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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**
(HANSARD)

Thursday 1 November 2018

House of Commons

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DIGITAL, CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Tourism

1. **Kirstene Hair** (Angus) (Con): What steps he is taking to support tourism throughout the UK. [907394]

2. **Robert Courts** (Witney) (Con): What steps he is taking to support tourism throughout the UK. [907395]

The Parliamentary Under-Secretary of State for Digital, Culture, Media and Sport (Michael Ellis): Tourism is hugely important for the UK. One of my major focuses is to encourage visitors from across the world to visit the whole of the United Kingdom. We provide financial support through both VisitBritain and VisitEngland, which are responsible for promoting the UK through a range of initiatives and campaigns.

Kirstene Hair: One of the many reasons why millions of people from around the world come to the UK and Scotland is because of our world-class food and drink sector, of which Angus is a powerhouse—the Minister is very welcome to come and taste our Forfar bridie whenever he wishes. Can he reassure me that the UK Government are working to support the Scottish food and drink industry, and to develop the necessary links between that sector and the UK tourism industry?

Michael Ellis: I thank my hon. Friend for that question because we are working hard to protect and promote some of our world-leading produce, and she is doing a wonderful job in her Angus constituency with regard to tourism as well as many other areas. I am sure that she will join me in welcoming the Chancellor's Budget because the support it shows to the whisky industry by freezing duty clearly helps. Food and drink is particularly important. I attended a board meeting yesterday of the GREAT campaign, which covers Scotland, and I am disappointed that the Scottish Government have not been as supportive of that campaign as my hon. Friend.

Robert Courts: West Oxfordshire has many famous tourist attractions that bring economic benefits to the surrounding areas, including Blenheim Palace, which attracts almost 1 million visitors annually. What are the

Government doing to ensure that lesser-known tourist attractions such as Kelmscott Manor, Crocodiles of the World and Cotswold Wildlife Park have their fair share of the tourism cake to bring in all those benefits?

Michael Ellis: As you know, Mr Speaker, West Oxfordshire is a beautiful part of the country and we are supporting it in a number of ways. VisitBritain has organised travel trade trips to West Oxfordshire, including to Blenheim Palace. My officials at the Department also work closely with Experience Oxfordshire, a good organisation that makes sure that as many visitors as possible come to that part of the UK.

Jessica Morden (Newport East) (Lab): With the building of the new £83 million international convention centre at Celtic Manor, there is huge potential for Newport. What are Ministers doing with the Wales Office to encourage more events and conferences in Newport, the home of the NATO summit in 2014?

Michael Ellis: I commend the hon. Lady for her support for that conference facility. Conferences, business events and events of all types are very important to the economy of this country. We engage with the Wales Office, as indeed we do with the Scottish Government, to support business events.

Jim Shannon (Strangford) (DUP): It is nice to have the festival for Great Britain and Northern Ireland that is due to take place in 2022. Will the Minister commit to ensuring that Northern Ireland does not get left behind and has the same opportunities as our GB counterparts to show off our business, technology, culture, sport and arts expertise to the rest of the world?

Michael Ellis: Northern Ireland will certainly not be left behind. I was delighted to visit Belfast only a few weeks ago, when I saw its wonderful tourism offer, including the Titanic exhibition and so much else. I would recommend visiting Northern Ireland to anyone, as there are wonderful tourism opportunities—"Game of Thrones" is filmed there, and there is so much else.

Michael Fabricant (Lichfield) (Con): Steve Ridgway of VisitBritain, along with Anthony Pickles, together with airlines, hotels and all the rest of it, have pulled together a sector deal. I do not want to bore the House because I have raised this before, but when are the Government going to support it?

Michael Ellis: My Department is working very hard on that matter. We have been pursuing it and we continue to do so.

Dr Rupa Huq (Ealing Central and Acton) (Lab): Tourism should not just be beaches and city breaks. The wonders of Ealing include our world famous studios of Ealing comedy and Downton fame, the basement blues club where the Stones first played, and the Questors theatre, the biggest am-dram venue in the world. They should all be linked together in a cultural quarter, but our council is cash-strapped in its provision of even the most basic services. The Minister mentioned the effect of Brexit on the number of overseas visitors. [Interruption.] So my question is—[Interruption.] I was building up to

the question, Mr Speaker; thank you for reminding me. What are the Government doing to put suburbs on the tourist trail?

Michael Ellis: We want to support tourism around the country, and of course that includes Ealing. The hon. Lady mentioned Ealing Studios and the Ealing comedies—I think I have a box set actually—and the reality is that VisitBritain and VisitEngland support lots of programmes around the country. *[Interruption.]* Some of the comedians are on the Opposition Benches at the moment.

Steve Double (St Austell and Newquay) (Con): The biggest concern for the tourist industry at the moment is access to labour once we end the free movement of people. Will the Minister join my calls for the Government to introduce a seasonal migrant workers scheme for the tourism and hospitality sector?

Michael Ellis: We are in close discussions with our colleagues in the Home Office about that, and my hon. Friend can be assured, as can the whole House, that I am representing the tourism sector and all its interests.

Secondary Ticketing Websites

3. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What recent discussions he has had with internet service providers on the occurrence of secondary ticketing websites in search rankings. [907396]

The Minister for Digital and the Creative Industries (**Margot James**): I take this issue very seriously, and I know that the hon. Lady has done fantastic work on it over the years. Ticketing website advertisements must comply with the Advertising Standards Authority code, and those using advertising facilities attached to search engines must also comply with their terms of service to prevent misleading ads and to protect consumers. I am in touch with internet service providers, and they assure me that they are prepared to take action where necessary.

Mrs Hodgson: I thank the Minister for her work on this issue and her support for my work on it. According to research by the FanFair Alliance in a study carried out earlier this year, Viagogo was in the top two results on Google in 80 out of 100 searches. Time and again, victims of Viagogo tell me that they have been directed to Viagogo by a Google search. Does the Minister think it is appropriate that Viagogo is still able to buy itself to the top of the Google search rankings while it is facing court action by the Competition and Markets Authority?

Margot James: The hon. Lady makes a good point. Viagogo is the subject of legal action by the CMA. However, she might be interested to know that the Advertising Standards Authority has ruled that consumers would not assume that Viagogo was the primary ticketing agent for an event, and that there was therefore nothing in the ad to claim that it was the primary—*[Interruption.]* If you will permit me, Mr Speaker, I will just say that Google's conditions state that resellers must prominently disclose themselves as resellers. The hon. Lady can therefore draw her own conclusions from that—

Mr Speaker: Order. I am sorry, but there is great pressure on time today because the House has decreed a 10 o'clock finish for substantive questions, so shorter questions and shorter answers are needed.

Damian Collins (Folkestone and Hythe) (Con): Does the Minister accept, however, that Google is accepting ads through Viagogo agents that are in breach of consumer protection law and of Google's own terms of service, and that it is effectively taking money through being party to a fraud by allowing those ads to run?

Margot James: I absolutely sympathise with my hon. Friend's point of view. I have had discussions with Google on this very point. I think it is safe to say that we have a difference of view, but I remain optimistic that the search engines will comply with their own terms and conditions in the end.

Ian C. Lucas (Wrexham) (Lab): Does the Minister agree that it is also important to focus on the supply of tickets, and that we must ask artists and promoters to ensure that they work with venues to restrict the supply of tickets to sites such as Viagogo?

Margot James: The hon. Gentleman makes a good point. We have taken a lot of action that is resulting in an improvement in the situation and a reduction in the availability of tickets on these very questionable sites.

Mr Speaker: I call Mary Robinson. Not here. I call Andrew Rosindell. Not here. What is going on? Where are our colleagues? I hope that they are well and that they will be back. I call Jack Brereton.

Creative Industries

6. **Jack Brereton** (Stoke-on-Trent South) (Con): What steps he is taking to support the creative industries throughout the UK. [907400]

The Minister for Digital and the Creative Industries (**Margot James**): The creative industries are a great British success story. They generate £91.8 billion for our economy and are responsible for 2 million jobs, so we are committed to supporting all creative businesses. The sector deal that was published earlier this year contains £150 million of private and public sector funding to realise the potential of this great sector.

Jack Brereton: I thank the Minister for her response. Will she join me in wishing the ceramics industry every success in its cultural development fund bid to establish an international ceramics centre in Stoke-on-Trent?

Margot James: I will certainly join my hon. Friend in wishing the consortium all the very best with its application. The ceramics sector in and around Stoke has been revitalised in recent years. As well as being important in its own right, it is important to many other industries. We have had some excellent bids for the £20 million cultural development fund, and decisions on the projects to be funded are expected early next year.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): What a good day it is: we have got Channel 4 for Leeds. Applause?

Will the Minister look carefully at the campaign that we are running to get more people who are on the autistic spectrum into the creative industries? Quirky people are very creative; let us do more work to get them into those industries.

Margot James: I congratulate Leeds on its success in securing Channel 4's new head office. The hon. Gentleman makes an excellent point. We are already working with the National Autistic Society on a programme to engage young people in coding, which will help them in the creative sector, but more can be done, and I will take his suggestion on board.

Mr Edward Vaizey (Wantage) (Con): In the absence of my hon. Friend the Member for Romford (Andrew Rosindell), I cannot ask the Minister about the Health and Social Care Secretary's important speech next week about the arts and health. Instead, may I ask whether she, like me, welcomes the astonishing figures that continue to come from the British film industry thanks to the success of the film tax credit? The industry continues to make a huge contribution to our economy.

Margot James: I heartily agree with my right hon. Friend. London Film Week marked the launch of the British Film Institute's excellent report on the massive value of film tax credits to the economy. A third of all global blockbuster films are made in this country, which is a fantastic success story.

Alison Thewliss (Glasgow Central) (SNP): The Minister will also want to congratulate Glasgow on getting Channel 4's creative hub, which is the culmination of a great campaign led by Stuart Cosgrove, and the council team of Susan Aitken, David McDonald and Colin Edgar. Will the Minister come to Glasgow to see all the brilliant things that the city can offer the creative industries?

Margot James: I totally agree with the hon. Lady that the news is a great success for Glasgow, and I am pleased that Channel 4 made that decision, given the huge talent and creativity in the city. I shall be glad to visit next year to see the progress with my own eyes.

Grassroots Football

7. **Sir David Crausby (Bolton North East) (Lab):** Whether he has made an assessment of the implications for grassroots football of the failure of the proposed sale of Wembley stadium. [907401]

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): I should say at the outset—

John Spellar (Warley) (Lab): Where's Tracey then? Where is the Sport Minister?

Jeremy Wright: I am about to explain. The Under-Secretary of State for Digital, Culture, Media and Sport, my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), has been visiting the United States this week for meetings, including a White House roundtable on doping in sport, and she is travelling back this morning.

I can tell the hon. Member for Bolton North East (Sir David Crausby) that, over the next four years, almost £100 million of public money will help to build and upgrade artificial and grass pitches, encourage greater participation and enhance coaching programmes. He

will also be aware that football is benefiting from £100 million a year up to 2019 from the Premier League, and I have begun discussions about ensuring that investment remains at least at that level for the next three years.

Sir David Crausby: Football's coffers are overflowing, except of course when it comes to grassroots football. The Football Association reports that one in six matches is postponed and one in three pitches is inadequate. In fairness, more money is coming in from the professional game following Government pressure, but it is nowhere near enough, and we still have only half as many 3G pitches as Germany. If we are to remain even close to the forefront of the game, we need to do much more for children's football—

Mr Speaker: Order. We just need a question. That was far too long. We need a question with a question mark. Thank you.

Sir David Crausby: Will the Secretary of State put even more pressure on the Premier League to dig deep in its pockets?

Jeremy Wright: Yes.

15. [907410] **Eddie Hughes (Walsall North) (Con):** At 3 o'clock on Saturday, Sporting Khalsa will be taking on the mighty Hucknall Town in Willenhall. What else can the Secretary of State do to support such grassroots football in my constituency?

Jeremy Wright: I am not available for selection, but there is a huge amount to be done to encourage people to participate. We have talked about facilities, but this is also about people: those who play, those who coach and those who encourage. We need to do more on all those things.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Grassroots football, and football in general, will be improved by greater financial transparency, so what are the Government doing to ensure that club owners cannot sell part of a club's assets without clearly reporting it?

Jeremy Wright: As the hon. Lady will know, rules already exist around the handling of money in relation to criminal activity, and it is important that we have as much transparency as possible. I will consider her specific point and, if she will forgive me, get back to her on it.

Sir Desmond Swayne (New Forest West) (Con): What has been the impact of the reduced rent to small clubs arising from revisions to the electronic communications code? That did not happen on the Secretary of State's watch, and it was not intended, but it has been a disaster, has it not?

Jeremy Wright: I cannot agree with my right hon. Friend. With the electronic communications code, we have attempted to ensure that property owners cannot prevent the roll-out of new infrastructure that is needed to ensure that this country has proper coverage for mobile and broadband, and that will have to continue. We of course want to ensure that people are properly remunerated, but they cannot hold the whole process to ransom.

Digital Radio Multiplex Services

8. **Kevin Foster** (Torbay) (Con): What progress his Department has made on supporting the development of small-scale digital radio multiplex services. [907402]

The Minister for Digital and the Creative Industries (Margot James): I recognise the important role that commercial and community radio stations play in the communities they serve, and I congratulate my hon. Friend on the passage of his Broadcasting (Radio Multiplex Services) Act 2017. My Department provided funding for the successful trials of small-scale digital audio broadcasting across the UK, and we have now completed the consultation on detailed proposals for the licensing framework.

Kevin Foster: I thank the Minister for her answer. I welcome removing barriers to smaller community and commercial radio stations going digital, but can she advise on when she expects the new licensing system for small-scale multiplexes to be fully in place?

Margot James: Having completed the consultation on the new licensing system, we are now working closely with Ofcom on the detailed arrangements, including spectrum planning, on which Ofcom has the lead. Our aim is to bring forward the secondary legislation required for the first stages next year.

Digital Sector: Economic Contribution

9. **Leo Docherty** (Aldershot) (Con): What recent assessment he has made of the contribution of the digital sector to the UK economy. [907403]

11. **Alan Mak** (Havant) (Con): What recent assessment he has made of the contribution of the digital sector to the UK economy. [907405]

The Minister for Digital and the Creative Industries (Margot James): The UK's digital sector is a global powerhouse, and the most recent official statistics show that the sector has contributed over £116 billion to the UK economy and is growing faster than the average for the rest of the economy by two and a half times. From 2015 to 2016, the digital sector's contribution increased by 5.8%.

Leo Docherty: Does the Minister agree that the remarkable growth of UK digital companies—UKCloud in Farnborough in my constituency was the fastest growing tech company in the UK last year—shows that the digital sector is in rude health?

Margot James: I absolutely agree with my hon. Friend. Indeed, I visited UKCloud a few months ago and was extremely impressed by not just its fast growth but its innovation. The UK cloud sector is a strongly performing part of the overall digital sector. Earlier this year I spoke at the UK cloud awards and was very impressed by the success, innovation and growth potential of the cloud sector.

Alan Mak: Govtech is a growing part of the digital economy and it can help to boost public sector productivity. What steps can the Department take to help entrepreneurs and start-ups in this important tech sector?

Margot James: My hon. Friend puts his finger on an area of tech that will transform our country once it is unleashed through public services. We want to make it easier for Departments and public bodies to work with tech companies, including small and medium-sized enterprises. The Chancellor has announced that we will conduct an artificial intelligence review to examine how Government can make better use of AI to provide valuable services more efficiently.

Stephanie Peacock (Barnsley East) (Lab): Ninety-five per cent. of respondents to my broadband survey are not happy with their service, which is not surprising, given that Barnsley's broadband speeds are 20% slower than the national average. What are the Government doing to invest in broadband in the north?

Margot James: We are doing a huge amount through commercial operations, and the hon. Lady will find that things improve dramatically. Her constituency is only a few steps off the 95% average for access to superfast broadband. I advise her to make sure that people know that they have it. Approximately half the people who have access to superfast broadband do not take it up, because some of them do not realise it is there.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): As well as fast broadband, small tech businesses in my constituency and across the country need the right people to make sure that they grow and continue contributing to the economy. What conversations is the Minister having with the Home Office about the negative impacts of the Government's immigration policy on attracting and securing the right staff to grow these businesses?

Margot James: The hon. Lady will know that we have doubled the number of tier 1 exceptional talent visas to 2,000. We have also announced a start-up visa for entrepreneurs. The other side of the coin, of course, is the huge investment we are making in skills training for people who are already resident in her constituency.

Scott Mann (North Cornwall) (Con): What discussions has the Department had with the Cabinet Office about supporting tech start-ups with local and national Government procurement?

Margot James: We have a fantastic organisation, Tech Nation, with which we work closely to build the hubs around the country that directly support SMEs; the British Business Bank also does this and it is now starting a regional network of advisers for SMEs in tech.

Liam Byrne (Birmingham, Hodge Hill) (Lab): The tech sector is important, but it is not yet a big enough contributor to the Treasury. Can the Minister tell us what percentage of sales will be paid in the new tax introduced by the Chancellor by the big five tech giants next year?

Margot James: My understanding of what the Chancellor announced in the Budget on Monday is that he will be introducing a digital sales tax approximating to 2% of digital turnover. I think the right hon. Gentleman can make his own calculations.

Liam Byrne: I can tell the Minister that, based on last year's sales, next year the big five will be paying 0.01% of their sales in tax. That is the Treasury forecast in the Red Book, but even the Office for Budget Responsibility says that that is highly uncertain, and it will be outweighed by the cut in corporation tax to 17%. So is it not true that she has conspired with the Treasury to give a free pass to some of the wealthiest firms on earth?

Margot James: I have had no discussions with the Treasury on that matter. [HON. MEMBERS: "What?"] No, I have not. The right hon. Gentleman has alleged that I have had discussions, which I have not. To answer his substantive point, the Treasury expects to raise £1.5 billion over the next four years; 2% is a start and he should know that other countries are planning to take action, but no country has yet done so. Therefore, I suggest that the UK is taking the lead on this. We hope for international action, which will land a bigger hit, but at this stage international action is not forthcoming so we are taking action unilaterally—

Mr Speaker: I am sorry but we have a lot to get through and people really do have to be able to blurt it out.

Sporting Events: Northern Powerhouse

10. **Judith Cummins** (Bradford South) (Lab): Whether he has made an assessment of the potential economic and social effect of major sporting events being hosted in the northern powerhouse area. [907404]

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): Hosting major sporting events brings significant economic and societal benefits. There will be a number of exciting events hosted in the northern powerhouse area in the coming years. You will not want me to list them all, Mr Speaker, but I might mention the world road cycling championships in Yorkshire and the rugby league world cup, both of which I know will be of interest to the hon. Lady. UK Sport estimates that these events will generate more than £225 million of direct economic impact for local host communities.

Judith Cummins: With three years to go until the 2021 rugby league world cup, will the Minister welcome the significant economic benefit that the tournament will deliver to the north of England and recognise the legacy programme that has been put together, which will have a lasting impact on communities across the north?

Jeremy Wright: I will certainly do that. I know that the hon. Lady will welcome the up to £15 million of Exchequer funding that will go to support event delivery, but she is right to say that legacy is important, too.

Andrew Bridgen (North West Leicestershire) (Con): Will my right hon. and learned Friend tell the House what support and guidance are available to sports venue operators who are seeking to bid to host these prestigious events?

Jeremy Wright: We believe it is important to attract some of these major events, and the Government work hard with those who are interested in attracting them to

offer guidance. We will certainly make sure that anyone in particular whom my hon. Friend has in mind receives that advice.

Mr Clive Betts (Sheffield South East) (Lab): As thought is now being given to planning for a potential bid for the 2030 World cup, I hope we all really get behind that. Will the Secretary of State assure us that we will look at not only the sporting impact of that but its economic and regeneration impact, particularly across the northern powerhouse? We might look at the Olympic legacy park in my constituency as an example of how to follow through on a major event.

Jeremy Wright: I agree with the hon. Gentleman: the Olympic legacy is a very good example of what can be achieved. He will recognise that the initial decision to be taken is one for the Football Association. It must decide whether it wishes to bid, but if it does, he has my assurance that the Government will be fully behind it.

Mr Philip Hollobone (Kettering) (Con): Should Premier League clubs in the northern powerhouse area and elsewhere not pay a lot more for their policing costs?

Jeremy Wright: Of course they already do, through tax and through other measures where they do assist, but we will continue to talk to the Premier League about ways in which they can help. We have talked already today about their support for grassroots football and I am sure there are other ways in which they can assist, too.

Leaving the EU: Data Transfers

12. **Bill Esterson** (Sefton Central) (Lab): What progress the Government have made on securing an adequacy decision from the EU to ensure uninterrupted UK-EU data transfers after the UK leaves the EU. [907407]

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): The United Kingdom has made it clear that we are ready to begin discussions on an adequacy assessment. The Commission has not yet indicated a timetable for such an assessment. Ministers and officials from DCMS and other Departments have visited member states and EU institutions to deliver the Government's message on the importance of that decision to the UK and to the EU, and on the need to start now, and we will continue to do this.

Bill Esterson: Data adequacy is vital to financial services. TheCityUK tells us that what has been suggested so far does not provide a long-term, sustainable solution. Now that Government sources are distancing themselves from their own overnight reports of an adequacy deal, will the Secretary of State stop the spin and tell us what the Government are going to do and when they are going to reach the agreement on data that is so vital to our financial services?

Jeremy Wright: There is no spin here. One of two things will be true: either we will reach a deal with the EU, in which case I expect data to be part of that deal; or we will not, in which case we will seek an adequacy decision. It is very much in the interests of both sides—EU and UK—for these arrangements to be made.

Daniel Zeichner (Cambridge) (Lab): I have a major internet-based hotel and travel-booking company in my constituency. In the absence of an adequacy deal, it will have to strike 72,000 separate contractual agreements with hotels across Europe. Does the Secretary of State understand that if Brexit means Brexit, no deal means no holiday?

Jeremy Wright: I think that is ever so slightly on the alarmist side. It is important for us all to bear in mind that the starting point is that we comply with all the data adequacy measures that the EU requires and we have implemented the general data protection regulation, so we are in a very good position as we begin the discussions and can therefore be optimistic about their outcome.

Mr Peter Bone (Wellingborough) (Con): Is it not abundantly clear that an agreement is just as important to the EU as it is to us, so it will happen either way?

Jeremy Wright: I think that is highly likely.

Toby Perkins (Chesterfield) (Lab): We are blessed in this country to have—

Mr Speaker: No, no: Question 13.

Toby Perkins: Good point.

Chris Bryant (Rhondda) (Lab): It is about tennis.

Mr Speaker: It is okay; the hon. Gentleman will get his second serve in a moment.

Tennis

13. **Toby Perkins** (Chesterfield) (Lab): What assessment he has made of the correlation between the number of professional tennis tournaments played in the UK and the level of domestic participation in that sport. [907408]

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): Mr Speaker, I know that you would not want to miss out on any information about tennis. The Lawn Tennis Association continually reviews the number of professional events held in this country with the international tennis associations. As the hon. Gentleman knows, Britain has the world's greatest tournament, Wimbledon, and also hosts the Association of Tennis Professionals world tour finals, which will celebrate its 10th year being held at the O2 later this month. We continue to encourage participation in tennis, with more than £9 million given to the LTA between 2017 and 2021 to encourage more participation.

Toby Perkins: As I was saying, the Secretary of State is absolutely right to talk about our world-class tournaments, but at challenger and future levels, we have far fewer tournaments than the other major European nations. Holding tournaments right across the UK is an important part of the participation strategy, so what more can the Secretary of State tell us about what he is saying to the LTA about getting tournaments held throughout the country at that lower level?

Jeremy Wright: I agree with the hon. Gentleman that that is important. The other important thing he will recognise is the development of the talent pipeline to give young players the opportunity to play in more and more tournaments. I should have made it clear that part of the £9 million I referred to in my previous answer is for the development of the talent pipeline. I agree with what the hon. Gentleman says and we will do anything more that we can.

Ben Bradley (Mansfield) (Con): Will the Secretary of State join me in congratulating England Hockey on the successful hosting of the women's world cup this summer? Does he support the Hockey Futures programme, which was launched off the back of that tournament to encourage more young people from all walks of life to get the health and social benefits of playing hockey?

Jeremy Wright: Before anyone notices—

Mr Speaker: That question was entirely disorderly.

Ben Bradley: It was in the UK.

Mr Speaker: Yes, the question was about the UK, but the main question was about professional tennis tournaments, not random activities in the UK. Nevertheless, although entirely disorderly, the hon. Gentleman's question was quite fun, so let us hear the answer.

Jeremy Wright: Before you noticed that, Mr Speaker, I was simply going to say yes.

Mr Speaker: That is even better.

Loneliness

14. **Mike Wood** (Dudley South) (Con): What steps his Department is taking to help tackle loneliness. [907409]

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): The Government recently published their first ever strategy for tackling loneliness in England. Commitments include a national loneliness campaign, investment in community spaces and local data pilots, and embedding loneliness in our internet safety White Paper and digital inclusion fund. Those commitments are in addition to the £20.5 million of new grant funding for projects to prevent loneliness that was announced by the Government in June.

Mike Wood: Is the Secretary of State aware of the research published by the University of Oxford's Robin Dunbar, which found that people who have a local pub that they visit regularly tend to be more socially engaged and to have better mental health? Will he join me in welcoming the measures announced by the Chancellor to support pubs and brewing, which will help to tackle loneliness and isolation?

Jeremy Wright: My hon. Friend's enthusiasm for local pubs is legendary and he has managed to express it again here. He is right that pubs and other community institutions have a huge part to play in dealing with loneliness in our society across a range of many other measures that we need to take.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): What significance does the Secretary of State place on the role of the voluntary sector in helping to tackle loneliness in our country? If, like me, he thinks that it is an important role, will he say what discussions he has had with the Department of Health and Social Care and with local government to make sure that commissioners of services now understand that the voluntary sector should be taken seriously?

Jeremy Wright: I agree with the hon. Gentleman. He may know that part of the responsibilities of Ministers in the Ministry of Housing, Communities and Local Government will now include attention to issues of loneliness and he will see that, when we announce those who are the recipients of the £20.5 million that I mentioned a moment or so ago, there are a range of different organisations across the country, all of which play a vital part in this and to which we should all be grateful.

Topical Questions

T1. [907411] **Bill Esterson** (Sefton Central) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): I am sure that the House will join me in offering heartfelt condolences to all those impacted by the tragedy in Leicester last weekend. Football clubs are at the heart of our communities and, just as Leicester's magical premier league win inspired the city, this tragic loss of life will be deeply felt. My thoughts and sympathies, and I am sure those of the whole House, are with the friends and families of all those who lost their lives, with everyone at the club and with the people of Leicester.

Bill Esterson: May I associate myself with the Secretary of State's remarks about Leicester City?

Foetal alcohol spectrum disorders affect thousands of children born every year, and that includes entirely preventable permanent brain damage. Will he include alcohol advertising in the 9 pm watershed consultation on the advertising of unhealthy food?

Jeremy Wright: As the hon. Gentleman knows, we have not yet given the details of that consultation process, but it is important that we address harms such as the one he mentions in a variety of different ways. If that is not the right way to do it, we will certainly consider what may be, and I am grateful to him for raising it today.

T2. [907412] **James Duddridge** (Rochford and Southend East) (Con): What assessment has the Minister made of the UK's ability to support any bright new businesses starting up in our regional towns, particularly start-up tech businesses, and to help them grow?

The Minister for Digital and the Creative Industries (Margot James): We do indeed have many bright new businesses across the UK. Research published a week ago by Tech Nation showed that British cities such as Manchester and Cambridge have the same number of tech companies now valued at \$100 million, and that,

I think, shows that we as a nation are really supporting small and medium-sized enterprises in their growth aspirations.

Kevin Brennan (Cardiff West) (Lab): It is disappointing that the Minister who led the review that concluded that high-stakes fixed odds betting terminals were a social blight is not here with us this morning, although, contrary to what the Secretary of State said, I understand that Patrick Kidd of *The Times* is reporting that she is actually with the Chief Whip at the moment, and not in transit, as he hinted. May I ask him whether when he hinted to the Digital, Culture, Media and Sport Committee that he was minded to delay the reduction in stakes on fixed odds betting terminals he had actually read the 78 pages of the devastating report, which his ministerial colleague had dedicated three years to compiling?

Jeremy Wright: My hon. Friend the Minister for Sport and Civil Society was travelling back this morning, and it seemed unwise to rely on public transport or London traffic to ensure her being here, so we made arrangements for me to answer questions. I apologise, Mr Speaker, if the hon. Gentleman objects to my answering questions that are targeted at me, as you announced at the beginning of the session. On the issue that he raises, there has never been an announcement of the time at which this change to fixed odds betting terminals' stakes would come in. There were early-day motions and all-party parliamentary group reports urging the Government to bring this forward from April 2020 and we have done exactly that. He will know that, in a few moments' time, there will be an opportunity to discuss this subject in more detail and I will happily set out the rationale for this choice.

Kevin Brennan: The Secretary of State did not answer the question, nor did he confirm that the Minister for Sport and Civil Society is actually in the building. The announcement in the Budget of the delay in implementing the stake reduction was a betrayal of his ministerial colleague and his two predecessors as Secretary of State, as well as the victims and their families, whose lives have been blighted by gambling addiction. Why has he chosen to back the bookies rather than the gambling addiction victims and their families, his own Minister and the overwhelming public interest?

Jeremy Wright: No, there has been no delay. Mr Speaker, I am in your hands: I am very happy to set out now the detailed explanation of why we have done what we have done. The shadow Secretary of State has asked for an urgent question on this very subject at half-past 10, which you have granted, so it is a matter for you as to whether you would like me to address the question now or at 10.30 am.

Mr Speaker: The answer is very simple. The normal rules apply at Question Time—topical questions and answers are brief. The Secretary of State has perfectly properly given an answer. As he says, there will be an urgent question today; the matter can and will be explored further then.

T3. [907414] **Scott Mann** (North Cornwall) (Con): I will try to be brief, Mr Speaker. The all-party parliamentary group for rural business recently recommended mobile

data roaming for areas that are quite isolated, such as my constituency of North Cornwall. The group reckons that this could boost mobile data by 8%. Will the Government apply pressure in this regard to ensure that my constituents get the best coverage?

Margot James: I heartily agree with my hon. Friend's concerns. I was delighted that the Budget confirmed that there is now £200 million to kick-start connectivity for superfast broadband around the edge of the country, and the Red Book shows that one of the places that this process will start is in my hon. Friend's county of Cornwall.

Hannah Bardell (Livingston) (SNP): May I join my hon. Friend the Member for Glasgow Central (Alison Thewliss) in welcoming Channel 4's hub, which is great news for Glasgow and the Scottish screen sector?

Will the Secretary of State apologise to the families who have been blighted by gambling-related harm due to the delay in the announcement of reducing the fixed odds betting terminals maximum stake to £2? Will he look into diverting the £1.8 billion bonus that is going to bookies to the affected families instead?

Jeremy Wright: There has been no delay, but the hon. Lady is right that a large part of the rationale for this decision was to protect exactly the people she refers to. This Government have made that substantive change, and it should be recognised that there are a number of factors in the process of determining when the change should come in. Once again, we will get into those—in some detail, I am sure—at about half-past 10.

I join the hon. Lady in welcoming the decision that has been made about Glasgow. This will be an important move to get broadcasting talent out of London and into the rest of the country, so that the whole country can benefit from it.

T4. [907415] **Mike Wood** (Dudley South) (Con): As well as the world's best beer, one of the things that brings people into our pubs is live music. What assessment has the Minister made of the importance of the music industry's contribution to our economic and cultural health?

Margot James: It is a vibrant industry. Just today, UK Music has published a report showing that the music industry is outstripping the rest of the economy in terms of growth, and I know that it is doing very well in my neighbouring constituency of Dudley South.

T6. [907417] **Helen Goodman** (Bishop Auckland) (Lab): A few months ago, some vandals burned down Spennymoor cricket club in my constituency. It is proving very difficult to get the insurance money and raise enough funds for a rebuild, so will the Secretary of State tell me where we could get some money so that a second season is not lost for the young people in the area?

Jeremy Wright: I do not think the hon. Lady will be surprised to know that I had not heard of this incident. Now that I have, perhaps she will allow me to look into it and write to her about what might be the best way forward.

T5. [907416] **Leo Docherty** (Aldershot) (Con): What steps is the Department taking to increase the participation of young people in sport?

Jeremy Wright: It is extremely important that young people participate in sport. My hon. Friend will be aware of our recently announced school sport strategy to enable just that to happen. We think it important that young people remain active and, of course, that they participate in competitive sport, too, for all the many benefits we know it brings.

T7. [907418] **Liz Twist** (Blaydon) (Lab): With the world transplant games due to take place in less than a year's time in Newcastle Gateshead, may I ask the Secretary of State what support he is giving to the games and urge him to give the best possible support that he can?

Jeremy Wright: We wish those games every success, and if there is practical assistance we can provide, we are very happy to talk to the hon. Lady about what we might be able to do beyond what is already happening.

Several hon. Members rose—

Mr Speaker: On the principle of better late than never, I shall call the hon. Member for Cheadle (Mary Robinson) to ask a question now as she missed her question earlier. It is perhaps a good idea always to get here a bit earlier. Nevertheless, I wish to hear the hon. Lady, and I am sure the House does.

Mary Robinson (Cheadle) (Con): Many thanks, Mr Speaker, and apologies.

Next week, I will be holding Cheadle's ScamSmart event to inform local residents about how to deal with consumer protection and address nuisance phone calls. Does the Minister agree that the bosses of companies that bombard people with unsolicited phone calls should feel the full force of the law and be directly liable for fines, to prevent them from doing this in future?

Margot James: It is a pleasure to see my hon. Friend, who raises a very important issue. Nuisance calls are not a victimless crime; they are a source of fear and intimidation to many older people and vulnerable groups. So I agree that those who flout the law on a persistent basis should be held to account, and that means directors being personally liable. That is why we have just completed a consultation on how we bring this into force, and company directors will face, potentially, fines of up to half a million pounds if it is decided on.

Several hon. Members rose—

Mr Speaker: I am sorry, but unfortunately demand massively exceeds supply, so this will have to be the last question.

Mr Gregory Campbell (East Londonderry) (DUP): The Minister may not be aware that I am currently in discussions with the National Audit Office to establish its right to examine BBC commissioning contracts worth less than the threshold of £1 million. Does she agree that that would be a good idea, particularly for openness and transparency at the BBC, and that failure to do so will leave the suspicion that it has something to hide?

Margot James: The hon. Gentleman is right that we are hoping for greater transparency from the BBC. Ofcom recently identified this as an area for improvement in its report on the BBC.

ATTORNEY GENERAL

The Attorney General was asked—

Leaving the EU: Rights of EU Citizens

1. **David Linden** (Glasgow East) (SNP): Whether he has provided the Prime Minister with legal advice on the rights of EU citizens after the UK has left the EU.

[907420]

5. **Patricia Gibson** (North Ayrshire and Arran) (SNP): Whether he has provided the Prime Minister with legal advice on the rights of EU citizens after the UK has left the EU.

[907425]

9. **Tommy Sheppard** (Edinburgh East) (SNP): Whether he has provided the Prime Minister with legal advice on the rights of EU citizens after the UK has left the EU.

[907429]

The Attorney General (Mr Geoffrey Cox): As the hon. Member for Glasgow East (David Linden) will know, the Law Officers convention prevents me from disclosing whether I have given advice—and, if so, the content of that advice—on this or any other subject.

David Linden: The Prime Minister said that EU citizens' rights will be unilaterally respected. Does the Attorney General agree that that statement does not provide sufficient legal guarantees in the case of no deal and that the best way to guarantee EU citizens' rights is the ring-fencing that has already been agreed in the draft withdrawal agreement?

The Attorney General: The Prime Minister has indeed guaranteed the rights of those living here who are citizens of the EU. Those guarantees will be fair, generous and comprehensive. The Government are working on the detail now.

Patricia Gibson: Earlier this week, the Immigration Minister appeared before the Home Affairs Committee and was questioned about the rights of EU citizens in the event of no deal. Can the Attorney General confirm whether it is true that in the event of no deal, EU citizens who have not applied for settled status will find it impossible to distinguish themselves from new EU arrivals?

The Attorney General: I can confirm that that will not be the case.

Tommy Sheppard: In the event of no deal, is there any legal reason why citizens who have EU settled status could not have the same rights to vote in local elections as EU citizens have at the moment?

The Attorney General: Again, the hon. Gentleman will have to forgive me, but that is a matter that I cannot disclose, because that would be to disclose the advice that I give to the Government.

Mr Peter Bone (Wellingborough) (Con): The Attorney General has been rather reticent in his replies. Would he recommend that hon. Members watch the video of him at the Conservative party conference, as that would answer many questions? *[Interruption.]*

Mr Speaker: It is a question that warrants an answer, but more particularly, if the Attorney General does get to his feet, we shall enjoy more of his baritone.

The Attorney General: I am most obliged, Mr Speaker. I am afraid that I did not quite catch my hon. Friend's question, but if it referred to me in the video, I think that I am best taking the fifth amendment.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Can the Attorney General confirm that EU citizens should have no concerns about their legal rights, especially given the Prime Minister's commitment that they will be guaranteed in all circumstances?

The Attorney General: Yes, I agree entirely.

Mr Philip Hollobone (Kettering) (Con): What advice is being given to UK citizens living in the EU in the event of no deal?

The Attorney General: The Government are currently in dialogue with all countries where EU citizens are living. The Government are making certain that the case is being made to those Governments for reciprocity, but this Government will none the less, whatever the position, ensure that those living in this country from the European Union are treated fairly and generously. That is what this country would expect, and it is consistent with the character of the people of this country. Their rights will be protected and guaranteed.

Chris Bryant (Rhondda) (Lab): The Foreign Secretary yesterday told the Foreign Affairs Committee that the Foreign Office is doing work on what will happen if UK citizens are trapped after Brexit in other parts of Europe because there are no flights. Can the Attorney General tell us how many people that will affect and which circle of hell they will be in?

The Attorney General: I am not able to give the hon. Gentleman that detail. It is not my sphere of ministerial responsibility. Much as I would like to answer for every aspect and part of the Government, I cannot answer that question, but if he wishes an answer, I will write to him about it.

Michael Fabricant (Lichfield) (Con): Chris Bryant should resign.

Mr Speaker: Order. The hon. Member for Rhondda (Chris Bryant) is not being asked by anybody else to resign. That is not going to happen.

Kevin Foster (Torbay) (Con): Does the Attorney General agree that EU citizens can take great comfort from the clear commitments that have been given in the case of no deal and that they should therefore ignore the scaremongering from the separatists on the Opposition Benches?

The Attorney General: I quite understand why, at a time of national uncertainty, those affected by this situation might be worried, but let me say from the Dispatch Box on behalf of the Government that they should not worry. The fact is that their rights will be protected. This Government are determined and committed to that.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Despite that answer, is it not the case that the European Union (Withdrawal) Act 2018 only copies EU law until the moment that the UK Government decide to adopt different provisions, which, as far as immigration issues are concerned, is likely to be soon after Brexit? Does the Attorney General agree that that would leave EU citizens in a precarious legal position, especially without any agreements regarding pensions, social security aggregation and access to healthcare?

The Attorney General: The arrangements under the withdrawal agreement as so far agreed would provide for the comprehensive protection of all the rights of EU citizens, on both pensions and social security.

Exploitation of Vulnerable People

2. **James Cleverly** (Braintree) (Con): What assessment he has made of the effectiveness of the CPS in prosecuting crimes involving the exploitation of vulnerable people. [907421]

The Solicitor General (Robert Buckland): The Crown Prosecution Service has had considerable success in prosecuting cases involving the exploitation of vulnerable people by gangs. The number of offences charged and prosecuted under trafficking and slavery legislation has risen year on year to 340 last year, and last month we saw the successful prosecution of Zakaria Mohammed, who is believed to be the first person to be jailed under modern slavery laws in respect of the exploitation of children.

James Cleverly: I thank my hon. and learned Friend for that answer. Does he agree that the use of some of the youngest and most vulnerable people in our society for county lines drugs trafficking is a particularly pernicious offence? What is the CPS doing to crack down on that activity?

The Solicitor General: My hon. Friend is right to focus on the menace of organised crime and county lines. The CPS has developed an approach to county lines, particularly when it comes to the investigation and prosecution of offences involving vulnerable people—in other words, how to treat them and whether they should be treated as victims or defendants.

Kerry McCarthy (Bristol East) (Lab): The anti-slavery charity Hope for Justice has said that two thirds of UK modern slavery victims are in the waste industry. The Environment Agency is training its staff to spot this exploitation. What liaison is the CPS having with the Environment Agency on this matter?

The Solicitor General: The hon. Lady makes a very good point. The waste industry, car cleaning and such activities are clearly a focus for this type of unlawful

behaviour. The police and the Crown Prosecution Service are indeed working with other agencies, but I take the particular point she makes and I will re-emphasise it to the CPS.

Eddie Hughes (Walsall North) (Con): Will my hon. and learned Friend tell the House what the CPS is doing to support and protect vulnerable people who have been the victims of crime in order to secure their valuable evidence?

The Solicitor General: My hon. Friend is absolutely right to talk about the victims. I have mentioned the decision to be made about the vulnerable victims of human trafficking. We have a particular mechanism that we use to protect the position of people who might otherwise be in the country unlawfully and to give them support so an informed decision can be made about their involvement in the process. I am confident that the CPS is working very hard always to improve its approach to victims.

Nick Thomas-Symonds (Torfaen) (Lab): The number of rapes reported has more than doubled since 2013-14, yet the Crown Prosecution Service's "Violence against Women and Girls Report 2017-18" highlights a 23.1% fall in the number of defendants charged with rape compared with the previous year. Why does the Solicitor General think this has happened?

The Solicitor General: The hon. Gentleman is right to raise this issue. Since those figures have been obtained, I and others have been working very hard to establish what the often complex reasons for them are. Sadly, I think that a lot of them are long-standing ones. What is sometimes unattractively described as the rate of attrition, as well as the experience of victims in this service, is still something that needs to be dealt with fully. That involves not just the CPS end of it, but the very early stages of the investigation. I assure him that every effort is being made to try to close that gap in a meaningful sense.

Nick Thomas-Symonds: I hear the Solicitor General's words, but clearly actions are necessary, too. This is a deep concern. I am sure that he will have seen the recent story in *The Guardian* newspaper that staff at the Crown Prosecution Service have been told:

"If we took...weak cases out of the system, our conviction rate goes up to 61%."

Clearly, decisions to prosecute are subject, under the code for Crown prosecutors, as the Solicitor General knows, to the evidential test and the public interest test, not to some kind of arbitrary decision to get the figures up. Has that been said, and if it has been said, what action is he going to take?

The Solicitor General: I assure the hon. Gentleman and the House that any suggestion that there should be an artificial target that trumps the tried and tested code for prosecutors would be wholly wrong. I will absolutely make sure myself, as will others within the CPS, that such observations—if, indeed, they have been made—are ones that carry no weight whatsoever.

CPS 2020 Strategy

3. **George Freeman** (Mid Norfolk) (Con): What recent discussions he has had with the Director of Public Prosecutions on the implementation of the CPS 2020 strategy. [907422]

The Attorney General (Mr Geoffrey Cox): The strategic objectives of the Crown Prosecution Service are always reviewed in my meetings with the Director of Public Prosecutions. I am pleased to see that progress has been made by the CPS in many areas in fulfilling those objectives.

