. Apps can also make it possible for drone users to make their flights visible to other airspace users, making drone use more accountable and transparent.

As well as safety issues, apps can help avoid compromising the security of surrounding organisations or industries such as national infrastructure, Government and military sites. The app's information can also advise on any particularly sensitive local sites, such as schools and residential areas, to respect the privacy of others.

Alongside the publication of the draft Bill next spring, we will create the powers necessary for registration and leisure pilot testing through amendments to the Air Navigation Order (ANO), and we are developing the technical systems and educational materials that will be needed to implement these.

The Government are also reviewing the potential restriction of all drones flying above 400ft, as well as the use of drones within the proximity of an airport. Subject to the outcome of this review, we will also look to include these measures in the ANO amendment in spring 2018.

Finally, I want to update Parliament on progress with Project Chatham. This is the data project we announced in our consultation response to improve geo-fencing—when drones can be restricted from entering into 'no-fly zones' using the drone's inbuilt GPS to find its location and prevent it from continuing if it approaches a restricted zone.

A group comprising departmental experts, the Civil Aviation Authority, and NATS (the national air traffic service provider), has been set up and is progressing well. To implement geo-fencing effectively this group is looking at how we release information on the UK's airspace restrictions in a format that manufacturers and tech developers can easily use.

We are working to have a sample set of data ready for wider engagement with stakeholders by spring 2018. When fully developed, the data will help drone users fly safely in accordance with the rules.

Our approach will keep Britain at the forefront of the global market, while delivering a flexible framework for a safe, secure and successful drones industry.

[HCWS269]

## WORK AND PENSIONS

### Benefits and Pensions Up-rating 2018-19

**The Parliamentary Under-Secretary of State for Work and Pensions (Caroline Dinenage):** I am pleased to announce the proposed social security benefit and pension rates for 2018-19. I will place a copy of the proposed benefit and pension rates 2018-19 in the House Library. The annual up-rating of benefits will take place for state pensions and most other benefits in the first full week of the tax year. In 2018, this will be the week beginning 9 April. A corresponding provision will be made in Northern Ireland.

The annual up-rating process takes into account a variety of measures:

The basic and new state pension will be increased by the Government's 'triple lock' commitment, meaning that they will be up-rated in line with the highest of prices, earnings or 2.5%—in this case CPI at 3%.

The legislative requirement for the pension credit standard minimum guarantee is that it is increased at least in line with earnings. However to protect the poorest pensioners, the pension credit standard minimum guarantee will be up-rated by the same cash amount as the rise in the full rate of the basic state pension.

Benefits linked to the additional costs of disability, and for carers, are increased by the annual rise in prices, as reflected in the Consumer Prices Index (CPI). A number of other elements—including Non-Dependant Deductions (NDDs)—will also be up-rated in line with prices.

The majority of working-age benefits have been frozen at their 2015-16 levels for four years under the Welfare Reform and Work Act 2016.

The list of proposed benefit and pension rates also includes a change to the carer's allowance earnings rule, which will be increased for 2018-19 from £116 to £120 a week.

Attachments can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-11-27/HCWS268>.

[HCWS268]







# Ministerial Corrections

Monday 27 November 2017

## COMMUNITIES AND LOCAL GOVERNMENT

### Budget Resolutions

*The following is an extract from the speech by the Secretary of State for Communities and Local Government in the second day of debate on the Budget Resolutions on 23 November 2017.*

**Ms Karen Lee** (Lincoln) (Lab): I am a nurse and I still do bank shifts at Lincoln County Hospital, and I am sorry but I really do not recognise what the Secretary of State is describing. Hospitals have got leaking roofs, with buckets to catch the water coming in, and nurses leave shifts at least an hour late, while our pay has been capped and we have lost 14% since 2010. I am sorry, but I do not recognise the NHS he is talking about.

**Sajid Javid:** I say gently to the hon. Lady that if this country had taken Labour's approach to the economy, we would be heading for bankruptcy again, and there would be no new money for the NHS. I hope that she will join Members on both sides of the House in welcoming the additional £2.8 billion going to the NHS in resource spending next year and the additional £3.5 billion that has been made available for capital spending over the next five years.

*[Official Report, 23 November 2017, Vol. 631, c. 1228.]*

*Letter of correction from Sajid Javid:*

An error has been identified in the response I gave to the intervention of the hon. Member for Lincoln (Ms Lee).

The correct response should have been:

**Sajid Javid:** I say gently to the hon. Lady that if this country had taken Labour's approach to the economy, we would be heading for bankruptcy again, and there would be no new money for the NHS. I hope that she will join Members on both sides of the House in welcoming **the additional £2.8 billion going to the NHS in resource spending and the additional £3.5 billion** that has been made available for capital spending over the next five years.

## TREASURY

### HMRC Closures

*The following are extracts from a speech by the Financial Secretary to the Treasury in a debate on HMRC Closures on 2 November 2017.*

**Mel Stride:** A number of Members in the debate raised the costs mentioned in the National Audit Office report, the Public Accounts Committee report and so on. Certainly, the business plan has gone through various iterations, but where we are is quite clear: the total investment over the next 10 years will be £552 million. The NAO has disputed some of our figures, and the Government's view is that the NAO has looked at those

figures on a different basis—for example, over a 10-year period, whereas we were initially looking at figures over five years.

We have some cost avoidance of £75 million per annum from 2021 through getting out of the private finance initiative arrangement—which, incidentally, we entered into in 2001, which was of course under a Labour Government. On top of that, we will have £300 million-worth of savings over the next 10 years, and we will have annual cost savings of £74 million in 2025-26 compared with 2015-16, rising to around £90 million from 2026-27. The savings are ongoing and will be long standing. *[Official Report, 2 November 2017, Vol. 630, c. 457WH.]*

**Mel Stride:** The cost savings are for an investment of £552 million over 10 years. Firstly, they arise through the avoidance of future costs that would be incurred in the event of our not going ahead with the programme. Those would be the costs of the PFI deal, were we to continue with it. That cost is £75 million per annum—obviously from 2021, when the contract for strategic transfer of the estate to the private sector comes to an end. There is a cost saving of £300 million in the 10 years to 2025. That gives an annual cash saving, as compared with 2016-17, of £74 million in 2025-26, rising to about £90 million in 2026-27. *[Official Report, 2 November 2017, Vol. 630, c. 464WH.]*

*Letter of correction from Mel Stride.*

Errors have been identified in my response to the debate.

The correct statements should have been:

**Mel Stride:** A number of Members in the debate raised the costs mentioned in the National Audit Office report, the Public Accounts Committee report and so on. Certainly, the business plan has gone through various iterations, but where we are is quite clear: the total investment over the next 10 years will be £552 million. The NAO has disputed some of our figures, and the Government's view is that the NAO has looked at those figures on a different basis—for example, over a 10-year period, whereas we were initially looking at figures over five years.

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**Mel Stride:** The cost savings are for an investment of £552 million over 10 years. Firstly, they arise through the avoidance of future costs that would be incurred in the event of our not going ahead with the programme. Those would be the costs of the PFI deal, were we to continue with it. That cost is £75 million per annum—obviously from 2021, when the contract for strategic transfer of the estate to the private sector comes to an end. There is a cost saving of £300 million in the 10 years to 2025. That gives an annual cash saving, as compared with 2016-17, of £74 million in 2025-26, rising to about £90 million in **2028**.



# ORAL ANSWERS

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**not later than  
Monday 4 December 2017**

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Monday 27 November 2017

**List of Government and Principal Officers of the House**

**Oral Answers to Questions [Col. 1] [see index inside back page]**  
*Secretary of State for Defence*

**Forensic Evidence: Alleged Manipulation [Col. 23]**  
*Answer to urgent question—(Mr Hurd)*

**Industrial Strategy [Col. 29]**  
*Statement—(Greg Clark)*

**Universal Credit (Application, Advice and Assistance) [Col. 51]**  
*Motion for leave to bring in Bill—(Dr Whitford)—agreed to  
Bill presented, and read the First time*

**Budget Resolutions [Col. 54]**  
*Debate (Third day)*

**NHS Continuing Care [Col. 130]**  
*Debate on motion for Adjournment*

**Westminster Hall**  
**University Tuition Fees [Col. 1WH]**  
*General debate*

**Written Statements [Col. 1WS]**

**Ministerial Corrections [Col. 1MC]**

**Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]**

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