May I take this opportunity to welcome the new and incoming Director of Public Prosecutions, Max Hill? He is a very experienced member of the Bar—a man who has prosecuted successfully in many cases—and I am expecting that he will lead the service to new strengths. At the same time, may I put on the record today the gratitude that I feel and the public should feel to Alison Saunders, the outgoing director? She has been a decent and honourable public servant. She has served the CPS for 30 years, including five years as its leader. She has left the CPS in a condition where, in many areas, she has achieved notable success. I wish her well, and I hope that the whole House will wish her well, in her future endeavours.

George Freeman: I am sure that the Attorney General agrees with me that nobody needs an effective CPS more than the victims of crime. Will he join me in welcoming the appointment of the new chief inspector of the CPS, and will he reassure me that the recently published victims strategy will sit at the heart of the CPS 2020 strategy so that the victims and witnesses of crime get the care and respect they deserve?

The Attorney General: I entirely confirm that. Victims are at the heart of everything that the CPS should be—and is—doing, and I agree with my hon. Friend about the appointment of Mr McGinty. I am most grateful to my hon. Friend the Member for Bromley (Robert Neill), who chairs the Justice Committee, for confirming that appointment, and I expect the appointment of Mr McGinty to lend considerable value as we move forward with important reforms in the governance of the CPS.

Mr Speaker: If the Attorney General is to refer to his hon. Friend, may I gently say that to exclude Chislehurst might cause some offence to the residents thereof?

The Attorney General: Mr Speaker, I put on record my profound apologies to Chislehurst.

Nick Smith (Blaenau Gwent) (Lab): The CPS has lost more than 400 prosecutors due to cuts since 2010. Is that why the outgoing director of the CPS says that our criminal justice system is “creaking”?

The Attorney General: I noted carefully the DPP’s concerns on that matter, but the performance and conviction rates of the CPS are the highest they have been in many years, and therefore they show no sign that it is creaking as a consequence of manpower. I think that the DPP was referring to a real challenge that we face, which is the increasing volume of evidence—particularly digital evidence from smartphones and computers—that is

placing a real strain on both the police and the CPS. I shall be tackling that shortly in the review I am publishing on disclosure.

10. [907430] **Theresa Villiers** (Chipping Barnet) (Con): In taking forward prosecutions for hate crimes, will the Attorney General encourage the CPS to work with the Community Security Trust, which has great expertise in combating antisemitism?

The Attorney General: That is an excellent suggestion, and I shall look at it extremely carefully. It sounds like something we need to take forward.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Attorney General aware that a cross-party group of MPs has recently been told by senior police sources that the Crown Prosecution Service has not got the capacity to take on new cases involving dreadful crimes against children and that men who they know have committed such dreadful offences are not being pursued because the CPS does not have the resources? That is a very serious worry.

The Attorney General: If that were true, I would share the hon. Gentleman’s profound concern. I will look into the matter as a consequence of his having raised it this morning.

Robert Neill (Bromley and Chislehurst) (Con): May I, and all residents of Bromley and Chislehurst, welcome and endorse the comments of my right hon. and learned Friend about Mr Hill QC—a barrister of the very highest standing—Alison Saunders and Mr McGinty, who greatly impressed our Committee with his rigour as inspector? The Attorney General referred to proposals to reform the governance of the Crown Prosecution Service, and when we investigated the issue of disclosure, there was some concern about the potential ambiguity in how the role of superintendence over the CPS works. Will the Attorney General give us his thoughts on how that issue might be strengthened and clarified?

The Attorney General: I am most grateful to my hon. Friend for that question, and as he knows, I am currently considering how further detail and structure could be given to the statutory superintendence role. It is important that in that role I ensure—in so far as it is appropriate to do so and while protecting the fierce independence of prosecutorial decisions that the CPS rightly shows—that I am able to understand more clearly how matters are developing, for example, in connection with disclosure. I am therefore considering structural changes to the governance arrangements, and they will be announced in due course.

Domestic Abuse Victims

4. **Robert Halfon** (Harlow) (Con): What steps he is taking with the CPS and Cabinet colleagues to improve the effectiveness of the criminal justice system for victims of domestic abuse. [907424]

The Solicitor General (Robert Buckland): Tackling domestic abuse is a top priority for this Government, and we are committed to securing justice for all victims. We have seen improved conviction rates—in 2017-18, the conviction rate for domestic abuse cases increased to 76.4%, which is the highest rate ever recorded.

Robert Halfon: In June 2012, Eystna Blunnie, a 20-year-old pregnant young lady was brutally kicked to death by her ex-fiancé, Tony McLernon, two days before her due date in Harlow. She sadly died in hospital and doctors were unable to save the baby. Despite McLernon's death threats prior to the attack, he was not charged, and police assessed Eystna as being at "medium-risk" of domestic abuse. What changes has the Crown Prosecution Service made in how it decides to bring charges in cases of domestic violence, and what specialist training is given to CPS solicitors to deal with cases of domestic abuse and violence against women?

The Solicitor General: I pay tribute to my right hon. Friend and to the family of the victim for their dignity in the face of such tragedy. Steps have indeed been taken as the result of that case and others, for example: the existence of a victims' right to review policy on prosecution decisions; the use of local scrutiny and inclusions panels to consider violence against women and girls cases; and the new offence of coercive control, which can capture cumulative abusive behaviour by one partner against another.

Thangam Debbonaire (Bristol West) (Lab): Prosecuting cases of domestic violence is only possible if the police have sufficient officers and resources, so what conversations did the Solicitor General or Attorney General have with the Chancellor about police funding and were they satisfied with the result?

The Solicitor General: The hon. Lady knows police funding is a question for an announcement in December and the forthcoming spending review next year. I reassure her that the number of flagged referrals on domestic abuse from the police is remaining steady at about 110,000 in the past two years. As I have said, the number and rate of prosecutions continues to rise. We have seen a rise of over 50% in domestic abuse prosecutions in the past 10 years.

Terrorism Prosecutions

6. **Rehman Chishti** (Gillingham and Rainham) (Con): What steps the Crown Prosecution Service is taking to increase the rate of successful prosecutions for terrorism. [907426]

The Attorney General (Mr Geoffrey Cox): The counter-terrorism division of the Crown Prosecution Service is one of the great successes of that organisation. It has an excellent reputation both at home and abroad. In its recent work, it has doubled in size and doubled the number of convictions. The CPS works closely with police and partners to help to implement the Government's counter-terrorism strategy.

Rehman Chishti: I thank the Attorney General for that answer. As a member of the Home Affairs Committee, I understand that there are 500 live operations concerning

3,000 individuals of interest and a further 20,000 individuals who have been investigated under terrorism-related incidents. Can the Attorney General clarify and confirm that the CPS has adequate resources and the expertise to deal with these matters effectively?

The Attorney General: I meet the Director of Public Prosecutions regularly, and counter-terrorism is one of those things upon which we focus most closely. I have also met the head of the terrorism division, Deborah Walsh. This is a well-led, well-resourced division. Its prosecution and conviction rate is of the highest in the CPS. I am confident that it has the resources, and if it needs more, we will find them. This is a national priority.

Jim Shannon (Strangford) (DUP): To address terrorism and paramilitarism, we have to remove the money. What is being done to remove the financial criminal empires that finance terrorism and paramilitarism?

The Attorney General: The Crown Prosecution Service this year recovered between £80 million and £100 million of illicit assets. Organised crime and the illicit financing of terrorism is one of the Government's priorities. It is being co-ordinated by the National Crime Agency. It is being met with a range of new tools, including unexplained wealth orders, which we will be using as hard and as impactfully as we can in future months.

Proceeds of Crime Act 2002

8. **Christian Matheson** (City of Chester) (Lab): What plans he has to undertake a review of the effectiveness of prosecutions under the Proceeds of Crime Act 2002. [907428]

The Solicitor General (Robert Buckland): Dealing with illicit finance through the prosecution of money laundering offences is a priority for the Crown Prosecution Service and the Serious Fraud Office. Prosecutors have not identified any specific concerns regarding the effectiveness of prosecutions under the Proceeds of Crime Act 2002. We continue to use the Act, as it has evolved, to good effect.

Christian Matheson: I have a constituent who has been convicted, I believe wrongly, for fraud. Despite the prosecution accepting that he made no financial gain whatever from the allegations, the SFO went after him and his wife, who is entirely unconnected. Does the Solicitor General think that is fair and what possible avenues for redress do I have for my constituents?

The Solicitor General: I am grateful to the hon. Gentleman for raising the case. It would be invidious of me to comment on a particular case. I will simply say that there are different mechanisms within the Act that allow the pursuance of criminal proceeds. It might well be that in that case another mechanism is being used, but I will be happy to look at it further and write to him.

ROYAL ASSENT

Mr Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Acts:

Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

Non-Domestic Rating (Nursery Grounds) Act 2018

Mental Health Units (Use of Force) Act 2018

Northern Ireland (Executive Formation and Exercise of Functions) Act 2018

Middle Level Act 2018.

Fixed Odds Betting Terminals

10.39 am

Tom Watson (West Bromwich East) (Lab) (*Urgent Question*): To ask the Secretary of State for Digital, Culture, Media and Sport to make a statement on the Government's new approach to fixed odds betting terminals.

The Secretary of State for Digital, Culture, Media and Sport (Jeremy Wright): The Government do not have a new approach to fixed odds betting terminals. The reduction in stakes for fixed odds betting terminals is an important change and it is the right thing to do, but there are several factors to consider in determining the date from when it should take effect. The most important, of course, is to do this as soon as possible to prevent further harm. The Government were urged in an early-day motion in June this year and by the all-party group on fixed odds betting terminals not to wait until April 2020 to do so, and we have not done so. But it was also right to consider planning to reduce the effect of job losses for those working in betting shops on the high street and allow time for that planning to take effect.

It also has to be recognised that, right though this change is, money for public services coming from the use of FOBTs has to be replaced, or public services will have less funding. The Chancellor has decided to do that with an increase in remote gaming duty, and it is right that that increase happens at the same time as the FOBT stake change. There also needs to be a proper period of notice after the setting of that new rate before the change to remote gaming duty takes effect. The Government have therefore concluded that October 2019 is the best date to make both changes.

However, the Government have always made it clear that the issue of problem gambling is complex and cannot be addressed through these measures alone, so work has been continuing to strengthen protections around gaming machines, online gambling, gambling advertising and treatment for problem gamblers. The Gambling Commission launched a consultation on protections around online gambling last month. This examined stronger age verification rules and proposals to require operators to set limits on consumer spending until affordability checks have been conducted. There will be tough new guidance from the Committee of Advertising Practice on protecting vulnerable people, with further guidance on protecting children and young people introduced before the end of the year. Public Health England will carry out a review of the evidence on the public health impacts of gambling-related harm and, as part of the next licence competition, the age limit for playing national lottery games will be reviewed to take into account developments in the market and the risk of harm to young people.

While we want a healthy gambling industry that contributes to the economy, we also need one that does all it can to protect players. This is a significant change that will help to stop extreme losses by those who can least afford it, and we are taking decisive action to ensure that we have a responsible gambling industry that protects the most vulnerable in our society.

Tom Watson: It was a very good day for both sides of this House back in May when the Minister for Sport and Civil Society, the hon. Member for Chatham and Aylesford (Tracey Crouch), announced this document

[Tom Watson]

and that the Government would reduce fixed odds betting terminal stakes. Everyone on both sides of the House was led to believe that that cut would take place in April 2019, at the start of the new tax year. Why was that? Because in answer to a written parliamentary question, the Minister herself said that the enabling statutory instrument would be taken this autumn and verbally confirmed, in a minuted meeting of the all-party group on FOBTs, that that would be the case.

On Monday this week, the Chancellor announced that the cut in stakes would be further delayed by six months. This is extremely disappointing, not least because the Secretary of State's predecessor also implied to the hon. Member for Inverclyde (Ronnie Cowan) that April would be the date.

Research shows that half of people struggling with problem gambling have had thoughts of suicide. The bookmakers will pocket an estimated £900 million because of this delay. This amounts to a betrayal of the promise made by the Secretary of State's two predecessors and of the Government's own three-year review, which was meticulously conducted by the hon. Member for Chatham and Aylesford. When the Government themselves have admitted the social blight of FOBTs, it seems incomprehensible and inconceivable that they would delay a policy supported by many people on both sides of the House and in both Chambers.

Has the Minister resigned? If not, why is she not here answering this urgent question or sitting by the Secretary of State on the Front Bench? She has presumably had time to freshen up since travelling on the red eye from the US.

When did the Secretary of State read the report on gaming machines and social responsibility measures? He failed to answer the question earlier in oral questions from my hon. Friend the Member for Cardiff West (Kevin Brennan). Had he read it when he indicated to the DCMS Select Committee that the policy could be delayed? What discussions did he have with the hon. Member for Chatham and Aylesford before he decided to delay the policy? On what dates—I have informed his office of this question—did he meet the hon. Member for Shipley (Philip Davies), a well-known advocate for the industry, to discuss FOBTs?

The hon. Member for Chatham and Aylesford did the right thing in announcing this policy, and the House supported her, as did those working to eradicate gambling addiction. In capitulating to the gambling industry, the Secretary of State has not just let the victims of gambling addiction down; he has let his own team down, and ultimately he has let himself down.

Jeremy Wright: My hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) is doing an outstanding job as the Sports and Civil Society Minister, and the hon. Gentleman is right that she deserves a large part of the credit for the substantive change the Government are making—a decision, by the way, that the last Labour Government did not make and which now falls to us to make. He asks why she is not answering the urgent question. The urgent question is about a change in Government policy. As I have explained to him, there is no change in Government policy, and anyway I take responsibility for policy made in this

Department. The Government collectively make decisions on these matters, as in the case of the decision I have explained to the House.

The issue of the timing is important, so let me try to explain it again. The hon. Gentleman is right that the Government announced in May that their intention was to reduce FOBT stakes from £100 to £2. As I have made very clear, that was the right decision to make, but they did not set out at that time the point at which the change would be implemented. He says that everybody knew it would be in May 2019. That is his argument to the House today. I remind him of the text of early-day motion 1440, dated 20 June 2018—after the announcement in May—and which has 48 signatures on it:

“That this House...notes with equal concern that the stake is not due to be reduced until April 2020”.

In addition, we heard representations—understandably—from the all-party group saying that April 2020 would be too late. We agree, hence the decision taken is not to make this change in April 2020, but to make it earlier. I have heard language twisted to various uses in this place, but the idea that a move from April 2020 to October 2019 is a delay is going a little far. It is not a delay. [Interruption.]

Mr Speaker: Order. Today is heavily subscribed and there will be a significant number of Members who wish to take part in the final day's debate on the Budget who will not be called simply on account of time. That is the brutal reality. This matter is important and Members must be heard—and they will be—but the Secretary of State has been called to the House to answer this question and he must be afforded the courtesy of being able to answer it without excessive noise.

Jeremy Wright: The last point I was going to make was in relation to the Government's response to the review. I reiterate that it was not solely about the reduction in fixed odds betting terminal stakes. Important though that is, the report covers several other issues. The hon. Member for West Bromwich East (Tom Watson) asked whether I had seen it. I have—it is here. It is important for the House to recognise not only the substantive decision, but that there are a number of other things that we need to do together to tackle problem gambling in this country. I have no intention of stopping here. I have no doubt that my ministerial colleagues feel the same. I would not expect any other Members who feel passionately about the subject to do so either.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): In May, I was enormously proud of my Government for taking a bold and important decision that put lives ahead of profits. I assumed, after the APPG investigation, that the industry itself recognised that it needed about nine to 12 months to implement this. That would have taken us to April or May next year. The complaints about the delay for another year were specifically about that, not about April next year. I say to my right hon. and learned Friend that it is not too late. For the sake of those people whose lives and families have been destroyed, and many more may yet follow them, I urge him to think again and bring forward the date so that we may end this scourge.

Jeremy Wright: The whole House has respect for my right hon. Friend's passion on this subject and his commitment to change. Of course, he is not alone and I am sure that many other Members will speak who also deserve huge credit for their consistent efforts. I simply say to him that I have tried in my response to set out the logic of how we balanced out several different factors in making our decision. None includes consideration of the profits of the betting companies. There are considerations about the livelihoods of those who work in betting shops and it is perfectly proper for the Government to make them. He will know that, if we did what the betting companies wanted, the change would not be made at all. We have done this contrary to the strong wishes and consistent argument of the betting companies because we believe it is the right thing to do.

Ronnie Cowan (Inverclyde) (SNP): I thank the hon. Member for West Bromwich East (Tom Watson) for introducing the urgent question. We know—and the Government have acknowledged—the damage caused by fixed odds betting terminals. It has been accepted that, to reduce the harm, reducing the maximum stake to £2 is required. Until that is implemented, the acknowledged harm continues. For technical and other reasons that we have heard, but that I believe are questionable, the implementation date has been set at October 2019. We have already heard what the original date could have been, but that is to miss the point. Every day we hesitate results in additional debt, increased gambling-related harm and, tragically, the possibility of more suicides relating to these machines. That is not a price worth paying to placate the bookmakers or a handful of Back Benchers. There is cross-party support for an implementation date in April 2019. Any later is tantamount to negligence and will be resisted at every opportunity.

Jeremy Wright: No, I do not accept that it is negligence to take the approach we have taken. It would be negligent not to take into account all the relevant considerations in making this decision. I think I have been as clear as I can be: the profit margins of the betting companies are not one of the relevant considerations. However, it is appropriate for us to think about the economic impact of this decision on those who work in the high street and it is appropriate for us to think about the necessary notice to be given not just for the FOBT change, but for the remote gaming duty change. Although I entirely accept the hon. Gentleman's passion on this, I know why he argues as he does. There is no monopoly in this House on compassion for those who suffer from problem gambling and its effects. We have had FOBTs in this country since the early 2000s and this is the Government who are taking action against them in order to make the substantive change that he and I will agree needs to be made.

Damian Collins (Folkestone and Hythe) (Con): Does the Secretary of State agree that implicit in what he and the industry have said is that there has indeed been a direct correlation between FOBTs on the high street and the proliferation of betting shops on the high street? If this decision on the new £2 stake is to be delayed, will he ask the betting companies to make additional contributions to charities that work with gambling addiction and problem gambling from the additional profits they will make from that delay?

Jeremy Wright: My hon. Friend will have heard me say that I do not accept that this is a delay at all, and as I hope he will have picked up from my other remarks, I think there is more to do on problem gambling. I do not believe that, whenever we implement this change, that is the end of the story. There is a huge amount more to do and that will require action on the part of the industry as well as of Government.

Clive Efford (Eltham) (Lab): The Minister, the hon. Member for Chatham and Aylesford (Tracey Crouch), is certainly a very principled person, whom I respect enormously, and I would not be surprised if she resigned over this delay. The betting industry is prepared for this change. The machines can be changed in a matter of months, so there is no reason for this other than the fact that the biggest profiteer from the tax from these machines is HM Treasury. The Treasury has won its argument against this Secretary of State because he told the DCMS Select Committee last week that he was not convinced about the reasons for the delay, so why have we got one?

Jeremy Wright: Again, it is not a delay. In relation to the reasons, yet again, I have made the point that I am not convinced by the argument that we should concern ourselves with the profit margins of the betting companies, and I am not doing so, but there are other factors that we need to take into account, and that is what we are doing. This is not just about the ability of those on the receiving end to adapt to the FOBT change; it is also about their capacity to adapt to the change to remote gaming duty. Both of those are important and they come together to make the decision the Government have made.

Sir Peter Bottomley (Worthing West) (Con): My right hon. and learned Friend is right in saying that we have had fewer than nine years since the change in Government—these ghastly machines came in in 2001—but early-day motion 1440 does say that April 2020 is too late and asks that the change be made immediately.

A number of MPs have been at this for some time. The Minister, our hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), did help to get the Government to realise that coming down to £50 was wrong, that £20 would be wrong and that £10 and £5 would be wrong, and said she would be grateful for the figure to be £2, but we also share the general concern at the delay for the extra six months.

Jeremy Wright: On delay, I entirely understand that my hon. Friend and others want this to happen as soon as possible, and so do I, but he will know from his experience of Government that there are a number of factors that Governments always have to balance in making these decisions. That is not always easy and it certainly is not always popular, but it is important that we make this decision stick. He is right that it is a long time in coming, but the worst thing that can happen now is that we make this decision in a way that ends up unravelling because we have not made the necessary preparations and done this in a careful enough way. That is the objective here: to make sure that the substantive change that he has worked so hard for and that my hon. Friend the Member for Chatham and Aylesford has worked so hard for does not just happen, but lasts.

Christine Jardine (Edinburgh West) (LD): We have all heard the Secretary of State's excuses and explanations, his logic and his fears of the decision unravelling, but does he accept that the suspicion will persist in this House that they are simply excuses, that the delay is unacceptable and that the Government are accepting that lives will be ruined by these gambling machines rather than taking action?

Jeremy Wright: Again, it is this Government who are acting. That is why this substantive change is being made. It is precisely because of the damage that the hon. Lady describes that we are doing this. The argument we are having this morning is about the point in time at which implementation happens. What I have set out are not excuses but the reasons for the judgment that the Government have taken. Let us not forget that it is this Government who are making the change, and that their predecessors did not do so.

Dr Sarah Wollaston (Totnes) (Con): In his Budget statement, the Chancellor referred specifically to wanting to reduce the tragedy of lives being lost to suicide. This is clearly a measure that could be taken; the industry has had ample time to prepare for it. May I urge the Secretary of State to reconsider and to bring forward the date on which remote gambling duty is brought in, so that it can cover the costs that he has mentioned in relation to protecting public services? The tragedy of lives being lost to suicide has to be our absolute priority here, and there is good evidence for this measure. I urge him to think again and to bring it in.

Jeremy Wright: I have huge respect for my hon. Friend's passion on this subject, and for the approach that she takes to issues such as this. I hope she will accept that there is no lack of enthusiasm on my part for countering the harms that she has described. The reason that we are making this decision is not because we believe it is important to pacify the betting lobby. Had that been the case, we would not have made this change at all. We have made this change because we believe that it is necessary to make it, but it is also necessary to make this decision in the most rational way that we can and to balance out a number of factors that we have no choice but to properly consider in order to achieve the objective that she and I share.

Nic Dakin (Scunthorpe) (Lab): What will the Secretary of State say to those families who further suffer as a result of this delay?

Jeremy Wright: I will not repeat what I have said on delay, but perhaps I should say this. Before we have too many more contributions from the Labour Benches arguing that this Government are bringing about misery that could be avoided, may I gently remind the hon. Gentleman and his colleagues that these machines were conceived when the Labour party was in government? That Government passed legislation in 2005 to allow for £100 stake levels, and in the last three years of the Labour Government, the numbers of these machines increased by 37%. The Labour party in government did not do anything about any of that, so before we have very much more of this conversation, I think it would be appropriate to accept that that was wrong—as, to be fair, the shadow Secretary of State, the hon. Member

for West Bromwich East has had the grace to do—and that the mistake we are now correcting was a mistake made by the Labour Government.

Andrew Selous (South West Bedfordshire) (Con): Does the Secretary of State accept the point made by the Chair of the Liaison Committee, my hon. Friend the Member for Totnes (Dr Wollaston), that delay could indeed cost lives? The Health Committee's suicide prevention inquiry was told by Dr Peter Aitken of the Royal College of Psychiatrists that gambling is a "significant addiction of our day" and that it

"figures very much in the stories our patients tell us as to why they are in debt and feeling vulnerable".

We have to put a high cost on the loss of human life.

Jeremy Wright: Of course I agree with my hon. Friend about that, and I pay tribute to him for the way in which he approaches these matters. Again, it is entirely for that reason that we are taking the action that we are taking, and we are seeking to implement it in a way that will ensure that the change lasts and does the good that he rightly describes.

Carolyn Harris (Swansea East) (Lab): As the chair of the all-party parliamentary group on fixed odds betting terminals, which poked the hornets' nest and brought us here today, I am incandescent, as are other Members across the House—including, I would argue, the Minister for sport, the Under-Secretary of State for Digital, Culture, Media and Sport, the hon. Member for Chatham and Aylesford (Tracey Crouch). If she does resign, it will be a great loss to her Front Bench, because her integrity and bravery surpass those of anyone else I see in here today. What is happening to the families who are losing children? What is happening to the children who do not get Christmas presents because of an addictive parent? What happens to the people who have to go to food banks because they have an addiction to these machines? Don't give me warm words—give me action. April 2019! We cannot lose any more lives because of these dreadful, dreadful machines.

Jeremy Wright: Among the many Members who deserve huge credit for bringing us to a place where this change is to be made, the hon. Lady ranks high in the list. She has done a huge amount to help ensure that this change happens. She asks for action, and she will have action. This change will be made. She deserves a large amount of credit for it, but I hope that she will not overlook the fact that it is this Government who are making it happen at her urging. We will deliver this change in a way that makes it stick and realises the benefits that she wants to see.

Mr David Jones (Clwyd West) (Con): The Government's response to the consultation noted that B2 gaming machines are frequently located in areas of high deprivation and that, frankly, they are ruining lives. Does my right hon. and learned Friend not think that he is engaging in pure semantics when he says that a period of time from April to October next year is not a delay when every Member of this House can see that it is?

Jeremy Wright: I do not accept that. I do not believe that this is about semantics. My right hon. Friend is a distinguished lawyer and knows perfectly well that it is

important for the Government to approach their decision making in a way that is defensible and takes all the necessary considerations into account. That is exactly what we are seeking to do.

Jim Shannon (Strangford) (DUP): May I express my concerns and my constituents' fears about the delay in bringing forward the FOBTs legislation and what that will mean for those with addictions and their families? We cannot forget about the families. I simply and honestly urge the Secretary of State to introduce the legislation earlier. My constituents demand that and so do I.

Jeremy Wright: I am grateful to the hon. Gentleman for his commitment to this cause. Again, he is one of those who have made the case for change consistently and should share in the credit for it happening. However, it is important, as I have said several times, that the change happens in a way that is defensible and delivers the benefits that he and I both want. It would be quite wrong to characterise this argument as one between those who want the change and those who do not. An overwhelming majority in this House want the change, and I am very much among that majority. However, it is important that it sticks, and that is what we are trying to ensure.

Mr Laurence Robertson (Tewkesbury) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests. Having been heavily involved in discussions on this issue, I can confirm that not only the betting industry but the racing industry, which is supported by bookmakers, fully expected the change to be implemented in April 2020, so the change is in fact being brought forward.

FOBTs are not the most dangerous form of gambling; they are the fifth most dangerous. I suggest that my right hon. and learned Friend takes into account the losses that will be suffered on the high street in terms of the jobs of men, women and young people, who will also suffer poverty, and the losses to the horse racing industry. I therefore suggest that he allows both the bookmaking and horse racing industries sufficient time to make the changes that might mitigate those losses.

Jeremy Wright: I understand what my hon. Friend says, but I would argue that we are allowing sufficient time for those industries to adapt. He is right that we need to consider such issues, but we have done that, and our approach properly allows those industries to adapt as they ought to and also allows the Government to do whatever we can to mitigate any economic harm that might arise from this measure—necessary and right though it undoubtedly is.

Yvonne Fovargue (Makerfield) (Lab): With household debt at record levels, why are the Government delaying the implementation of a measure that would go some way towards mitigating one cause—problem gambling?

Jeremy Wright: Again, there is no delay here. We are attempting to bring forward these measures and implement them in a way that balances a number of factors. The most important factor, beyond question, is the wish to minimise the harm that the hon. Lady describes, and that is what we are doing. Were we not interested in that, we would not be making this change at all, and

were the charges I have heard from Opposition Members right, we would not be talking about it at all, because there would not be the implementation of a FOBT stake change to discuss.

Bob Blackman (Harrow East) (Con): In March 2018 the offshore gambling company GVC bought Ladbrokes, which is based in my neighbouring constituency, for £3.7 billion. Part of that package was £700 million in compensation to shareholders who would lose out as a result of FOBT stakes being reduced. However, that option ceases if the statutory instruments are put through this place and the other place before midnight on 27 March 2019. When will my right hon. and learned Friend introduce the SIs for this House and the other place to implement?

Jeremy Wright: We will do that as soon as we can. My hon. Friend, although I do not doubt what he says, will recognise that I do not think it proper for Government to take account of such commercial arrangements, which need to be made in view of whatever risks the market believes there will be. We will make this decision based on the criteria I have set out so that we can make this change in the most defensible way.

Janet Daby (Lewisham East) (Lab): We have heard from Members on both sides of the Chamber that lives are being lost and families are being affected. Last year, according to the NHS, record numbers of people were hospitalised through gambling addiction. Does the Secretary of State think that mental health provision for problem gamblers is adequate?

Jeremy Wright: As I have said, I think there is a good deal more to do. The hon. Lady is right to say that the problem of gambling addiction, with all its negative consequences, is not limited to these machines. There is something particularly pernicious about these machines because of the way they operate and the way people use them, but there is a broader problem here. She is also right to say that, at least in part, a response needs to come from the health service. That is why I am so pleased that my right hon. Friend the Secretary of State for Health and Social Care is looking carefully at what we might do in his field and that the chief medical officer is also considering this matter. As I have said, I believe there is more to do, and I am interested in options for how we might pursue that. If there is more action we can take, I intend to take it.

Robert Halfon (Harlow) (Con): I believe that action should come sooner rather than later—I refer Members to my entry in the Register of Members' Financial Interests—but what is the Department's estimate of the number of job losses? What will the Department do to make sure that those who lose their job are helped to get another one?

Jeremy Wright: It is difficult for anyone to be specific about the figures, because it depends, of course, on how the industry responds to the position we present to it. On the second part of my right hon. Friend's question, we seek to work across Government, including in my Department, the Department for Work and Pensions and others, to ensure that if there are to be job losses as a result of this right and necessary decision, we do all

[Jeremy Wright]

we can to mitigate their effects on the people who work in betting shops. This is not about company profits; it is about the economic wellbeing of the people who work in those shops. They also deserve consideration, and we will make sure they get that consideration in how we approach this decision.

Nick Smith (Blaenau Gwent) (Lab): Has the Under-Secretary of State for Digital, Culture, Media and Sport, the hon. Member for Chatham and Aylesford (Tracey Crouch), threatened to resign over this delay?

Jeremy Wright: I have made it quite clear what I think about my hon. Friend the Member for Chatham and Aylesford as a Minister. She is doing a great job, but in the end this decision on FOBTs has to be taken, and is being taken, by the Government collectively. I am very happy to come to the House to explain the logic for the decision, which is what I have done this morning. It is a joint decision for the Government to make.

Neil O'Brien (Harborough) (Con): This is a hugely important reform. Does the Secretary of State agree that we have to get it right and make it stick? Will he look at further measures to restrict the gambling industry such as those taken in Estonia, including measures to restrict gambling advertising in and around sports events?

Jeremy Wright: I agree with my hon. Friend; there are examples we can look at around the world, and we will want to do that. The point he makes about advertising is important; there is a good deal we may be able to look at in the advertising field, and we intend to do that.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): At the end of this month, universal credit is being rolled out in my constituency, so I hope the Minister will inform my constituents that the decision to implement this legislation will come sooner rather than later, so as not to compound the poverty and aggravation that his Government are causing them.

Jeremy Wright: I do not accept the hon. Gentleman's premise, but he has just heard me say that mitigating the effect of these changes is a cross-Government process, and the Department for Work and Pensions is fully engaged in it.

Mr Peter Bone (Wellingborough) (Con): Many times it is right to come to the House to criticise a Secretary of State, but it is entirely unfair to do so today. The Secretary of State has come to answer an urgent question

and Opposition Members are demanding a junior Minister, which is very strange. In addition, he is doing what the House wants and introducing something, yet he is criticised. On the point he raised about advertising, does he think the Government should work with the industry to remove advertising in live sport before the watershed? I think such advertising has a lot to do with problem gambling.

Jeremy Wright: I am grateful for my hon. Friend's remarks, and I understand the point he makes. He will recognise that significant progress has been made on this. For example, gambling advertising targeted at young people can no longer happen. We are looking at further ways in which we can tighten up advertising, as indeed are the other responsible bodies. I shall be considering what he says, along with many other possibilities.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry, but we have a lot of business to get through—we have the business question and then the debate on the Budget—so we really must now move on, but the Leader of the House is not here, and she does need to be here.

Mr Bone: On a point of order, Mr Speaker.

Mr Speaker: No, there are no points of order now. I am sure the Leader of the House is not far away. The hon. Gentleman is a very co-operative fellow, and I know he is always keen to help the Front Benchers with his points of order—not. I am sure the right hon. Lady will be here momentarily, but there is huge pressure on time and I have to make a judgment as to whether the relevant issues have been covered. [*Interruption.*] Well, the hon. Member for Glasgow Central (Alison Thewliss) wins brownie points for what I shall call “interrogative entrepreneurialism”.

Alison Thewliss (Glasgow Central) (SNP): The *Evening Times* reports that there are more than 800 FOBTs and 200 betting shops in the city of Glasgow alone, and that £31 million a year is lost to these machines. What does the Minister say to my constituents, who are losing out every day to these machines?

Jeremy Wright: I say to the hon. Lady's constituents what I say to everyone's constituents: it is this Government who are prepared to do something about it.

Several hon. Members *rose*—

Mr Speaker: The Leader of the House is here, and we are grateful, so we can now move on to the next business.

Business of the House

11.17 am

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Andrea Leadsom): The business for next week will be:

MONDAY 5 NOVEMBER—A general debate on the Dame Laura Cox report on the bullying and harassment of House of Commons staff, followed by a general debate on road safety.

TUESDAY 6 NOVEMBER—A general debate on the centenary of the armistice.

The business for the week commencing 12 November will include:

MONDAY 12 NOVEMBER—Second Reading of the Finance (No. 3) Bill.

TUESDAY 13 NOVEMBER—Opposition day (18th allotted day). There will be a debate on an Opposition motion, subject to be announced.

WEDNESDAY 14 NOVEMBER—A debate on an Humble Address relating to the Prince of Wales's 70th birthday, followed by Second Reading of the Healthcare (International Arrangements) Bill.

THURSDAY 15 NOVEMBER—A general debate on the veterans strategy.

FRIDAY 16 NOVEMBER—The House will not be sitting.

Today marks the start of Men's Health Awareness Month, which is an opportunity to raise awareness of the health—including mental health—issues that affect men, including suicide. In the UK, men remain three times as likely to take their own lives as women, and I wish good luck to everyone taking part in events this month.

During the short recess, I will be taking part in two events here in Parliament: the annual Youth Parliament debate in the Chamber; and the international women MPs' conference, where female parliamentarians from around the world will come together to mark the centenary of some women winning the right to vote in the UK. Next week will also see Hindus celebrate the victory of light over darkness, good over evil and knowledge over ignorance. I am sure the whole House will join me in wishing all those celebrating the festival of light a very happy Diwali.

Before the next business question, we will have commemorated the 100th anniversary of Armistice Day. Many will attend services of remembrance throughout the country to honour the great sacrifice made by so many men and women during the war. Following discussions with your office, Mr Speaker, I advise all Members that on Tuesday 6 November, the House's sitting will be suspended from 1.45 pm to 3.15 pm, so that Members can attend the remembrance service in St Margaret's church. Wherever we are on the 11th day at the 11th hour, we will remember them.

Mr Speaker: I am grateful to the Leader of the House for what she said about the upcoming session of the UK Youth Parliament on 9 November. I am delighted that she will be here and I believe that the shadow Leader of the House will be here, too. I look forward to chairing

those proceedings for the 10th successive year. The Youth Parliament is a huge credit to the young people of this country, and I hope that if Members happen to be available, they might be willing to pop in and demonstrate their support for the future of our democracy and of our country.

Valerie Vaz: The Leader of the House has clearly done her daily mile today! I thank her for the forthcoming business and ask again for the Easter recess dates. Will she confirm that there is no truth in the rumour in the other place, where they think they may not get the February recess? Will she confirm that we will definitely have the February recess?

I was going to ask about the immigration White Paper, which the Minister for Immigration said would be coming forward "very soon"—it was due a year ago—but it seems that the Minister may have something more important to explain, because she might have misled the Home Affairs Committee. It seems that she said one thing and her Department has put out a statement saying something different. Will she come to the House to explain what the exact position is?

Is the Leader of the House aware that the Secretary of State for Exiting the European Union may be in the same position? He said in a letter dated 24 October that he was

"happy to give evidence to the committee when a deal is finished and currently expect November 21 to be suitable."

Has a deal been signed? Has it been signed off by the Cabinet? Does the Secretary of State know something that the House does not? When will he come to the House to explain what he said, which seems to be at odds with his Department? Has the Cabinet signed off the financial services plan that we have heard about this morning?

Will the Leader of the House ensure that both those Ministers come to the House to explain their position as soon as possible—perhaps on Monday? Will she also ensure that the Secretary of State for International Trade comes to the House? According to a written ministerial statement on the trade remedies authority published last Friday, the Secretary of State seems to be appointing people to a body that does not yet exist—it does not have any legal status and we have not even debated it in the House. That is three Ministers so far.

Will the Leader of the House please explain the blatant breach of the ministerial code in the Government's not enforcing the rule established by clause 9.5 of the code, which states that the Opposition should be provided with a copy of a statement? I do not think one was given to the Leader of the Opposition before the Budget statement. When is the Leader of the House going to stand up to this abuse of process? The Government are tearing up the Commons rulebook; no wonder they do not want any other rulebook.

The Leader of the House mentioned the Youth Parliament session next Friday; I am sure that you prefer chairing those debates, Mr Speaker, to chairing Prime Minister's questions. It is the Youth Parliament's 10th time here, so will the Leader of the House ensure that time is scheduled for a debate on whatever particular issue the Youth Parliament votes to be most important? That would be really helpful. The Opposition also welcome the Women MPs of the World conference, and

[Valerie Vaz]

we thank the Department for International Development, the Foreign and Commonwealth Office and my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) for their work. We also thank all the staff who have worked hard behind the scenes to ensure that the conference is a success.

The House was seen in a good light last Friday, when we debated important Bills. It was a productive day, with the House at its best. The Homes (Fitness for Human Habitation) Bill, promoted by my hon. Friend the Member for Westminster North (Ms Buck), passed its Third Reading; the Organ Donation (Deemed Consent) Bill, promoted by my hon. Friend the Member for Coventry North West (Mr Robinson), passed its Third Reading; and the Civil Partnerships, Marriages and Deaths (Registration Etc.) Bill, promoted by the hon. Member for East Worthing and Shoreham (Tim Loughton), passed its Report stage and Third Reading. There were some powerful speeches by Members last Friday, and it would be a pity if the Government did not support that last Bill all the way through Parliament.

The Mental Health Units (Use of Force) Bill promoted by my hon. Friend the Member for Croydon North (Mr Reed) has received its Third Reading in the other place. It has cleared both Houses and will now become law. It is known as Seni's law, in memory of Olaseni Lewis, who died in September 2010 after being restrained by 11 police officers, and it crucially restricts the use of force against mental health patients. To follow up on a point of order raised by my hon. Friend the Member for Rhondda (Chris Bryant) earlier this week, will the Leader of the House announce additional days for private Members' Bills as the House seems to be doing so well?

This is Justice Week. The Treasury's report shows that the resource budget for the Ministry of Justice will be cut by £300 million, and there is nothing about legal aid. Access to justice is a fundamental necessity for a properly functioning society. There is nothing for local government. Walsall Council has proposed ending the community alarm system. Many vulnerable people, particularly those living alone, will be unsafe or will have to pay £14 a week, and the cost of services is shifted on to council tax payers. Our Walsall Manor Hospital A&E is desperate for extra money, but it has to bid for it.

What about the "little extras" for teachers' pay? Since 1992, Governments have implemented the School Teachers' Review Body's recommendation in full. This year's is for 3.5% but, flouting convention, the Secretary of State for Education has ignored it, which means that nearly 60% of teachers will not get the recommended pay rise. Will the Secretary of State for Education come to the House and explain that?

Members should note an email from the Jewish Leadership Council, which is collecting messages of support for the community in Pittsburgh following the heartbreaking murder of worshippers at the Tree of Life synagogue. I encourage all Members to send those messages, and we send our condolences to them. People go to a synagogue to pray. We also send our heartfelt condolences to the families, friends and wider Leicester community of those who perished in the helicopter crash last Saturday.

We will not be here next week, as the Leader of the House said, but we will be in our constituencies commemorating the ultimate sacrifice of people giving up their lives to save others. I welcome the suspension of the sitting of the House next Tuesday, Mr Speaker, so I thank you for that, as it means that we can all attend St Margaret's. The Royal British Legion has commissioned a special "khadi" poppy—that is a type of cotton—to pay tribute to the huge contribution made by the Commonwealth in the first world war. More than 1.3 million Muslim, Sikh and Hindu men volunteered with the Indian Expeditionary Force, and Indian troops were awarded more than 13,000 medals for gallantry, including 11 Victoria Crosses. Let us remember the contribution of everyone—men and women around the world—and let us stop the hate of each other and work for tolerance and peace.

Let me end on a slightly upbeat note: Lewis Hamilton—champion, champion, champion, champion, champion. We congratulate him and also British engineering. Finally, I wish everyone a happy Diwali as we move from the darkness of recent times into light and new beginnings.

Mr Speaker: What the shadow Leader of the House says about Lewis Hamilton is absolutely right and should be trumpeted from the rooftops, but we should also congratulate Roger Federer on winning the Swiss indoors tournament for the ninth time—his 99th career title. I was there to see him in Basel and it was pretty spectacular stuff.

Andrea Leadsom: Of course, Mr Speaker, we all love tennis, but I have to say that Lewis Hamilton is part of a Brackley-based team in my constituency, so I am delighted to join the hon. Lady in congratulating the team on that amazing triumph.

I also join the hon. Lady in sending our condolences to the families of all those who perished in Pittsburgh. It really was the most appalling attack, and it should be the case that those who pray and worship should be able to do so in freedom and safety. I also join her in giving our condolences to the families of all those who died in, and were affected by, the appalling helicopter crash at Leicester football ground. That was a real tragedy and one that I know moved many people, not least my own apprentice, who was at that match and very deeply affected by it. The hon. Lady was right to raise those issues.

The hon. Lady asked about the Easter recess and asked me to confirm that we will have our February recess. We will have our February recess. I can confirm that we will have the short recess from 6 November to 12 November; that we will rise for the Christmas recess on 20 December, returning on 7 January; and that we will rise at close of business on Thursday 14 February, returning on Monday 25 February. Further recess dates will be announced in the usual way. I would just gently say that I was moved to look back through time and I discovered that in 2010—the last year of the Labour Government—the Easter recess date was announced on 18 March 2010, just 12 days before the start of that recess. I sincerely hope to be able to improve significantly on that performance by the hon. Lady's Government.

The hon. Lady raised the question of the no-deal scenario for EU citizens. To be clear, the Government have confirmed that

“in the unlikely event of not reaching a deal with the EU the UK will honour its commitment to all EU citizens, and their family members, resident by 29 March 2019 that they will be able to remain in the UK.”

The hon. Lady also asked about what was said in the Home Affairs Committee. I can simply confirm that employers already need to carry out right-to-work checks on EU citizens and that will not change. EU citizens need to provide their passport or ID card.

The hon. Lady asked about the comments of my right hon. Friend the Secretary of State for Exiting the European Union. As all hon. Members know, the Prime Minister has said that we are 90% to 95% of the way there in negotiating what is a very complicated trading arrangement for the future, as well as withdrawal arrangements for the UK as we leave the European Union. There are still some significant questions to be answered and we are working at pace to achieve those answers. My right hon. Friend will update the House as soon as possible.

The hon. Lady asked about international trade. Questions to the Department for International Trade will take place on 15 November, so I hope that she will be able to direct her questions to Ministers then.

As the hon. Lady mentioned, I think that we will all be delighted to hear the debates of the Youth Parliament in this place. The young people will be very welcome and I look forward to speaking to some of them myself—they are the future.

I share the hon. Lady's happiness at the progress of some private Members' Bills, and I am glad she is pleased that the Government have been able to help the progress of some of them. I commend all hon. Members who brought forward their private Members' Bills last week and assure the House that I intend to bring forward further PMB dates very soon.

With regards to justice and the hon. Lady's concerns about the budget for legal aid, a debate in Westminster Hall at 2 pm today will provide an opportunity for Members to ask questions. With regard to the Budget response on education, questions will take place on 12 November, and I hope that hon. Members will attend.

I want to finish on a slightly upbeat note. At the Budget, the Chancellor was able to inform the House that unemployment is at its lowest rate since the 1970s; that youth unemployment is at a new record low; that the number of children living in workless households is at a record low; that real wages are rising; that the gender pay gap is at a record low; that the share of jobs on low hourly pay is at a record low; that our economy is continuing to grow; and that borrowing this year is at its lowest level for 16 years. These are real things, being delivered by a Conservative Government, that the whole House should share in enjoying, promoting and supporting during the Budget votes later today.

Sir Desmond Swayne (New Forest West) (Con): If somewhere in the deep state there was knowledge of a plan to kidnap Mr Khashoggi and he was not tipped off, we would be complicit. The Foreign Secretary would not comment, but can we have time to debate this?

Andrea Leadsom: My right hon. Friend knows well that we are extremely concerned about this case. The UK has been active in calling for answers about the

murder of the journalist Jamal Khashoggi, which we have condemned in the strongest possible terms. The Prime Minister spoke to King Salman on 24 October and reiterated our desire for a credible explanation following a full investigation. My right hon. Friend the Home Secretary has announced that those who have been implicated in Mr Khashoggi's murder would be prevented from entering the UK. We will continue to press the Saudis to co-operate fully with the Turkish investigation.

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Leader of the House for announcing the business for next week.

A chill is in the air and, like winter, Brexit is coming. The undead White Walkers of the ERG have breached the wall and Westminster is under siege. While the Prime Minister is no Mother of Dragons, she does have her fire-breathers to contend with, and she might just be about to be consumed by the flames. In the battle with the 27 kingdoms, we are told apparently to expect 21 November as the date for a Brexit agreement, only for DExEU to issue a statement downplaying the significance of that date. Can the Leader of the House explain what exactly is going on? When will we have the meaningful vote, on what conditions and what basis will it be put to the House, and what range of options will we have to consider? Can she assure us that the meaningful vote will not be a meaningless vote?

Later today, we will be voting on the Budget resolutions. We in the SNP are very pleased that the Chancellor has listened to our representations to freeze duty on whisky. However, we are not too happy about some of the other issues to do with the Budget. On Tayside, we are extremely disappointed that the UK Government did not match-fund the Scottish Government in the £200 million pledge for the Tay cities deal, breaking the arrangement whereby each Government contributes equally. Can we have a debate on city and regional deals in Scotland, and ensure that the UK does not short-change communities north of the border again?

I want to support the calls by the shadow Leader of the House regarding EU nationals. We really do need a statement from a DExEU or Home Office Minister. Apparently only 650 of the 3.5 million people who need to apply for settled status have gone through the process. The Immigration Minister said in the Home Affairs Committee that determining people's status would be tricky during the planned two-year transition period. This is raising all sorts of alarm, concerns and anxieties in constituencies right across the United Kingdom, where EU nationals now need to be absolutely reassured about their status here, so will the Leader of the House ensure that we have a Minister at the Dispatch Box on Monday so that we can question them about what is going on?

Andrea Leadsom: The hon. Gentleman mentions various excerpts from “Game of Thrones”. All I would say to him is: “You know nothing, Jon Snow”—and I am afraid that that is often the case in this place. However, I shall hope to be able to enlighten him.

On the meaningful vote, it is absolutely the case that this House will be invited to give its views and to lend its support to the deal that the United Kingdom will be seeking to agree with the European Union. It will be

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vital that we have that approval in order to proceed. Such a motion will be a motion of the House and it will be amendable. But to be very clear, it will be important—as I said last week and, I think, the week before—that the Government have the permission of the House to go ahead with a deal that has been agreed. If they do not have that permission, they will not be able to proceed with that deal. I do hope that that clarifies the matter for the hon. Gentleman.

I am delighted that the hon. Gentleman is pleased that whisky duty has been frozen. I am more pleased that good old Northamptonshire gin duty has been frozen. Perhaps we can compare notes at our next one-to-one meeting.

The hon. Gentleman asks what else has been done for Scotland. First, I would like to congratulate him: I gather that his latest MP4 record, EP5, is out. In fact, my team logged in and listened to one or two of his tracks this morning. I do wish him every success. It is available from all good retailers, in case hon. Members wish to purchase it. [*Interruption.*] You have the opportunity, Mr Speaker, to buy the hon. Gentleman's latest record. It is going to be fantastic.

On the hon. Gentleman's point about what else has happened as a result of the Budget, the Chancellor has announced that the Scottish Government's budget will increase by over £950 million through to 2021, before adjustments for tax devolution. There will be £150 million invested in the Tay cities deal. We continue negotiations on the borderlands and Ayrshire deals, and we will begin formal negotiations on a Moray deal. As an ex-Energy Minister, I am particularly delighted that we continue to support the oil and gas industry in Scotland—a vital sector for Scotland—to ensure that Scotland becomes a global hub for decommissioning. We will continue to support the United Kingdom in every way that we possibly can.

Bob Blackman (Harrow East) (Con): Over the last two nights, I have had the pleasure of hosting very full community events in the House to celebrate the cultural and spiritual side of Diwali. There are no business questions next week, and I shall be attending 11 temples on Hindu new year. May I invite my right hon. Friend to wish Hindus, Sikhs, Jains and Buddhists “Shubh Diwali” for next week and, if she finds time, to accompany me on one of those visits to a temple?

Andrea Leadsom: I am grateful to my hon. Friend and share his good wishes to all those celebrating Diwali next week. I am impressed that he intends to visit so many different celebrations, and if my diary permits, I would be delighted to go with him.

Ian Mearns (Gateshead) (Lab): By the calculations of the officers of the Backbench Business Committee, we have had 24 Chamber days in the last 16 months, when the Standing Orders suggest that we would get 27 days in a normal 12-month sitting period. We are three short already, and we do not have any allocation of time in the week beginning 12 November. I want to express my disappointment to the Leader of the House, on behalf of the Committee and Back Benchers across the House who have heavily subscribed but unallocated debates yet to be heard on subjects such as protection for homebuyers in new build properties, appropriate treatment

for sufferers of ME, the Rohingya refugee crisis, International Men's Day or victims of Equitable Life. All those and others are as yet unheard debates, but we have no allocation of time yet again. I am disappointed.

Andrea Leadsom: I am sorry that the hon. Gentleman is disappointed. He will realise that it was important to prioritise the Budget debates this week. Standing Orders specify that the Backbench Business Committee is allocated 35 days each Session, and, as I acknowledged last week, although this is an extended Session, the Committee has already had more than the number specified in the Standing Orders. I will work closely with him, however, to find other dates.

I point out gently that in response to requests from hon. Members for Government time to be given to debates that have also been priorities for the Backbench Business Committee, we have held debates on subjects such as the use of folic acid, the centenary of Armistice Day and, importantly, road safety, which I know the hon. Member for Bradford South (Judith Cummins) has been keen to pursue. I hope that the hon. Gentleman will bear with me, and I of course will seek Back-Bench time as soon as possible.

Mr Kenneth Clarke (Rushcliffe) (Con): The Leader of the House, in replying to the hon. Member for Perth and North Perthshire (Pete Wishart), confirmed that we are going to have a meaningful vote on the Government's agreement when it comes back from Brussels, and she confirmed that we are going to have meaningful votes, because there will be amendments to that motion. She was of course right to say that the Government cannot ratify the draft agreement if this House rejects it, but does she accept that the meaningful votes on the amendments mean that if an amendment is passed, the Government will feel that they should go back to Brussels and try to negotiate a deal as amended by the majority of this House? I hope she is not reverting to the argument “It's the deal we've got or no deal at all,” which the Government were defeated on when we debated the withdrawal Bill earlier this year.

Andrea Leadsom: My right hon. and learned Friend is absolutely right to point out the facts of the case, which are that the Government will bring forward a vote on the deal that they have negotiated, it will be an amendable motion of the House, and should the House amend that motion, the Government would take action on those amendments. However, I must point out to the House again that having negotiated a particular deal with the European Union, it may well not be possible for the Government to proceed on the basis of an amended motion. Whether the House will be asked to decide whether it agrees that the Government negotiate on the basis of the agreed deal will be a matter for the House.

Vicky Foxcroft (Lewisham, Deptford) (Lab): Over 1 million young people participated in the UK Youth Parliament's “Make your Mark” campaign, and ending knife crime has topped the ballot as young people's No. 1 priority. As has already been said, that will be debated in the Chamber on 9 November, and I will be joining the young people for that debate here. This is a clear priority, so I will ask for the fourth time: when will the Government schedule a debate on their policy of using a public health approach to tackling violence?

Andrea Leadsom: As I have previously said to the hon. Lady, I wrote to Home Office Ministers in response to her questions in this place two weeks ago. I am waiting for a reply, about which I will update her directly. She has also written to me on this issue and I have taken it up, as I said I would. A few months ago, she requested Government time for a debate on our serious violence strategy, which I was pleased to be able to provide, so there was a debate quite recently on that subject. Furthermore, as I understand it, the Youth Parliament will be debating this next week as one of the issues that it has raised. On 2 October, the Home Secretary announced further measures to address violent crime, including a consultation on a new legal duty to underpin a public health approach to tackling serious violence, as well as a new £200 million youth endowment fund and an independent review of drug misuse. I hope to have further updates once I hear back from Home Office Ministers.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): Last week, the chief exec of Somerset County Council wrote a rather pathetic begging letter to the Government. This week, we discover it is going to spend £10 million on one building. May we have a debate in this place on local government finance, so that chief execs across the country get the message that this is not up for grabs? Local government funding matters to us all?

Andrea Leadsom: My hon. Friend is absolutely right to raise the importance of local government financing. He is clearly concerned about his particular area, so I encourage him to seek an Adjournment debate in which to raise that issue directly with Ministers.

Ellie Reeves (Lewisham West and Penge) (Lab): At Forest Hill School in my constituency, class sizes have gone up but per pupil funding is down by £191. The Chancellor's money for "little extras" equates to just £45 per students, which goes nowhere near restoring the cuts to schools in my constituency. When can we have a stand-alone debate in Government time on education funding?

Andrea Leadsom: I hope that the hon. Lady will be as delighted as I am that there are now 1.9 million more children in good and outstanding schools than there were in 2010, and that 86% of schools in England are now rated good and outstanding, which is up from 68% in 2010. Many more children are getting the opportunity of a good education than under the previous Government. She is absolutely right to raise the issue of school funding. We are investing £1.3 billion in our schools, so the schools budget will rise by about £2.6 billion over this year and next, which means per pupil funding is protected in real terms. If she has a particular question, she may wish to ask it at Education questions on Monday 12 November.

Martin Vickers (Cleethorpes) (Con): The chair of the National Police Chiefs Council, Sara Thornton, is reported in this morning's media as having suggested that the police should refocus and concentrate more on burglary, shoplifting and violent crime. That is something my constituents would widely support. Will the Leader of the House find time for a debate on this so that the Government can make their position clear?

Andrea Leadsom: My hon. Friend is quite right to raise the importance of good policing in reducing the number of traditional crimes as well as in dealing with the recent rise in serious violent crimes, such as knife crime and the problem of county lines. He will be aware that we have increased the total investment resources available to the police by over £460 million, and announced a significant increase in counter-terror police funding for next year. It is for police and crime commissioners to decide the priorities in their own areas. My hon. Friend may well wish to seek an Adjournment debate so that he can discuss the issues in his own constituency.

Several hon. Members rose—

Mr Speaker: Order. As the House will be aware, it has been my custom and practice to try to call everybody at business questions. Very occasionally, I have not been able to do so, but that has been the norm. It will not be possible to do so today, and it is only fair to give the House notice that I want to run this for another 10 minutes or so, but not beyond that because 77 hon. and right hon. Members wish to speak in the final day's debate on the Budget.

John Cryer (Leyton and Wanstead) (Lab): The Leader of the House might be aware of early-day motion 1768 in my name, which concerns my constituent Delsie Gayle who was racially abused on a Ryanair flight from Barcelona.

[That this House notes the entirely unprovoked and racist verbal attack on Ms Delsie Gayle onboard a Ryanair flight from Barcelona to London; further notes that Ryanair failed to move the perpetrator but instead moved Ms Gayle to another seat; points out that Ryanair have still not contacted Ms Gayle or any member of her family; condemns Ryanair's tolerance of a clear case of racism; and calls on the airline to conduct an immediate inquiry and to offer an unreserved apology to Ms Gayle.]

Ryanair moved her and not the abuser, and has since not contacted the family, either directly or indirectly. May we have a debate on racism?

Andrea Leadsom: All hon. Members will have been shocked by that story, and the hon. Gentleman is right to raise it in this place. I encourage him to seek an Adjournment debate on the matter.

Mr John Hayes (South Holland and The Deepings) (Con): The Director-General of the National Crime Agency has drawn attention once again to the problem of so-called county lines, which the Leader of the House mentioned a moment ago, and which involves drug networks that extend from urban to rural areas. Lynne Owens reported that 1,500 county lines are now operating in Britain, and it is feared that thousands of children are being used to move drugs. This is a case of feckless so-called recreational drug users—no doubt disproportionately drawn from the privileged bourgeois liberal class—making life a misery for those who are less privileged. Edmund Burke said that good order is the foundation of a good society, so may we have a statement from a Home Office Minister, in Burkeian terms, describing how good order can be maintained?

Andrea Leadsom: My right hon. Friend raises an issue that concerns all hon. Members across the House, and the Government's serious violence strategy is looking

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at what more we can do to prevent young people from getting involved in that appalling criminal lifestyle. We are investing significant sums through a new early intervention youth fund, and we are providing millions of pounds through the Home Office anti-knife crime community fund to help communities that are tackling knife crime.

Chris Elmore (Ogmore) (Lab): In my constituency many horse riders have written to me expressing their dismay that in the review of The Highway Code that has been announced, there is no mention of horses or their riders. May we have an urgent debate on the review of The Highway Code? I obviously welcome anything that makes things safer on our roads, but we cannot ignore the plight of horses or their riders—it is too important.

Andrea Leadsom: The hon. Gentleman raises an important issue, and the safety of horse riders is key. There is a debate on road safety on Monday afternoon, and the hon. Gentleman might wish to raise the issue then.

Maggie Throup (Erewash) (Con): I am delighted that next week we will be able to debate the centenary of the Armistice. In a similar manner, as we approach the last few weeks of the suffrage centenary, may we have a debate on the sacrifices made by those brave women in their fight for the right to vote? What more can we do to celebrate that important anniversary?

Andrea Leadsom: My hon. Friend is right. This year has already seen some amazing commemorations and it is not over yet. Next week we welcome female MPs from around the world to a conference held in this Chamber, and 21 November is Ask Her to Stand Day in Parliament, which is organised by 50:50 Parliament. On the 100th anniversary of the Parliament (Qualification of Women Act) 1918, I hope that every Member will invite a “bloody difficult woman” from their constituency to Parliament, to see for themselves the difference that they could make through a career in public life.

Christine Jardine (Edinburgh West) (LD): Many if not all of us in this place will have constituents or loved ones—perhaps even ourselves—who depend on the continued and reliable availability of lifesaving medicines. Given that the Prime Minister did not quite give a guarantee to my right hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) on Wednesday that that will continue should we leave the European Union, will the Leader of the House find time for a debate to reassure the public that there is no danger of a loss of those medicines?

Andrea Leadsom: The hon. Lady will be aware that the Government are taking every step necessary to deal with any eventuality, including the unlikely event of no deal, and to protect the supplies of medicines wherever we need to do so.

Jeremy Lefroy (Stafford) (Con): May we have a debate on the huge contribution of unpaid carers and the support that councils up and down the country give them, which is currently under threat because of other priorities?

Andrea Leadsom: I think that we all pay tribute to the amazing work done by unpaid carers. They need as much support as possible. My hon. Friend may wish to raise this issue directly with Ministers from the Ministry of Housing, Communities and Local Government at its next question time.

Mrs Madeleine Moon (Bridgend) (Lab): Two months ago, the Government were told that they were no longer compliant with the Human Rights Act 1998 in relation to widowed parent's allowance. When will we have a statement that will allow the 3.3 million cohabiting couples, should they lose a partner, to access that benefit for the benefit of their children at a time of great loss in the family?

Andrea Leadsom: The hon. Lady raises a very important issue. I advise her to raise it in a parliamentary question direct to Ministers, as it does need a specific answer. She will be aware of the Civil Partnerships, Marriages and Deaths (Registration Etc.) Bill, promoted by my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), which aims to enable opposite sex civil partnerships and which I certainly hope will go some way to providing a solution for cohabiting couples.

Douglas Ross (Moray) (Con): Figures from the Federation of Small Businesses in Scotland last week revealed that Moray has the highest share of women who are self-employed. May we have a debate on this issue, so my right hon. Friend can join me in congratulating outstanding businesswomen such as Pearl Hamilton, herself a member of the FSB Scotland policy group, and encourage more women in Moray and across the country to become self-employed?

Andrea Leadsom: I join my hon. Friend in congratulating outstanding local businesswomen in Moray. Since 2010, UK female entrepreneurship has grown. There are now 1.2 million female-led small and medium-size businesses in the UK. According to Women's Enterprise Scotland, women-led businesses contribute over £5 billion to the Scottish economy. However, I agree with Pearl that more needs to be done. My hon. Friend will be pleased to know that in September the Treasury launched a review of the barriers faced by women entrepreneurs.

Jim Shannon (Strangford) (DUP): On Saturday 28 October, a gunman walked into the Tree of Life synagogue in Pittsburgh and opened fire, killing 11 innocent Jewish worshippers. This horrifying attack is part of a wider global trend of rising antisemitism and intolerance of freedom of religion or belief. In the UK alone, there has been a 40% increase in reported race and hate crime, which is mainly targeted towards Muslims and Jews. Will the Leader of the House agree to a statement on this very pressing issue?

Andrea Leadsom: The hon. Gentleman raises an issue that has already been discussed here today. We all send our condolences to the families and friends of those who were attacked in such a barbaric way. There can be absolutely no excuse for any form of religious or racially motivated attack of this nature.

Mary Robinson (Cheadle) (Con): More and more residents in my constituency are using mobile apps to communicate with neighbours to discuss security in their community. For instance, the Neighbourhood Watch

app allows residents to pass on and receive news of crime with their local police force. May we have a debate on the benefits of mobile technology in promoting community safety and reducing neighbourhood crime and on how best we can support Neighbourhood Watch groups across the UK?

Andrea Leadsom: My hon. Friend raises a really interesting idea. I am sure that a Neighbourhood Watch app would be of great interest right across the United Kingdom. I encourage all hon. Members to raise it locally, so they can see whether it would be of value in their communities.

Albert Owen (Ynys Môn) (Lab): At a packed meeting this week of the all-party group on the post office network, we were told by Post Office Ltd that its flawed consultation is going to continue with the closure of post offices and that input from MPs would just be “noted”. May we have a proper debate in this House? It is not good enough that this public service is a back office of WHSmith. We need to hold a Minister of the Crown to account.

Andrea Leadsom: I understand that the matter was discussed in yesterday’s Budget debate and there will be further opportunities today. As I made clear last week in business questions, the Post Office does not intend to reduce the number of available post offices. It is changing the way those resources work. For many communities, the post office provides more flexible opening hours and is therefore quite helpful in providing banking and post office services.

Henry Smith (Crawley) (Con): In recent weeks, Govia Thameslink Railway has started allowing those who provide ATM machines at their stations to charge about £2. May we have a debate on charging for use of ATMs, as local communities often have no other choice?

Andrea Leadsom: I am grateful to my hon. Friend for his question and I am really sorry to hear about this—I am sure that it is extremely frustrating for his commuters. This is, of course, a commercial matter between Govia Thameslink Railway, the ATM operator and the ATM network provider, but he might like to apply for an Adjournment debate to raise the issue more widely and see whether Transport Ministers can do anything more about it.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Today, I am wearing a special poppy pin from Poppyscotland, with a poppy and a ship’s bell marking the loss of HMY Iolaire, when at least 201 men perished of the 283 on board off Stornoway at the end of world war one. It is being suitably marked in Scotland, as it should be. As we approach Remembrance Sunday, however, I wonder whether the Leader of the House can offer a statement from the Ministry of Defence on the loss of HMT Lancastria on 17 June 1940 off Saint-Nazaire in Brittany during world war two. With an estimated 4,000 dead, it is the largest single ship loss in UK maritime history, yet it has never been properly recognised for relatives to remember their loved ones. Will the Leader of the House look to help right this historic injustice?

Andrea Leadsom: I completely sympathise with the hon. Gentleman’s desire to raise this issue here in the House. We have a full debate on Tuesday on the centenary

of the Armistice. That would be an appropriate time to raise the issue of ships lost during the second world war; I am sure that would be in order and he can raise his questions directly then.

Mr Peter Bone (Wellingborough) (Con): This week, the National Football League has announced four regular season games to be played here next year—two at Wembley and two at Tottenham Hotspur’s ground. Could we have a statement next week from the Government on the development of American football in this country?

Andrea Leadsom: I am thrilled to hear about this exciting, new and no doubt televisual opportunity. My hon. Friend will be aware that we have just had Digital, Culture, Media and Sport questions, and if he wants to raise it further, he should perhaps do so through a parliamentary question to Ministers.

Jessica Morden (Newport East) (Lab): This weekend in Newport, we will, as always, be commemorating the Chartist uprising of 1839. We have had excellent events and exhibitions to commemorate women’s suffrage this year. What more can we do in the House to debate and commemorate the role of those in the Chartist movement who came before them and the ordinary people whose struggles and sacrifices, as in Newport, have shaped our democracy in this place?

Andrea Leadsom: I am grateful to the hon. Lady for raising this issue, which is clearly very important not just in her constituency but across the country. If she attends the Commonwealth women’s conference, she might find the opportunity there to raise this issue, which I am sure will be of interest to women across the world.

Robert Halfon (Harlow) (Con): Following my question to the Prime Minister yesterday, has the Leader of the House seen my early-day motion 1754 about cutting cancer treatment travel costs for families with young children?

[That this House recognises the immense cost of travel for families driving to specialist hospitals for cancer treatment for their child; notes with concern that research carried out by children’s cancer charity, CLIC Sargent, found that thousands of families of children and young people with cancer across the UK are currently facing an average 60-mile round trip to get their child to life-saving treatment; further notes that the cost of these journeys can mount up to £180 a month when treatment is at its most intense; understands that these extortionate costs are plunging thousands of families into debt; and urges the Government to set up a Young Patient Travel Fund to assist struggling families with these unavoidable expenses.]

Estimates by CLIC Sargent suggest that families are paying £180 a month to look after their children in taking them for treatment. May we have a debate on this subject?

Andrea Leadsom: I am very sympathetic to my right hon. Friend’s question, and I certainly did hear the Prime Minister’s reply yesterday. It is vital that we do everything we can to support people, particularly children, who are suffering from cancers. He will be aware that

[*Andrea Leadsom*]

the NHS's long-term plan is looking at what more can be done to support children with cancer, and I encourage him to seek an answer directly from Ministers.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry, but as I foreshadowed some minutes ago, we are heavily time-constrained and must now move on.

Points of Order

12.3 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): On a point of order, Mr Speaker. One of the biggest issues facing the UK economy is whether our financial services sector will have access to the EU once we leave next year. The degree of that access and the terms under which it takes place will have a significant impact on our tax base and employment. Following press reports this morning that a deal may have been agreed, can you advise us whether you have had any notice from the Treasury about a statement coming before this House with details of what that deal might entail?

Mr Speaker: The short answer to the hon. Gentleman is that I have received no such indication or any approach on the matter, but he has put his point forcefully on the record and it will have been heard by those on the Treasury Bench. For now, we shall have to leave it there, but I am grateful to him for alerting us to his concerns.

Wayne David (Caerphilly) (Lab): On a point of order, Mr Speaker. We were surprised and shocked to hear the announcement this morning that the Appledore shipyard in Devon is to close. It will mean the loss of 200 jobs. I wonder whether the Government will make a statement to the House on Monday about this very serious situation.

Mr Speaker: That is a matter for the Government, although it is perfectly legitimate for the hon. Gentleman to raise the matter through me. I am not aware of any intention to make a statement, but we have until Monday for the Government to choose to do so, if they so wish—they may wish to do so, they may wish not to do so. He will be familiar with the procedures of the House that could be used if he wishes to ensure that the matter can be aired in a suitable fashion and at such length as he thinks appropriate in advance of Monday. He knows what options are open to him.

Mr Peter Bone (Wellingborough) (Con): On a point of order, Mr Speaker. With the Budget debate so heavily subscribed, as you said earlier today, would it not be possible for the Whips on both sides to do something useful for a change and push back the moment of interruption so that more Members can speak?

Mr Speaker: The hon. Gentleman asks whether it would be possible. The short answer is that it would be unimaginable for such a thing to happen today, because the Order Paper is set for today, and there are good reasons, in the name of the protection of the House more widely, why the Order Paper cannot suddenly be messed around with by Executive fiat. It is not my normal practice to think it necessary to rush to the defence of the Whips. Let them defend themselves as best they can and with such resources as they have available to them. In advance of today—that is to say yesterday—in the knowledge or likely expectation of large demand, however, it would have been open to the Government to do that. But they did not, and we are where we are. The role of the Speaker is to take account of the different interests in the House and the level of concern about particular subjects and to operate accordingly. In that respect, am I much bothered about the views of the Whips on either side? No.

Alison Thewliss (Glasgow Central) (SNP): On a point of order, Mr Speaker. On Monday at Home Office questions, I raised concerns about the UK visa and citizenship application service being operated by the private firm Sopra Steria. An immigration lawyer based in Newcastle has told me that, even though the new centre is opening on Monday, she cannot find out where it is. The Glasgow Scotland and Northern Ireland MP service has told me that it does not know where the Glasgow service is due to be located, and Sopra Steria has told my office that it has not been told anything about it and that it should be on the UK Visas and Immigration website, where I cannot find any information whatsoever. Have you had any indication from Home Office Ministers of a statement or written statement? If people are expecting to turn up at a service on Monday and nobody knows where it is, it seems an excessively high bar for a visa.

Mr Speaker: Sadly, I cannot advise the hon. Lady. My strong advice to her is that she should contact a Home Office Minister today, either directly, if she can, or perhaps with the help of the Leader of the House. It would be a perfectly proper request for her to make of the Leader of the House, although it would be entirely up to the latter what she does in response. That would be the pragmatic course of action that I would commend to the hon. Lady.

Dame Cheryl Gillan (Chesham and Amersham) (Con): On a point of order, Mr Speaker. You will know that there is nothing more unsettling than being uncertain about the future of local government in one's area. I notice on the Order Paper today that the Secretary of State for Housing, Communities and Local Government will be making a written statement on a local government update. As we are waiting in Buckinghamshire to hear the decision on whether we are to have a unitary authority or two authorities in Buckinghamshire, have you had any notification that the Secretary of State will come to the House to discuss this so-called local government update in relation to Buckinghamshire?

Mr Speaker: I will answer the right hon. Lady as succinctly as I can but candidly. The short answer, in the name of transparency, is that I have had conversations with the Secretary of State about this matter purely in my capacity as a constituency Member of Parliament, which other Buckinghamshire Members may also have done, but if she is asking me whether I have been given any indication by the Secretary of State or anyone acting on his behalf that he intends to broach that matter in the Budget debate today, the answer is that I have had no such indication. In my experience in the House, the Secretary of State is among the most courteous and accommodating of Cabinet members, and if he was planning on saying something today, he would probably have told me and would certainly have told somebody as illustrious as the right hon. Lady.

Jess Phillips (Birmingham, Yardley) (Lab): On a point of order, Mr Speaker. I apologise for not giving advance notice of my point of order. I am not normally here on a Thursday and the moment just took me. Lots of people have been in touch with me in the past week or so who wanted to speak to me, as either their local Member of Parliament, or a Member of Parliament about whether they can talk to MPs about non-disclosure agreements that they have signed. Can you give me some advice—I am happy for it to be given to me afterwards because I did not give notice of this point of order—about whether those agreements can stop people seeking advice from their Member of Parliament?

Mr Speaker: I am very grateful to the hon. Lady for her point of order, which, as she acknowledges, is new to me. I had no notice of it whatsoever. I have a general principle as a serving Member of Parliament about the primacy that should be attached to the relationship between a constituent and his or her Member. However, I could not offer the hon. Lady off the top of my head a legally sound answer. Rather than pretend to know, I say to her that it is a very fair and reasonable point and I understand why she raises it. If she is content, I will reflect on it, take advice and revert to her as soon as I can.

Robert Halfon (Harlow) (Con): On a point of order, Mr Speaker. It has been suggested to me that Doorkeepers are not allowed to wear poppies. Will you advise me whether that is the case and whether, if Doorkeepers wish to wear poppies for remembrance, they are allowed to do so?

Mr Speaker: I am advised that the normal arrangement is that Doorkeepers wear the poppy only on 11 November if that is a sitting day. Again, off the top of my head, if the hon. Gentleman is asking me whether I personally would have any objection to a Doorkeeper wearing a poppy in the way that Members of Parliament frequently do, for a period of days running up to 11 November, I would have none whatsoever. However, the difficulty in these cases—I hope the hon. Gentleman will understand me when I say this—is that there are normally procedures for determining particular courses of action: what members of staff are or are not entitled to do, and I have to have some respect for the fact that there may have been a process, a procedure or a discussion that led to a decision. Not everything comes across the Speaker's desk. I certainly do not want to say anything that is critical of a member or group of members of the House staff, or a collective of members of staff who at some time made a decision on the matter. If the hon. Gentleman is asking me personally whether I think it reasonable for Doorkeepers to wear poppies in the run-up to 11 November, I do, but these are matters better dealt with outside the Chamber, rather than through points of order of which one has not had notice. I thank the hon. Gentleman and we will leave it there for now.

Ways and Means

Budget Resolutions

INCOME TAX (CHARGE)

Debate resumed (Order, 31 October).

Question again proposed,

That income tax is charged for the tax year 2019-20.

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.

Mr Speaker: I inform the House that I have selected the amendment in the name of the Leader of the Opposition. As I intimated earlier, approximately 77 Members want to speak and I know that the Front Benchers will do their best to tailor their contributions to take account of the extent of interest in the House.

12.13 pm

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): This week's Budget was a Budget for our proud public services, jobs, housing, opportunity and enterprise, and a brighter future for every part of our country. Above all, it was a Budget dedicated to the British people and their tireless efforts to rebuild the economy and to bring it back from the brink and the chaos under the last Labour Government. Let us not forget what a mountain we have had to climb.

Thanks to the Labour party, we are running the highest budget deficit in peacetime, with the Government having to borrow £1 for every £4 they spent. It has been difficult to turn that around, but the families and communities that make up this great country can be confident that their hard work and the Government's balanced, long-term approach have paid off.

Robert Halfon (Harlow) (Con): I strongly welcome the measures in the Budget, particularly those to help small shops on our high streets—they will transform our high streets. Will my right hon. Friend set out what the Budget and the Government are doing to ensure that we have more affordable and social housing?

James Brokenshire: I am grateful to my right hon. Friend for his early intervention. I intend to cover several housing announcements, but he rightly underlines the Government's commitment to build the homes that our country needs. We want councils, housing associations and the private sector to build, thereby meeting the challenges and problems that the broken housing market has presented. The Government are determined to fix that.

Neil Coyle (Bermondsey and Old Southwark) (Lab): If the Secretary of State is serious about house building, where is the funding in the Budget for the Bakerloo line extension, which would provide not only vital transport infrastructure for south-east London, but bring with it house building—private house building as well as 5,000 social housing homes and 2,000 genuinely affordable, London living rents?

James Brokenshire: I am grateful to the hon. Gentleman for highlighting transport infrastructure. The additional £500 million that the Chancellor announced for the housing infrastructure fund is firmly about investing in that infrastructure to deliver the housing agenda. I will come on to an announcement in the Budget about London and investment in transport infrastructure. It may not be the one that the hon. Gentleman was looking for, but support for the docklands light railway, unlocking housing growth in that part of London, was an important announcement.

The results speak for themselves: the economy has been growing for eight years, over 3.3 million more people are in work, wages are growing at their fastest pace in almost a decade, the deficit is down, national debt is falling, and the number of households where nobody works is down by almost 1 million. Those are huge strides that we risk at our peril. It has taken eight years to secure those hard-won gains, and it is clear that the Labour party would undo all that good work.

The Government are not content with just clearing up Labour's mess. We have to live within our means, but we have bigger ambitions. We want to build a country in which there is opportunity for all and no one is left behind.

Neil Gray (Airdrie and Shotts) (SNP): The Secretary of State repeated what the Chancellor said on Monday—that the wage growth enjoyed in the past year was the best in the decade. Does he accept that that is easy to say, given that the past decade has been the worst for wage growth in 210 years?

James Brokenshire: I underline to the hon. Gentleman that we have seen that wage growth but there has also been employment growth. Three million jobs have been created under the Government and the Red Book forecasts the creation of 800,000 more.

The important measures in Monday's Budget that backed our public services, including the NHS in its 70th year, that cut income tax for millions and increased the national living wage, and that ensured that we are open for business and investing in our future, deliver our promise. The Budget delivers for families and communities and provides a major boost for the quality local services on which we all depend.

When I was appointed to this role, I said that I could not be more proud to represent those communities and the dedicated people working so hard on their behalf in local government, and I meant it. I am under no illusion about how challenging it has been for councils to deliver in recent times as they contributed to helping us to put the economy back on its feet. In recognition of that, we have given local authorities more control over the money they raise, for example, through our plans for increased business rate retention from 2020. We know that the pressures on services have been growing, including around social care.

Stephen Timms (East Ham) (Lab): I want to take the Secretary of State back to what he said about the position the Government found themselves in in 2010, when of course, his former right hon. Friend, George Osborne, promised to eradicate the deficit by 2015.

They failed to do that, and now there is no target date at all in the Budget for eradicating the deficit. Why that dramatic change?

James Brokenshire: I have to say in the nicest possible way that it is a bit rich for the right hon. Gentleman to make that point. Labour's spending plans would cost £1,000 billion. It is an extraordinary sum of money, and all the people up and down the country would bear the cost of the debt for borrowing.

Charlie Elphicke (Dover) (Ind): My right hon. Friend is making a typically powerful speech. Will he tell the House how the measures in this Budget will help young people on to the housing ladder, particularly as since 2001 home ownership levels have halved for people aged between 16 and 35?

James Brokenshire: My hon. Friend makes an important point. The steps under this Government have led to an increase in home ownership, and the first time buyer rate has started to increase under this Government. This has been a challenge and initiatives such as Help to Buy have been important in realising that ambition and the aspiration for people to be able to own their own home. There is also the investment in social and affordable housing through our specific £9 billion programme, which is firmly focused on that.

I want to come back to my point about local government and the pressures we recognise have been growing especially around social care. That is why I am delighted that the Chancellor committed around £1 billion of extra funding for local services, with a strong focus on supporting some of our most vulnerable groups. That includes £650 million for adult and children's social care; £240 million of that will go towards easing winter pressures next year, with the flexibility to use the remainder where it is most needed for either adult or children's services. That is on top of the £240 million announced last month to address winter pressures this year.

In addition, the Budget pledged an extra £84 million over the next five years to expand our successful children's social care programmes to more councils with high or rising numbers of children in care, and an extra £55 million is being made available for the disabled facilities grant in England in 2018-19. This new funding will allow councils to take immediate action to deliver the services their residents need while protecting them from excessive council tax bills.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): As a member of the Housing, Communities and Local Government Committee and having been an elected councillor for the last decade, I have become all too aware of the devastation wrought on local government by the continuing cuts in previous Budgets. Does the Secretary of State not agree that the Chancellor has missed a massive opportunity to reverse those cuts so that local government can provide those much needed services?

James Brokenshire: If the hon. Gentleman looks at what the Budget is delivering—I have already referenced the additional funds being provided around social care, which we have seen as one of the pressures—over the last two years the budget has been going up in real

terms. *[Interruption.]* I hope that, as a member of the Select Committee, he would recognise that. I pay tribute to the work local government has done up and down the country in delivering quality local services, against the backdrop of the challenges we have had to deal with as a consequence of the actions of the last Labour Government, and there are serious—*[Interruption.]*

Madam Deputy Speaker (Dame Eleanor Laing): Order. Does the House not want to hear the Secretary of State? *[HON. MEMBERS: "No."]* I thank hon. Members; that is a straight answer. Hon. Members do not want to hear the Secretary of State, but I tell them that while I am here this will be done fairly and everyone will get a chance to be heard, even the Secretary of State.

James Brokenshire: Thank you very much, Madam Deputy Speaker.

There are serious long-term decisions to be made about the social care system and how we place it on a sustainable footing, not least how we ensure that health and social care are better aligned. I am working closely with the Health Secretary on this and we will be publishing our Green Paper on the future of social care shortly.

The Budget also provided a further £420 million to help councils to carry out repairs on our roads—money that will help to improve access to workplaces, high streets and other community facilities. I will have more to say about overall funding for local government when I publish the provisional local government finance settlement later this year.

Alison McGovern (Wirral South) (Lab): I thank the Secretary of State for giving way, just as I was grateful to him for meeting my constituents from New Ferry, but when they heard the Budget on Monday and heard about the investment he is talking about for potholes, they felt abandoned once again. There was nothing in the Budget for the people in New Ferry, who face absolute devastation, as the Secretary of State knows well.

James Brokenshire: I am very conscious of the particular issue the hon. Lady highlights to the House, and indeed I greatly appreciated the opportunity I had to meet her constituents, to hear their stories and to hear about the impact the devastating incident has had on that community. I am still considering what the options are, to see how the regeneration can be provided and work can be conducted with the local authority, so I very much look forward to continuing to remain in discussion with the hon. Lady on what I know is a very serious and significant community issue.

Mr Clive Betts (Sheffield South East) (Lab): Will the Secretary of State give way?

James Brokenshire: I will give way to the Chair of the Select Committee.

Mr Betts: Obviously the £650 million for social care is welcome, but does the Secretary of State accept the Local Government Association figures that the gap next year is actually £2.6 billion? Has he any concerns at all about comments from leaders in East Sussex, Surrey, Somerset and Lancashire, all Conservative county councils,

[Mr Betts]

that they are facing a cliff edge that they are likely to fall over at some stage unless the Government take more dramatic action?

James Brokenshire: There has been a recognition of the important step that has been taken in the Budget with the additional funding provided for adult and children social care and how that will make a difference. I will of course look carefully to the future in discussions I will have, through the spending review, on long-term financial support for our local government sector, the innovation and real value I see in local government—what it delivers for our local communities—and I will remain a proud champion for local government. But, as I said, local authorities also have a huge role to play in helping us to build the decent, affordable, secure homes that families and communities so desperately need and deserve. As the Prime Minister has said, this is our biggest domestic priority.

David Morris (Morecambe and Lunesdale) (Con): Does not my right hon. Friend agree that more money has gone into services over the years and into communities, but these accusations of cuts are directly as a result of Labour's great recession?

James Brokenshire: As I said at the outset of my speech, we have had to make those difficult decisions and I know so many people have contributed to this—the British public up and down the country. This Budget is indicating how we are now turning things around and looking positively at what our country can be and what it can do, and how we should be optimistic about our future.

Julian Knight (Solihull) (Con): I look forward to welcoming my right hon. Friend to Solihull on Friday. Has he seen the report in today's *Times* that there has been a surge of activity in UK house building over the last three months, with the greatest number of new homes signed off since the global crash? Is the truth not that Britain is building again, and just because of this Government's policies?

James Brokenshire: The National House Building Council figures published today are very encouraging about the levels of building activity. We must build the homes our country needs, and we are firmly putting in place a number of steps and measures to help deliver on that. I know there is more to do, but we should recognise that progress is being made. We need to continue to see everyone building across the economy, because as a country we have failed to build enough homes over the decades under successive Governments. As a result, the most basic of needs—a place to call home—is out of reach for many, particularly our young people.

That is changing, thanks to this Government. Since 2010 we have delivered more than 1 million new homes and helped nearly half a million families get on to the housing ladder through Help to Buy and the right to buy, and we are taking action to ban the unjustified use of leaseholds on new homes, crack down on rogue landlords, ban unfair letting agent fees and cap deposits, and end rough sleeping for good.

We should contrast that with the record of the Labour party; not only did housing become more unaffordable under Labour, but under the current Labour leadership it has consistently voted against the reduction in stamp duty, which has helped more people get on to the housing ladder.

James Cartlidge (South Suffolk) (Con): A key part of the housing market is the second-hand market, of course. First-time buyers are now making a strong comeback because of the brave measures we took in relation to buy-to-let landlords—changing the stamp duty and the way we treat interest—which means that first-time buyers are now not only on a level playing field but in many parts of the country have the upper hand again.

James Brokenshire: My hon. Friend highlights some of the important steps that have been taken and the impact that they are starting to have, but we know there is much more to do. We know that we need to be bolder and much more radical if we are to fix our broken housing market, make it fairer and match Harold Macmillan's record by delivering the 300,000 homes a year that families and communities need. That ambition was set out back in 1951, and we will do it again.

This Budget does that and more. By building on the Chancellor's commitment last year to a five-year, £44 billion housing programme, it reaffirms this Government's commitment to restoring the dream of home ownership, most notably by securing the future of Help to Buy past 2021 and ensuring that the new scheme is targeted at first-time buyers, who need it most, and includes regional property price caps through to 2023. With most first-time buyers now exempt from paying stamp duty following last year's Budget, benefiting more than 120,000 buyers so far, this year's Budget went a step further by extending that relief to all first-time buyers of shared ownership properties worth up to £500,000 and making it retrospective. That is good news for anyone who aspires to own their own home.

Ultimately, however, there is no way we can help more families to get on to the housing ladder without getting Britain building and getting local authorities to play their part. That is why the Chancellor's confirmation that we are removing the biggest barrier—the Government cap on how much councils can borrow to build more—is such a game changer. It will free up councils to deliver around 10,000 homes a year. It has been great to see how warmly this has been welcomed by councils up and down the country, and how ambitious they are about making the most of this opportunity to deliver the next generation of council housing. We are also supporting housing associations to deliver at scale and pace, with the Chancellor's announcement of the next wave of deals with nine housing associations, worth £653 million, which will deliver a further 13,000 affordable housing starts by March 2022.

Wera Hobhouse (Bath) (LD): Will the Secretary of State acknowledge that if we are really going to address the housing crisis we need to build between 50,000 and 100,000 new social homes for rent, and that this Budget is not delivering on keeping that promise? Will he consider giving councils the first right of refusal on public land and allowing them to purchase it at current use value rather than at the development price?

James Brokenshire: I am sorry if the hon. Lady does not recognise the important steps that are being taken in the Budget, including allowing councils to borrow in order to invest in new housing growth, our commitment to our affordable homes programme and our long-term deals with housing associations, all of which are making a difference.

Giles Watling (Clacton) (Con): My right hon. Friend will be aware that we are attempting to build three new garden communities across north Essex. That will necessitate building the infrastructure to go with them. What is he doing to assist us in that endeavour, which will of course supply some of the houses that are needed in north Essex?

James Brokenshire: I very much welcome the authorities that are coming forward with ideas for garden towns and villages, which will be an important part of the vision of a home becoming a reality for more people and of meeting our intent to provide 300,000 new homes per year. I would point my hon. Friend to the housing infrastructure fund, which is focused on delivering the infrastructure and support that allows housing growth to take place. It is important to recognise the additional support that the Chancellor has provided for that initiative in the Budget.

Councils and housing associations undoubtedly have a lot to contribute when it comes to helping us to build more homes more quickly, as do our small and medium-sized builders, which is why Monday's Budget bolstered continuing efforts to support their revival and market diversification with £1 billion of new guarantees implemented by the British Business Bank. I am grateful to my right hon. Friend the Member for West Dorset (Sir Oliver Letwin) for his review of the vital issue of build-out rates, which was published on Monday. He has not found evidence to suggest that our large house builders are engaged in speculative land banking, but he recommends reforms to the planning system on very large strategic housing sites. I look forward to studying his report in more detail, and I will respond more fully in the new year.

Whether through further reforms to planning or securing the future of Help to Buy, we are helping families, communities, buyers and renters in the private and social sectors, both now and in the long term, and in the process we are changing lives. As I have said before, this is not just about building more homes; it is about building stronger communities. Those communities need to know that the right infrastructure, transport links and other essential services are in place to support new developments. It was therefore great to see the Budget boosting the housing infrastructure fund by £500 million, bringing the total funding to £5.5 billion and potentially helping to unlock 650,000 homes. It was also great to see the Budget providing £291 million of grant funding for vital infrastructure on the docklands light railway in east London, which will ease pressure on existing services in the area and generate more than 18,000 homes.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The Secretary of State mentioned communities. One of the greatest threats to our communities right across the UK is the continuing closure of bank branches, and I am disappointed that that was not addressed

head-on in the Budget. Nevertheless, I give credit where it is due: the Budget did mention the decaying of our town centres. Will he tell us whether Her Majesty's Government will give a fair wind to the Private Member's Bill introduced by the hon. Member for Ochil and South Perthshire (Luke Graham) to tackle the banking issue?

James Brokenshire: I will certainly refer that private Member's Bill to the colleagues who have direct responsibility for those issues. I think the hon. Gentleman's broader point was about the vibrancy of our high streets. Banks, post offices, shops and other businesses are intrinsic to creating the sense of a community hub. Our high streets are the heart of our communities, and they are greatly valued. We need vibrant high streets where commerce and communities meet and where people from all backgrounds can come together. I think that is recognised across the House.

It is concerning for many people to see our high streets struggling as shopping habits change, which is why this week's Budget made it a priority to champion them and help them to adapt, with a significant £1.5 billion package of support. That includes a cut to business rates for small retailers worth almost £900 million over two years, reducing their bills by over a third and amounting to an annual saving of up to £8,000 for a wide range of independent shops, pubs, restaurants and cafés. But we are not just providing short-term relief for our retailers; we are also setting out a long-term vision for our town centres, with a £675 million future high streets fund to help councils transform their high streets by making the necessary improvements to infrastructure and transport and by redeveloping underused retail space into homes to help to secure their future.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The Secretary of State is laying out his plan for towns, but does he not agree that the plan needs to be inclusive and give young people something positive to do? Youth services have seen massive cuts of more than 60% in real terms since 2010. This Budget does not seem to be investing in young people. Should it not be doing so?

James Brokenshire: I certainly acknowledge the need to ensure that we are inclusive and that we are thinking about the next generation, and there are opportunities for that in what we are seeking to achieve on our high streets and in the creation of jobs, growth and opportunities. A sense of aspiration and ambition resides firmly at the heart of our approach as a Government. We are seeing youth unemployment coming down, and we are creating a sense of ambition and opportunity. I want to underline the huge benefits that the Government are delivering.

Dame Cheryl Gillan (Chesham and Amersham) (Con): The Secretary of State makes a powerful point about maintaining our communities, and he will know that this Budget contains the starting elements of the arc between Oxford and Cambridge via Milton Keynes, which has the potential for more than 1 million houses being built across that swath of middle England. Does he agree that, in building those 1 million homes, we must be cautious that we do not sacrifice fragile environments such as the Chilterns area of outstanding natural beauty,

[*Dame Cheryl Gillan*]

which could easily be buried under concrete if the project is not planned exceedingly carefully and the necessary protections are not put in place?

James Brokenshire: I am grateful to my right hon. Friend for underlining that arc of opportunity between Oxford and Cambridge—I know that it is very relevant to her and her constituency. We are giving the matter careful consideration and working with colleagues in the Treasury and the Department for Transport on bringing it together. This is about how we can unlock opportunity, about creating transport infrastructure and housing, and about jobs and growth, but it is also about doing it carefully, thoughtfully and sensitively. I understand the relevant point that she has raised, and we will obviously continue to do that work as we look to unlock the area's potential in a thoughtful way.

I am confident that the measures for the high street, which include a relaxation of planning rules to support mixed-use businesses and extra support for local leaders, will see our high streets flourishing again at the heart of our communities.

We have come a long way since the dark days of Labour's great recession. With this Budget, we are seeing the hard work of the British people paying off and paving the way for a better future. As the next chapter of our islands' story unfolds, we will be free to chart our own destiny and seize the opportunities that that brings. We will be delivering on the things that matter most to our families and communities: more homes, world-class public services, help for the most vulnerable, and hope for our high streets. Our best days lie ahead of us. It will be a positive future that is not for the few or for the many, but for everyone.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): Order. Before I call the Opposition spokesman, I say to Members that it will be obvious that more people are indicating that they wish to speak than there will be time for this afternoon. We will start with a limit of seven minutes, but that will be significantly reduced as time goes on. However, the limit does not apply, of course, to Mr Andrew Gwynne.

12.41 pm

Andrew Gwynne (Denton and Reddish) (Lab): I beg to move an amendment, after “tax year 2019-20” insert “provided that the condition in paragraph (2) of this resolution is met.

(2) The condition in this paragraph is that the Chancellor of the Exchequer has, no later than 5 April 2019, laid before the House of Commons a distributional analysis of—

(a) the effect of reducing the threshold for the additional rate to £80,000, and

(b) the effect of introducing a supplementary rate of income tax, charged at a rate of 50%, above a threshold of £125,000.”

We have had the fiction and now it is time for the fact. It is a pleasure to open the final day of the Budget debate for the Opposition. This Budget was sold as ending austerity, but it does not do that remotely. It is a Budget of failure; a Budget of broken promises.

Labour is not opposed to any modest benefit—however modest that may be—for lower and middle-income earners, but that measure is the only one that puts some money in their pockets. We also need to support those who do not reach the lower threshold, which is why we support a real living wage, and the restoration of sectoral collective bargaining and trade union rights. However, putting more money into the pockets of higher earners is obviously wrong, which is why the next Labour Government will increase taxes on only the very wealthiest—people with incomes in the top 5% and the corporations that have had a tax cut under the Tories.

Bim Afolami (Hitchin and Harpenden) (Con): Will the hon. Gentleman clarify what the Opposition would regard as “the very wealthiest”?

Andrew Gwynne: The hon. Gentleman was clearly not listening. It is in our amendment and was in our manifesto at the last general election. We mean the people in the top 5% of incomes, and Labour's amendment sets out the changes to income taxation that we would introduce in order to achieve that.

Eddie Hughes (Walsall North) (Con): Does the hon. Gentleman accept that the people who are in the income bracket that he describes are likely to be the most mobile and will therefore simply take their wealth somewhere else?

Andrew Gwynne: It is interesting that Conservative Members seem not to want a fair taxation system whereby those who have done the best out of society can pay back into society.

Janet Daby (Lewisham East) (Lab): Does my hon. Friend agree that the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016 caused £34 billion of cuts, resulting in 14 million people, including 4 million children, living in poverty? The Government have reduced the deficit by taking from the poor instead of from those who have much more—the wealthy.

Andrew Gwynne: My hon. Friend is absolutely right. Whatever this Government say, austerity is far from over for the people who require our help through the social security system.

Turning to communities, it was only a few weeks ago, in a speech that began with the Prime Minister dancing across the stage, that we were told that austerity is over. After almost a decade of cuts that have made life difficult for families across the country, I expect that many people welcomed the news coming out of Birmingham and breathed a sigh of relief. No longer would they have to visit food banks after work because they could not afford to eat. No longer would they feel unsafe in their neighbourhoods after 21,000 police officers had been cut. No longer would too many people be left shivering in the cold, unable to afford somewhere to live and with nowhere to turn. No longer would local councillors be worrying about balancing their books, about providing care for vulnerable children, or about ensuring dignity for the elderly people who need the care that their councils should be providing.

Fast-forward to the Budget presented to the House this week, and many people will have been left bitterly disappointed. This is not an end to austerity, but merely more of the same. Two thirds of the welfare benefit cuts

planned by the Government will still happen, and headteachers will still be forced to write begging letters to parents to pay for the basics. No wonder that the “little extras” referred to by the Chancellor—a frankly insulting term to schools at a time when the independent pay review body has said that they do not have the resources to give any pay rises to their staff—were so badly received. Teachers’ pay is down £4,000 in real terms since 2010, and headteachers are writing to parents to ask for donations just to keep services at current levels.

Leo Docherty (Aldershot) (Con): This Budget has delivered a tax cut for 32 million people. Can the hon. Gentleman clarify Labour’s position, because the shadow Chancellor says that he supports that but the Leader of the Opposition says he does not? What is Labour’s policy?

Andrew Gwynne: As I was speaking about education, the hon. Gentleman must try harder, go to the back of the class and pay attention. Some £1.3 billion of cuts—

James Cartlidge: Will the hon. Gentleman give way?

Andrew Gwynne: No. Cuts will be hard-wired—*[Interruption.]*

Madam Deputy Speaker (Dame Eleanor Laing): Order. I said that we would be fair to everyone and that means Mr Gwynne, too.

Andrew Gwynne: Thank you, Madam Deputy Speaker.

As I was saying, £1.3 billion of cuts next year are hard-wired into the system—*[Interruption.]* The Secretary of State for Housing, Communities and Local Government can shake his head, but the statistics come from the Tory-led Local Government Association. The cuts will devastate councils that are already struggling. Austerity is certainly not over for local government. Councils were the first and perhaps the easiest target of the coalition Government, and they have had to endure some of the largest cuts across the public sector.

James Cartlidge: Will the hon. Gentleman give way?

Andrew Gwynne: No, I am going to make some progress.

After all, by cutting funding to councils, Ministers have shifted the blame on to councillors, including Conservative councillors. Councils of all political persuasions and none are now at breaking point. The effects of that on our communities are plain to see across the country. More than 500 children’s centres have shut down and 475 libraries have closed. Support for disabled children has been stripped away—for example, the transport that helped them to get to school to learn like their friends. Support for older people has been slashed, with 1.4 million older people now not getting the necessary help with essential tasks such as washing and dressing. Bus routes have been cut. Our roads are in disrepair, and before the Government laud the £420 million for potholes, I must point out the £1 billion backlog created by this Government’s cuts. Swimming pools, leisure centres and community spaces have closed. Bin collections have been reduced. Youth clubs have closed.

Planning departments have been stripped out. Trading standards offices have been slashed, leaving more people at risk of fraud or dodgy goods. Streetlights have been turned off to save money.

Ruth George (High Peak) (Lab): We see the impact of all those cuts in Derbyshire, where elderly people are not receiving care packages, early help for children is being cut and libraries are threatened. Does my hon. Friend agree that the cuts are actually contributing to long-term growth in the numbers of older people in hospital and children being taken into care? The cuts are not only cruel, but a false economy.

Andrew Gwynne: My hon. Friend is absolutely right, because all this does is shunt costs on to other parts of the public sector. That is not a sustainable way of continuing. Sadly, I could give many more examples, yet the Government’s answer to these problems is not to drop the £1.3 billion cut to funding next year, nor to properly address the crises in social care and children’s services, but to offer mere crumbs from the table, which will do little to fix the problem that has been created.

Charlie Elphicke: I am listening to the hon. Gentleman’s speech with great interest, but he has not answered the question put to him by my hon. Friend the Member for Aldershot (Leo Docherty). The shadow Chancellor says that he supports the tax cut and the Leader of the Opposition says that he does not. Where does the hon. Member for Denton and Reddish (Andrew Gwynne) stand?

Andrew Gwynne: Let me make it very clear. In case the hon. Gentleman has not realised, this is not a Labour Budget. A Labour Budget would look very different. We will not vote today to restrict extra money for the lowest paid in our country, and when we have a Labour Government offering hope for the future, a Labour Budget will rectify the giveaways to the top.

The Chief Secretary to the Treasury believes that the Government have not cut local government budgets, but the fact is that, since 2010, spending power—the Government’s preferred measure—has fallen by 28.6%, which includes the 49.1% cut to central Government grants for local authorities. Yes, local authorities have been given new powers to raise funds, but the reality is that a 1% council tax increase in her area raises significantly more than a 1% council tax increase in mine. She can shake her head, but if she does not understand that areas whose properties are predominantly in bands A and B do not raise the same amount as areas with properties in higher council tax bands, perhaps she should not be Chief Secretary to the Treasury.

I will make the position clear, because Treasury Ministers appear to have found these calculations very difficult. The Chief Secretary to the Treasury told “Newsnight”:

“We are not making cuts to local authorities. What we have done is give them more revenue raising powers so that decisions can be taken locally.”

I am happy to give Government Front Benchers the calculations provided by the Tory-led Local Government Association and by the National Audit Office. The Institute for Fiscal Studies has gone further and provided an analysis of how the cuts have fallen across the country:

[*Andrew Gwynne*]

“the most deprived authorities, including Barking & Dagenham, Birmingham and Salford, made an average cut to spending per person of 32%, compared to 17% in the least deprived areas, including Warwickshire, Wiltshire and Dorset.”

These hardest-hit councils have been dealt a second blow by the Government’s reliance on council tax to fund the struggling social care sector, as they are unable to raise anything like enough through the social care precept compared with councils in wealthier areas.

The Secretary of State for Housing, Communities and Local Government can shake his head, but this year Tameside Metropolitan Borough Council, one of the two authorities that make up my constituency, has a £16 million social care funding gap. One per cent. on council tax in Tameside brings in £750,000. The Tamesides of this world are never able to fill that social care gap from council tax, and that is what is so unfair.

Instead of providing the much-needed reform of social care, this Budget has once again shown a Government committed to sticking-plaster solutions. There is no Green paper and no long-term plan. Just as the £1.3 billion cut hits next year, the Government will need to find £1.5 billion just to keep social care running. Behind these figures are real people who need help, and the Government sit idly by.

Sadly, the Government’s small contribution to alleviating this crisis will for many people be far too little, and, for many councils, far too late. One of the most sacred values and duties of any Government is to ensure that the most vulnerable in society are protected. With overspending on children’s services hitting a new high of £800 million a year, the Chancellor’s pledge of £84 million for just 20 councils—I am interested to know which 20 councils they are—comes nowhere close to addressing the national crisis. Both crime and the fear of crime are rising in our neighbourhoods, yet this week’s Budget offers not a single extra penny for neighbourhood policing. The National Audit Office and the Select Committee on Home Affairs are warning that, without funding, our police service is teetering on the edge of collapse. The number of police officers has already fallen by 21,000 since 2010, and the independent police watchdog is warning that

“the lives of vulnerable people could be at risk.”

But instead of fixing the problem, the Treasury sees fit to play fast and loose with public safety with a £165 million raid on pensions. We are now in an unprecedented situation where police chiefs are threatening legal action against this Government.

The chief constable of Greater Manchester police has warned that upcoming budget cuts could take officer numbers back to levels last seen in 1975, wiping out the 50 additional officers funded by this year’s council tax precept. Another 600 officers need to be cut, on top of the 2,000 we have already lost, because of this Government’s mess on pensions.

Mike Amesbury (Weaver Vale) (Lab): The police and crime commissioner for Cheshire has written to me to say that austerity is far from over there and that funding pressures mean 250 police officers might be cut from the frontline in that patch alone.

Andrew Gwynne: If Conservative Members really cared about the safety of our citizens, and about the soaring crime in some of our communities, they could have fixed it by stopping the police cuts.

The Budget shows that this is not a Government who are interested in public safety, in our children’s future, in our elderly, in our public sector workers—our doctors, our nurses, our teachers, our police officers, our firefighters—or in the disabled. Indeed, they are not interested in our constituents.

Politics is always a question of priorities, and this Government have clearly got their priorities wrong. Since 2010 they have handed out £110 billion in tax giveaways to the richest and to corporations, but the services on which most people rely have been cut to the bone and to breaking point. In the coming days and weeks—as children’s centres and libraries remain closed, as roads continue to go without repair and as crime continues to rise—people will recognise that the Prime Minister’s promise to end austerity has been broken. In fact, it was a mirage from the start.

We need a fresh approach: a real end to austerity, investment in our communities, and a Government intent on rebuilding Britain for the many, not the few.

12.59 pm

Mr Kenneth Clarke (Rushcliffe) (Con): I have listened to many Budget speeches but when I listened to this year’s I was taken by surprise, in a rather cheering way. I came here expecting that we were going to hear how the Chancellor had solved the problem of raising some taxation to help pay for the very welcome £200 billion given to the NHS. I sat there listening to him deliver an excellent speech, cutting taxation and increasing public expenditure. It was an open and expansive Budget based on a courageous Budget judgment that I had not seen coming—I welcome that and wish it every success. It was of course based on spending all the unexpected surprise of the extra tax revenues that the Office for Budget Responsibility forecasts had produced—or had already delivered—and on spending everything anticipated in the forecasts in order to keep us on track to eliminate debt.

I welcome bold decisions, and I hope this one succeeds, but I am afraid I am going to express a little caution, as someone needs to, even in the Chamber of the House of Commons. I have seen many Budgets and the reaction is quite predictable: all my right hon. and hon. Friends have joined in welcoming every piece of good news, as I do. The money for health and social care was very much needed, and I welcome what has been done for small businesses and city centres—I could go on, but my seven minutes does not allow me to cover all the good news in the Budget. But somebody has to express caution, but I do not do so as a party pooper; I am not going in for all the gloom and foreboding of the Institute for Fiscal Studies and Standard & Poor’s, the rating agency. But as the Labour Opposition are in my personal opinion so completely useless on an occasion like this—all they do is greet an expansive and popular Budget by saying, “Oh, it’s nothing compared with the vast sums we would spend in future”—it is probably as well that we do express some caution.

All I would like is for my right hon. Friend the Chief Secretary, who I believe is going to wind up the debate, to reassure me that we are proceeding with some care.

Many political judgments involve taking risks. Very few political judgments and policy judgments give an obvious answer, which is fine. A courageous Minister takes some of those risks, but they do have to be aware of them and to anticipate what they would do if they started to materialise, and I hope my right hon. Friend will be able to do that.

The reasons for my reservations are, simply expressed, that the very welcome news about the tax revenues recently may not last. We have had windfall revenues in the past, and nobody quite understands why we have these windfalls now, so I think a little caution is called for before we start anticipating that they are going to carry on in that way.

As for forecasts, I never spent the money in forecasts, because all economic forecasting, at any time, is extremely fallible and extremely difficult. I do not think I know of a time when it has been more impossible than now. I have only seven minutes, so I am not going to be able to dilate about Mr Trump's trade wars, problems of Chinese debt, the emerging problems in many emerging markets, the reckless nature of the Italian Government they have elected and, above all, the uncertainty of Brexit, which dominates us. All this makes the task of economic forecasting almost impossible, so we should not spend the money it looks as though we might be getting without having at the back of our minds some idea of what we are going to do if it does not work out.

Sir Edward Leigh (Gainsborough) (Con): My right hon. and learned Friend is right to pour cold water on economic forecasts. What did he think of the Treasury forecast before the referendum which warned that if we voted for Brexit, there would be an “immediate and profound economic shock”?

Mr Clarke: The Treasury took some welcome measures to ease that shock, stepping in with an emergency cut in interest rates and expansionist measures to mitigate the problem. One problem with forecasting is timing. If we get a hard Brexit, I do not think my hon. Friend will be dismissing quite so lightly the forebodings of the Treasury. I agree that some of the leading figures in the remain campaign turned the whole thing into a bit of a farce by talking about Budgets putting up taxes and so on in two or three months' time, but I did not echo that and nobody else did. Also, it was not as bad as most of the quite dishonest arguments being put forward by the leave campaign about the millions of Turks who were coming here, but I will leave that to one side.

The Brexit deal will have consequences for our immediate economic future. I want a soft Brexit, if we have to leave. I want no new barriers to our trade and investment and no new customs arrangements; I want regulatory convergence and open borders to continue with our major market, but we may not get there—no one knows. I have added in all the other uncertainties in the global economy at the moment. We are all being sustained by an American boom, which may be quite short lived, as these fiscally induced booms usually are. Recession is not impossible in the next two or three years, and we have to make sure, first, that we avoid it and, secondly, that we are prepared for the warning signals when they come.

So I hope I can be persuaded that the Chancellor has retained some firepower in case the economy risks going off, and I hope he will manage expectations. We

are all enjoying this Budget, but the key public spending decisions are going to be in the public expenditure round in 2019 and 2020. Nobody should be led to expect that vast sums are necessarily going to be forthcoming then, and we need to manage expectations.

What slightly worried me were what I thought were presentational errors made in the run-up to this Budget. Had I been Chancellor, I would not have agreed that £200 billion for the health service should be announced on an inconsequential date a few months ago and then have been left with the Budget to explain how we pay for it. If we had put the two together, the health service spending would have been the highlight of this Budget, because it is a very welcome and very important decision. The public were braced to pay something towards it. The first reaction is that some other taxpayer should pay, but we could have given ourselves more firepower and maintained our direction on debt by raising some taxes towards it. But they are the only reservations I raise.

Budgets often are popular at first but they are forgotten by Christmas—even mine. What matters is where the economy is in two or three years' time, and I hope the Chief Secretary will tell me that the Government have not lost sight of that.

1.8 pm

Neil Gray (Airdrie and Shotts) (SNP): It is a pleasure to speak for the SNP on the final day of debating the 2018 Budget and to follow the right hon. and learned Member for Rushcliffe (Mr Clarke), who is always a hard act to follow. I hope I might be able to provide some detail on the caution that he was unable to deal with in the time available to him.

Today, we focus on families and communities. Where better to start in that regard than by detangling the Chancellor's spun lines on family budgets. Pay growth is continuing to falter. We have had the worst decade of wage growth in 210 years, making it easy for the Chancellor to say that a modest rise in regular pay rates is the highest in 10 years. Even if that level were to be sustained—and that is unlikely unless there is a significant change regarding the UK's productivity crisis—it is unlikely that pay rates will return to pre-crisis levels until the middle of the next decade. No wonder we have growing rates of in-work poverty. This Government are failing to make work pay.

Just take the announcement on universal credit, by which I am bitterly disappointed. It did not live up to anyone's expectations. It did not match the ambition set by the hon. Members for South Cambridgeshire (Heidi Allen) and for Plymouth, Moor View (Johnny Mercer) on work allowances alone. Like me, they wanted work allowances to be fully restored to pre-2015 levels. The Chancellor failed to do that and failed to tackle the other ways in which universal credit is failing utterly. He reinstated just half the cuts to just one part of the cash cow that is universal credit, which the Treasury has milked dry. Indeed, even the right hon. Member for Haltemprice and Howden (Mr Davis) yesterday welcomed the investment but quickly said that more will need to follow. I agree: very much more will need to follow.

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

Neil Gray: I will in just a minute. I shall give way only a couple of times as I am conscious of the fact that other Members wish to speak.

Yesterday, the Prime Minister said that 2.4 million people are to benefit by up to £630 a year from Monday's changes. That was pure spin. What she should have said is that those families will be up to £630 less worse off. The Secretary of State for Work and Pensions herself said that universal credit is costing people £2,500 a year, and the Resolution Foundation said that that figure applies to 3.2 million households. Even if we are to believe the Prime Minister's figures, for 2.4 million people the income cut from universal credit will be reduced to at least £1,700 a year. The rest of the 3.2 million households will still see a cut of £2,400 a year.

Luke Graham: Does the hon. Gentleman agree with the chief executive of the Joseph Rowntree Foundation, who welcomed the Chancellor's move to increase funding and said that it would make universal credit "a tool for tackling poverty" and for easing the burden on low-income families?

Neil Gray: Of course, what the hon. Gentleman does not mention is that before the Budget the Joseph Rowntree Foundation was calling for the work allowances to be fully restored to pre-2015 levels, so I shall take what the hon. Gentleman has to say with a pinch of salt.

That cut of £2,400 a year is before we look at the cuts in other areas of universal credit that will swallow up any gains made from the Chancellor's announcements on Monday. According to the House of Commons Library, the benefit freeze is going to cost low-income families just short of £5 billion next year alone. That one-year cut via the benefit freeze is worth more than the entire work allowance investment announced by the Chancellor for the next four years, which will be worth £3.8 billion. It is your typical Tory giving half with one hand and taking back double with the other. It is not an end to austerity; it continues to ingrain austerity. Little wonder, then, that the Government's own expert adviser on social security, Sir Ian Diamond, has said that the next phase in the universal credit roll-out could push thousands into hardship or even out of the benefits system altogether. For shame!

Stephen Lloyd (Eastbourne) (LD): Given what the hon. Gentleman has said, will the Scottish National party support the Lib Dems and vote against the tax cut for those earning more than 50 k? That £1.3 billion could be put into the work allowance to make it back up to what it was before George Osborne slashed it in 2015.

Neil Gray: The hon. Gentleman will see what we do later this evening. He will also see what we do with our reasoned amendment to the Finance Bill, which will be coming next week.

The Resolution Foundation has done a cumulative analysis of all the tax and social security decisions from 2015 to 2023. It shows that the people in the first five income deciles—the five poorest groups of people in the UK—are set to lose out by between £100 and £500 a year, on average and in real terms. Of course, some families will continue to get hammered to an even greater extent, as I have already pointed out. The top income deciles, however, will all see an increase in their incomes. So when the Chancellor chose to bring forward

a tax cut that disproportionately benefits higher earners the most—instead of stopping the benefit freeze, which is the single biggest cash grab from low-income families, or stopping the most draconian cut to universal credit, which is the disgusting two-child cap, which targets children with austerity—it was clear that his priorities were skewed. He keeps up an income squeeze on the many to pay for the biggest tax cuts for the few. That might have been a line from the shadow Chancellor, but of course Labour is supporting this disgrace.

The tax shambles that Labour has got itself into was compounded yesterday by Scottish Labour putting out a statement asking the Scottish Government to do the exact opposite of what the Labour Front-Bench team here wants to do on tax. For Scottish Labour, it is the old Groucho Marx line: "Those are my principles and if you don't like them, well, I have some more in London." Of course, the Scottish Government are already plotting a different, progressive path on taxation, leaving 70% of all taxpayers paying less this year than in 2017-18. I am confident that that will continue in next week's budget.

Let me return to the impact that Tory austerity is having on families. The OBR has warned that unsecured debt has risen as a share of household income. In other words, people are relying more on loans and credit cards to stay afloat. We know that from the evidence that the Trussell Trust and Citizens Advice have provided about food bank use and people seeking help. The OBR falls just short of saying that the growth outlook is dependent on an unsustainable debt-fuelled increase in consumption, but even its need to mention that in the report should be a warning to the Government and their Front-Bench team. Their squeeze on living standards and family incomes is pushing people into debt, and that has not just social but economic consequences.

Most fundamentally, we should struggle to believe that any of the Budget will be delivered anyway. The OBR has struggled to do its analysis because the Government failed to provide the figures in time. I wonder why that was the case. The Chancellor himself essentially said that his Budget was a wish list—and a wish list that is entirely contingent on Brexit. The OBR's blue book quotes studies from the Centre for European Reform and the Centre for Economic Policy Research that say that, by the middle of 2018, the UK economy was 2% to 2.5% smaller than it would have been had it not been for the Brexit referendum. In other words, the Brexit referendum itself almost halved the already slow annual economic growth enjoyed by the UK. I doubled checked this with the Library, and UK annual GDP is around £2 trillion, so 2% to 2.5% of that is worth £40 billion to £50 billion. That is £40 billion to £50 billion lost from the UK economy thanks to David Cameron's failed Brexit gamble and the Vote Leave campaign that broke the rules. The Schadenfreude for the Prime Minister, who claimed that austerity was over, is further compounded by the fact that the estimated cost of ending austerity ranged from £19 billion for the IFS to £31 billion for the Resolution Foundation. Had there been no Brexit, the Chancellor could have ended austerity while staying within his own fiscal rules and still had enough money to fix the roof while the sun was shining.

On Monday, the Chancellor let us all believe that the space he had to loosen the Tories' vice-like grip on the financial purse strings was down to austerity economics.

Let us have a little look at what the Chancellor did not say on Monday and provide bit of the cautionary detail referred to by the right hon. and learned Member for Rushcliffe. Many Tories point to cuts to corporation tax as the reason for greater-than-expected tax receipts. Sadly for them, that does not appear to be the case. Last year, the IFS discussed recent trends in corporation tax receipts and said:

“Weak investment post Brexit is forecast to boost receipts in the short run because it is expected that firms will make less use of tax-deductible capital allowances.”

Analysis in the *Financial Times* in April last year made basically the same point:

“Companies can offset some of their investments against their profits to reduce their tax bill. The idea is to give them a tax incentive to make more investment. For this reason the OBR has a rule of thumb that a 1 per cent increase in business investment leads to £50m less in tax receipts... But business investment fell by 2 per cent in 2016, according to the ONS. This was good news for the public finances, which received more in corporation tax revenue, despite being bad news for the overall economy.”

David Morris *rose*—

Neil Gray: I am just about to wind up.

Business investment has continued to slow since 2016. The Office for National Statistics said it was down 0.5% in quarter 1 of this year and down 0.7% in quarter 2. What does the ONS reckon is a factor in that? Business investment is being held back because of Brexit. Of course, business investment is doing rather better in Scotland, with FSB Scotland's quarter 1 2018 report quoting increases in business investment of 1.1% quarter on quarter. Perhaps that is the reason that the Chancellor has held back nearly £16 billion in fiscal headroom and refused to end austerity in this Budget. As the right hon. and learned Member for Rushcliffe said, the Chancellor knows that the fiscal position he has found himself in is neither intentional nor necessarily one to aspire to, because it is at least partially down to weak business investment. More austerity is not the answer. Austerity has failed and continues to fail, and as we know the Chancellor has little intention of ever creating that mythical Budget surplus.

As ever, this Budget is about choices; to govern is to choose after all. The Chancellor chose not to end austerity. Most departmental budgets are set to get hammered in the spending review. The Chancellor chose not to properly fix universal credit. Billions of pounds of cuts to low-income families will continue. The Chancellor chose not to use nearly £16 billion that he had spare; he has presumably squirreled that away as a further Brexit down payment. However, the Chancellor chose to bring forward a multi-billion pound tax cut which will disproportionately benefit those on higher incomes the most.

Now people in Scotland have their chance to choose. Can we really afford to keep ourselves aligned to this austerity-driven Brexit Britain, which is driving up poverty through this Government's paucity of ambition for our people and isolating us from the rest of the world, or will we choose to regain the powers of independence and the power to choose the future for ourselves?

1.20 pm

Justine Greening (Putney) (Con): I want to refer to some of the local issues that I hope this Budget can address for my own community, with a particular focus

on Putney High Street, Roehampton High Street, Southfields village and, of course, Danebury Avenue, also in Putney. I could make a long speech on my broader views on this Budget, on the need for reform of the Treasury, and on how the OBR forecast has changed so significantly. I could make a speech on the fact that probably one of the biggest challenges in British politics is the seesawing of resources in and out of public services and the resulting inability of those services ever to plan properly for the long term. However, that is probably a speech for another day.

What I want to do today is focus on the issues in my local community. It is fair to say that for most of us, the problem of rent and rates, and the impact that they have not just on local businesses but on local shops, local restaurants and bars is really acute. That is particularly true in London, where the sense is that rent and rates only ever go up during the good times, but when we hit more difficult times my local businesses never see them come down. As a result, we have inflated rateable values that then give a legacy of high rates and rents that feeds forward into the future.

High streets are facing a significant structural challenge as they move from being, historically, transaction centres where people went to buy things to being social centres. What people and communities get out of the high street has significantly changed, and it will not change back. I particularly welcome the initial ideas that the Chancellor set out in relation to a digital sales tax, but I encourage the Treasury to bring those proposals forward sooner rather than later and to properly understand what taxation looks like in the context of the high street when we know that, in the future, high streets will be social centres rather than transaction centres.

I have a business improvement district in Putney. I am sure that the announcement of the future high streets fund—the £675 million that will be available to communities to improve and support high streets—is extremely welcome and necessary. This is not the first time that, locally, we have asked for funds to improve our high street. The council itself is putting in £640,000 of investment to improve Putney High Street, to improve the experience of shoppers and pedestrians, and to improve traffic flow. I have to say that, when we asked City Hall for investment in our local community, our bid was not seen as a high priority. I am delighted that the Government recognise that communities such as mine need investment to support the high street to keep going and make a transition. I ask the Secretary of State, or perhaps the Chief Secretary when she winds up the debate, simply to make sure that they do not make the mistake of giving any of that £675 million to City Hall. If that happened, I can only assume that, yet again, my community would be de-prioritised for investment in our local high streets. Instead, the money should be given directly to local councils to make the decisions that they know are important to improve high streets such as those around Roehampton, Putney and Southfields—the community that I am so proud to represent.

May I also ask the Secretary of State to look at whether that £675 million can be brought forward and invested sooner rather than later so that it can make an impact now, rather than in several years' time? I have looked at the phasing of the fund, and my personal view is that high streets need support now, not later.

[Justine Greening]

I do, of course, welcome the announcement that businesses whose properties have rateable values of £51,000 and lower will see business rates cut by a third. That will help 90% of properties, but, again, I say to the Secretary of State that, for those of us representing communities in London, we will have a disproportionate number of the properties in that final 10%—the businesses that are not covered by that measure. I ask him to continue to look particularly at how businesses in London can continue to thrive. We do not want to be a place where independent shops literally cannot afford to start up and survive. Even some of our high street chains are finding it hard, as we can see with the loss of Marks & Spencer in Putney.

May I also add to the communities part of this debate and say that I very much recognise and welcome the steps that the Government and the Treasury are taking on affordable credit? They are absolutely vital to help a whole generation of often young people, but also people on low incomes, to make sure that they do not pay through the nose for the kind of credit that the rest of us are used to having.

May I ask the Secretary of State to make sure that, at the very least, the Government get out of my way so that I can get my Creditworthiness Assessment Bill through this House with all-party support? Last Friday I came here to try to move my Bill on to its next stage, and it was opposed by an MP and by Government Whips. I ask the Government that, the next time I bring the Bill to the House on 23 November, Government Whips do not object to its being moved forward. It could help 15 million renters across our country get better access to more affordable credit. It is vital that the Bill is passed, as it could have a big impact.

In his opening speech, the Secretary of State set out how we want to support people who have the dream of home ownership, but if they cannot build up a credit history, even with the reliable rental and council tax payments that they make every month, it fundamentally does not allow them to make the case to lenders that they should the best credit opportunities on offer. It really is time for the Government and the House to pass a Bill that can genuinely make rent count. As someone representing a community where perhaps 50% of households rent, I can say that this is absolutely crucial to making sure that this is not just a Government who help people to get by, but a Government who help people to get on.

1.27 pm

Edward Miliband (Doncaster North) (Lab): I am glad to follow the right hon. Member for Putney (Justine Greening). I want to focus on housing, which was where she ended her remarks. In particular, I want to focus on what the Secretary of State said in his opening speech, which is that this is the biggest domestic policy priority for the Government.

We should begin with a moment of candour. If we are looking across the piece at policy failures of Governments of both parties, we can see that this is the biggest single failure over the last generation. I am proud of some of the things that the previous Labour Government did, but we did not build enough homes, and this Government have not done so either.

I am serving on a social housing commission run by Shelter. It comprises residents of Grenfell Tower and people from across the political spectrum, such as Baroness Warsi and Lord O'Neill from the other place, and is precisely designed to try to fashion a new cross-party consensus on these issues.

Reading the Budget, I was encouraged by some of the measures in it. It mentions the broken housing market, to which the Secretary of State also referred today. I must confess that I am old enough to remember when such talk was part of living in a Marxist universe, but it is genuinely good that things have changed. It is a positive step that the Government have lifted the local authority borrowing cap, and indeed that they are providing housing associations with some money to build. They say that their measure on council house building will mean that 10,000 council homes are built each year, and that the housing association measure will lead to 13,000 being built over three years. The question at the heart of any analysis of this Budget on housing is: is that enough? I argue that it is not nearly enough.

Let me provide some context to this. The Secretary of State said that he wanted to be like Macmillan. Indeed, I think all of us can praise what Harold Macmillan's Government did. Let me tell the House about the scale of building in that era. The 1951 to 1955 Government built an average of 193,000 social homes each and every year. That is more than this Government have built in the last seven years. Each and every year, the 1955 to 1964 Government built 116,000 homes, the 1964 to 1970 Government built 143,000 homes, and the 1970 to 1979 era saw the building of 116,000 homes. We are way off that.

David Morris: Does the right hon. Gentleman not agree that the Macmillan era was post-war, when Britain was bombed out and we had the Marshall fund to back us up?

Edward Miliband: I will get to the question of funding and whether it is an investment in the future. The figures I have read out are actually flattering to the era since 1979. I am genuinely saying that this is a cross-party failure, because under the right to buy we have sold off 2 million homes since 1979—far more than we have built.

The question is, what do we do? My argument is that this is not just about a change in policy. It is actually about a change in the whole philosophy on social housing. I argue that there are three principles that have been in effect since '79 and need to be replaced. These principles were brought in by the '79 Government, but have not fundamentally changed.

The first principle is that the market will provide; the market will build. We know from experience, despite the many efforts of different Governments, that the structural barriers in the market such as developers, incentives to build for the high end of the market and the cost of land mean that the market will not provide sufficient housing at the scale and speed required. There is no historical evidence to suggest otherwise. Indeed, the figures show that it is not in the private sector that the failure to build is most pronounced compared with the 1970s; it is actually in the social housing sector.

The thing that we have all missed is that the social housing sector is the bedrock of an effectively functioning housing market. In other words, it does not just benefit

those who live in social homes. It benefits everybody, because it is more likely to keep prices down and avoids some of the problems that we see in the private rented sector. The Government have to be fair and recognise—at least at the level of principle—that saying the market will build will not cut it any more, and that the Government need to play a substantial role when it comes to building.

Mr Betts: My right hon. Friend is making a valuable point. I think it was the last Housing Minister but four—now the Prime Minister's chief of staff—who accepted that social house building provides continuity to the construction industry, as it does not go up and down with the cycles of the private sector. That is very important for maintaining skills in the industry in the long term.

Edward Miliband: My hon. Friend makes an important point.

The second principle is that we need to acknowledge that the Government have come to see social housing as a residual for the neediest in our society, but that was not the origin of social housing. It was a tool to meet the needs of middle and lower-income families. That is particularly relevant today, given that 2016 figures from Shelter show that 78% of private renting households cannot afford to buy, even with Help to Buy. Why should the choice for those families be confined to the often substandard and highly expensive private rented sector? They should have a chance of social housing too. As one of my fellow Shelter commissioners—who happens to be a Conservative—puts it, we need to think again of social housing as meeting aspiration and need. That is a fundamental change, but it was part of the original vision of everyone from Nye Bevan to Harold Macmillan.

The third principle relates to the intervention by the hon. Member for Morecambe and Lunesdale (David Morris)—the question of where we put our money. Essentially, the choice that has been made since Lady Thatcher has been to put money into housing benefit and various subsidies including Help to Buy. What we have again missed is that investing in housing is investing in an essential part of our infrastructure. Dare I say it, it is as much a part of our essential infrastructure as transport—including High Speed 2—or schools and hospitals, and it is value for money because of the return on that investment.

In case hon. Members do not take my word for it, they can listen to Lord Porter, the Conservative chair of the Local Government Association. I have only just discovered Lord Porter—an important discovery. On Monday he proposed that we build not 10,000 but 100,000 social homes a year, saying:

“The gains are enormous. Investments in social housing could generate returns up to £320bn over 50 years, helping countless families along the way by creating local jobs and building homes people need and can afford.”

The reason I talk about those principles is that they drive the scale of the response. If we recognise the principles of the limits to the market, who social housing should be for and the fact there is a return on investment—that to borrow to invest in social housing is a sensible move for the country—we will be led to a much bigger response than we saw in the Budget. As I said, it is good that the Government have changed

course in a number of respects, but this is an era for boldness, not incrementalism, and I am afraid that the scale of boldness required is not in the Budget.

I will end by discussing why this really matters. It is actually about Brexit—I am sorry about that. The vote to leave was in part a cry of pain about the loss of hope and the loss of a sense of community. We should not idealise the past, but social housing was absolutely part of that. But this is not just about nostalgia. It is about whether people's kids and grandkids will have a better life. And here's the thing: in a world and a country where we seem divided on everything, this issue unites remain voters and leave voters, young people and old people, people in the south and people in the north. Whatever happens with Brexit, we need to bring the country together. I can think of nothing more likely to unite people across the divides than long-term investment in social housing, but it needs to be at scale. Incrementalism is not enough; we need a bolder offer. It is there in our history, from Bevan to Macmillan, and we need a Government who will discover it.

Several hon. Members rose—

Madam Deputy Speaker (Dame Eleanor Laing): Order. I am afraid that I have to reduce the time limit to five minutes.

1.37 pm

John Stevenson (Carlisle) (Con): It is a pleasure to follow the right hon. Member for Doncaster North (Edward Miliband). He made an interesting speech, although I think he missed out one aspect that I will touch on.

I want to refer to the macroeconomic situation. The Government's priority has been to reduce the deficit and to see debt falling as a percentage of GDP—something with which I completely agree and is definitely the right approach. We also have to recognise that the business cycle does exist, and that we are probably closer to the next recession than we are further from the previous one. We need robust finances to deal with and cope with that, as and when it comes. To a certain extent, the problem was in many respects created by the last Labour Government before the great recession when they were borrowing £40 billion a year at a time they should have been running a balanced budget. Had they actually been doing so, we would now be in surplus.

I support and encourage the Government's aims because strong finances give a strong platform for the future. Indeed, strong finances require a strong economy. Government policy should be directed towards achieving this—it should be an economy for everyone. I will therefore concentrate on two specific things that I believe can help. First, we need to rebalance the economy and the country, which the right hon. Member for Doncaster North did not mention. The second issue is housing, which he did mention. These areas are interlinked as local government can and should play a key role in both.

The reality in our country is that we have a southern-dominated economy, and we have to acknowledge that there is underperformance by the regions to a certain extent. We do not want to diminish the success of the south—far from it, given its benefit to our economy overall—but we have to recognise that there is an underperformance in other parts of the country.

Julian Knight: I think that my hon. Friend is talking about productivity. Does he recognise that if we are to ensure that we have sound public finances in the future and that the debt-to-GDP ratio falls, we will need to increase our nation's productivity, which means investing in the regions so that we bring up our national wealth?

John Stevenson: I completely agree—the central theme of my speech is exactly that. We have to recognise the success of the south of England and also make sure that other parts of the country are equally successful and drive the productivity goals that we all want.

There is a housing imbalance that we have to acknowledge as well. The south-east and the south are where we find housing pressures regarding demand and price. I shall therefore come on to how we can, I hope, address this, although I have to accept, acknowledge and support the initiatives that the Government have already brought in to help places like Carlisle. Tax cuts; raising the living wage above inflation; a job creation machine that is taking unemployment back to 1970s' levels—these policies have helped the job security of the people of Carlisle, whose living standards have actually increased.

We have also seen the Government's northern powerhouse initiatives. I commend the work of the Under-Secretary of State for Housing, Communities and Local Government, my hon. Friend the Member for Rossendale and Darwen (Jake Berry), who is responsible for the northern powerhouse and takes a very positive and active approach to his role. The city growth deals also benefit various parts of the country. The Government's borderlands growth initiative has been extremely welcome and well supported right across my region. Indeed, five councils are actively working together and have made a very positive submission to the Government. I look forward to reaching the heads of agreement in the new year and seeing some decent finance going into the region to help to support growth and productivity.

I believe that we can achieve so much more, however. Devolution is a Conservative principle. We want more powers devolved down to the regions—tax-raising powers, but also more responsibility for local government. We should be proactively promoting the unitisation of local government so that we have unitary authorities up and down the country. I am a great supporter of elected mayors. We have had success in that regard in the north of England, and I would like to see it spread right across the whole region. To take Cumbria as a simple example, we have seven councils and 400 councillors for half a million people, which is a completely ridiculous situation that is badly in need of reform. The difficulty is that while everybody in Cumbria recognises the need for reform, they cannot agree on what that reform should be. That is where central Government can help by giving a lead.

I want the Government to start to think more radically. Thinking about education, should we be saying to all schools in the north of England that they should become academies? We need to make sure that skills initiatives are locally based so that they are relevant to the local economy, not necessarily the national economy. The industrial strategy should be beefed up, for example so that we have a far more robust energy policy—again, that is very relevant to Cumbria. Should there not be financial incentives so that people who want to invest look to the regions and the north, rather than always to

the south and London? How can we alter capital allowances, the planning laws, VAT, rates and national insurance to incentivise people to invest in the north? Of course, infrastructure spending can improve the economic performance of the regions. In my area, an application has been put in for housing infrastructure funding that would unlock the possibility of 10,000 new homes.

If businesses invest in the north, people will move to the north—they move to where there is economic activity. That would spread wealth and create a more balanced economy. People will move to the north rather than the south, relieving housing pressures down in the south. We will then have a stronger economy that produces better public services and a more balanced country. Government policy has recognised much of this, but I encourage Ministers to be more radical in recognising that local government can be a driver of change and a positive influence. I will certainly support the Government in taking a far more radical approach.

1.43 pm

Helen Hayes (Dulwich and West Norwood) (Lab): This is a Government fiddling around the edges when comprehensive reform is needed, and announcing figures with a flourish in the hope that no one will notice that the sums are inadequate.

When the Chancellor spoke of the end of austerity, my constituents across Dulwich and West Norwood wondered what he was talking about. Lambeth Council, one of the councils serving my constituency, has already lost six in every 10 of the pounds it had to spend in Government grant in 2010, but it faces a further £43 million of cuts over the next four years, which is more than it currently spends on recycling, parks, libraries, children's centres, roads, pavements and community safety combined. Further cuts can come only from services that are already stretched to the limit. When the Chancellor and the Prime Minister speak of ending austerity but make no pledge to reverse the cuts to local government funding, it should not come as a surprise that councillors across the country of all parties, including thousands of Conservative councillors, react with total incredulity and disbelief. The Government have outsourced austerity to local government in an utterly shameful way.

Adult social care services across the country are at breaking point. The Housing, Communities and Local Government Committee has seen evidence of care home and home care providers handing back contracts to councils that they cannot afford to run, and we know that 1.4 million vulnerable people who are in need of care are not receiving any care at all. A lack of social care capacity continues to present huge challenges for the NHS, both in terms of acute hospital admissions and delayed discharge, and to create misery for countless families who are battling to secure the care that their vulnerable loved ones need. Into this system the Government have announced the injection of some short-term funding to address winter pressures, but there is no short-term fix for care homes that have closed. Dealing with that requires months of planning, refurbishment, recruitment and training, which can be delivered only if there is long-term certainty about funding.

The funding for 2019-20 announced this week in the Budget also falls far short of the £2.6 billion that is widely accepted as the funding injection required just meet current social care needs, and more funding is

required to plan for and meet the expanding care needs of our ageing population. Social care funding needs comprehensive reform if we are to create a system that can look after everyone who needs care with the dignity and compassion that any of us would expect for our loved ones. It is testament to a Government mired in internal division and thinking only of how to avoid short-term defeats that they are not up to the challenge of reforming social care and can only find inadequate, piecemeal, short-term sticking plasters.

Children's services in many local authorities are struggling to fulfil their statutory obligations, still less to proactively support families who may be at risk. There is a crisis of recruitment and retention in children's social work because of the risks involved in working in a system that is stretched to the limit. Yet the Chancellor's Budget speech did not even mention this vital frontline service. Schools in my constituency are making extraordinarily difficult decisions to cut teaching assistant and teacher posts in order to make inadequate levels of special educational needs and disabilities funding stretch further, and to sustain extra-curricular activities. School staff are going above and beyond every day to sustain the quality of our local schools. On the Friday before half-term, I and many other parents at my youngest daughter's school were in tears as we said goodbye to a deputy headteacher with more than 20 years' service who had taken voluntary redundancy because the school could no longer afford her post. When the cuts are striking at the heart of school communities in this way, the Chancellor's announcement of a pitiful amount of funding for "little extras" is simply insulting.

Last Friday, I joined a police response team in Southwark on their late shift. We spoke of the huge challenges of increased knife and gun crime and gang violence, moped and cycle-enabled robberies, which particularly affect secondary-age children, and increased burglary. Last night there was a double shooting in my constituency. Members of the team told me how their job is being made harder by cuts in police numbers; by the closure of our local magistrates and youth court, which means that they have to travel much further to attend court to give evidence; and by the larger numbers of people in mental health crisis for whom they end up being the first port of call. Yet the Chancellor announced not a penny of extra funding for neighbourhood policing or for the criminal justice system.

Overshadowing the whole Budget is Brexit, which will create chaos for our economy, cause many businesses to grind to a halt, and drastically shrink the tax receipts that we need to fund our public services. This Budget is a cynical attempt to create positive headlines in the midst of Brexit gloom. My constituents see austerity as it is, because they are living with its consequences every single day. Saying it is over does not make it so. That will require comprehensive reform, and a commitment to empower local government and fund public services that can be delivered only by a Labour Government.

1.48 pm

David Morris (Morecambe and Lunesdale) (Con): Morecambe has had more money given under this Conservative-led Government since 2010 than it has ever seen before. We have had delivered, by a Conservative-led Government and a Conservative county council, £130 million for a link road, £11 million for sea wall

defences, £4 million recently for a bridge upgrade, and a collective package of upgrades to schools and NHS services that has tipped over into well over £1 billion-worth of spending in my area. That is not to be sniffed at, and it has been happening for years. Recently the Chancellor decided to award Morecambe £100,000 for a feasibility study for a new Eden project—Eden Project North—to be built there on a marine basis. That would be a huge game-changer for Morecambe. It would solve all the problems that Morecambe has, and there are very few of them left to go. This shows Government intention to invest in a seaside community that was on its uppers under a Labour Government.

My people in Morecambe are very proud of their town, and they are really happy about what this Government have done. We have 3.3 million more people in work. The UK economy has grown in 22 consecutive quarters since the great Labour recession. Some £7.2 billion has been given to first-time buyers through the Help to Buy equity loan scheme—that cannot be a bad thing—and 94,000 social housing tenants have been helped to buy their homes since 2010, which is more than in the Labour years.

There are more people in work and earning a living wage in Morecambe than Lancaster. Jobcentre workers told me recently that 87% of steady full-time jobs are now in Morecambe, compared with 72% in Lancaster. That was the other way around for many generations. We have had a port upgrade in Heysham, where I live, because the port accepts that Brexit is not a problem and that we will be getting more trade.

Universal credit was rolled out in Morecambe two years ago, and it has been very successful. Gary Knowles, the local Department for Work and Pensions manager, and his excellent team at the jobcentre have a very low percentage of problems, given the high demand from applicants who want to sign up for UC in the Morecambe area. The minimum income floor does not apply for a 12-month period under UC, and that now applies to the self-employed. As a former self-employed man, I should know what that means. The Government have given an additional £1.7 billion to increase the work allowance by £1,000 a year, which will mean an extra £630 per year for 2 million households.

I turn to the high street, and at this point I have to refer to my interest: I used to be a shopkeeper. Shops have always been sprouting up out of town, and there is a reason for that—the shops in town centres are too small for the capacity of businesses. However, niche businesses do flourish there. This Government have looked at that and lowered the rates so that shops can flourish. Again, that cannot be a bad thing.

This Conservative Government have never let Morecambe down, and this Conservative MP has never let Morecambe down. Things have got better under this Conservative MP than they ever did under the Labour Government, when money was flowing out of the coffers and my town went down the pan. Morecambe is open for business and getting better, and during my tenure we will show what the north-west is made of.

1.52 pm

Mr Clive Betts (Sheffield South East) (Lab): As I understand the overall spending figures in the Budget, apart from for the NHS, there is no real-terms increase

[Mr Clive Betts]

in spending. If we have austerity this year and no increase in spending next year, how can austerity be ending next year? That is a fairly obvious question; perhaps someone on the Government Front Bench can answer it.

Local government has had more spending cuts than any other area of the public sector since 2010. We have a situation where the Local Government Association says there is a £2.5 billion funding gap for social care, and the Government are proposing in this Budget to put £650 million into it, leaving a £2 billion gap. In other words, constituents up and down the country will find more cuts to their social care services next year. That is inevitable.

There are not only problems with social care. Because councils are having to find more and more from their budgets to fund care for the elderly, people with disabilities and looked-after children, they are having to spend less and less on other important services—for example, parks and open spaces, which are really important, or doing food inspections of restaurants and takeaways, which some local authorities have now given up completely. The money for the high street is welcome, but where are the local authority officers who will do the local plans and the regeneration schemes that will put the money to good effect? The challenges of rogue landlords and increasing homelessness require local authority officers. Cuts are being made there, so there will be less money for those services also.

In my city of Sheffield, those national figures translate through. We will probably get an extra £4.6 million for social care on a one-off basis—it will not continue—but the current spending gap in the city's budget for next year is £35 million. By 2020, the council will continue to have to use reserves on an unsustainable basis. Sheffield is not in as bad a position overall as many Conservative county councils, which are already saying that if something urgently is not done, Northamptonshire will be the first council to go over the cliff edge, and others at some stage will follow. That lesson really ought to be learned by Ministers.

It is not just local authorities that are left with problems in this Budget. Where is the money for schools? There is not a single mention of the revenue budget for schools. I had an email from Simon Smith, the chair of governors at Woodhouse West, which is a primary school in a relatively deprived part of my constituency. He said:

“Year on year reductions in funding, coupled with rising staff costs, are meaning that the school is moving... to submitting a deficit budget this financial year; followed by increasing six figure deficits in future years.”

He draws attention to the fact that the challenges are not just inside schools. More and more parents in that sort of community are coming to the school with problems and difficulties that used to be addressed and helped by other agencies, but those agencies have now also had their funding cut, so parents are relying on the school even more to help them in that situation.

Where is the money for the police? There is not a single penny for our neighbourhood policing. We have excellent neighbourhood policing in my constituency. The two inspectors who have dealt with it over the years—Dave Struggles and his predecessor, Jason Booth—have been brilliant, but they will say that with only three

quarters of the officers they had in 2010, they cannot keep people as safe as they used to. That is the simple reality that we have to face up to and that the police are having to face up to.

I welcome the lifting of the housing revenue account cap. We recently had a conversation in the Communities and Local Government Committee with the Minister for Housing, the hon. Member for North West Hampshire (Kit Malthouse). The challenge for local authorities will be not merely to build the 100,000 homes that I hope we will see eventually, but to keep up the standard of homes that the last Labour Government brought in with the decent homes standard and to improve on that standard. Again, the revenue costs of that are nowhere addressed in this Budget.

The Prime Minister promised that austerity was over. The Chancellor said that austerity was coming to an end. The reality for my constituents is that not only has austerity not ended, but the end of austerity is not even in sight.

1.57 pm

Mrs Kemi Badenoch (Saffron Walden) (Con): It is a pleasure to speak in this debate and to highlight the measures in the Budget that will be most welcomed by my constituents.

Many of my constituents will be thrilled by the increase in the personal allowance threshold, the higher rate threshold and the national living wage. I never tire of reminding people that I am a low-tax Conservative, and any Budget that gives 32 million people a tax break certainly gets my vote. Despite the mocking of Opposition Members, the funding for potholes is something that many of my constituents have been asking for repeatedly. The damage and cost to vehicles and the environment are enormous, and if they are not fixed soon, that will only decrease road safety and cost the Government and the taxpayer so much more later. It is right that we are spending that money.

Another issue that I must take the opportunity to highlight is crime and policing. My constituents want to see more money spent in this area, because our families and communities want to feel safe. I am glad the Chancellor referenced that in his speech, and I know that residents across Essex will be awaiting a very generous review of the police funding settlement this December.

I strongly welcome the extra £500 million for the housing infrastructure fund, so that councils can deliver 650,000 more homes. I am pleased that Chelmsford City Council is already shortlisted to receive a £5.7 million investment, to help with the Beaulieu station and north-east bypass projects, which are expected to deliver £250 million to the local economy and support more than 3,500 jobs. I pay tribute to the hard work of my hon. Friend the Member for Chelmsford (Vicky Ford). We have been working together to promote those schemes, to the mutual benefit of our constituents. I also look forward to helping Uttlesford District Council in its bid for housing capacity funding to help deliver the infrastructure we need to provide for three new garden communities in the coming years.

Last year's abolition of stamp duty on homes up to £300,000 has led to an 11-year high in the number of first-time buyers, with over 120,000 people being helped by this measure. I welcome the fact that stamp duty is

now also being abolished for first-time buyers of shared ownership, because that was the type of property that helped me on to the housing ladder. I would not have what I have today without having had a shared ownership property, and I am glad that this option is being extended to even more people. I am also glad this will be backdated to cover those who have purchased shared ownership properties since last year's Budget. I also welcome the fact that Help to Buy is being extended by two years, up to 2023, which will help so many more young people to own their own home. As well as helping people to get on the housing ladder, this change will diversify home ownership. So many of our towns and villages will become retirement homes without an influx of younger people bringing their skills and talents to our area, and these measures are to be welcomed.

This year, like last year, I joined my right hon. Friend the Member for Harlow (Robert Halfon) to lobby for fuel duty to be frozen. I congratulate him on his tireless campaigning on this issue, and the Chancellor on agreeing to our request. In the Chancellor's own words, freezing fuel duty again will have

"saved the average car driver £850 and the average van driver over £2,100."

This is important because it affects not just motorists but their families, and continuing the freeze will help to keep their bills and their overall cost of living low.

Finally, I welcome the digital services tax and the way the Chancellor has chosen to implement it. A constituent who runs an online business visited me at my surgery with concerns about an online sales tax for small business trading. He felt that an online sales tax for small businesses could be very damaging for him and his family, and he was worried that start-ups run by couples from the homes where they live and work would be affected. Small businesses such as PVC Tube Online in Great Dunmow drive our local economies, and their owners face risk and uncertainty to grow their companies and to provide a better tomorrow for their families. I am therefore delighted that this digital services tax will target only the world's wealthiest companies with global revenues of at least £500 million. The revenues raised will be money available to spend on our public services, so that families across the country can see more investment in their communities. Addressing the huge profits that the biggest companies make through their activity in the UK recognises the changing nature of the digital economy and the issues that accompany that, and this tax is a stepping stone to addressing those issues properly.

This Government are looking to the future and at how we can solve the problems of the 21st century. This is a forward-looking Budget, and I will be voting for it later today.

2.2 pm

Sir Vince Cable (Twickenham) (LD): I want to develop a point that was made by the right hon. and learned Member for Rushcliffe (Mr Clarke), who said that for many people the Budget was actually a pleasant surprise—it has promised them tax cuts and spending increases—but that in doing so the Chancellor is taking a big risk with an economy that is not particularly strong. It is not particularly strong because, as the Treasury forecast shows, the growth rate looking forward is abysmal—it is

about 1.5%, which is one of the worst in the developed world—and that is quite apart from the poor growth at the moment.

The growth rate is also based on a fundamentally optimistic assumption. Quite apart from the lag on growth caused by Brexit at the moment, the assumption in the Treasury forecast is that the Government will land a deal, and not just a deal but a good deal, with a smooth transition to a trading arrangement not greatly different from the present. Well, it might happen—pigs might fly—but it is optimistic and, if that expectation is not realised, the economy has very little resilience. We have very high public debt, as the Government acknowledged. The domestic savings ratio is appalling—I think it is the worst in the developed world and is now negative. The corporate sector is heavily leveraged, as Governor Carney pointed out the other day. All of this is reflected in the current account deficit, forecast to be 4% of GDP, which is one of the worst in the developed world. If something goes wrong, there is no longer an inflow of capital and the exchange rate falls; we have had a devaluation of 17% since the referendum and we will have another one.

The main criticism I have of the Budget is that it may have seemed comforting, but the Chancellor did not actually confront the real issue that we have to face: how do we have a mature debate about how to end austerity? That is going to involve people paying more tax, and the issue is how we do it, and how we do it in the fairest and most efficient way. As the hon. Member for Sheffield South East (Mr Betts) has pointed out, we have not really got to the end of austerity, or even to the beginning of the end of it.

For most parts of public spending, there is a continued squeeze. That is true of schools. We did partially protect them under the coalition, but that is no longer happening. Colleges, which are necessary to deliver the Government's training and apprenticeships, have been cut to pieces. Local government is potentially in an appalling situation. That means a squeeze on social care, which means that the money going to the health service will be wasted because it will have to accommodate lots of elderly people who should be at home. Bankrupt councils, many of them Tory county councils, will be forced to raise council tax, so we will get a tax increase, but it will be a tax increase by stealth, rather than by confronting the matter openly.

Layla Moran (Oxford West and Abingdon) (LD): On the schools point, does my right hon. Friend agree that the wording the Chancellor used in relation to money for the "little extras" was insulting to teachers, who, day in and day out, find that they have to reach into their own pockets to deliver the basics in schools?

Sir Vince Cable: My hon. Friend is absolutely right. I am amazed that the Chancellor is not even aware of this. Many mainstream schools have seen cuts in teaching assistants, teachers, curriculums and so on. This will be compounded because there is nothing in the spending envelope that offers any hope that the problem is going to be dealt with.

That leads on to the question about how tax should be raised. The Government have offered tax cuts in the form of lifting the tax threshold for low earners and for middle earners. In principle, lifting the tax threshold is

[Sir Vince Cable]

an attractive policy. I like to think that I was the author of the one we introduced in government. It was strongly resisted by the Conservatives at the time, but they have subsequently adopted it and claimed credit for it. The attraction was not just that poorer people pay less tax, but that the marginal rate of tax is removed when they move out of the welfare system, which encourages work.

In an ideal world, everybody should have a tax cut, but there is an issue about priorities here. Extending the tax cut to the upper threshold is, frankly, something that the country simply cannot afford. At a time when universal credit is being only partially financed following the cuts made by the Osborne Budget three years ago—only about half of that cut has been reinserted—that should be the priority. It is absolutely wrong that priority has been given to lifting the upper tax threshold. Because the two proposals are amalgamated in the Budget statement, I and my Lib Dem colleagues—and, I hope, others—will vote against this.

Beyond that, what this country now needs above all is a mature, grown-up debate about how the end of austerity will be managed. It is going to involve higher taxes for almost everybody—obviously, mostly at the top end, but there is going to have to be a general increase in taxation. I am afraid that the Chancellor's pretence that we can have our cake and eat it is not realistic. It will rebound on him and on the Government.

2.8 pm

Charlie Elphicke (Dover) (Ind): The test of any Budget is: does it take us closer to where we want to get to in 10 years' time? It seems to me that one of the most important things to do over the next few years, and one of the dreams that so many Conservative Members have had for so many years, is the dream of a balanced budget. Once again, this appears to be a little bit like the apple of Tantalus. I am concerned about that because I believe, as the fiscal conservative I have always been, that we need to head towards a balanced budget.

Achieving a balanced budget has been delayed, but I am glad that we are still heading in that direction. The OBR says of the Budget policy decisions:

"Taken together they turn the £3.5 billion surplus...forecast for 2023-24 into a £19.8 billion deficit."

It also says of the balanced budget objective:

"Had there been no fiscal loosening in the Budget, the objective would have been achieved in 2023-24."

As it is, achieving that objective by 2025-26, it says, "looks challenging". That is still an important aim. We must bear in mind that debt interest payments each year are about £52 billion and measures in the Budget will increase those payments by about £1 billion in future years. Opposition Members argue for ever more increases in spending, but I argue that it is better to ensure restraint, continue on our current track and aim for a balanced budget sooner rather than later.

We must also think about the kind of country we want to build. We want to build an enterprise powerhouse and a country that supports enterprise, small businesses and the self-employed. That is why it is important to make things easier for small business people and not to

sandbag the self-employed with extra taxes and regulations, instead supporting them and ensuring that their enterprise is backed.

We must be the party of home ownership. Home ownership matters. As I said in an intervention, since about 2001, home ownership among people aged 16 to 34 has halved. We need to increase it. Meanwhile, the number of those renting has gone from about 10% to 20%. We must offer our young people better than a life of renting, and give them the chance to get on the home ownership ladder and build up a stock of wealth in a lower-tax country that ensures that hard work is rewarded.

Giles Watling: Does my hon. Friend recognise that the recent reduction in corporation tax oxymoronically produced more tax in the coffers? It is worth reducing the tax.

Charlie Elphicke: My hon. Friend is right: if we cut the rate we up the take. We must support small businesses most of all because, since about 2000, small enterprises and businesses have created 4 million new business jobs. Big business has created just 800,000 jobs, so small businesses are the enterprisers and job creators that take our country forward and turbocharge our economy.

If we are to have more public spending, it is important to ensure we have public service reform. We must look at how public services are delivered and ask ourselves whether they can be delivered more efficiently. Are there activities that Government should do more of? Are there activities they should do less of? Why do we not have, alongside the Office for Budget Responsibility, an office of spending responsibility, or even a Budget committee so that the House can consider such matters and press individual Departments to embrace reform and fiscal rectitude?

We also need higher investment. It is all very well having a culture in which we get lots of people with low skills to do low-value-added jobs that lead to no productivity. Why are we not encouraging more investment in more equipment that can be operated by fewer, more highly skilled people who are better paid and drive our productivity forward?

I must take issue with the comments of the right hon. Member for Twickenham (Sir Vince Cable) about how it is all indebted and about the corporate sector—that is absolute rubbish. Some £750 billion on corporate balance sheets has not been spent. There is a conundrum as to why that money is not being invested. We must consider the possibility of time-limited, perhaps very generous, investment allowances to get those corporates to invest in our economy, and to drive the investment and productivity gains that we need.

We need more competition in this country. Why do we put up with Openreach and its appalling service? Why has it not been unbuckled from BT with a strong investment target? Why do we have an oligopoly of banks and of big energy providers, and why have we not taken action on that? We need a bit more trust-busting from the Government and a bit more backing for the consumer interest over the corporate interest.

The Conservative party should be the party of small enterprise and investment. It should be the party that champions the consumer interest and is tough on corporatism and tough on the causes of corporatism.

We also need to be the green and environmental party, which is why in the spending review we need a step change in investment in electric car charging points because it is not good enough. Only when we get that straight will big corporate car fleet buyers start to buy the cars that would then go into the second-hand market, so that this country can have the electric future on our roads that it should have.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. As colleagues can see, a great number of Members still wish to get in, so after the next speaker I shall reduce the time limit to four minutes.

2.14 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): This is a deeply uncertain time for our politics and economics, and as my right hon. Friend the Leader of the Opposition said, the challenge for this Budget should be to rebuild Britain and, as the Prime Minister promised, to end austerity. We also need to heal some of the deep divides that face our country, which all of us should care about. Against those challenges this Budget fails, and I will highlight three areas in which that is the case. First, the Government—particularly the Treasury—should be more worried about what will happen to growth in our economy over the next few years. Economic growth of around 1.5% a year over the next few years is far from the 2.5% average long-term growth that we have had for 60 years, and that will have long-term consequences for the wealth that we need for public services, and for our families' incomes. That growth is also unbalanced. The latest figures show growth of 3% in London, while the north-east economy shrank by 1%. Towns are growing at only two thirds the rate of cities, and many town economies are shrinking. This is not just about needing to invest in our high streets, it is about the jobs and investment we need in towns and communities across the country, in the north as well as in the south, at a time when the focus of major transport capital investment is stuck on Crossrail and High Speed 2 rather than being on the networks that we need around our country.

Secondly, the Budget does not end austerity, and I particularly wish to highlight cuts to policing. The Home Affairs Committee called for urgent increases in investment in policing, but instead, by failing to fund pensions increases and contributions, the Government are cutting funding for policing by about £420 million. That is at a time when recorded crime is up by a third and arrests are down by a quarter. That means that more criminals are getting off, and the consequences of failing to support our police are frankly becoming dangerous, with serious impacts on public safety, community cohesion, criminal justice and confidence in policing, which, once lost, is hard to regain.

The third area I want to highlight is the failure to tackle child poverty and growing divisions across our country, because the Budget gives half the money to the richest 10% of households in the country at a time when the poorest 10% face having their incomes cut. Ten years ago I put child poverty legislation before Parliament, and it enjoyed cross-party support as it aimed not just to halve child poverty but to end it. The Government have ripped up that cross-party consensus.

Tomorrow I will go to a café in Airedale library where councillors and community leaders are putting on free lunches for children. It is half-term, and they realised that some of the kids going to the library were ravenous when they were getting some of the café leftovers. Without free school meals, their parents were unable to put a hot meal on the table, and those children were going hungry. This is 2018, and it should shame us that that is happening in our country.

The Government are going ahead with more than £1 billion in real cuts to tax credits and benefits for the poorest families this coming year, at the same time as choosing to spend a similar amount of money on tax cuts for higher rate taxpayers, including those earning more than £100,000 a year. A lone parent with a four-year-old who works part time could be nearly £3,000 worse off after those changes, whereas high earners will end up more than £1,000 better off. As my hon. Friend the Member for Denton and Reddish (Andrew Gwynne) said, we should support extra help for basic rate taxpayers, whether through the tax system or child benefit, but at a time like this, cutting taxes for higher rate taxpayers is the wrong approach. It means that millions of the lowest-paid workers will not benefit at all because they do not pay enough tax, while millions of the highest-paid workers will benefit the most. Hundreds of pounds are being taken from the parents at Airedale library, while hundreds of pounds are being given to people on £100,000 a year, who have benefited the most. It is simply wrong. The Prime Minister promised to those are “just about managing”:

“When it comes to taxes, we’ll prioritise not the wealthy, but you.”

She has done the opposite. It is wrong. This Budget should be about making us all stronger and the whole country better off. Instead it does the opposite.

2.19 pm

Derek Thomas (St Ives) (Con): The Budget contains many good measures for families in my constituency. I am grateful to be able to take part in this important debate, and I have listened to much of what has been said. I will try not to add to what has already been said but instead identify issues that have not yet been covered.

Families rightly want to feel secure in their homes, and I have three asks that I think could help. The first relates to the use of existing stock. It is still the case, even in west Cornwall, that many properties are not lived in. They are not second homes or holiday lets; they are literally abandoned. I would like the Department and the Chancellor to consider ways of giving councils the incentive to refurbish them to provide homes for local families and give them security of tenure.

Secondly, just before they lost the election in 2010, the Labour Government introduced the infrastructure levy on house builders. That has had a devastating effect, discouraging builders, particularly small builders, who want to provide housing. For local families, it adds a huge amount of money to the sale of a house. It would therefore be good if the Budget were able to scrap that charge imposed on both house buyers and the sector.

Finally on housing, many of my constituents appreciate the move across to universal credit from the previous set of benefits, but those who struggle to manage their

[Derek Thomas]

budget would prefer their rent to be paid directly to the landlord. Will the Chancellor look at how that could be more easily done when it is in the interests of the tenants themselves?

Families live in communities, and parish and town councils run our local communities. The scrapping of business rates on public toilets, which Cornish MPs have fought for since 2015 when I was first elected, will be of enormous benefit to my local parish and town councils. In my constituency alone that measure will be worth £120,000, which can now be spent on local services that will benefit families and other people living in our parish and town council areas. I will play my part in making sure that that legislation goes through.

I have been calling for the rate cut for small businesses for some time, and I am grateful for the positive impact that it will have on towns in my constituency. My right hon. Friend the Member for Putney (Justine Greening) covered that issue very well, so I will not say any more about it.

I was disappointed in the Budget in one respect. It is right that families have access to good sporting facilities, so I was hoping to hear something about the stadium for Cornwall. For 10 years in Cornwall, we have worked to try to put together a scheme worthy of Government support. I believe I did everything I could, along with all Cornish MPs and others, to convince the Chancellor to provide the £3 million we need to give us a 6,000-seater stadium or the £5 million to give us a 10,000-seater stadium. Cornwall does not have a centre where sports can be played easily. Part of the proposal is to extend outreach to every corner of the county, improving the health and wellbeing of children and their families. What more can my colleagues and I do, with the people of Cornwall, to convince the Government that the money is needed and deserved, and that the scheme provides value for money? It could be that, among all the other priorities, the stadium for Cornwall slipped the attention of the Chancellor. I am grateful for the opportunity to remind the Treasury team of this worthy cause and look forward to positive guidance on how we can achieve the stadium for Cornwall.

2.23 pm

Dame Margaret Hodge (Barking) (Lab): This Budget reflects traditional Tory values that will deepen poverty and inequality and do nothing for struggling families. I will provide three examples: the Government chose to put more money into mending potholes than they granted to our cash-starved schools; they chose to prioritise the motorist over a sustainable future for our planet; and they chose to give away more in tax to those who need it least and ignored those who need most support. Labour should have no truck with that approach. We should pledge to reverse the tax and benefit changes.

Regrettably, most politicians shy away from an honest conversation about the need to raise enough money through tax to fund good-quality public services. We cannot keep promising excellent schools, effective policing and compassionate care if we refuse to raise the necessary money through taxation. We cannot keep pretending that punishing the wealthy is the solution to underfunding. We need to demonstrate value for money. We need a fair system in which big corporations do not get away with

paying minimal tax on their profits. We also need a truthful conversation with voters about how much we need to raise in tax to fund public services.

I regret that the Government have not used the Budget to build on Parliament's determination to have greater transparency in British tax havens, so that we know who owns what and where. Following the money is an essential tool to help ensure that everybody pays their fair share. MPs welcomed the Government's concession on British overseas territories. However, we must now deal with the anomaly of Britain's Crown dependencies. The right hon. Member for Sutton Coldfield (Mr Mitchell) and I visited Guernsey and the Isle of Man and held positive discussions with elected politicians, and we will soon visit Jersey. Our purpose is persuade the Crown dependencies to co-operate with the UK and agree to publish public registers. Should they not co-operate, however, Parliament must use its powers to insist that they do so. Parliament expressed its views on this issue clearly. We must now ensure consistency and transparency in all UK jurisdictions.

Finally, I had hoped to welcome the digital services tax, but the Government's proposal is little more than a public relations stunt. The Red Book projects that it will be 2022-23 before we raise just £400 million from this tax. A recent Tax Watch report calculated that in 2017, Google, which paid only £49 million in corporation tax, should have contributed £356 million, and that Facebook, which paid only £16 million, should have paid £127.5 million. Just two companies, Google and Facebook, should have paid £480 million in 2017, far exceeding the £400 million the Government estimate they will get some five years down the line from all large digital corporations. Hardware companies such as Apple and Microsoft will not be covered by the tax. Video and audio platforms, such as Netflix and Spotify, will not be caught either. Airbnb and Uber will argue that their marketplaces are not online. Even Google and Facebook will be able to exclude some of their profits.

The tax gives us far too little, far too late. It is an exercise in media management designed to persuade taxpayers that we are all treated equally. It leaves undisturbed the continuing scandal of billions lost to the public purse by the deliberate actions of giant global digital companies. This behaviour is an enduring outrage, and we on the Labour Benches will continue to argue for fair taxation.

2.27 pm

Leo Docherty (Aldershot) (Con): I am very pleased to be called to speak in this important debate.

I welcome the Budget very much, especially the cut in business rates, which will have a hugely positive impact on many businesses in my constituency. One such business in Aldershot is the butcher Alf Turner, a long-standing establishment founded in 1956. Madam Deputy Speaker, you will know that it is not only Budget week, but UK Sausage Week. I am pleased to report that Paul Turner, the proprietor of Alf Turner, is a supreme sausage champion, having won the UK Sausage Week award for best traditional sausage. Last night he said to me:

"The cuts to business rates from Monday's Budget are fantastic news for local family-run businesses like mine. Keeping local shops open can only serve our local communities."

I draw attention to that because the real point is that Paul's business is successful not because the Government are helping it, but because the Government are letting it get on with what it does best: making great sausages. It creates a superb product that local people choose to buy and is now available nationally. The lesson is the importance of choice. When freedom of choice is allied with the free flow of capital and labour, and protected by property rights and the rule of law, we have a flourishing free market. That is the great genius of our economy and many economies in the west.

Bim Afolami: Could my hon. Friend illuminate the House by saying what he fears would happen to small businesses such as the ones in Aldershot that he mentioned if they were subject to the programme of huge tax rises and nationalisation proposed by Labour?

Leo Docherty: I am grateful to my hon. Friend for that intervention. The wholesale economic devastation that would be the consequence of Labour's nationalisation plan—I do not know whether it has a plan to nationalise sausage production, but I hope not—would be clear. We have to make the case for the free market. In this day and age, it is astonishing that Labour Front Benchers espouse an ideology that totally opposes the free market.

The shadow Chancellor is a self-declared Marxist. The House will know that in 2006 he said:

"I'm honest with people: I'm a Marxist".

He said of the 2008 crash:

"I've been waiting for this for a generation".

In 2017, he stood in front of Communist flags at a May Day parade in London, and just this year he attended the Marx 200 conference in London, at which he claimed:

"Marxism is about the freedom of spirit".

Eddie Hughes: I understand that Alf Turner served for 20 years in the Royal Army Service Corps—in complete and stark contrast to the shadow Chancellor.

Leo Docherty: I am very grateful for that intervention. Absolutely—it puts those two sets of values into stark and very worrying contrast.

The free market is not an ideology but an inevitable human condition, which Conservative Members rightly espouse. We must call out at every turn the Marxist ideology of Opposition Front Benchers, and we must also reflect that those who had the unpleasant experience of living in countries with the devastating experience of the doctrine of Marxism being applied in reality, such as the Soviet Union, have bitterly regretted it. Shadow Front Benchers and the shadow Chancellor would do very well to read the moving autobiography of Elena Gorokhova, "A Mountain of Crumbs", which describes the devastating famines of the 1920s and the wholesale shortages of foodstuffs in the Soviet Union in the 1980s, which meant that when she went to the United States, she was simply amazed by the range and variety of foodstuffs on the shelves of the supermarkets there.

Before I conclude, I would be happy to take an intervention from an Opposition Front Bencher if they wish to deny that the shadow Chancellor is a self-declared Marxist. There is no movement from them, so the record will show that they are happy to confirm this depressing fact. We must reject the Marxist ideology of the current Labour party and rejoice in the bright

future of the free market that we have in our country, burnished by free choice, a growing economy and the freedom to choose.

2.33 pm

Mr George Howarth (Knowsley) (Lab): It is a pleasure to follow the hon. Member for Aldershot (Leo Docherty). I think it would be fair to describe his speech as a bit of a mixed grill, but perhaps I should move on.

In a Westminster Hall debate on Tuesday, the Under-Secretary of State for Housing, Communities and Local Government, the hon. Member for Richmond (Yorks) (Rishi Sunak), talked about local government cuts since 2010. He said that they had been mitigated by what he referred to as "core spending power", which had gone up by 2% this year and over previous years. He went on to say:

"The idea that the funding formulas do not take account of deprivation or the differing ability of areas to raise council tax is totally erroneous."—[*Official Report*, 30 October 2018; Vol. 648, c. 332WH.]

Note that he said not just "erroneous", but "totally erroneous". I want to spend a moment looking at the veracity of that statement. He must know that the Government's grant cuts since 2010 have hit those councils with the greatest need the hardest. Knowsley's cut to "core spending power", as he puts it, amounts to £485 per person, compared with the average for England as a whole of £188.

Ms Marie Rimmer (St Helens South and Whiston) (Lab): Knowsley is one of the most poorly resourced areas in the country. Indeed, it suffers from one of the highest levels of income deprivation. Does my right hon. Friend agree that the impact on the streets is dangerous and sickening?

Mr Howarth: I very much agree, and if I have time, I will come on to say more about that.

This is not just about what I or those in local government are saying about why the Under-Secretary's comments were—I was going to use the word "misleading"—an example of sophistry. Independent analysis from the University of Cambridge says that there are

"significant inequalities in cuts to council services across the country, with deprived areas in the north of England and London seeing the biggest drops in local authority spending since 2010."

As councils all point out, that is because—again I quote from the study—

"These local authorities tend to be more reliant on central government, with lower property values and fewer additional funding sources, as well as less ability to generate revenue through taxes."

It would not be permissible for me to say too much more about the effect of what the Minister said, but the truth is that it was not a proper portrayal of what is taking place, and his analysis of the grant system was plain wrong.

In the time that remains, let me say a few words about the consequences of this situation in the Liverpool city region, starting with Knowsley. The impact for the people in Knowsley, which has been the hardest hit of all local authorities anywhere, is that we have had our grant cut by £100 million since 2010. Children's social care needs are rising faster than the resources for dealing

[Mr Howarth]

with them, with a £3 million gap currently projected, and the increases announced last week barely scratch the surface of that gap. The same applies to adult care, for which demand is growing, yet the resources are just not there to meet it.

Since 2010 in the Merseyside police force area, we have lost 1,000 police officers. As the chief constable said, the service is reaching breaking point—it is a chief constable saying that. There has been a 14% rise in crime over the last 12 months. Similarly, 50% of the grant for fire and rescue services has been taken away since 2010. The number of firefighters has fallen from 927 to 580. Fire deaths are up by 10%.

The worst aspect of these cuts in services, as the Minister was unwilling to concede on Tuesday, is that the people who can least bear the brunt of them are among some of the poorest in the country. Frankly, what the Government have done to public services in the Budget is shameful.

2.38 pm

Bim Afolami (Hitchin and Harpenden) (Con): It is a pleasure to speak in the debate. First, I would like to address the measures in the Budget that relate to the digital economy, including the digital services tax. I declare an interest: I am a former corporate lawyer—I was even more fun when I was doing that. Someone who deals with international transactions and contracts learns that international tax treaties are very complicated and were designed for a time before the current technological revolution. The UK Government are leading the way in clamping down on the admittedly difficult and perhaps unsavoury practices of multinational tech firms. Of course, the digital services tax will not deal with that completely, but it is a step in the right direction. As I say, we are one of the first Governments in the world to do anything like this, and I commend it to the House.

Turning to my constituency, I want to address the measures relating to the high street. We all know that the high street has been under significant pressure over the past few years. Whenever I speak to the owners of small independent shops in both Hitchin and Harpenden, they say that business rates are a significant problem, so I look forward to telling them this weekend about the cut of a third in their business rates, if their rateable value is under £51,000. That measure will be of huge benefit to my independent shops and I commend it to the House.

Even more important than the cut in business rates is the £675 million future high streets fund because it will help to enable our local authorities and local areas to take leadership and act on their own initiative to reshape their high streets to deal with the modern world and its challenges. I urge the Chief Secretary to the Treasury, who is sitting on the Treasury Bench, to make sure that this money gets to local councils as soon as possible so that we can get on with making improvements.

Gareth Johnson (Dartford) (Con): Does my hon. Friend agree that the Budget's tax cuts will also help the high street by ensuring that regular people have more money in their pockets to spend in high street shops, thereby improving the whole economy?

Bim Afolami: I thank my hon. Friend for that intervention. I was coming to tax cuts because, particularly in relation to the high streets, they are a classic piece of positive Conservative economics that will increase demand and help consumer spending, and thereby help the high street. I commend the Chancellor and the Treasury team for putting the policy forward in the Budget.

On tax cuts more broadly, if someone is one of the 1.74 million people who, in only the last two years, the Government have taken out of tax altogether, that side is against them; this side is for them. If someone is one of the 25 million basic rate taxpayers who have saved more than £1,000 in real terms since 2010, that side is against them; this side is for them. If someone has the temerity to want to earn over £50,000—yes, there are people who want to do that—that side is against them; this side is for them. The Budget not only backs the NHS with the biggest cash increase in its history, not only backs the high street and not only backs working people up and down this country, but backs Britain. This party backs Britain; the other side does not.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. As colleagues will have noticed, there have been a number of interventions, which have extended people's time. When that happens, it prevents others from speaking, and I am afraid that after the next speaker, I will have to reduce the time limit to three minutes.

2.43 pm

Dan Jarvis (Barnsley Central) (Lab): It is a privilege to speak in this Budget debate and to represent my constituents in Barnsley and right across the Sheffield city region. I am proud to represent these communities, but I have come to learn that it is not in the halls of Westminster or the corridors of Whitehall that decisions on many of the issues that affect our communities should be made. Decisions on important issues, such as our public transport system, on how our schools, colleges and universities work together and on where best to invest in our infrastructure, should, where possible, be made locally.

Through devolution, it should be a collective endeavour between the Westminster national Government, combined mayoral authorities and local authorities across our country to work relentlessly together to prepare our people for the challenges of the 21st century. The world has never been more challenging. It is fraught with risk and complexity, but at the same time it is full of opportunity. Technology now connects the far reaches of the planet in ways unimaginable just a generation ago. In reality, however, this is a country where too many of our communities do not believe their best days are in front of them, where too many believe they are being failed by cuts to their vital public services, and where many of our communities feel as though they are ignored because of where and who they are. That is a tragedy. It is also a waste of the ingenuity and potential of so many people.

Along with many others, I am working to grow our economy and connect our talented people to opportunity. With Brexit on the near horizon, in the Sheffield city region, this work is taking shape, and we are making progress. A story is emerging in south Yorkshire that shows that ours is a region that is resurgent, which is hugely significant because for far too long it has been

an area characterised by the decline of heavy industry. Now, for the first time in a generation, we are witnessing a growth in advanced manufacturing and highly skilled engineering jobs.

It is this spirit of endeavour and innovation that underpins our work to develop a global innovation corridor to connect our businesses, researchers and urban centres and our international airport in Doncaster to create transformational economic growth, but we are doing it with our hands tied behind our backs. We are served by an outdated and antiquated transport network of trains, buses and trams. The north has so much potential, but it needs the Government to realise and unlock that potential. The northern powerhouse offered a framework to do this, but it requires all of the Government to strain every sinew to reduce the inequalities that exist between north and south.

The Government's commitment to develop new local industrial strategies is welcome, but to tackle the structural inequalities locked into the regions of this great country, we must make structural changes to the way we prioritise investment. In short, actions speak louder than words, and sadly the Budget is yet another missed opportunity.

2.47 pm

Bill Grant (Ayr, Carrick and Cumnock) (Con): The Budget of Monday past has been welcomed by many but clearly not by all. I have been asking myself: what will it do for the constituents of Ayr, Carrick and Cumnock? It contains a range of measures that will benefit not just my constituents but the whole of Scotland. The Scottish Government will benefit from a funding boost of almost £1 billion. I know my constituents will welcome this increase, and I am sure they will keep a weather eye on how it is spent by the Scottish Government. I hope it will be spent on people projects and not pet projects. Indeed, by 2020 the Scottish Government's block grant will have grown to over £32 billion before adjustments for tax devolution—a real-terms increase over this spending review period.

Those of my constituents who, like me, enjoy a dram will very much welcome the freeze on spirit duty. I was pleased to see the concerted efforts of Scottish Conservatives and others recognised by the Chancellor. Indeed, he was listening—I am sorry for doubting him. I know that the industry in Scotland will welcome the freeze.

I also know a few individuals in Ayr, not least Messrs Brown and McLoughlin, who enjoy a wee dram and I am sure that they will raise a glass as a result of the freeze on spirit duty. I am not linking the two measures in drinking and driving, but the freeze on fuel duty will always be most welcome, particularly in the rural areas of Scotland.

The national living wage, introduced by a Conservative Government, will now increase to £8.21 per hour.

David Linden (Glasgow East) (SNP): Will the hon. Gentleman give way on that point?

Bill Grant: I am sorry; no. That measure means that 117,000 of the lowest paid in Scotland will enjoy an increase in their take-home pay. *[Interruption.]* That is fine. *[Interruption.]*

Madam Deputy Speaker (Dame Rosie Winterton): Order. Can we not have that conversation across the Chamber? We all want to be included.

Bill Grant: Thank you, Madam Deputy Speaker. The measure is very much to be welcomed and, thanks to an earlier than planned increase in the personal allowance, the average Scottish worker will enjoy a £130 tax cut.

I know that, like me, some hon. Members were concerned about the transition period for households moving on to universal credit, and I very much welcome the financial support that the Budget delivers. I sense in the House today that not everyone is entirely happy with that, but again, the Chancellor has been listening.

Tax barriers have been removed in the North sea oil industry to allow further investment, and our fishing community will get the welcome, albeit rather small, £10 million as we move forward and improve our fishing industry post Brexit. However, I would welcome further investment in the fishing industry to improve the quality of the fleet in Scotland as we leave the European Union.

There are many good things in the Budget that will help us. We have the small business bonus scheme in Scotland, but that could be improved. We need to address the problems of our high streets: we can no longer watch buildings decaying year after year. We need earlier interventions to prevent the decay of our high streets, which are part of our future. We will not stop change: the internet and out-of-town shopping are here to stay, but I welcome the Chancellor's recognition of the need for support for the high street.

2.50 pm

Stephen Timms (East Ham) (Lab): The hon. Member for Ayr, Carrick and Cumnock (Bill Grant) touched on universal credit and I want to focus my remarks on that. There were significant changes in the Budget, which go some way to repairing the great damage of George Osborne's 2015 cuts. Those changes will make a big difference particularly for families with children who rent their home.

However, the Budget does not affect those features of universal credit that plunge people into debt, forcing them to get behind with their rent and compelling them to use food banks at the start of their universal credit claim. The biggest of those factors is still the five-week delay between applying for universal credit and being entitled to benefit. Ministers can defend that gap only in the case of people who have a month's salary cheque in the bank just before they claim.

The latest annual survey of hours and earnings shows that almost one in seven employee jobs are paid weekly. On top of that, there are fortnightly-paid jobs. What are those people supposed to do during the five weeks when they are waiting for their universal credit to be paid? I have asked Ministers that question repeatedly, but they simply do not have an answer.

It is extraordinary that it has been proposed to apply the five-week gap to people who are being migrated from existing benefits to universal credit. They do not have a salary cheque in the bank, but have been dependent on benefits, perhaps out of work on ill health grounds, claiming employment and support allowance, for a long time. They will be migrated on to universal credit, and it has been proposed that they too will have a five-week gap when they get no support at all.

The Chancellor announced a two-week run-on for previous benefits. That will not apply to tax credits and, particularly for those on ESA, there will still be a

[Stephen Timms]

three-week gap. What are people supposed to do in that time? The Government are saying to them, “We’re changing the system and, as a by-product, you will get no help at all for three weeks.” Where can that idea have come from? How can Conservative Members, who, I am sure, meet—as we all do—people struggling to make ends meet from one payment period to another, have come up with the idea that people get no help for three weeks? Ministers need to address that urgently.

2.53 pm

Sir Edward Leigh (Gainsborough) (Con): The Budget is tactically clever and, indeed, wise, but it may be strategically dangerous. That is where I join the right hon. Member for Twickenham (Sir Vince Cable) and my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke).

Of course, we all have our own priorities for Government spending. I have campaigned for the Ministry of Defence and I support the measures in the Budget for that. There have been local campaigns on potholes, particularly in a rural county such as Lincolnshire. We have been campaigning for more money for schools, and we all welcome the announcements on that.

However, by 2023-24 the Government will be spending another £30 billion a year. Indeed, by the end of the Parliament the Government will take 38% out of the economy, which is exactly what Gordon Brown took out of the economy at the end of his Chancellorship.

I might be the last Gladstonian Liberal left in this place, or indeed one of the few Thatcherites left in it, but I do believe that the way to deal with the economy and provide for everybody is to try and bring down the deficit and start to repay debt. I want to hear from the Chief Secretary when she sums up the debate that we have not reneged on our promise—the Conservative promise—to start repaying debt, and I would like to know from her when she is going to start doing it.

Whatever we spend, the Labour party will of course always promise to spend more, and I was amused that the shadow Chancellor thinks that the rich now earn just a bit more than he earns. We are never going to set the economy right, particularly in the context of Brexit, unless we fix the roof while the sun shines. We do not want that jibe turned on us; we do not want people to say in future “Yes, the economy was doing fairly well, you were creating a record number of jobs—particularly youth jobs—and all these good things were happening and all the prognoses about Brexit were not proved correct, but when the sun was shining, did you fix the roof?” So I want to be assured by the Government that they are going to get this right. Unless we do this, we could be in severe difficulties, because all economies are cyclical.

Frankly, I do not think the main problem facing the economy is Brexit. I think it will be alright on the night; we will sort it, and some deal will be achieved. We will achieve some sort of free trade area. I do not believe that the prophets of doom about Brexit will be proved correct, but I do believe that we have to get the economy right, and that in terms of health spending—I use the national health service, like everybody else—we cannot just bung ever more tens of billions of pounds into it.

We have to ensure that there is competence and efficiency in our public services, so we need a good strong, free enterprise, low tax, deregulated Conservative economy.

2.56 pm

Mhairi Black (Paisley and Renfrewshire South) (SNP): The Tories have a habit of announcing policies that are backed by arguments that, in a sentence, quite often can sound reasonable. However, the minute we scratch beneath the surface we see that every policy is soaked in ideology and backed by mistruths that are unrecognisable in the real world. I want to give a few examples.

We have had umpteen debates in this House explaining in great detail why universal credit is not fit for purpose as it stands. Even this month I have had constituents live off nothing but £70. The Chancellor has announced a boost to the work allowance as an answer to these problems, and he expects credit for that, but, again, if we scratch beneath the surface, we find that this boost only reverses half of the cuts that were made in the 2015 Budget.

Secondly, Tories often say that the best way out of poverty is through work. They preach that they were the Government who introduced a “living wage” and they arrogantly pat themselves on the back for raising it in this Budget. Again, if we scratch beneath the surface we discover they have introduced nothing of the sort. They have slightly increased the minimum wage, which still does not meet the cost of living. No amount of rebranding will make anyone forget that. Further, we see nothing in this Budget to address the age discrimination that is entrenched in the minimum wage structure.

David Linden: In the Budget the Government have managed to increase the minimum wage for apprentices to just £3.90 an hour. Given that that lot on the Conservative Benches will not do anything on this, will my hon. Friend join me in making sure they devolve relevant legislation to Scotland so we can deliver a fair day’s work for a fair day’s pay?

Mhairi Black: Funnily enough, I could not agree more, and I have to say as a 24-year-old that I would challenge any Member to justify why I should be paid less than anyone else in this place. If the law does not apply to me, why should it apply to anyone else out there?

My third example is the two-child cap. This is the claim that really sticks in my craw. If it were true that the Chancellor is supporting families, he would not make women prove they were raped in order to get benefits for their children. I see that not many Tories are giving me eye contact at the minute. Over 73,000 households are receiving less tax credits than before and the Government’s response was that people on welfare need to make decisions about the number of children they may or may not have. That statement is as barbaric as it is downright stupid; it is nothing more than an ignorant, cruel and deliberate misconception to hide behind.

Mike Wood (Dudley South) (Con): Will the hon. Lady give way?

Mhairi Black: I will not.

Life does not happen like that. There is no telling how or when an individual's circumstances will change, and this Government know that. It is children who are paying the price.

I want to mention the very people I am sure the Chancellor would love to forget—those WASPI women who refuse to disappear quietly. I have noticed that any time we on these Benches highlight problems such as WASPI or universal credit, we are told to use our shining new powers in the Scottish Parliament to fix them. Let us take universal credit as an example. The Scottish Government listened to the experts who said that fortnightly payments would be much more flexible for claimants. We used the little influence that we have to at least try to make the system slightly better for people. Actually, few people are aware that the Scottish Government have to pay Westminster for the luxury of trying to protect people from the very worst of these policies. So I am afraid that I will take no lectures from the Conservative and Labour parties, which fought tooth and nail to make sure that Scotland did not get the powers required to fix these problems. We were told that employment law and pensions were too important to be devolved and that we were better together, so do not dare to turn around and say that Scottish people should fork out more money to plug holes in policies they did not vote for in the first place.

Let us be clear that this Budget delivers austerity and simply gives it a different name. If this is “better together”, then the Scotland I want to live in is, and deserves, better than this.

3.1 pm

Giles Watling (Clacton) (Con): It looks like our economy is once again defying the naysayers. UK growth has an inexorably upward direction, which is to be encouraged, and debt as a percentage of GDP is down, thanks to the hard work and perseverance of the British people. The deficit is at its lowest level since 2001, and productivity growth has accelerated and is now running ahead of the forecasts made in the spring statement. It is growing at its fastest rate since 2016. In spite of this, however, productivity is still below the average seen in the financial crisis.

We all know that infrastructure is vital to supporting jobs and economic growth and to improving people's quality of life. That is why I am delighted that this Budget sets aside £28.8 billion for the biggest ever strategic investment in roads, and I want to see our share of that coming to Clacton-on-Sea. This is in addition to the £740 million for the nationwide roll-out of digital infrastructure, which means that by 2021 the Government will be investing £9 billion a year more in infrastructure than they were in 2015. The old saying, “Down good roads wealth flows” still holds true even when those roads are increasingly electronic. While celebrating that achievement, however, I am concerned that there was no new money in the Budget for rail. That is disappointing, because one of the most pressing issues in Clacton is the dreadful rail service there. My constituents want to see a service that is regular, quick and clean.

Let me move on to some of the other issues that the residents of the constituency of Clacton raised with me before the Budget. The introduction of the digital services tax, which I support, has been a prominent issue. As a member of the Digital, Culture, Media and Sport

Committee, I know that these huge corporations make massive profits, and it is right that they should pay a fair share for our public services. It is wrong that previous Governments did not get a grip on this.

I thank the Chancellor for the ongoing freeze on beer duty—I am probably not alone in that—but I am somewhat disappointed, having joined my constituents in campaigning for a cut in the duty. I recognise that a freeze is better than an increase, but I will continue to lobby for a reduction, in order to protect pubs as vital community centres.

It should be borne in mind that the pub is part of the great British way of life, and a great place to share and enjoy company. Loneliness is one of the burgeoning issues that we face today, and I would argue that the demise of so many of our treasured village pubs across the country has contributed to this blight. People do not have to drink alcohol when they go to pubs—they can drink anything they like—but they are a place to go to. A problem shared is a problem halved. The pubs in Clacton receive plenty of support from me personally, but one man can only do so much! There is certainly much greater scope for the Government to intervene in this sector.

3.4 pm

Shabana Mahmood (Birmingham, Ladywood) (Lab): After listening to the rosy picture painted by the Secretary of State for Housing, Communities and Local Government when he opened today's debate, I had to wonder what planet he is living on, because austerity is definitely not over for my constituents and my city. It is not even close to coming to an end. In response to the Budget, the director of the Institute for Fiscal Studies said:

“If I were a prison governor, a local authority chief executive or a headteacher I would struggle to find much to celebrate. I would be preparing for more difficult years ahead.”

The Prime Minister stood up in Birmingham and made a promise that turned out to be nothing more than hollow rhetoric. For the people of Birmingham, austerity rolls on. Our city has had around £700 million cut from its budget since 2010. In fact, the Government found more money in this Budget for adult social care for the whole country compared with what Birmingham has had cut from its budget since they came to power in 2010. By 2020-21, we will have to find an additional £120 million of cuts to our budget. I do not think that my community of Birmingham, Ladywood has that much left to lose or much more that can be cut. I wonder how we are supposed to keep our city and our corner of British society functioning given the scale of cuts that we have faced. We have seen a total degradation—a decimation—of our public realm, and that has had profound consequences not just for my constituents, but for our country as a whole.

For my constituents, that degradation of the public realm has led to the removal of the things that enable a sense of human flourishing and wellbeing and things that allow a degree of comfort or enjoyment, such as libraries, leisure centres, parks, clean streets, and community and voluntary groups. The disappearance of all those things in Ladywood, which has the highest unemployment rate in the country and all the attendant problems of child poverty that follow, means that community life and individuals' lives are reduced simply to surviving and enduring. That is unconscionable and immoral

[Shabana Mahmood]

in one of the richest countries in the world, but it is entirely a result of political choices made by this Government.

The degradation of the public realm also has profound consequences for us as a country. All the things that enable people to come together and form relationships and friendships are part of our shared common life. If that is taken away, we start to tear apart the ties that bind our nation together and, in an era of anger, greater division and rising populism and nationalism all around the world, that choice is profoundly wrong. This is not just about economics; this is about the tearing apart of the things that keep our country together. We need and deserve more than this.

3.7 pm

Mike Wood (Dudley South) (Con): This Budget is good for communities and families in the west midlands. On top of the £250 million that the county has already received from the transforming cities fund, it will get another £72 million to boost prosperity and spread wealth across the region by increasing productivity. Families will also have extra money in their pockets at the end of every single month thanks to the introduction, a full year ahead of schedule, of the changes to income tax thresholds and personal allowances that were promised in our manifesto last year.

In the limited time available, I want to focus on our pubs, which was touched on by my hon. Friend the Member for Clapham—[HON. MEMBERS: “Clacton.”] Of course, I mean my hon. Friend the Member for Clacton (Giles Watling). Despite mentioning pubs, I have not had a drink so far today; that was purely an end-of-the-week brain melt. For too long, British beer and British pubs were seen purely as part of the problem, whereas there is now an increasing recognition of their economic input. Pubs contribute £26 billion to our economy every year, and pubs across the country employ nearly 1 million people, almost half of whom are under 25. As I am sure the Chancellor will be all too aware, the sector generates £13 billion in tax.

However, the sector has been under enormous pressure. The years after Gordon Brown introduced the hated beer duty escalator saw an even higher than trend rate of pub closures and a reduction in the number of people drinking beer in pubs, rather than buying it in supermarkets.

Giles Watling: Will my hon. Friend give way?

Mike Wood: I have only a few seconds.

The measures announced on Monday—a freeze in beer duty and a third off business rates—are expected to help up to 19,000 pubs to be between £3,000 and £8,000 a year better off. The British Beer and Pub Association reckons that will safeguard 3,000 jobs in the sector, which in turn means that more people will be earning an income and paying taxes—this will almost certainly cover the costs. This is a good Budget for beer, a good Budget for pubs and a good Budget for Britain.

3.10 pm

Sir Mark Hendrick (Preston) (Lab/Co-op): At the 2010 general election, the Conservative party promised to eradicate the deficit by 2015. Now the Government

have no target for getting rid of the deficit at all. Billions have been cut from our public services over the past eight years, and we still face a budget deficit of £52 billion and a national debt that has nearly doubled since the Conservatives came into government in 2010. The Government have borrowed £670 billion over the past eight years, and my local councils, the Conservative-led Lancashire County Council and Labour's Preston City Council, are both at breaking point because of cuts.

Turning to the tragedy of universal credit, since June 2018, 71 constituents have written to me expressing the immense problems that many of them are facing due to the transition to universal credit. I will give just one example. Stuart obtained a three-month sick note from his GP due to illness. The jobcentre then started to apply for jobs on his behalf, despite his illness. He then had to wait five weeks before he received his first payment, because of the transition. That is a disgrace, and it is happening to many people across the country who are ill, disabled and, in many cases, destitute.

One of my many local food banks distributed more than 2,000 food parcels in August, up from its normal distribution of more than 1,000 food parcels. I am reliably informed that more than half of those food parcels were given out because of benefits issues, and I am also told that the majority of those issues are because of the transition to universal credit.

The Guardian reports today that my constituency of Preston is the most improved city in the UK, which is welcome. A lot of that is due to the hard work of the public and private sectors, which are working together for the benefit of Prestonians with the encouragement of the city council. However, that has happened in spite of Government policies, not because of them. Many commercial properties in the city centre are unoccupied, derelict and neglected, despite the good work of the business improvement district to stimulate the local economy. Homeless people occupy empty shop doorways, and in the past eight years I have seen a huge increase in the number of people begging on the main street, Fishergate.

This cannot continue. This is still austerity, despite the protestations of the Chancellor and the Prime Minister. It should end now.

3.13 pm

Kirstene Hair (Angus) (Con): This Budget is good news for our United Kingdom, good news for Scotland and good news for Angus, with an extra £950 million for Scotland.

Following tireless campaigning from me and my Scottish Conservative colleagues, I am pleased to see a freeze on spirits duty for the second year running, providing much support for our iconic Scotch whisky industry. It is fantastic news for distilleries around Angus, whether it is Gin Bothy in Glamis, Arbikie vodka or Glencadam distillery in Brechin.

In rural areas such as my constituency, ensuring that motoring is kept affordable is vital, because of the poor transport links. So I was pleased, as chair of the all-party group on fair fuel for UK motorists and UK hauliers, to see the Government recognise that and freeze fuel duty for the ninth consecutive year; we have saved our motorists £1,000 since 2010.

Not only have we saved people money at the petrol station, but we have saved taxpayers in their pay packet. By making changes to the personal allowance, we have ensured that basic rate taxpayers have an extra £130 in their pocket, and since 2010 they are £1,200 better off. This Government are working to ensure that those in society who need it the most are able to keep more of their hard-earned money, which, as Conservatives, we know is better in our pocket than spent by the state.

Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): What does the hon. Lady have to say about House of Commons Library figures showing that the Conservatives have cut the Scottish Government budget by 6.9%, when over similar years the Irish Government's tax revenue rose by 32%?

Kirstene Hair: I thank the hon. Gentleman for his intervention, but it is as false as the SNP Twitter feed, because in fact if we look at the figures, we see a £552 million increase.

As I was saying, it must be noted that the change that the Government are making to the higher rate tax threshold, increasing it from £46,350 to £50,000, is not helping out those in Scotland, because of the SNP-led Government. In Scotland, those earning £50,000 will now pay at least £1,000 more in tax. We are talking here about people working in our health system, in our police and in our higher education system. SNP Members are quick to commend them but then they tax the back off them.

This Budget was welcome news also because of the £150 million ploughed into the Tay cities deal, which will benefit my constituency. It shows exactly what the Scottish people want to see: Scotland's two Governments working together for the better of our country. I also welcome the funding going into our fishing industry. Only Scottish Conservatives are standing up for that industry; an extra £10 million is going into the technology and methodology fund. SNP Members want to drag our fishermen right back into the hated common fisheries policy.

There is nothing in this Budget that those SNP Members would have agreed to, and nothing that the Chancellor could have offered in this Budget would have allowed them to vote for it. I very much hope that when they troop through the Lobby they know that they are voting against a tax break for the hard-working, against a fuel duty freeze, against a spirit duty freeze, against £150 million going into the Tay cities region, against NHS funding and against extra funding for universal credit. They should put their constituents before their party.

3.17 pm

Mr Steve Reed (Croydon North) (Lab/Co-op): Just two weeks ago, a group of Ministers sat on the Treasury Bench and launched the Government's cross-departmental loneliness strategy. They were right to do that, because, as the Prime Minister says, this major public health issue has as big an impact as obesity or smoking, and affects up to one in five adults often or always. As part of that strategy, the Under-Secretary of State for Digital, Culture, Media and Sport, the hon. Member for Chatham and Aylesford (Tracey Crouch), promised that we could look forward to a loneliness test in respect of major decisions in future. Disappointingly, there is not one

with this Budget. So I thought I would do the job for the Government and review its impact on loneliness to see whether the fine rhetoric we heard in this Chamber two weeks ago has been followed up with action.

The loneliness Minister, speaking with refreshing honesty, admitted that past cuts had "inadvertently" made loneliness worse—here is how. Since 2010, Government funding cuts have led to the closure of 428 day centres, 1,000 children's centres, 600 youth centres and 478 public libraries. Those are all spaces where people can go and loneliness can be tackled. Government funding cuts have also led to the loss and closure of lunch clubs and befriending services; the loss of funding for voluntary and community groups and for community centres; and care visits being shortened in time and reduced in number, and being denied to 1.4 million older people. Again, those are all services that help to tackle and prevent loneliness. So has all that come to an end in this Budget, now that we have a loneliness strategy? Sadly, I do not think it has, because according to the Institute for Fiscal Studies, over the next three years we can look forward to an average cut of 3.1% each year in the local government funding from which all those services are funded. There is no end to austerity there.

While Ministers have been trumpeting £650 million extra for social care, they have neglected to point out that the previously announced £1.3 billion cut is still going ahead. Rather than more money for social care, then, we are looking forward to another £650 million cut in services.

In my borough, Croydon, we have a very high number of children seeking asylum. The Government's severe underfunding of asylum services means that the support that those children need does not even exist yet. Isolation is of course a major problem for a child living in a country without their family or members of their social network. Even among that group, loneliness is going to get much worse.

Despite the fine words in the loneliness strategy launched just two weeks ago, the Budget will result in more and deeper cuts to all the services that tackle or prevent loneliness. I have to ask: what is the point of a cross-departmental group of Ministers sitting on the Front Bench to trumpet their new loneliness strategy if the Chancellor comes along and trashes it with his Budget just two weeks later? No wonder the Government dare not apply a loneliness test to the Budget—it is a test they would fail.

3.21 pm

Ross Thomson (Aberdeen South) (Con): The oil and gas industry, not just in Scotland but across the length and breadth of our United Kingdom, employs hundreds of thousands of people, providing skilled jobs and contributing not only to our economy but to our nation's energy security. The Conservative Government have already taken unprecedented action to support this crucial industry, with tax breaks for the North sea worth more than £2 billion. We now have one of the most competitive tax regimes in the world. There is an awful lot of life left in the North sea: according to a University of Aberdeen report, there are potentially 17 billion barrels equivalent of oil to extract. To maximise the North sea's full potential, ongoing support will be required to sustain this vital industry and the thousands of jobs that depend on it.

[Ross Thomson]

Scottish Conservative MPs have raised the industry's profile at the highest levels of Government. Recently, I was pleased to welcome my right hon. Friend the Chief Secretary to the Treasury to my constituency, where we met representatives from Oil & Gas UK and visited Aberdeen harbour, where the Minister was given a fascinating insight into the level of activity at the port. Thanks to UK Government funding through the Aberdeen city region deal, the harbour expansion is progressing well. This is an exciting time for the harbour, and its expansion is a clear signal that Aberdeen is open for business. It opens up huge opportunities for oil and gas decommissioning, as well as for welcoming new cruise ships to our city.

Alongside my Scottish Conservative colleagues, I have been lobbying the Chancellor and the Treasury at every opportunity, so I am delighted that the Chancellor announced in his Budget statement that he will keep the headline tax rate in the North sea at its current level, despite the oil price rising. That will ensure the highest level of support for the sector by the UK Government, which is great news for jobs, for families, for the economy and for the communities of the north-east of Scotland. As the industry emerges from the worst downturn in its history, the Budget is a vote of confidence in Aberdeen and the North sea, which is why I commend it to the House.

3.24 pm

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): Just a few weeks ago, during the Conservative party conference, the Prime Minister told us that austerity was over. Like many others, I was a little optimistic, thinking that the massive cuts to and huge financial pressures on our public services and local councils were finally coming to an end. This week's Budget demonstrates that my optimism was misplaced. This Tory Government remain out of touch with the misery that they have inflicted on public services and local councils throughout the UK. The Chancellor now tells us not that austerity is over, but that it is coming to an end. This is, indeed, a broken-promises Budget.

Since 2010, there have been huge cuts to our public services. The grant to the Welsh Government has fallen by 7.2%, which means that Wales has around £4 billion less to spend than it would have had if its budget had kept pace with inflation.

We constantly hear the Government's rhetoric about the financial position that they inherited. They constantly try to push a myth by referring to "Labour's great recession" or a similar nonsense term. However, unfortunately for the Government, the people of this country will not fall for that. The British people know only too well that the 2008 financial downturn was a global one and did not originate in this country. Furthermore, although Gordon Brown had influence, as indeed do all Prime Ministers, causing a global financial downturn is a little bit outside the scope of their power.

The reality is that austerity has been the political choice of this Government and the coalition Government in 2010, based on political ideology. As I mentioned, the Welsh Government have had a huge cut since 2010, and although they tried to protect Welsh councils in the early years of austerity, Welsh local councils now face a

very difficult financial situation. Some £4 billion less in the Welsh budget has a drastic impact on public services and local councils in Wales. Further cuts in my area will likely mean a significant reduction in street cleansing, grass cutting and highways maintenance, as well as the closure of civic amenity sites, a reduction in the budget for libraries and youth services, a significant reduction in school budgets and school initiatives, and the closure of leisure centres and community centres.

Let us make no mistake: these cuts and many more like them across the UK are the result of this Tory Government's austerity agenda. I was a councillor for more than 20 years, so I fully appreciate that local councils are at the forefront of service delivery in our communities. They are having to make hugely tough decisions about cutting local services, but they are decisions over which they really have very little choice, owing to the harsh austerity inflicted by this Government. The Budget does not signal the end of austerity; the only thing that it delivers for families and communities is more cuts and misery.

3.27 pm

Alex Burghart (Brentwood and Ongar) (Con): Before I come to my main speech, I wish to refer to some comments made by my hon. Friend the Member for Aldershot (Leo Docherty) about Marxism and sausages. During my hon. Friend's speech, the hon. Member for Bootle (Peter Dowd), of whom I am perpetually fond, shouted from a sedentary position, "How were the sausages in Soviet Russia?" Let me tell him that they were awful—awful. They were so bad that they were made with wood chipping. It was said that the people of Soviet Russia preferred to eat sausages that had gone off because they at least knew that they had been edible at some point. That was what Marxism did to the sausage; that was what Marxism did to the people of Russia.

The truth is that it is the free market that brings prosperity to us all. There was much in this Budget to encourage and help the free market on which the prosperity of my constituency is based. We are a constituency in Essex that is built on the hard work of small and medium-sized enterprises, which will benefit greatly from measures to help entrepreneurs, the reduction of business rates by a third, and the new fund to help our high streets. This is hugely appreciated by the hard-working people of my constituency.

The Chancellor also announced some very good news that we have perhaps become too acclimatised to in this House. Employment in this country is at record levels. That is not something that we can gloss over lightly. The actions of this Government since 2010 have enabled more people to go to work and earn more money so that they can support their families, pay their taxes, and help their communities and public services to thrive. That is something of which we should be proud. The work of this Government will see the deficit reduce from over 10% to—in 2023-24—less than 1%.

Debt as a proportion of GDP is falling. One of the things that we should care about most is the legacy that we leave in the long term. When I was born, the debt-to-GDP ratio was about 35%. When the Labour party took power, it was slightly higher. By the time Labour left office, it had more than doubled. If this generation cannot reduce that figure, we are simply piling burdens on to our children and our grandchildren.

3.30 pm

Eleanor Smith (Wolverhampton South West) (Lab): The Chancellor of the Exchequer said that his Budget was for the strivers, the grafters and the carers. As I listened to his words I thought, “This isn’t a Budget for the striving, grafting and caring women I have known in my life.” This is not a Budget for the women who make up 77% of the NHS workforce—the cooks, cleaners, nurses, midwives and doctors who struggle every day to keep the NHS running. Nor is it a Budget for the 1 million hard-working women stuck on chronically low pay whom I represented at Unison, who worry that their jobs are now insecure as zero-hours contract work increases. It certainly is not a Budget for the hard-pressed women of Wolverhampton, who come to my office with their concerns and problems, desperate for help because of eight years of austerity.

Does the Chancellor of the Exchequer realise that 87% of the impact of Government tax and benefit changes since 2010 has fallen on the shoulders of women? It is women who are most affected by austerity and whose lives are made ever harder by the Tory cuts forced on councils? It is women, along with their children, who continue to bear the brunt of this Government’s austerity. There was no mention in the Budget of the scandal that 33% of 12 million British children now live in poverty. One million of these children are in working households, and 120,000 children are officially homeless and living in temporary accommodation.

The women of this country will not be impressed by the money that the Chancellor is giving schools for “little extras”—£10,000 for junior schools and £50,000 for secondary schools, which have had an 8% cut in real-term funding and now cannot cover many basic expenses. Some 18,000 schools now face funding cuts. There was nothing in the Budget for further education colleges, where women can access an education that could give them a second chance in life. This part of our education provision is now crumbling due to the Government’s lack of support.

Finally, let me turn to the WASPI women who protested at Monday’s Budget from the Gallery—a generation of women made worse off by the former Chancellor. These women thought that they could retire after a lifetime of work but were not given any notice that equality with men meant taking money away from women. One hundred years after women won the right to vote, this Government still expect them to do as they are told and accept this unequal treatment.

Whatever the Prime Minister or the Chancellor of the Exchequer say, austerity is not over, nor is it coming to an end. Austerity will end only when we have a Labour Government.

3.32 pm

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): I am delighted to support this Budget, which delivers for my constituents in the Scottish borders and all people across Scotland.

Scotland is lucky enough to have two Governments, but their economic records could not be so far apart. Others have spoken very well about what the UK Government are delivering for Scotland, and I want to focus my remarks on how the Scottish Government are failing to deliver for Scotland. The Scottish Government

are completely failing to use their vast array of powers to grow the economy north of the border. The hon. Member for Airdrie and Shotts (Neil Gray) tried to put a glossy shine on the Scottish Government’s economic record, but I am going to set out some facts to the House.

Last year, the Scottish economy grew at less than three quarters of the rate of the United Kingdom’s economy. By 2022, the Scottish economy will be over £18 billion smaller as a result of the low growth under the SNP Scottish Government, and Scotland has had the slowest business growth of any country or region in the United Kingdom since 2016. Shamefully, there are now fewer businesses in my constituency than there were in 2015, and the blame for that lies squarely at the door of the nationalist Government in Edinburgh, with their anti-business policies and obsession with raising taxes, as well as the uncertainty that exists in every part of Scotland over the threat of another independence referendum, which Nicola Sturgeon, the First Minister of Scotland, refuses to take off the table. Scotland now has the highest business rates in Europe, and everyone earning over £26,000 is paying more tax than they would in other parts of the United Kingdom.

I understand that SNP Members are planning to vote against the Budget today, so let me remind the people of Scotland just what SNP Members are voting against. They are voting against a tax cut for over 2.4 million Scots; against a pay rise for 117,000 hard-working Scots on the national living wage; against freezing fuel duty for Scottish motorists and businesses; against a £200 million boost to the whisky industry secured by Scottish Conservative MPs; and against a commitment to growth deals, including the borderlands growth deal. SNP Members like to pretend they are standing up for Scotland. The Scottish Government like to pretend they are standing up for Scotland. The only people standing up for Scotland are the Scottish Conservatives in this House.

3.55 pm

Mike Hill (Hartlepool) (Lab): On Tuesday, I attended the Westminster Hall debate on a five-year plan for mental health, which resulted from the excellent report by and work of the all-party parliamentary group on mental health. I highlighted the fact that in Hartlepool there is currently no walk-in centre for people in crisis, and the crisis service itself is so stretched that I have heard reports that people in crisis are waiting for two hours or more to access help. Many of those people in crisis in Hartlepool are young people. I just hope that the money promised by the Chancellor for mental health services will help to provide better access to crisis services for my constituents.

That service sits alongside our local acute trust, which provides over 50 services from our local hospital and is in deficit to the tune of millions of pounds. Indeed, it has just been announced that there is a repairs backlog of £48.9 million in the trust. That is a ticking time bomb, but it is the result of an understandable focus on supporting and propping up frontline services.

Following the loss of Sure Start, an excellent pre-educational programme, children in Hartlepool lack vital support, despite the best efforts of the local council and the NHS. Sadly, we have some of the most deprived wards in the country. We have in-work, third-generation

[Mike Hill]

household poverty. If it were not for food banks, charities and council interventions, especially during school holidays, many of our kids would go hungry.

As for local government, the Chancellor has seemingly put extra funding into adult and children's services and social care but, in all honesty, he continues to choke the life out of our councils and public services. This Budget does nothing to end austerity, and by promising jam tomorrow, the Chancellor only perpetuates it. There is no money for policing and no money for further education. My constituents are dogged, determined, and deserve a damn sight better.

3.38 pm

Alex Chalk (Cheltenham) (Con): I rise to support this Budget—a Budget that allows our country to say with confidence, after staring into the economic abyss 10 years ago, that our best days lie ahead.

We are talking today about families and communities. In that vein, before drilling into the specific measures in the Budget, it is helpful to take stock of how far we have come in respect of jobs. Why is that? It is because there are some in this House who are in danger of forgetting what unemployment means for families and communities. It means misery, lack of self-esteem and wasted potential. It means hollowed-out communities and a grinding, corrosive sense of despair. Unemployment in our country is just 4%. In Cheltenham, it is under 2%. Yet in France it is 9% and in the eurozone it is 8%. In April 2010, there were 2.5 million unemployed people in our country, over 900,000 aged between 16 and 24, with a lack of opportunity and a lack of life chances. This country is turning that around.

There is no true economic strength without fairness too. It was the right decision in the Budget to raise the national living wage, which will go up by nearly 5% to £8.21 per hour. That will deliver an extra £690 to a full-time worker, while ensuring that businesses can thrive and expand. Raising the personal allowance one year early to £12,500 will save a typical basic rate taxpayer £130.

Stronger families mean healthier families. We should be in no doubt about the steps that this Government have taken to invest in the NHS. The figures are stark, and they are so great that it is sometimes hard to take them in. Some £122 billion is spent annually today, but by 2023 that figure will go up to £149 billion—the largest peacetime investment in history. In Cheltenham, that is over and above the £39 million capital investment in Gloucestershire's hospitals.

Stronger families need good housing too. That is why I welcome the measures in the Budget to help turn derelict retail outlets into homes. Before carving up the countryside, we should look to meet as much of our housing need as possible from brownfield sites. With every challenge comes an opportunity, if we have the vision and energy to seize it, and that is the opportunity that arises from the changes in retail. We can consolidate our shopping districts, rebalance our town centres and make them vibrant and prosperous.

On education, there is more to say and much I want to discuss. At the comprehensive spending review, we need to look at how we can support those with the

greatest needs. But overall, the careful stewardship of this economy and the hard work of the British people mean that tough decisions have been made—the right ones—and the future for our country is bright.

3.41 pm

Richard Burden (Birmingham, Northfield) (Lab): The thing that struck me while listening to the Chancellor on Monday and to Government Members today is the yawning chasm that exists between the picture they paint and the reality for my constituents—the people who come to my office for help day in, day out. The reality of their lives is illustrated as well as anything else by the numbers who are currently turning to food banks.

Several food banks serve my constituency. The biggest, the B30 food bank, is run by the Trussell Trust. It distributed 7,501 emergency food parcels in the last year, which is up by a third from the year before. This is a picture that led the Bishop of Birmingham, the Right Rev. David Urquhart, to comment two months ago:

“In one of the richest countries in the world, it is a scandal that people go to bed hungry and families have to choose between eating and heating.”

That is the reality of too many people living in Birmingham today.

Around a third of the people who come to the food bank are in work, but their incomes mean that they cannot make ends meet. In work, on a low income or out of work, 54% have had to turn to the food bank because of delays and changes in benefits—yes, this is an area where universal credit is live. I want to echo the powerful points made by my right hon. Friend the Member for East Ham (Stephen Timms). He talked about not only the problems with the delays built into the universal credit system, but the way that the system interacts—or rather, does not interact—with legacy benefits, which means that more and more people are coming off legacy benefits, with their claims cancelled, and yet are not receiving any support under universal credit for weeks. That spirals them into debt, and the consequence of that can be seen in the figures for those using food banks.

In the short time I have left, I want to say one further thing. It is not just a failure to fund public services that is the problem; it is the fact that the advice and support that have been there in the past from the statutory sector and the voluntary sector for people in need are simply not there any more. Without that lifeline, what could be a problem is becoming a crisis for too many families in this country. That is why I appeal to the Chancellor and those on the Treasury Bench that if they really want to bring austerity to an end, they need not just to fund our public services properly—important though that is—but to ensure that they fund the advice and support mechanisms in our voluntary sector and our statutory sector, so that people get the support they deserve.

3.44 pm

Robert Courts (Witney) (Con): This is a Budget that delivers: it delivers for the country, for the people of West Oxfordshire and, most importantly, for the communities and families living in West Oxfordshire. I mention those communities and families simply because those people will judge the success or failure of this

Budget or any other Budget not on the GDP figures or the facts in the Red Book, but on their actual lived experience and the difference the Budget makes to their lives.

When we look at the background this Government have managed to create and the foundations that this Budget lays, we see that they are very promising. We have employment at the highest level since 1975, with 3.3 million more jobs since 2010 and unemployment falling by a third. There are record numbers of new businesses, which means more jobs and more wages, with all of the hope and the promise that they bring. We also see borrowing at its lowest level for 20 years and the national debt falling. This is all underpinned by the favourable business and taxation policies that this Government have made possible.

When we look forward to the future, we must look at an economy and a Budget that will increase growth. In the future, as we leave the European Union, the decisions we take will be in our hands, and the decisions we take here will govern the success or otherwise of this country in the future. Because we will be responsible for our own decisions, we can have great hope in looking ahead—hope that we will have higher wages, more cash in families' pockets and more money for the public services we all value so much.

Housing and homes are a major issue, and I will dwell on them very quickly, if I may. The stamp duty cut has already raised the threshold to £300,000, which has helped 121,500 more people to get the homes they want and to get themselves on the housing ladder. I welcome the measures in this Budget that will extend that to shared ownership for properties up to £300,000, which will get even more people on the housing ladder. I would like to go further and have more reforms of stamp duty to ensure that people can downsize if they so wish, and to untie the housing market so that people can move and have the homes they want so much.

I wish that I had longer than three minutes to expound on the good things in this Budget. There is so much good stuff—*[Interruption.]* I am glad to see that everybody on the Labour Benches agrees. Ultimately, there is a choice: between the jobs and the work that this Government are offering and mortgaging our children's future with a trillion pounds of debt, as the Labour party is offering. I welcome this Budget.

3.47 pm

Hywel Williams (Arfon) (PC): The hon. Member for Brighton, Pavilion (Caroline Lucas) has already pointed out that the environment rated no mention at all from the Chancellor. I would add that, as ever, Wales remains an afterthought, and it was hardly mentioned in the Budget. Our planned transformative and green infrastructure projects—rail electrification, opening old lines, and tidal power generation—have all been swept away, while the entire Welsh Government roads budget has been blown on a 12-mile stretch of motorway through the precious Gwent levels. The word “austerity” may have been scratched out of the Prime Minister's dictionary, but the people of Wales will be feeling its impact for years to come, and over everything looms the cloud of Brexit.

The figures are hugely worrying. In 2016, gross value added per head in Wales was 72.7% of the UK figure—in fact, the lowest figure in the UK—and between 2014 and 2017 the proportion of people on relative low

income was highest in Wales, at 20%, while the lowest figure was in the south-east of England, at 12%. Above all, the fact that over a third of our children in Wales are living in poverty is a continuing national disgrace. The gross disposable household income per head in Wales was £15,835 in 2016, which was 81.5% of the UK average. Between 1999 and 2016, Wales had the third lowest percentage increase in gross disposable household income per head of all the UK countries and regions—in other words, we are falling behind.

Universal credit is only partly in force in Wales, at 11% of potential claimants. I note, however, that it has not been rolled out in the most intensely Welsh-speaking areas, such as my own. In fact, the wonderful universal credit system just cannot cope with treating our two languages equally. According to Community Housing Cymru, tenants on the new system now owe more than £2 million in unpaid rents, even though a quarter of those now in arrears were managing to keep up with their rents before they were transferred to universal credit. Changes to personal allowances have already been discussed. The Welsh economy is badly skewed towards the low-wage sector, so the Chancellor's kindly treatment of higher rate tax payers will have a more limited effect on incomes in Wales, and will potentially have a huge effect on the Welsh Government's new tax-raising powers. Given the gross national and regional disparities and inequalities in Wales and the UK there is much uncertainty ahead, and we can expect little from this Budget and this Government.

3.50 pm

James Cartlidge (South Suffolk) (Con): As you return to your Chair, Mr Speaker, I return to the 1950s. There has been a lot of talk about austerity, but when our historians speak about austerity they focus not on public spending but on living standards and wages. In 1950, we spoke about the fact that there was rationing and people had low disposable incomes—we did not focus only on levels of public spending. Indeed, in 1950 we spent 6% of GDP on defence. The point is what is happening to living standards where it really matters.

Just before the Budget we heard the fantastic news that this country is now experiencing its fastest wage growth for almost a decade. *[Interruption.]* The hon. Member for High Peak (Ruth George) chunters, but if she reads coverage of those wage statistics in *The Guardian*, she will see they have been analysed to see why that is happening. The conclusion is that it is due to competition between firms for workers—in other words, wage growth is coming from the unemployment miracle that we are delivering. Indeed, in the Budget the extra money that the Chancellor was able to deploy comes from the fact that the OBR has revised employment figures up for this country. That is not a magic money tree—that is literally the hard work of the British people paying off, and more tax revenue coming in to support higher spending.

In a country which, compared with other similar northern European countries, has not had as high an average GDP per head as it could have had, what can we do to sustain those higher wages in the years to come so that we can in turn sustain higher public spending in the only way possible? The answer is competitive taxes, so that we do not eat into people's take-home pay, we have sensible levels of public spending, and above all, we keep borrowing and debt under control.

[James Cartlidge]

If we followed the Labour party we would decimate that growth in wages because taxes would surge, eating into take-home pay. Investment would fall as businesses would be less confident if faced with a return to '70s-era socialism. Above all, my biggest problem with what Labour Members offer with their increase in debt is that if they push up public spending as they promise, yes, public spending austerity will fade briefly, but it will return as we go from feast to famine, as we have done so many times before through boom and bust. What will happen to austerity? It will be forced on the next generation with higher debt. That is a gutless and cowardly approach to public finances. The right approach is sensible, prudent, conservative economics, based on markets and a sensible balance between low taxes and targeted public expenditure on priorities such as the NHS, and that is why I will be voting for the Budget tonight.

3.53 pm

Mary Glindon (North Tyneside) (Lab): I speak as co-chair of the cross-party drugs, alcohol and justice group, and as a member of the all-party group on alcohol harm. With dozens of alcohol-related deaths across the UK every day, those two groups decided that, rather than wait ages for the Government's alcohol strategy, we would launch our own alcohol charter that advocates achievable steps to improve support for those in need, protect public health, and cut crime and disorder. It has the support of 30 relevant organisations, and I urge hon. Members to add their support by signing early-day motion 1682.

Despite the Chancellor's claims of record funding for the NHS, I was disappointed that he failed to take the opportunity in the Budget to reduce alcohol harm. Instead, it seemed that he had been wooed by pre-Budget pleas for him to cut beer duty, such as the claims plastered on Westminster tube station that such a measure would protect our pubs. Cuts in duty do not benefit pubs because supermarkets continue to undercut pub prices, and big brewers retain the savings. We do not protect people or pubs by allowing supermarkets to sell alcohol more cheaply than water for vulnerable people to drink at home alone or on our streets.

Colin Shevills of Balance North East highlighted the fact that cheap alcohol places a huge burden on our communities, the NHS and our public services in our north-east. He also referred to the findings in a survey by north-east pub landlords, which found that cheap supermarket alcohol, rather than alcohol taxes, is the main reason to blame for the closure of our local pubs. It is particularly alarming that in the past five years cuts to alcohol duty have cost the Treasury about £4 billion. The Government estimate that the cost will rise to £8 billion during the next five years. That money could fund 34 million emergency ambulance call-outs or over half a million social care packages. Furthermore, figures show that, if the level of alcohol consumption remains unchallenged, it is set to cost the NHS £17 billion in the next five years.

From pub landlords to health organisations, there is strong agreement that we need a minimum unit price to help to combat the sale of cheap alcohol in shops and the impact that has on our communities. The Chancellor needs to listen to those groups and cross-party advice, and rethink his strategy on alcohol to support our great local pubs and to prioritise alcohol harm reduction.

3.56 pm

Luke Graham (Ochil and South Perthshire) (Con): I rise to support the Budget. I will start with two points on the criticism and rebuttals we have received from the SNP.

First, universal credit has received a lot of criticism. I think every single Member knows that there are improvements to be made to universal credit. That is what the Budget does. It allocates more money to universal credit. It puts the SNP at odds with the chief executive of the Joseph Rowntree Foundation and the Trussell Trust, who both recognise the improvements to universal credit, which will help to tackle poverty more effectively.

Secondly, on tax, where the SNP tax changes delivered £20 a year for the most vulnerable, a pathetic 38p a week, our Budget delivers £130 a year, which is £1,200 for the basic rate income taxpayer, helping people who need it most.

The SNP talks about having a different path and attracting more people to Scotland, but here is the interesting thing. They want to bring more people in. I will give them a hint about how to do that: do not tax our doctors, our teachers and our servicemen and servicewomen more than everywhere else in the United Kingdom.

What does the Budget deliver for Scotland and for Ochil and South Perthshire? It gives £950 million extra for the block grant, which is a real and cash increase. It delivers a spirits freeze, which helps companies in Menstrie, Madderty and Kinross in my constituency. It delivers £550 million more for the NHS, which even the SNP recognises is a positive thing and, if devolution works correctly, there will be £43 million more for business rate relief to help our high streets in Crieff and Alloa, £41 million to improve roads across Perth and Kinross and Clackmannanshire, and £87 million more for social care. Those are positive steps in the Budget, and that is before I even mention the £150 million of new money that is being allocated in the Tay cities deal. The Budget will also deliver a crackdown on tax avoidance, including VAT, and measures on the hidden economy and on offshore tax compliance.

Some of the smaller measures in the Budget have been lost. It expands the operations of the British Business Bank in Scotland by allocating personnel on the ground to help our businesses to access more patient capital. In addition, it allocates £1.6 billion to strengthen science innovation, with £235 million for quantum technologies and £20 million for fusion power, which is a subject very close to my heart.

We on the Government Benches want to empower people. We do not want to tie them to dependency. The Budget provides more support for the most vulnerable and more opportunity for all. That is why I support it in this House.

3.59 pm

Danielle Rowley (Midlothian) (Lab): A lot of Opposition Members have talked about how austerity is not over and about how the Government's rhetoric on that is empty. I would say something different: how can the Government claim that austerity is over, is coming to an end or whatever it is they are saying, when they do not even know what it is? After the Prime Minister told us

that austerity is over, I asked the Chancellor what his Department's definition of austerity is and how his Department measures austerity. I was keen to ensure that she was referring not just to halting her Government's devastating cuts to public services, but to their huge social security cuts, which must be ended and reversed if austerity is really to be ended. The reply from the Treasury simply stated:

"The Chancellor will set out the government's plans for the economy and public finances in detail at Budget."

But he did not explain what austerity is. Far from clarifying what it is, he did very little to back up the Government's empty words on ending it. So if they cannot even define what they mean by austerity, let alone make any significant steps towards ending it, that is just further proof that the Budget is empty rhetoric.

However, let me tell the Government what austerity means to my constituents in Midlothian. For young workers, austerity from this Government and the Scottish Government is going to mean further decimation of their services. Yes, the Government recently made small increases to the national living wage, but it is not a real living wage. Pay for 16 and 17-year-olds is being raised from £4.20 to £4.35, yet they are still doing the same job as people who are older than them and getting paid much less for it.

If paid employment is to provide a reliable route out of poverty for women in my constituency, action must be taken to address the continued gender inequalities in the labour market. Nothing from the Chancellor in his Budget was aimed specifically at improving the position of women in the economy. We had the WASPI campaigners in here because they were completely overlooked. I am fed up of listening to the Scottish Conservatives today, who have gone on and on about their representations to the Treasury and their standing up for Scotland, when they have done absolutely nothing about split payments, which I have raised time and again. It is an absolute disgrace.

I will not be supporting a Budget that does nothing to tackle the urgent issues of climate change and homelessness, has nothing for the WASPI women, youth services or the decimated women's services, and does nothing to tackle period poverty.

4.1 pm

Eddie Hughes (Walsall North) (Con): It is a pleasure to be called early in the debate, Mr Speaker—or at least a little earlier than I thought I might be called. The right hon. Member for Twickenham (Sir Vince Cable), who is no longer in his place, seemed to have a bit of a downer on optimism. As I feel powered by optimism, I felt affronted by that idea. In the west midlands, we voted for Brexit because we are completely optimistic about what the future will hold for us, and I completely endorse the Budget, because it puts us on a great footing to make the most of those opportunities when we leave the European Union.

One thing about Conservatives is that they invariably poll high in people's consideration of who is best to run the economy, because we do it so well. That is not just because of the things we see in this Budget. If we look back to 2010 and compare it with 2019, we see that there will be a 93% increase in the tax-free allowance, which will have gone from £6,475 to £12,500—when you represent a constituency with an average income of

£27,000, changes like that are significant. People are not continuing to vote Conservative because of what we do in a single Budget; they are continuing to do so because they see a trajectory and they see us making life better for them year on year.

Why I am optimistic about the future? Because this Budget allocates £1.6 billion to ensuring that this country stays at the cutting edge of technology and innovation. I went to see Professor Kai Bongs—clever guy, clever name—at the University of Birmingham. He is leading on quantum technology. His team are working on gravity sensors. This might seem a bit abstract, but gravity sensors will help us to see beneath the ground for construction projects. Invariably, people do not get price certainty with construction projects because they do not know completely what is in the ground. Imagine if this country developed technology that allowed for that certainty and then created products that were sold throughout the world. We did it with DNA—identified at the University of Leicester and now used in 120 countries for DNA profiling. We can do it again with other technologies because we believe in our country. We know we have the people to lead us into the future, and it is tiring and depressing to hear people on the Opposition Benches talk down this country, when I know that our future is bright.

4.4 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): It is a pleasure to follow my parliamentary neighbour, the hon. Member for Walsall North (Eddie Hughes), though he will not be surprised to learn that I take a slightly different view of the Budget.

The backdrop to the Budget was a singular political claim made a month ago at the Conservative party conference that austerity was over. Every Government is responsible for the consequences of its policies, but with that claim the Prime Minister and her Government took particular responsibility for every closed library, every universal credit rent arrears, every service denied to people.

Let us look, then, at what the Budget really did. The Chancellor used an unexpected increase in tax revenues to fund the health service for the next few years—I welcome extra money for the health service, of course, although by historical standards the rate is unexceptional—but he did not end austerity in other services. Let us take schools, for example. In the first decade of this century, under a Labour Government, there was a 65% increase in funding per pupil. Since 2010, there has been a reduction of 8%. That is a difference between a Labour Government and a Tory Government. When the schools budget is cut, it is a cut in opportunity and in social mobility, there is a reduction in the potential of people to make the most of their talents and it reinforces inequality.

The same is true of crime. The greatest freedom people can have is to go about their daily business free from the fear of crime. In the west midlands, we have lost 2,000 officers. We have seen a 21% increase in violent crime, a 17% increase in crime involving offensive weapons and a 23% increase in sexual offences, and now we are faced, because of pension changes, with the prospect of losing another 450 police officers. This is an attack on people's freedom, and it strikes the poorest in our society more than others. So the Budget does not present an end to austerity.

[Mr Pat McFadden]

There is a particularly absurd nature to the claim: it is being made as we are about to commit an act of enormous economic self-harm. The country needs hope, but the tragedy of Brexit is that, having scapegoated Brussels, immigration and others, we are, in the act of leaving, making it much more difficult to give the country that hope and a plan for the whole country.

4.7 pm

Julian Knight (Solihull) (Con): It is a great pleasure to follow the right hon. Member for Wolverhampton South East (Mr McFadden).

I had the dubious pleasure of reporting on nearly 20 Budgets and countless pre-Budget reports in my time as a journalist. Gordon Brown used to stand at the Dispatch Box with his clunking fist and talk about golden rules, fiscal balance and investing for the long term, and the horror show was always in the Red Book. As a journalist, I knew that to see what was in the Budget I had to look in the Red Book.

For days now, journalists across the country have been poring over the Red Book looking for holes similar to those they have found in many other Budgets over the years, but they have failed to do so because the Chancellor has adopted what I would call—pardon the pun—retail policies to address some of the major issues that people in this country face. For example, in 2015 my constituency was the only place in the country with increased footfall in the town centre on the year before, but that was reversed in 2016-17. Our main shopping centre, the Touchwood shopping centre, is now having to invest in the night-time economy, and for the first time I am starting to see empty shops on the high street, so the change in business rates is hugely welcome.

Another of my local high streets, in Shirley—a long, 1960s, straight-line, very old-fashioned high street—is being redeveloped through the intermingling of community resource and people living and being brought into the local area. For example, we have extra care living and other such developments, as we look to a future that is designed not specifically around retail, but around how the high street interacts with our lives. The retail fund of £675 million is therefore hugely welcome.

The right hon. Member for Doncaster North (Edward Miliband) made a mainly good speech, which was perhaps too focused on social housing. We need to look at housing in the round. We have to increase the supply of housing in this country. For years, housing has been distended, which in many respects has damaged our economy. That will happen even more now that house prices are so high, because houses have become so unattainable. We therefore need to increase supply.

We have to admit that a deficit of 82% is still too high. It leaves us less able to face a global recession, but we made a decision in 2010 that we would basically try to follow a middle way. We get out of that through productivity—the other way would be inflation, which none of us wants. Productivity is the only way in the long term, and the Budget develops that.

4.10 pm

Sarah Champion (Rotherham) (Lab): Today is exactly two years after the Government promised to introduce a timetable to ratify the Istanbul convention. That important

international convention aims to prevent domestic violence and, crucially, to underpin that with support services for victims. The Prime Minister has rightly prioritised tackling violence against women, but what does the Budget contain that shows a commitment to preventing violence against women and girls? Absolutely nothing. The stark evidence on the underfunding of victim services is harrowing. Rape Crisis, the largest national provider of specialist sexual violence services, has a waiting list of over 6,000 people. According to Women's Aid, on a typical day, 94 women and 90 children are turned away from refuges due to a lack of space. A Council of Europe study shows that England provides only 67% of the recommended capacity for sexual assault referral centres, which are critical in offering services to victims.

When it comes to costing violence against women and girls, there are three areas of consideration: first, the lost economic output of women forced to miss work as a result of mental and physical injuries sustained during an attack; secondly, the cost to the Treasury of providing services that prevent and respond to violence against women and girls—for example, health, police, courts and specialist advocates; and thirdly, the physical and emotional cost to victims, which is a loss to both the individual and society.

Last month I asked the Treasury whether it had made an assessment of the cost of violence against women and girls. It never answered, but passed me to the Home Office, which said that its most recent estimate is nearly a decade old. That suggests that there is no sustained attempt to understand the economics of violence against women and girls.

However, there is more recent research by Professor Sylvia Walby. Taking her 2014 research and adjusting for inflation, the cost of violence against women and girls in this country stands at £23.7 billion per annum. From that we can extrapolate the cost per constituency of not preventing violence against women and girls. In my constituency, the cost is £32.7 million every year. In the Chancellor's constituency, it is £39.1 million every year.

If the Chancellor looks carefully at the research, he will see that we can do more by investing in support services. Thereby we do the morally right thing, but also the economically right thing. Will the Government please put their money where their mouth is and ensure that all Departments prioritise this?

4.13 pm

Lee Rowley (North East Derbyshire) (Con): It is a pleasure to follow the hon. Member for Rotherham (Sarah Champion), who made a powerful speech.

I welcome many elements of the Budget: the relief for business rates; the reduction in tax on the personal side, and help for coalfield communities such as mine. Those sorts of changes and the economic environment that the Government have created in the past eight years have allowed us to become so attractive that even in a historically challenging part of my constituency like Barrow Hill, there is now the opportunity for Spanish train manufacturers to come and open factories that could create hundreds of jobs. I very much welcome what the Government have done in this and previous Budgets.

Today, we have talked a lot about the challenges in our fiscal policy and the problems in our budget. I would like to draw attention to several points made by

my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) and by my hon. Friend the Member for Gainsborough (Sir Edward Leigh), who is not in his place. The macroeconomic indicators are moving in the right direction. Our deficit is reducing and our debt is finally going down, but by the end of the period covered by the predications in the Red Book we will still be spending more than we take in as a country, and we will have done so for 20 years.

The challenge we face in western democracies such as ours is that we spend in the good times, we spend in the bad times and we spend in the in-between times. Whatever our views are about spending—I recognise that there are respectful and different views in all parts of the House about the levels of spending we need—we cannot continue to spend in the way we are without paying for it. We are writing cheques in this House without any responsibility for how we are going to cash them. We talked a moment ago about the morality of some of the decisions we have made here. I think the morality before us now is that of not continuing to load problems on to our children and our grandchildren.

The hon. Member for Birmingham, Northfield (Richard Burden) is no longer in his place, but he made a powerful speech about the yawning chasm between certain elements and communities in our country. In my view, there is a yawning chasm between what we are deciding to do here and now, and the money we are choosing to spend, and the people who will have to pick up the tab and pay for that in 20 or 30 years' time. In the limited time I have left, I would like to draw attention to a number of countries that have decided to say, "Wherever we are and whatever Government we have, we should put in place fiscal rules that mean that should not happen." Chile did it, the United States tried to do it—not very well, honestly—and Switzerland has done it through its debt break. We should consider fiscal changes that ensure we do not load a lot more debt on to our children and grandchildren in years to come.

4.16 pm

Ms Marie Rimmer (St Helens South and Whiston) (Lab): I am pleased to follow the hon. Member for North East Derbyshire (Lee Rowley).

This Budget is a missed opportunity. It does not even offer key services the respite they need from relentless cuts, let alone the investment they need to redress the damage done by eight years of austerity. We need to put the record straight: Labour paid off more debt than any previous Administration on record. Capitalism fuelled the global financial crisis; it was Gordon Brown who saved this country from recession. We were on our way through the recovery route, but this Government chose the austerity route to pay off the debt, with ordinary people paying the highest price. Is it paid off? No, and as it slips it grows for the next Budget. The Chancellor says that if there is a no-deal Brexit there will be a need for another Budget, and the blame will shift to the EU. What is the cost of Brexit to date? Centre for European Research analysis shows that it is already costing the public purse £500 million a week, and the economy is already 2.5% smaller than it would have been if we had chosen to remain.

The Budget is a wasted opportunity. The invaluable emergency and life-saving services such as the fire service and police have been stripped to the bone. By the end of this decade the Tories will have inflicted a 50% real-terms

cut on the Merseyside fire and rescue service since 2010. As a result, we have gone from having 1,000 firefighters to having 620 across Merseyside—the fire service is stretched beyond limits. The Government need to stop and evaluate the magnitude and impact of the cuts today. They need to be halted; they are dangerous.

The National Audit Office says that Merseyside police numbers have been slashed by 31%. Merseyside has been the third worst hit force under this Government. We are seeing crimes spike and charges plummet around the country as our police struggle to keep up with the demand for their services and the justice system creaks. The chief constable for Merseyside has stated this week that the impact of the cuts will be "crippling". The Government need to listen and act. The British justice system, acclaimed the world over, is creaking.

The Government are hacking away at our public services in a way that is without precedent: families suffering, wage stagnation, cuts to benefits, 40% of universal credit recipients in work. My constituency ranks high in income deprivation, mortality rates for 29 to 44-year-olds are growing in comparison with those of other age groups, and suicide rates are the highest in the country. We need a Government who care, who invest in people, and who are prepared to accept responsibility and meet needs first.

4.19 pm

Ian Murray (Edinburgh South) (Lab): I should like to speak about the Budget by referring to a number of tests. The first test is to ask what it will do for growth in this country. Even the Office for Budget Responsibility expects growth of only 1.6% by 2023, which would be the lowest medium-term growth rate since records began and a historically low growth rate for this country even since world war two.

The second test is to ask whether the Budget is a spending splurge, as the Government keep suggesting. Well, it certainly is not. As many of my hon. Friends have said, if we strip the extra NHS spending out of the Budget, we can see that all the other departmental budgets are either flat or going backwards in real terms. The Institute for Fiscal Studies has also said that if we strip out spending on the NHS, we see that the Budget does nothing to reverse any of the cuts that we have seen over the past eight years.

That leads us to the claim that austerity is dead. Is this indeed the end of austerity? It is not. It is the start of the Government saying that it is the end of austerity. This is the same Government who said in 2010 that the deficit would be removed by 2015, so we can believe the Prime Minister saying that. However, the Prime Minister saying that this is the end of austerity means that she is admitting that austerity existed. As my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) said, every cut that we see across the country now lies at the door of this Prime Minister and No. 10.

Let us look at the priorities being given to tax changes. The Government could easily have brought forward the personal allowance extension for the lower paid and left the upper end as it was, but they have chosen to spend the majority of that personal allowance extension on the very richest in society. That was the wrong thing to do at a time when the deficit looks as though it will never be eradicated under the Government's long-term plan.

[Ian Murray]

Let us also look at the corporation tax cuts. The Government could have said that they would not take forward the 2p corporation tax cut that they announced in the 2017 Budget, because they already have the lowest corporation tax in the G7 and do not need to take that money. It could have been put towards truly ending austerity.

Let me finish with the biggest lie in Budget history. There is no Brexit deal dividend in this Budget. That was a lie by the Chancellor. Even Standard & Poor's has said that if there is a no-deal Brexit, unemployment will double, every household will be £3,000 a year worse off, inflation will peak at 5% and the recession will be as long as the one that followed the financial crisis. That is not a Brexit deal dividend. That is the Government's dereliction of duty towards the economy of this country.

Several hon. Members *rose*—

Mr Speaker: Order. If colleagues wish to help each other, it is not obligatory for them to speak for the full three minutes. I know that they all believe in equality.

4.22 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): The Chancellor spoke—I hope that this was a throwaway phrase—about “little extras”. For me, the Budget is about the little extras that he could have introduced but chose not to. For instance, when announcing the increase to the national living wage, he could have chosen to extend it to the 1.9 million under-25s who are unable to claim it. That would have put more money in their pockets that could be spent on the high street to help the ailing shops that are struggling under this Conservative Government.

The Government could also have chosen to give a little extra help to local authorities, such as my own in Stoke-on-Trent. We have lost on average £653 per person over the past eight years. Compare that with the figure for Cheshire East Council, which is just £120. There is a massive disparity between rural counties and the cities, which need more help. The Government could also have chosen to address the chronic underfunding of our further education system. The deputy principal of Stoke-on-Trent College was outraged at the fact that the Chancellor did not even mention higher or further education in his speech. The funding cap of £4,000 means that the services provided for many of the pupils in my constituency simply cannot continue.

Those little extras pale in comparison with what I think is the most rancid part of this Budget, however. As my hon. Friend the Member for Edinburgh South (Ian Murray) pointed out, if the Government had wanted to, they could have decoupled the increase in the personal tax allowance from the threshold for the personal allowance for higher earners. Instead, we have had a piece of parliamentary sleight of hand. This is economic blackmail, and it is downright wrong. It is absolutely wrong that my constituents will benefit by about £10 a month—frankly, that will get wiped out in the next round of council tax increases that will be needed to fill the budgetary black holes left by this Government—while we in this House will vote ourselves a tax cut of about £500 this evening, and people earning more than £90,000 will find themselves almost £1,000 a year better off. That is not economic literacy; it is economic devastation for this country.

4.24 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The Chancellor said on Monday that this was

“an economy working for everyone.”—[*Official Report*, 29 October 2018; Vol. 648, c. 654.]

But the facts tell a different story. Families up and down the country—families who have been at the sharp end of cuts to our public services—know the cold, hard truth of the past eight years of Conservative rule. The richest 10% are set to gain 14 times more in cash terms next year than the poorest 10% of our households. Growth is set to be below 2% in every forecast year—that is almost unheard of—and the figures for the UK are now 60% below the G20 average. UK manufacturing has fallen to its lowest level since 2016 and is well below the pre-Brexit forecast.

What about children and young people? Some wards in my constituency now have 40% of children growing up in poverty. This year, 3.1 million children with working parents will be below the official breadline, and much of the 1 million increase since 2010 is due to the Government's benefits policy changes. The cuts' impact on children was brought home to me when over 100 teachers from Hounslow visited Parliament a few weeks ago. When they were asked what issues were having an impact on attainment in their schools, two thirds said mental health, over half said food poverty, and many referred to difficulties at home. That shows the stark reality of families under strain, and children are now feeling that strain due to not having a decent place to live, the resources with which to study, food to eat, or time with parents who work shifts day and night to make ends meet.

The value of child benefit has fallen by 17% since 2009 while the value of the state pension has risen by 54%. Some estimates suggest that up to 1,000 Sure Start centres may have been shut since 2010, with bigger cuts in disadvantaged areas. The hit goes further than schools and is affecting young adults. Last year, around 2.2 million learners aged 19 or over participated in some form of Government-funded further education, which is a decrease of 29% since 2011. Children and young people are now being hit hardest by the Government's choices. The test of an economic policy is about both who wins and who loses and, as the Government win plaudits from the wealthiest, it is our job to speak for the those who cannot speak for themselves and to call for a fairer future for the next generation.

4.27 pm

Ged Killen (Rutherglen and Hamilton West) (Lab/Co-op): When the Prime Minister addressed the Conservative party conference, she said that austerity was over. On Monday, the Chancellor said that the

“the era of austerity is...coming to an end.”—[*Official Report*, 29 October 2018; Vol. 648, c. 653.]

We can argue about the semantics, but the reality was captured by something the Prime Minister said some time ago: “Nothing has changed.”

We have also seen little to undo the cuts that have stripped away local services in our communities. Having been a councillor during some of the worst years of this Government's austerity, I can tell the Chancellor that there is no more fat to trim in local government and no more “efficiencies” to be found. This Budget does little

to reverse almost a decade of underinvestment that has brought councils to the brink, including Tory-run Northamptonshire County Council, which has been pushed into bankruptcy.

This is a broken-promises Budget, with its most reassuring moment being the WASPI protest in the Gallery. Those women should not have to protest in Parliament; the Government should be listening to them. I have been working closely with 1950s-born women in my constituency over the past few months, and I have heard some heart-breaking accounts, including stories of women who have died while waiting to receive their state pension. However, I have also seen steely determination and their unwavering commitment to continue fighting for what is rightfully theirs. The issue is not going away and these women are not going away, and the Government had better listen sooner rather than later.

Of course, many WASPI women will have to turn to universal credit while they wait for their state pension. The Chancellor completely lacks contact with reality on that issue, as does the hon. Member for Ochil and South Perthshire (Luke Graham). He pointed out that more money has gone in, but there is not enough money. What do the Chancellor and the hon. Gentleman expect me say to my constituents on universal credit who come to my surgeries, struggling to get by? Do I tell them that is all right, and that more money is going into universal credit and austerity is coming to an end?

We heard the chorus of Tory MPs chanting along with the Prime Minister at yesterday's PMQs as she rhymed off things that have gone up under her Government, but I noticed a few things missing from the list: child poverty up; food bank use up; and homelessness up. This Budget does absolutely nothing for my constituents and I cannot possibly support it.

4.29 pm

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): The Chancellor had the opportunity to strengthen the economy, invest in jobs and guide us towards a brighter future. What did we get? A wasted opportunity, a timid response and an overwhelming feeling of, "Really? Is that all?" This is a broken-promise Budget that prolongs austerity.

We have seen wages continuing to stagnate for most workers and falling for the lowest-paid workers. Let us not forget those long years of the public sector pay freeze, when nurses, police officers, firefighters, teachers and the rest of our public service heroes were treated so contemptuously by Ministers. For all the Chancellor's boasting about the number of jobs in the economy, the reality is that there is an explosion in low-paid jobs, insecure jobs, part-time jobs and jobs with zero-hours contracts. That is what people in Slough tell me every week.

Behind the economic figures lies the human cost. The price of austerity is not paid by Ministers; it is paid by the poorest and most vulnerable members of our society. Look at the growth of food banks, which provide emergency food aid to people in desperate need. In my constituency, volunteers provide food for people in Wexham, Cippenham, Langley and central Slough. They are supported by the generosity of people across the constituency, including through supermarkets, schools and faith-based institutions. I applaud that spirit of altruism and humanity, but why should anybody in modern Britain need emergency food aid?

In Slough we have a Labour council, which has managed its budgets well. It seeks to provide excellent services and to protect those most in need. Our Labour councillors in Slough do an excellent job, and they are dedicated public servants, but they are not magicians. They cannot magic up money from the magic money tree when the Chancellor and the Government have made it vanish.

Back in December 2010, the BBC reported that Slough Borough Council would be the hardest hit of all the neighbouring—predominantly Tory—councils in Berkshire. Since then we have seen increasing pressure on budgets, particularly in social care, and an increase in child poverty. According to the charity End Child Poverty, there are more than 11,000 children in poverty in Slough—one in three local children—and that child poverty is rising.

Slough councillors tell me that, by March 2019, the number of people in temporary accommodation will be 70% higher than in April 2018. We have seen a 300% increase in people living in temporary accommodation since 2014. The good people of Slough would be forgiven for thinking that the Chancellor is all smoke—

Mr Speaker: Order. I am grateful to the hon. Gentleman. Very well done.

4.32 pm

Alison McGovern (Wirral South) (Lab): I rise primarily to raise on behalf of my constituents a glaring injustice: the lack of funds for rebuilding New Ferry. Members will remember the horrific explosion in my town in March 2017. To date, the Government have not committed anything like the funds they have handed over to Salisbury, or anything like the funds they have handed over to Belfast for the destroyed Primark. The people of New Ferry are bitterly angry, and their voice must be heard by Ministers on the Treasury Bench.

I listened to what Conservative Members said about tax cuts, and I recognise what is happening. This is just what the American Republicans do. They want big tax cuts for the wealthy, so they choose some so-called middle class profession and, as part of their package of big tax cuts for the wealthy, put in a nugatory amount for those who seem to be in the middle. They persuade the nation that we should have tax cuts on that basis, and they hide what they are doing—handing back huge amounts to the already wealthy—by dressing it up as money for the middle class.

In this Budget we are talking about pennies a week for people on average incomes, and when that is seen alongside the impact of universal credit, everything gets worse for people in the middle. It is not good enough to say that we cannot do better on universal credit when we are giving away £2.8 billion in one year, 84% of which goes to the top half of the distribution, with 34% of that going to the top 10%. That is a regressive measure, and if we believe in progressive politics, we should stand against it and say that what we need is a truly progressive tax system and proper funding for our public services.

Several hon. Members rose—

Mr Speaker: Order. The shadow Chief Secretary will be called no later than 4.40 pm, so the two remainers—the remaining speakers—must divide the time between themselves. *[Interruption.]* I do not know whether they are remainers or leavers.

4.34 pm

Mrs Madeleine Moon (Bridgend) (Lab): Austerity is not over for those who are terminally ill. Those with pancreatic cancer, three out of four of whom will die within a year, and those with motor neurone disease, one third of whom will die within a year and half of whom will die within two years, cannot access terminal illness benefits under the current regulations until a doctor decides that they have six months or less to live—that is nonsense. Universal credit, employment and support allowance, and personal independence payments are a nightmare to negotiate for people who have a short time left to live. My ten-minute rule Bill will address this anomaly. It was supported by the Conservative party in Scotland and it will come before this House on 23 November. I hope we will finally make sure that those who are terminally ill have a chance of justice and of dignity as they head towards death. I hope we will ensure that they have a chance to put in place the things that will allow them to stay and live at home with their family, so that they have a chance of dignity in dying, which this Government seem determined to prevent them from having. I recognise that others want to get in at this late stage, so I will stop at this point.

Several hon. Members *rose—*

Mr Speaker: Stephen Lloyd, very briefly.

4.36 pm

Stephen Lloyd (Eastbourne) (LD): Thank you very much, Mr Speaker. In the short time allocated, I will focus on the universal credit side of the Budget. In 2015, George Osborne made a dreadful mistake, cutting out from universal credit £3 billion per annum from the work allowance. Since my re-election in 2017, I, like my Lib Dem colleagues, have constantly been advocating a restoration of that work allowance element, so that work really does pay—it would not do so without that. For a year and a half, the Conservative party has been constantly pushing back to say, “Work does pay. We do not need to restore the work allowance.” I am glad that finally, on Monday, the Chancellor listened to us and restored £1.7 billion, albeit not all the work allowance that George Osborne had cut.

A number of Opposition Members have discussed this, but I say to the Conservatives that rather than give a substantial tax cut for those at the top end of salaries, people like us and many others, why not put that £1.3 billion, which is the equivalent in respect of the people earning over £50,000, £60,000, £70,000 and 80,000 a year, back into the rest of the work allowance so that it restores what George Osborne catastrophically cut all those years ago? That would mean, first, that work would pay properly within UC, which the Lib Dems agree with—even Labour did years ago, when I was in coalition. Most importantly, it would mean that people earning under £15,000 a year, who were shockingly ignored by this Government in the Budget on Monday, would get some of the tax cut that would be part of the larger work allowance. I believe this House would support that. If the Government do not do that, the Lib Dems would certainly be voting against them on this. So I say to the Chancellor and to the Conservative party: fully restore the work allowance to what it originally was by not giving the extra £600 or £700 a year to the highest paid in this country. That is the right thing to do and I urge the Chancellor to listen.

4.38 pm

Peter Dowd (Bootle) (Lab): I am glad to see the Chief Secretary to the Treasury in her seat today, as she could not get one on Monday. I wish to comment on what a number of Members have said. The right hon. and learned Member for Rushcliffe (Mr Clarke) asked, in a rather perplexed way, why the Government were spending all the headroom. The answer is: because they are up the creek. My hon. Friend the Member for Dulwich and West Norwood (Helen Hayes) talked about the problems her local authority has because of the Government's austerity plans. My hon. Friend the Member for Sheffield South East (Mr Betts) spoke similarly, as did many other Members.

The hon. Member for Dover (Charlie Elphicke) said young people need to be better off; well, that is why young people are voting Labour. Rather bizarrely, the hon. Member for Aldershot (Leo Docherty) talked about sausages and Marxism; I hope his sausages are more sizzling than his speech was.

My hon. Friend the Member for Barnsley Central (Dan Jarvis) made the case for devolution. My right hon. Friend the Member for Wolverhampton South East (Mr McFadden) talked about how women have been most affected by austerity. *[Interruption.]* Conservative Members may want to laugh at that sort of thing, but we take that very seriously. My hon. Friend the Member for Rotherham (Sarah Champion) made a similar case. The theme was there throughout the debate: austerity has not ended and will not end under a Tory Government.

When I entered Parliament, I believed that a primary role of this House was to hold the Government to account. I looked at the parliamentary website to check out my assumption, and found that it says:

“Parliament works on our behalf to try to make sure that Government decisions are...open and transparent”—

that is a foreign land for this Government—

“by questioning ministers and requesting information”—

and

“workable and efficient”—

not a concept routinely associated with this Government—

“by examining new proposals closely and suggesting improvements”.

However, the Government have systematically treated the House in the most contemptible way. All Members should be worried. First, the Government stitched up Committees with a Tory majority, even though they are a clapped-out minority Government who are not fit to govern. Secondly, they have obstructed substantive scrutiny of three Finance Bills in a row by not permitting any amendments to the law, which is unprecedented. Thirdly, behind closed doors they agreed a billion-pound deal with another minority party, without proper parliamentary scrutiny or the signatories to the deal being held to account by this place. Fourthly, without precedent they did not provide my right hon. Friend the Leader of the Opposition with the traditional advance copy of the Budget statement. That is wrong. Fifthly, the Chancellor did not even have the courtesy to attend the House when my right hon. Friend the shadow Chancellor opened the debate on Tuesday afternoon. That is simply disrespectful, not to the individuals but to the protocols of the House.

The power grab by Ministers continues in the Budget resolutions—for example, in resolution 79, which is worryingly designed to give Ministers the ability to amend

key tax legislation ahead of Brexit without parliamentary oversight. That is unprecedented and wrong and we will vote against it. We will continue to raise this egregious contempt for Parliament through any means we possibly can.

As for the Budget itself, the Prime Minister offered an end to austerity, but the promise has turned out to be as hollow as a Halloween pumpkin. The Chancellor claimed it would be a Budget for

“the strivers, the grafters and the carers”—[*Official Report*, 29 October 2018; Vol. 648, c. 653.]

but the spectre of austerity continues to haunt the country, and will do for many years to come.

Leo Docherty: Will the hon. Gentleman give way?

Peter Dowd: No, I will not.

There is nothing in the Budget for teachers, police officers and local government workers. There is not a penny for most frontline services, while local council funding is being cut by £1.3 billion next year alone. The Government have broken all their economic targets. They keep setting their own work, but they are marked an F grade every single time. Economic growth has been sluggish and is set to stay below 1.6% for the next five years. Productivity remains 15% lower than in other developed economies and the Government are doing nothing about it. Regional economic disparity is vast. Public sector investment is more than £18 billion lower than in 2010—[*Interruption.*] The hon. Member for Aldershot talked about Marxism and brutal regimes. This is a man who has been to Saudi Arabia many times. That is the sort of brutal regime that he should be worrying about. It is an absolute disgrace.

Public sector investment is more than £18 billion lower than it was in 2010. That is not talking down the economy; that is talking up the truth. If austerity is over, why then is the Chancellor pressing ahead with a further £7 billion of social security cuts? The Health Foundation says that the money for the NHS is not enough. There is, of course, no mention of the £12 billion of outstanding loans and deficits that the NHS has had to use to get by.

On social care, the £650 million announced is less than half what the King's Fund estimates is needed. Our children's services are in meltdown. The additional money announced for universal credit is only half what was cut in 2015, and the list goes on and on. There is, of course, no shortage of gimmicks in the Budget. The introduction of a digital services tax is, I am told, already sending the tech companies into a frenzy. My right hon. Friend the Member for Barking (Dame Margaret Hodge) says that it is media management.

In the labour market, one in nine workers across the country is in insecure work. Many are relying on credit cards to survive. As my hon. Friend the Member for Bradford South (Judith Cummins) reminded us earlier this week, since 2008 only one in 40 net jobs created has been full time. There was no mention of that particular fly in the ointment by the Chancellor. Eight years of austerity have ripped through our society and our communities, driving in-work poverty and inequality, and further entrenching the economic crisis caused by greed and avarice. Therefore, in that context, we will not stand in the way of more income for low and middle

earners; they deserve some respite from the Government. That is unlike the Liberal Democrats, who evidently will be voting against their own flagship tax policy set out in their manifesto.

The Opposition's amendment to resolution 1 sets out our progressive taxation policy, which we laid out in our manifesto in 2017, of increasing taxes for the top 5% to help pay for improvements in public services, which we all need and which many people across the country need. This amendment highlights our tax reforms, which would shift the emphasis on to the wealthy few, while guaranteeing no further increases of tax on anyone earning less than £80,000. Labour will challenge the Government every step of the way to introduce a more progressive taxation system despite their rigging of Parliament. This is yet another broken-promise Budget that does nothing to end the slowest recovery since the great depression.

Austerity has damaged our economy, weakened our recovery and divided our society. It has made poor people poorer, made them angry, made them fearful, and made them distrustful of the politicians on the Government Benches who they feel do not stand up for them against powerful lobbies. Austerity has made the richest richer; that cannot be right and that cannot be just. It is not in the national interest. Government Members have made a point of claiming that they are not ideological, that they are pragmatists. Let them prove their pragmatism and their open-mindedness. If they are so confident of their policies, so sure of their convictions, then quite simply let them support our amendment. What do they have to fear?

4.48 pm

The Chief Secretary to the Treasury (Elizabeth Truss):

I am delighted to be here to close the Budget debate. We have had a very good debate over the past few days. To be honest, though, I am just extremely grateful to be able to get a seat on the Front Bench, because, let us be honest, that has not been guaranteed over the past week.

Kevin Brennan (Cardiff West) (Lab) *rose*—

Elizabeth Truss: I am afraid that I only have 10 minutes. The hon. Member for Bootle (Peter Dowd) did not give way, so I am not going to be able to either.

This is a Budget that will help working families and that will grow our economy, and I am pleased to say that it has been welcomed from all quarters—from the cider drinkers of Somerset, to the whisky drinkers of Scotland and Britain's motorists, who will see better roads and a continued freeze on fuel duty, which was mentioned by my hon. Friend the Member for Saffron Walden (Mrs Badenoch).

Families have had their taxes cut and their wages hiked, and the FSB says that we are firmly on the side of Britain's small businesses. The Resolution Foundation has welcomed our changes to universal credit, and even the shadow Chancellor has welcomed our tax cuts, saying that our measure

“will put more money in people's pockets”

and inject more demand into the economy. It is just a shame that his party does not agree. I can almost hear Momentum sharpening their pitchforks. But I want him to know that all is not lost because, shadow Chancellor,

[Elizabeth Truss]

you have friends on this side of the House. You might have to sit on the Home Secretary's knee, but there is space for you on our Front Bench.

It is not an accident that we have seen an additional £100 billion coming into the public purse in this Budget. Contrary to what the right hon. Member for Twickenham (Sir Vince Cable) suggests, this is not a fluke or luck. It is because of the decisions that this Government have taken since 2010: reforming the welfare system, cutting taxes for people, and cutting corporation tax to bring more investment into our economy and get more business start-ups going. What happened on the Opposition Benches? Well, Labour Members opposed all those measures, tooth and nail. They opposed our welfare reforms that got more people into work; they opposed our corporation tax cuts that brought more tax into the public coffers; and they opposed our measures to improve skills and education that have meant that our children are doing better.

Instead of Labour Members realising the error of their ways, they have come up with even more extreme policies. They want to create a socialist superstate controlled by the politicians at the top of the Labour party. Their eye-watering spending pledges would mean £1,000 billion more in tax and borrowing, job-killing tax hikes on hard-working families, and the relentless talking down of everything that is good about our country. If we listened to Labour, there would be fewer jobs, lower wages and less money to spend on public services, so we refuse to listen to this catalogue of envy and despair.

Instead, we have delivered a positive, aspirational Budget, giving people more control over their own money. We have put £630 a year for families into universal credit. We are cutting taxes for those on the basic rate by £130 this year, making people £1,200 better off. And we are raising the higher rate threshold so that people do not start paying higher rate tax until they earn £50,000. This is not about giving tax cuts to millionaires; these are people on medium incomes who were dragged into the top rate of tax under the Labour Government.

At the same time, our strong economy means that we can fund the services on which everyone relies, which is why this Budget has included extra money for defence, schools, the health system and local authorities, and we are going to spend this money in a way that delivers results. The hon. Member for Bootle talked about children's services. Not only are we giving councils an extra £650 million to pay for adult and children's social care; we are also rolling out programmes such as "No Wrong Door" in North Yorkshire. That programme has meant fewer children in care, fewer ending up in trouble with the police and fewer ending up in accident and emergency. It is a great example of how, by spending money in the right way, we can cut long-term costs for the taxpayer and, more importantly, ensure that our children get the best possible start in life.

I also want to applaud the hon. Member for Rotherham (Sarah Champion) for what she said in this debate. I applaud her for her bravery in standing up against those gangs targeting young women in her area. I am very happy to discuss in the spending review the issue that she raised.

As well as addressing the immediate issues we face, this Budget backs entrepreneurs to take risks, make investments and grow their operations. We have slashed business rates by a third, which has been welcomed by my hon. Friends the Members for St Ives (Derek Thomas), for Aldershot (Leo Docherty) and for Solihull (Julian Knight). We have cut corporation tax to the lowest level in the G20. We have increased capital allowances from £200,000 to £1 million. What all that means is that companies want to grow, want to invest in Britain and want to take more people on. It means more jobs for people across this country. It means higher wages. We are now seeing real wages rise for the three quarters of people who are employed in the private sector. It also means that we are able to afford money for our public services. We are launching 10 new development corporations across the country, so we will not just have Canary Wharf—we will have Canary Wharf in the north and all other parts of the country. We are creating a special economic zone in Teesside, with new freedoms to grow.

But this is not just about cold, hard cash; it is about realising people's aspirations, dreams and hopes for the future. It is about being able to afford a holiday or a car, and it is about more opportunities for young people emerging from our schools and our colleges.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): This is a good Budget and I will, without any question, support it enthusiastically tonight. However, there is the issue of the starting date for the reduction to £2 for fixed odds betting terminals. This is clearly not something we can deal with this evening, but I wonder whether my right hon. Friend would give an undertaking that we will certainly return to it in time for the Finance Bill.

Elizabeth Truss: I thank my right hon. Friend for his point. We have brought the date forward for FOBTs by six months. I do not believe that it is an issue for the Finance Bill, but I am certainly happy to discuss with him what more we can do.

Whereas we are making sure that young people emerging from our schools and colleges have opportunities, and that people are able to fulfil their dreams and aspirations, Labour Members would kill those dreams.

Jess Phillips (Birmingham, Yardley) (Lab) *rose*—

Elizabeth Truss: They are driven by pessimism, by envy and by spite. The reality is that they would rather see people kept in their place than succeeding.

Jess Phillips *rose*—

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. The hon. Lady knows as well as I do that you cannot stay on your feet if the Minister is not going to give way. [Interruption.] You do know that. Oh come on now, you could not have done that six months ago.

Elizabeth Truss: I have only two minutes left, Mr Deputy Speaker, and I am afraid I cannot give way. Labour's tax hikes would cost jobs and its war on enterprise would crush the very people who make this country great.

The past eight years have been tough, but Monday's Budget marked a new era. It is about more jobs than ever before. It is about businesses succeeding. It is about

wages going up. It is about people keeping more of what they earn. It is about people feeling better off in their everyday lives. This is a Budget for a confident, optimistic British future that puts more money in people's pockets, frees enterprise to invest, and paves the way for a high-growth, high-aspiration post-Brexit Britain. I commend this Budget to the House.

Question put, That the amendment be made.

The House divided: Ayes 246, Noes 313.

Division No. 252]

[4.59 pm

AYES

Abbott, rh Ms Diane	Dromey, Jack
Abrahams, Debbie	Duffield, Rosie
Ali, Rushanara	Eagle, Ms Angela
Amesbury, Mike	Eagle, Maria
Antoniazzi, Tonia	Edwards, Jonathan
Ashworth, Jonathan	Efford, Clive
Austin, Ian	Elliott, Julie
Bailey, Mr Adrian	Ellman, Dame Louise
Barron, rh Sir Kevin	Elmore, Chris
Beckett, rh Margaret	Esterson, Bill
Benn, rh Hilary	Evans, Chris
Berger, Luciana	Farrelly, Paul
Betts, Mr Clive	Field, rh Frank
Blackman-Woods, Dr Roberta	Fitzpatrick, Jim
Blomfield, Paul	Fletcher, Colleen
Brabin, Tracy	Flint, rh Caroline
Bradshaw, rh Mr Ben	Fovargue, Yvonne
Brennan, Kevin	Frith, James
Brown, Lyn	Furniss, Gill
Brown, rh Mr Nicholas	Gaffney, Hugh
Bryant, Chris	Gapes, Mike
Buck, Ms Karen	Gardiner, Barry
Burden, Richard	George, Ruth
Burgon, Richard	Gill, Preet Kaur
Butler, Dawn	Glindon, Mary
Byrne, rh Liam	Godsiff, Mr Roger
Cadbury, Ruth	Goodman, Helen
Campbell, rh Mr Alan	Green, Kate
Campbell, Mr Ronnie	Greenwood, Lilian
Carden, Dan	Greenwood, Margaret
Champion, Sarah	Griffith, Nia
Chapman, Jenny	Grogan, John
Charalambous, Bambos	Gwynne, Andrew
Coaker, Vernon	Haigh, Louise
Cooper, Julie	Hamilton, Fabian
Cooper, Rosie	Hanson, rh David
Cooper, rh Yvette	Hardy, Emma
Corbyn, rh Jeremy	Harman, rh Ms Harriet
Coyle, Neil	Harris, Carolyn
Crausby, Sir David	Hayes, Helen
Creagh, Mary	Hayman, Sue
Creasy, Stella	Healey, rh John
Cruddas, Jon	Hendrick, Sir Mark
Cryer, John	Hepburn, Mr Stephen
Cummins, Judith	Hill, Mike
Cunningham, Alex	Hillier, Meg
Cunningham, Mr Jim	Hodge, rh Dame Margaret
Daby, Janet	Hodgson, Mrs Sharon
Dakin, Nic	Hoey, Kate
David, Wayne	Hollern, Kate
De Cordova, Marsha	Hopkins, Kelvin
De Piero, Gloria	Howarth, rh Mr George
Debbonaire, Thangam	Huq, Dr Rupa
Dent Coad, Emma	Hussain, Imran
Dhesi, Mr Tanmanjeet Singh	Jarvis, Dan
Dodds, Anneliese	Johnson, Diana
Doughty, Stephen	Jones, Darren
Dowd, Peter	Jones, Gerald
Drew, Dr David	Jones, Graham P.

Jones, Helen	Qureshi, Yasmin
Jones, rh Mr Kevan	Rashid, Faisal
Jones, Sarah	Rayner, Angela
Jones, Susan Elan	Reed, Mr Steve
Kane, Mike	Rees, Christina
Keeley, Barbara	Reeves, Ellie
Kendall, Liz	Reeves, Rachel
Khan, Afzal	Reynolds, Emma
Killen, Ged	Reynolds, Jonathan
Kinnock, Stephen	Rimmer, Ms Marie
Kyle, Peter	Rodda, Matt
Laird, Lesley	Rowley, Danielle
Lake, Ben	Ruane, Chris
Lammy, rh Mr David	Russell-Moyle, Lloyd
Lavery, Ian	Ryan, rh Joan
Lee, Karen	Saville Roberts, Liz
Lewell-Buck, Mrs Emma	Shah, Naz
Lewis, Clive	Sharma, Mr Virendra
Lewis, Mr Ivan	Sheerman, Mr Barry
Lloyd, Tony	Sherriff, Paula
Lucas, Caroline	Siddiq, Tulip
Lucas, Ian C.	Skinner, Mr Dennis
Madders, Justin	Slaughter, Andy
Mahmood, Mr Khalid	Smeeth, Ruth
Mahmood, Shabana	Smith, Eleanor
Malhotra, Seema	Smith, Laura
Mann, John	Smith, Nick
Marsden, Gordon	Smyth, Karin
Martin, Sandy	Snell, Gareth
Maskell, Rachael	Sobel, Alex
Matheson, Christian	Spellar, rh John
McCabe, Steve	Starmer, rh Keir
McCarthy, Kerry	Stevens, Jo
McDonnell, rh John	Streeting, Wes
McFadden, rh Mr Pat	Stringer, Graham
McGinn, Conor	Sweeney, Mr Paul
McGovern, Alison	Tami, Mark
McInnes, Liz	Thomas, Gareth
McKinnell, Catherine	Thomas-Symonds, Nick
McMahon, Jim	Thornberry, rh Emily
McMorrin, Anna	Timms, rh Stephen
Mearns, Ian	Trickett, Jon
Miliband, rh Edward	Turley, Anna
Moon, Mrs Madeleine	Turner, Karl
Morden, Jessica	Twigg, Stephen
Morgan, Stephen	Twist, Liz
Morris, Grahame	Umunna, Chuka
Murray, Ian	Vaz, rh Keith
Nandy, Lisa	Vaz, Valerie
Norris, Alex	Walker, Thelma
O'Mara, Jared	Watson, Tom
Onasanya, Fiona	West, Catherine
Onn, Melanie	Western, Matt
Onwurah, Chi	Whitehead, Dr Alan
Osamor, Kate	Whitfield, Martin
Owen, Albert	Williams, Hywel
Peacock, Stephanie	Williams, Dr Paul
Pearce, Teresa	Williamson, Chris
Pennycook, Matthew	Wilson, Phil
Perkins, Toby	Woodcock, John
Phillips, Jess	Yasin, Mohammad
Phillipson, Bridget	Zeichner, Daniel
Platt, Jo	
Pollard, Luke	
Pound, Stephen	
Powell, Lucy	

Tellers for the Ayes:
Vicky Foxcroft and
Jeff Smith

NOES

Adams, Nigel	Aldous, Peter
Afolami, Bim	Allan, Lucy
Afriyie, Adam	Allen, Heidi

Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinanage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Dorries, Ms Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James

Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evennett, rh Sir David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy

Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 McLoughlin, rh Sir Patrick
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Morrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew

Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh

Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig

Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Jo Churchill and
Paul Maynard

Question accordingly negated.

Main Question put and agreed to.

Resolved,

That income tax is charged for the tax year 2019-20.

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.

Mr Deputy Speaker (Sir Lindsay Hoyle): I am now required under Standing Order No. 51(3) to put successively, without further debate, the Questions on each of the Ways and Means motions numbered 2 to 80, on the motion on Finance (Money), and on the motion on which the Bill is to be brought in. These motions are set out in a separate paper distributed with today's Order Paper. I must inform the House that, for the purposes of Standing Order No. 83U, and on the basis of material put before him, the Speaker has certified that in his opinion the following motion relates exclusively to England, Wales and Northern Ireland and is within devolved legislative competence: motion 3, on Income Tax (main rates). Should the House divide on this motion it will be subject to double majority voting.

The Deputy Speaker put forthwith the Questions necessary to dispose of the motions made in the name of the Chancellor of the Exchequer (Standing Order No. 51(3)).

2. CORPORATION TAX (CHARGE FOR FINANCIAL YEAR 2020)

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made charging corporation tax for the financial year 2020.

3. INCOME TAX (MAIN RATES)

Resolved,

That for the tax year 2019-20 the main rates of income tax are as follows—

- (a) the basic rate is 20%;
- (b) the higher rate is 40%;
- (c) the additional rate is 45%.

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.

4. INCOME TAX (DEFAULT AND SAVINGS RATES)

Resolved,

That—

(1) For the tax year 2019-20 the default rates of income tax are as follows—

- (a) the default basic rate is 20%;

(b) the default higher rate is 40%;

(c) the default additional rate is 45%.

(2) For the tax year 2019-20 the savings rates of income tax are as follows—

(a) the savings basic rate is 20%;

(b) the savings higher rate is 40%;

(c) the savings additional rate is 45%.

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. BASIC RATE LIMIT AND PERSONAL ALLOWANCE FOR TAX YEAR 2019-20

Question put,

That—

(1) For the tax year 2019-20, the amount specified in section 10(5) of the Income Tax Act 2007 (basic rate limit) is “£37,500”.

(2) For the tax year 2019-20, the amount specified in section 35(1) of the Income Tax Act 2007 (personal allowance) is “£12,500”.

(3) Accordingly, for the tax year 2019-20—

(a) section 21 of the Income Tax Act 2007 (indexation of basic rate limit and starting rate limit for savings) does not apply in relation to the basic rate limit, and

(b) section 57 of the Income Tax Act 2007 (indexation of allowances) does not apply in relation to the amount specified in section 35(1) of that Act.

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.

The House divided: Ayes 314, Noes 31.

Division No. 253]

[5.15 pm

AYES

Adams, Nigel
 Afolami, Bim
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Badenoch, Mrs Kemi
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard
 Beresford, Sir Paul
 Berry, Jake
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Karen
 Brady, Sir Graham
 Braverman, Suella
 Brereton, Jack
 Bridgen, Andrew
 Brine, Steve

Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burghart, Alex
 Burns, Conor
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Clark, Colin
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Clarke, Mr Simon
 Cleverly, James
 Clifton-Brown, Sir Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Cox, rh Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip

Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Dodds, rh Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Dorries, Ms Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Duddridge, James
 Duguid, David
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellwood, rh Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evennett, rh Sir David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Field, rh Mark
 Ford, Vicky
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fysh, Mr Marcus
 Gale, Sir Roger
 Garnier, Mark
 Gauke, rh Mr David
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gillan, rh Dame Cheryl
 Girvan, Paul
 Glen, John
 Goldsmith, Zac
 Goodwill, rh Mr Robert
 Gove, rh Michael
 Graham, Luke
 Graham, Richard
 Grant, Bill
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Harris, Chris

Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 McLoughlin, rh Sir Patrick
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky

Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry

Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike
 Woodcock, John
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:

**Paul Maynard and
 Jo Churchill**

NOES

Buck, Ms Karen
 Cable, rh Sir Vince
 Carmichael, rh Mr Alistair
 Cooper, rh Yvette
 Coyle, Neil
 Creasy, Stella
 Davey, rh Sir Edward
 Farron, Tim
 Field, rh Frank
 Gapes, Mike
 Godsiff, Mr Roger
 Green, Kate
 Hobhouse, Wera
 Hodge, rh Dame Margaret

Jardine, Christine
 Jones, Helen
 Kendall, Liz
 Lamb, rh Norman
 Lammy, rh Mr David
 Lloyd, Stephen
 Lucas, Caroline
 McFadden, rh Mr Pat
 McGovern, Alison
 Murray, Ian
 Nandy, Lisa
 Phillips, Jess
 Powell, Lucy
 Reynolds, Emma

Snell, Gareth
Stone, Jamie
Whitfield, Martin

Tellers for the Noes:
Tom Brake and
Layla Moran

Question accordingly agreed to.

6. BASIC RATE LIMIT AND PERSONAL ALLOWANCE (FUTURE TAX YEARS)

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to matters that may be included in Finance Bills) provision may be made—

(a) for the amount specified in section 10(5) of the Income Tax Act 2007 (basic rate limit) to be “£37,500” for the tax year 2020-21,

(b) for the amount specified in section 35(1) of that Act (personal allowance) to be “£12,500” for that tax year, and

(c) repealing sections 57(8) and 57A of that Act (which relate to the link between the personal allowance and the national minimum wage),

(and, accordingly, provision may be made for section 21 of that Act not to apply in relation to the basic rate limit for that tax year and for section 57 of that Act not to apply in relation to the amount specified in section 35(1) of that Act for that tax year).

7. INCOME TAX (STARTING RATE LIMIT FOR SAVINGS)

Resolved,

That section 21 of the Income Tax Act 2007 (indexation) does not apply in relation to the starting rate limit for savings for the tax year 2019-20 (so that the starting rate limit for savings remains at £5000 for that tax year).

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.

8. CARS AND VANS (SALARY SACRIFICE CASES)

Resolved,

That provision may be made about the amounts to be treated as earnings under sections 120A and 154A of the Income Tax (Earnings and Pensions) Act 2003.

9. EMPLOYEE VEHICLE CHARGING POINTS

Resolved,

That provision (including provision having retrospective effect) may be made for an exemption from income tax in respect of benefits consisting of the provision of facilities for employees for charging a vehicle battery at or near their workplaces.

10. INCOME TAX EXEMPTIONS RELATING TO PRIVATE USE OF AN EMERGENCY VEHICLE

Resolved,

That provision (including provision having retrospective effect) may be made about income tax exemptions available where an emergency vehicle is made available for an employee's private use.

11. EXPENSES IN THE COURSE OF TRAVEL

Resolved,

That provision may be made for an exemption from income tax in the case of amounts calculated in accordance with regulations that are paid or reimbursed for expenses in the course of travel.

12. BENEFICIARIES OF EMPLOYER-PROVIDED PENSION BENEFITS

Resolved,

That provision may be made extending the exemption from income tax under section 307 of the Income Tax (Earnings and Pensions) Act 2003 so that, so far as the exemption relates to benefits paid or given in respect of an employee, it applies to benefits paid or given to any other individual or to a charity.

13. TAX TREATMENT OF SOCIAL SECURITY INCOME

Resolved,

That provision may be made amending sections 658, 660, 661 and 677 of the Income Tax (Earnings and Pensions) Act 2003.

14. DISPOSALS OF LAND IN THE UNITED KINGDOM BY NON-UK RESIDENTS ETC

Resolved,

That provision may be made for the purposes of the taxation of chargeable gains—

(a) about disposals by persons not resident in the United Kingdom of interests in land in the United Kingdom or of other assets deriving at least 75% of their value from such interests,

(b) about collective investment vehicles that hold such interests or other assets,

(c) abolishing the specific charge to tax on ATED-related chargeable gains (which relates to certain disposals of interests in land in the United Kingdom), and

(d) in connection with the provision mentioned in paragraphs (a) to (c), rewriting Part 1 of (or any other provision of) the Taxation of Chargeable Gains Act 1992 without changing its substantive effect.

15. RESIDENTIAL PROPERTY GAINS ON DISPOSALS OF LAND IN THE UNITED KINGDOM

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to matters that may be included in Finance Bills) provision taking effect in a future year may be made for the purposes of capital gains tax requiring returns, and payments on account of capital gains tax, to be made in the case of disposals of interests in land in the United Kingdom on which residential property gains accrue.

16. OFFSHORE RECEIPTS IN RESPECT OF INTANGIBLE PROPERTY

Resolved,

That provision may be made imposing a charge to income tax on a person who—

(a) is not resident in the United Kingdom or a full treaty territory, and

(b) receives or is entitled to amounts in respect of the enjoyment or exercise of rights that constitute any intangible property, where the enjoyment or exercise enables, facilitates or promotes sales in the United Kingdom.

17. AVOIDANCE INVOLVING PROFIT FRAGMENTATION ARRANGEMENTS

Resolved,

That provision for the purposes of income tax and corporation tax may be made for countering the tax effects of arrangements under which value deriving from the profits of a business is transferred to an overseas person or entity.

18. NON-UK RESIDENT COMPANIES CARRYING ON UK PROPERTY BUSINESSES ETC

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made for non-UK resident companies to be chargeable to corporation tax on—

- (a) profits of UK property businesses,
- (b) profits consisting of other income relating to land in the United Kingdom, and
- (c) profits arising from certain loan relationships and derivative contracts.

19. DIVERTED PROFITS TAX (LENGTH OF REVIEW PERIOD)

Resolved,

That—

(1) In section 101 of the Finance Act 2015 (diverted profits tax: HMRC review of charging notice)—

(a) in subsection (2) (meaning of “review period”) for “12 months” substitute “15 months”, and

(b) in subsection (13) (events that bring the review period to an end early) for “12 months” substitute “15 months”.

(2) The amendments made by this Resolution do not have effect in relation to a review period that, but for the amendments, expired before 29 October 2018.

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.

20. DIVERTED PROFITS TAX

Resolved,

That provision (including provision having retrospective effect) may be made about diverted profits tax.

21. HYBRID AND OTHER MISMATCHES

Resolved,

That the following provision may be made—

- (a) provision amending Chapter 8 of Part 6A of the Taxation (International and Other Provisions) Act 2010, and
- (b) provision amending section 259N of that Act.

22. CONTROLLED FOREIGN COMPANIES

Resolved,

That the following provision relating to controlled foreign companies may be made—

- (a) provision restricting the exemption under Chapter 9 of Part 9A of the Taxation (International and Other Provisions) Act 2010 for profits from qualifying loan relationships;
- (b) provision amending Chapter 18 of that Part so as to treat non-UK resident companies as controlled foreign companies.

23. PERMANENT ESTABLISHMENTS

Resolved,

That provision may be made restricting the application of section 1143 of the Corporation Tax Act 2010.

24. CAPITAL GAINS TAX (PAYMENT OF EXIT CHARGES)

Resolved,

That provision may be made for the payment in instalments of capital gains tax to which liability arises by virtue of section 25 or 80 of the Taxation of Chargeable Gains Act 1992.

25. CORPORATION TAX EXIT CHARGES

Resolved,

That provision may be made—

- (a) about exit charge payment plans,
- (b) repealing section 187 of the Taxation of Chargeable Gains Act 1992,
- (c) repealing sections 860 to 862 of the Corporation Tax Act 2009, and
- (d) about assets that have been the subject of a charge to tax under the law of a member State in accordance with Article 5(1) of Directive (EU) 2016/1164 of the European Parliament and of the Council of 12 July 2016.

26. GROUP RELIEF ETC (MEANING OF “UK RELATED” COMPANY)

Resolved,

That provision (including provision having retrospective effect) may be made amending sections 134 and 188CJ of the Corporation Tax Act 2010.

27. INTANGIBLE FIXED ASSETS

Resolved,

That provision may be made amending Part 8 of the Corporation Tax Act 2009.

28. CORPORATION TAX RELIEF FOR CARRIED- FORWARD LOSSES

Resolved,

That provision (including provision having retrospective effect) may be made about corporation tax relief for losses and other amounts that are carried forward.

29. CORPORATE INTEREST RESTRICTION

Resolved,

That provision (including provision having retrospective effect) may be made amending Part 10 of the Taxation (International and Other Provisions) Act 2010.

30. DEBTOR RELATIONSHIPS WHERE MONEY LENT TO CONNECTED COMPANIES

Resolved,

That provision may be made for preventing a mismatch for corporation tax purposes in any case where—

- (a) a company has a debtor relationship which is dealt with in its accounts on the basis of fair value accounting, and
- (b) the money it receives under that relationship is wholly or mainly used to lend money to companies that are connected with it.

31. CAPITAL ALLOWANCES (BUILDINGS AND STRUCTURES)

Resolved,

That provision may be made conferring power on the Treasury by regulations to amend the Capital Allowances Act 2001 so as to provide for allowances under that Act to be available in prescribed cases where—

(a) expenditure has been incurred on the construction, renovation or conversion of a building or structure that is used for business purposes, or

(b) capital expenditure has been incurred on repairs to such a building or structure.

32. CAPITAL ALLOWANCES (SPECIAL RATE EXPENDITURE ON PLANT AND MACHINERY)

Resolved,

That provision may be made about the rate applicable in determining the amount of the writing-down allowance to which a person is entitled in respect of special rate expenditure on plant and machinery.

33. CAPITAL ALLOWANCES (ANNUAL INVESTMENT ALLOWANCE)

Resolved,

That provision may be made increasing the maximum amount of annual investment allowance under section 51A of the Capital Allowances Act 2001 to £1,000,000 for expenditure incurred during the period of two years beginning with 1 January 2019.

34. CAPITAL ALLOWANCES (FIRST-YEAR ALLOWANCES AND FIRST-YEAR TAX CREDITS)

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made for the abolition of first-year allowances and first-year tax credits for expenditure on energy-saving plant or machinery or environmentally beneficial plant or machinery.

35. CAPITAL ALLOWANCES (EXPENDITURE ON ELECTRIC VEHICLE CHARGE POINTS)

Resolved,

That provision may be made amending section 45EA(3) of the Capital Allowances Act 2001.

36. CAPITAL ALLOWANCES (MEANING OF “PLANT”)

Resolved,

That provision (including provision having retrospective effect) may be made about the meaning of “plant” in list C in section 23(4) of the Capital Allowances Act 2001.

37. LEASES (CHANGES TO ACCOUNTING STANDARDS ETC)

Resolved,

That the following provision relating to leases may be made—

- (a) provision for the purposes of income tax and corporation tax in connection with changes to accounting standards relating to leases,
- (b) provision about the definition of “short lease” for the purposes of Part 2 of the Capital Allowances Act 2001,
- (c) provision about the interest rate implicit in a lease for the purposes of section 70O of the Capital Allowances Act 2001, and
- (d) provision repealing section 53 of the Finance Act 2011.

38. OIL ACTIVITIES (TRANSFERABLE TAX HISTORY)

Resolved,

That provision may be made for a company which sells an interest in an oil licence and a company which buys that interest to make a joint election for an amount of the seller's profits to be treated as if it were an amount of the purchaser's profits.

39. PETROLEUM REVENUE TAX

Resolved,

That provision may be made about the treatment of decommissioning expenditure, following the transfer of an interest in an oil field, for the purposes of the Oil Taxation Act 1975.

40. CAPITAL GAINS TAX (ENTREPRENEURS' RELIEF)

Resolved,

That the following provision relating to entrepreneurs' relief may be made—

- (a) provision about the periods throughout which conditions for relief under Chapter 3 of Part 5 of the Taxation of Chargeable Gains Act 1992 must be met,
- b) provision imposing additional requirements for the purposes of that Chapter in connection with the beneficial ownership of companies, and
- (c) provision amending that Part in relation to the availability of relief where a company has ceased to be an individual's personal company.

41. GIFT AID ETC (RESTRICTIONS ON ASSOCIATED BENEFITS)

Resolved,

That provision may be made about the restrictions on associated benefits that apply in determining the availability of gift aid relief or charitable donations relief.

42. CHARITIES (SMALL TRADES EXEMPTION LIMITS)

Resolved,

That provision may be made amending the requisite limit in section 528(6) of the Income Tax Act 2007 and section 482(6) of the Corporation Tax Act 2010.

43. STAMP DUTY LAND TAX (RELIEF FOR FIRST-TIME BUYERS IN CASES OF SHARED OWNERSHIP)

Resolved,

That—

- (1) Schedule 9 to the Finance Act 2003 (stamp duty land tax: shared ownership leases etc) is amended as follows.
- (2) In paragraph 4 (shared ownership lease: election where staircasing allowed), after sub-paragraph (4) insert—

“(4A) See paragraph 15 for further provision in connection with relief for first-time buyers.”
- (3) After paragraph 14 insert—

“*Relief for first-time buyers: shared ownership lease where election made*

15 Where—

 - (a) paragraph 4 applies, and
 - (b) relief is claimed under paragraph 1 of Schedule 6ZA in respect of the grant of the lease concerned,

no tax is chargeable in respect of so much of the chargeable consideration for the grant as consists of rent.”
- (4) After paragraph 15 (as inserted by paragraph (3)) insert—

“*Relief for first-time buyers: shared ownership lease where no election made*

15A (1) This paragraph applies where—

 - (a) a shared ownership lease is granted, and
 - (b) no election is made for tax to be charged in accordance with paragraph 2 or 4.

(2) For the purpose of determining whether the second condition in paragraph 1 of Schedule 6ZA is met in respect of the grant, the chargeable consideration for

the grant is to be treated as being the amount stated in the lease in accordance with paragraph 2 (2)(e) or paragraph 4(2)(e)(i) or (ii).

- (3) If relief is claimed in respect of the grant under paragraph 1 of Schedule 6ZA no tax is chargeable in respect of so much of the chargeable consideration for the grant as consists of rent.
- (4) In this paragraph “shared ownership lease” has the same meaning as in paragraph 4A.

Relief for first-time buyers: shared ownership trust where no election made

15B (1) This paragraph applies where—

- (a) a shared ownership trust is declared, and
- (b) no election is made for tax to be charged in accordance with paragraph 9.

- (2) For the purpose of determining whether the second condition in paragraph 1 of Schedule 6ZA is met in respect of the declaration, the chargeable consideration for the declaration is to be treated as being the sum specified in the trust in accordance with paragraph 7(4)(f).
- (3) If relief is claimed in respect of the declaration under paragraph 1 of Schedule 6ZA no tax is chargeable in respect of any rent-equivalent payment treated by reason of paragraph 11 (b) as rent.”

(5) For the italic cross-heading before paragraph 16 substitute “No relief for first-time buyers for staircasing transactions etc”.

(6) In paragraph 16 (cases where first-time buyer’s relief is not available)—

(a) in sub-paragraph (1), omit paragraphs (a), (b) and (d) (but not “or” at the end of paragraph (d)), and

(b) in sub-paragraph (2), omit paragraphs (a) and (c) (but not “or” at the end of paragraph (c)).

(7) The amendments made by this Resolution have effect in relation to—

- (a) any land transaction of which the effective date is on or after 29 October 2018, and
- (b) any land transaction of which the effective date is before 29 October 2018 and in respect of which a land transaction return has not been given by that date.

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.

44. STAMP DUTY LAND TAX (REPAYMENT TO FIRST-TIME BUYERS IN CASES OF SHARED OWNERSHIP)

Resolved,

That—

(1) Until 29 October 2019, a claim for the repayment of tax may be made in respect of a land transaction within paragraph (2) or (3).

(2) A transaction is within this paragraph if the amount of tax chargeable in respect of the transaction would have been less had the amendment made by paragraph (3) of the preceding Resolution been in force from the effective date of the transaction.

(3) A transaction is within this paragraph if first-time buyer’s relief—

(a) could not have been claimed for the transaction, but

(b) could have been claimed had the amendments made by paragraphs (4), (5) and (6) of the preceding Resolution been in force from the effective date of the transaction.

(4) Where a claim is made under this Resolution, HMRC must repay—

(a) in a case where the transaction is within paragraph (2), so much of the tax paid as exceeds the amount that would have been chargeable had the amendment made by paragraph (3) of the preceding Resolution been in force from the effective date of the transaction, and

(b) in a case where the transaction is within paragraph (3), so much of the tax paid as exceeds the amount that would have been chargeable had the amendments made by paragraphs (4), (5) and (6) of the preceding Resolution been in force from the effective date of the transaction and had a claim for first-time buyer’s relief been made.

(5) A claim under this Resolution must be made by amendment of the land transaction return.

(6) Sub-paragraphs (2A) and (3) of paragraph 6 of Schedule 10 to the Finance Act 2003 do not apply in the case of an amendment of a land transaction return made for the purpose of making a claim under this Resolution.

(7) In this Resolution—

(a) the expressions used have the same meaning as in Part 4 of the Finance Act 2003;

(b) “first-time buyer’s relief” means relief under Schedule 6ZA to the Finance Act 2003

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.

45. STAMP DUTY LAND TAX (HIGHER RATES OF TAX FOR ADDITIONAL DWELLING ETC)

Resolved,

That—

(1) Schedule 4ZA to the Finance Act 2003 (stamp duty land tax: higher rates for additional dwellings and dwellings purchased by companies) is amended as follows.

(2) In paragraph 2 (meaning of “higher rates transaction” etc) after sub-paragraph (4) insert—

“(5) References in this Schedule to a major interest in a dwelling include an undivided share in a major interest in a dwelling.”

(3) The amendment made by paragraph (2) has effect in relation to any land transaction of which the effective date is on or after 29 October 2018.

(4) In paragraph 8(3) (period during which land transaction return may be amended to take account of subsequent disposal of main residence) for the words from “whichever” to the end substitute “the period of 12 months beginning with—

(a) the effective date of the subsequent transaction, or

(b) if later, the filing date for the return.”

(5) The amendment made by paragraph (4) has effect in a case where the effective date of the subsequent transaction is on or after 29 October 2018.

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.

46. STAMP DUTY LAND TAX (EXEMPTIONS FOR FINANCIAL INSTITUTIONS IN RESOLUTION)

Resolved,

That provision may be made for land transactions to be exempt from the charge to stamp duty land tax if they are effected by or under certain instruments made under the Banking Act 2009.

47. STAMP DUTY LAND TAX (CHANGES TO PERIODS FOR DELIVERING RETURNS AND PAYING TAX)

Resolved,

That—

(1) The Finance Act 2003 is amended as follows.

(2) In section 76(1) (duty to deliver land transaction return), for “30 days” substitute “14 days”.

(3) For section 80(2) (adjustment where contingency ceases or consideration is ascertained) substitute—

“(2) If the effect of the new information is that a transaction becomes notifiable, the purchaser must make a return to the Inland Revenue within 14 days.

(2A) If the effect of the new information is that—

(a) tax is payable in respect of a transaction where none was payable before and subsection (2) does not apply, or

b) additional tax is payable in respect of a transaction, the purchaser must make a further return to the Inland Revenue within 30 days.

(2B) For the purposes of subsection (2) and (2A), any tax or additional tax payable is calculated according to the effective date of the transaction.

(2C) If a purchaser is required to make a return under subsection (2) or a further return under subsection (2A)—

(a) that return must contain a self-assessment of the tax chargeable in respect of the transaction on the basis of the information contained in the return, and

(b) the tax or additional tax payable must be paid not later than the filing date for that return.”

(4) In section 81 (further return where relief withdrawn)—

(a) in subsection (1B)—

(i) after paragraph (c) insert—

“(ca) in the case of relief under paragraph 5CA of that Schedule (acquisition under a regulated home reversion plan), the first day in the period mentioned in paragraph 5IA(2) of that Schedule on which the purchaser holds the higher threshold interest otherwise than for the purposes of the regulated home reversion plan, unless paragraph 5IA(3)(a) and (b) applies;”, and

(ii) after paragraph (d) insert—

“(da) in the case of relief under paragraph 5EA of that Schedule (acquisition by management company of flat for occupation by caretaker), the first day in the period mentioned in paragraph 5JA(2) of that Schedule on which the purchaser holds the higher threshold interest otherwise than for the purpose of making the flat available for use as caretaker accommodation;”, and

(b) in subsection (2A), after “subsection (1)” insert “or (1A)”.

(5) For section 81A(1) (return or further in consequences of later linked transaction) substitute—

“(1) Where the effect of a transaction (“the later transaction”) that is linked to an earlier transaction is that the earlier transaction becomes notifiable, the purchaser under the earlier transaction must deliver a return in respect of that transaction before the end of the period of 14 days after the effective date of the later transaction.

(1A) Where the effect of a transaction (“the later transaction”) that is linked to an earlier transaction is that—

(a) tax is payable in respect of the earlier transaction where none was payable before and subsection (1) does not apply, or

b) additional tax is payable in respect of the earlier transaction, the purchaser under the earlier transaction must deliver a further return in respect of that transaction before the end of the period of 30 days after the effective date of the later transaction.

(1B) For the purpose of subsections (1) and (1A), any tax or additional tax payable is calculated according to the effective date of the earlier transaction.

(1C) Where a purchaser is required to deliver a return under subsection (1) or a further return under subsection (1A)—

(a) that return must include a self-assessment of the amount of tax chargeable as a result of the later transaction, and

(b) the tax or additional tax payable must be paid not later than the filing date for that return.”

(6) In section 86(2) (payment of tax), before paragraph (a) insert—

“(za) any of paragraphs 5G to 5K of Schedule 4A (higher rate for certain transactions);”.

(7) In section 87 (interest on unpaid tax)—

(a) after subsection (1) insert—

“(1A) But where the relevant date is determined by subsection (3) (aa), (aaa), (ab) or (c) and a return is required to be delivered before the end of the period of 14 days after that relevant date, interest is instead payable on the amount of any unpaid tax from the end of that period until the tax is paid.”.

(b) in subsection (2), after “subsection (1)” insert “or (1A)”, and

(c) in subsection (3), before paragraph (a) insert—

“(za) in the case of an amount payable because relief is withdrawn under any of paragraphs 5G to 5K of Schedule 4A (higher rate for certain transactions), the date which is the relevant date for the purposes of section 81(1A);”

(8) In Schedule 17A (further provisions relating to leases)—

(a) for paragraph 3(3) substitute—

“(3) Where the effect of sub-paragraph (2) in relation to the continuation of the lease for a period (or further period) of one year after the end of a fixed term is that a transaction becomes notifiable, the purchaser must deliver a return in respect of that transaction before the end of the period of 14 days after the end of that one year period.

(3ZA) Where the effect of sub-paragraph (2) in relation to the continuation of the lease for a period (or further period) of one year after the end of a fixed term is that—

(a) tax is payable in respect of a transaction where none was payable before and sub-paragraph (3) does not apply, or

(b) additional tax is payable in respect of a transaction, the purchaser must deliver a further return in respect of that transaction before the end of the period of 30 days after the end of that one year period.

(3ZB) For the purposes of sub-paragraphs (3) and (3ZA), any tax or additional tax payable is calculated according to the effective date of the transaction.

(3ZC) Where a purchaser is required to deliver a return under sub-paragraph (3) or a further return under sub-paragraph (3ZA)—

(a) that return must include a self-assessment of the amount of tax chargeable in respect of the transaction on the basis of the information contained in the return, and

(b) the tax or additional tax payable must be paid not later than the filing date for that return.”.

(b) for paragraph 4(3) substitute—

“(3) Where the effect of sub-paragraph (1) in relation to the continuation of the lease after the end of a deemed fixed term is that a transaction becomes notifiable, the purchaser must deliver a return in respect of that transaction before the end of the period of 14 days after the end of that term.

(3A) Where the effect of sub-paragraph (1) in relation to the continuation of the lease after the end of a deemed fixed term is that—

(a) tax is payable in respect of a transaction where none was payable before and sub-paragraph (3) does not apply, or

(b) additional tax is payable in respect of a transaction, the purchaser must deliver a further return in respect of that transaction before the end of the period of 30 days after the end of that term.

(3B) For the purposes of sub-paragraphs (3) and (3A), any tax or additional tax payable is calculated according to the effective date of the transaction.

(3C) Where a purchaser is required to deliver a return under sub-paragraph (3) or a further return under sub-paragraph (3A)—

- (a) that return must include a self-assessment of the amount of tax chargeable in respect of the transaction on the basis of the information contained in the return, and
- (b) the tax or additional tax payable must be paid not later than the filing date for that return.”, and
- (c) for paragraph 8(3) substitute—

“(3) If the result as regards the rent paid or payable in respect of the first five years of the term of the lease is that a transaction becomes notifiable/the purchaser must make a return to the Inland Revenue within 14 days of the date referred to in sub-paragraph (1)(a) or (b).

(3A) If the result as regards the rent paid or payable in respect of the first five years of the term of the lease is that—

- (a) tax is payable in respect of a transaction where none was payable before and sub-paragraph (3) does not apply, or
- (b) additional tax is payable in respect of a transaction, the purchaser must make a further return to the Inland Revenue within 30 days of the date referred to in sub-paragraph (1)(a) or (b).

(3B) If a purchaser is required to make a return under sub-paragraph (3) or a further return under sub-paragraph (3A)—

- (a) that return must contain a self-assessment of the tax chargeable in respect of the transaction on the basis of the information contained in the return,
- (b) the tax so chargeable is to be calculated by reference to the rates in force at the effective date of the transaction, and
- (c) the tax or additional tax payable must be paid not later than the filing date for that return.”

(9) In Schedule 61 to the Finance Act 2009 (alternative finance investment bonds)—

- (a) in paragraph 7(5) (interest due on first transaction where relief is withdrawn) for “30 days” substitute “14 days”, and
- (b) in paragraph 20(3)(a) (no relief where bond-holder acquires control of underlying asset) for “30 days” substitute “14 days”.

(10) The amendments made by this Resolution are to be treated as having effect in relation to—

- (a) any land transaction with an effective date on or after 1 March 2019, and
- (b) any land transaction with an effective date before 1 March 2019 which becomes notifiable on or after 1 March 2019.

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.

48. STAMP DUTY (LISTED SECURITIES AND CONNECTED PERSONS)

Resolved,

That the following provisions shall have effect for the period beginning with 29 October 2018 and ending 31 days after the earliest of the dates mentioned in section 50(2) of the Finance Act 1973—

(1) This Resolution applies if—

- (a) an instrument transfers listed securities to a company or a company's nominee (whether or not for consideration), and

(b) the person transferring the securities is connected with the company or is the nominee of a person connected with the company.

(2) “Listed securities” are stock or marketable securities which are regularly traded on—

- (a) a regulated market,
- (b) a multilateral trading facility, or
- (c) a recognised foreign exchange,

and expressions used in sub-paragraphs (a) to (c) have the same meaning as in section 80B of the Finance Act 1986 (intermediaries: supplementary).

(3) For the purposes of the enactments relating to stamp duty—

- (a) in a case where listed securities are transferred for consideration which consists of money or any stock or security, or to which section 57 of the Stamp Act 1891 applies, the amount or value of the consideration is to be treated as being equal to—

- (i) the amount or value of the consideration for the transfer, or
- (ii) if higher, the value of the listed securities;

- (b) in any other case, the transfer of listed securities effected by the instrument is to be treated as being for an amount of consideration in money equal to the value of the listed securities.

(4) For the purposes of paragraph (3)—

- (a) “the enactments relating to stamp duty” means the Stamp Act 1891 and any enactment amending that Act or that is to be construed as one with that Act, and

- (b) the value of listed securities is to be taken to be the price which they might reasonably be expected to fetch on a sale in the open market at the date the instrument is executed.

(5) Section 1122 of the Corporation Tax Act 2010 (connected persons) has effect for the purposes of this Resolution.

(6) The Treasury may by regulations made by statutory instrument provide for this Resolution not to apply in relation to particular cases.

(7) Regulations under paragraph (6) may have effect in relation to instruments executed before the regulations come into force.

(8) A statutory instrument containing regulations under paragraph (6) is subject to annulment in pursuance of a resolution of the House of Commons.

(9) This Resolution is to be construed as one with the Stamp Act 1891.

(10) This Resolution has effect in relation to instruments executed on or after 29 October 2018.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of section 50 of the Finance Act 1973.

49. STAMP DUTY RESERVE TAX (LISTED SECURITIES AND CONNECTED PERSONS)

Resolved,

That—

(1) This Resolution applies if a person is connected with a company and—

- (a) the person or the person's nominee agrees to transfer listed securities to the company or the company's nominee (whether or not for consideration), or
- (b) the person or the person's nominee transfers such securities to the company or the company's nominee for consideration in money or money's worth.

(2) “Listed securities” are chargeable securities which are regularly traded on—

- (a) a regulated market,
- (b) a multilateral trading facility, or
- (c) a recognised foreign exchange,

and expressions used in sub-paragraphs (a) to (c) have the same meaning as in section 88B of the Finance Act 1986 (intermediaries: supplementary).

(3) For the purposes of stamp duty reserve tax chargeable under section 87 of the Finance Act 1986 (the principal charge)—

(a) in a case where the agreement is one to transfer listed securities for consideration in money or money's worth, the amount or value of the consideration is to be treated as being equal to—

(i) the amount or value of the consideration for the transfer, or

(ii) if higher, the value of the listed securities at the time the agreement is made;

(b) in any other case, the agreement to transfer listed securities is to be treated as being one for an amount of consideration in money equal to the value of the listed securities at the time the agreement is made.

(4) Paragraph (5) has effect for the purposes of stamp duty reserve tax chargeable under section 93 (depository receipts) or 96 (clearance services) of the Finance Act 1986.

(5) If the amount or value of the consideration for any transfer of listed securities is less than the value of those securities at the time they are transferred, the transfer is to be treated as being for an amount of consideration in money equal to that value.

(6) For the purposes of this Resolution, the value of listed securities at any time is the price which they might reasonably be expected to fetch on a sale in the open market at that time.

(7) Section 1122 of the Corporation Tax Act 2010 (connected persons) has effect for the purposes of this Resolution.

(8) The Treasury may by regulations made by statutory instrument provide for this Resolution not to apply in relation to particular cases.

(9) Regulations under paragraph (8) may have effect in relation to transactions entered into before the regulations come into force.

(10) A statutory instrument containing regulations under paragraph (8) is subject to annulment in pursuance of a resolution of the House of Commons.

(11) This Resolution is to be construed as one with Part 4 of the Finance Act 1986.

(12) This Resolution has effect—

(a) in relation to the charge to tax under section 87 of the Finance Act 1986 where—

(i) the agreement to transfer securities is conditional and the condition is satisfied on or after 29 October 2018, or

(ii) in any other case, the agreement is made on or after that date;

(b) in relation to the charge to tax under section 93 or 96 of that Act, where the transfer is on or after 29 October 2018 (whenever the arrangement was made).

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.

50. STAMP DUTY (EXEMPTIONS FOR FINANCIAL INSTITUTIONS IN RESOLUTION)

Resolved,

That provision may be made for stamp duty not to be chargeable on transfers of stock or marketable securities by or under certain instruments made under the Banking Act 2009.

51. STAMP DUTY AND STAMP DUTY RESERVE TAX (EXEMPTIONS FOR SHARE INCENTIVE PLANS)

Resolved,

That provision (including provision having retrospective effect) may be made amending section 95 of the Finance Act 2001 so as to refer to a Schedule 2 SIP under Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003.

52. VALUE ADDED TAX (ACCOUNTING FOR TAX ON CERTAIN SUPPLIES)

Resolved,

That provision may be made in relation to the application of section 55A(3) of the Value Added Tax Act 1994.

53. VALUE ADDED TAX (TREATMENT OF VOUCHERS)

Resolved,

That—

(1) The Value Added Tax Act 1994 is amended as follows.

(2) In section 51B—

(a) in the heading, at the end insert “issued before 1 January 2019”;

(b) the existing text becomes subsection (1);

(c) after that subsection insert—

“(2) Schedule 10A does not have effect with respect to a face value voucher (within the meaning of that Schedule) issued on or after 1 January 2019.”

(3) After section 51B insert—

“51C Vouchers issued on or after 1 January 2019

(1) Schedule 10B makes provision about the VAT treatment of vouchers.

(2) Schedule 10B has effect with respect to a voucher (within the meaning of that Schedule) issued on or after 1 January 2019.

51D Postage stamps issued on or after 1 January 2019.

(1) The issue of a postage stamp, and any subsequent transfer of it, is a supply of services for the purposes of this Act.

(2) The consideration for the issue or subsequent transfer of a postage stamp is to be disregarded for the purposes of this Act, except to the extent (if any) that it exceeds the face value of the stamp.

(3) The “face value” of the stamp is the amount stated on or recorded in the stamp or the terms and conditions governing its use.

(4) This section has effect with respect to postage stamps issued on or after 1 January 2019.”

(4) In the heading to Schedule 10A, at the end insert “issued before 1 January 2019”.

(5) After Schedule 10A insert—

“SCHEDULE 10B

Section 51C

VAT TREATMENT OF VOUCHERS ISSUED ON OR AFTER 1 JANUARY 2019

Meaning of “voucher”

1 (1) In this Schedule “voucher” means an instrument (in physical or electronic form) in relation to which the following conditions are met.

(2) The first condition is that one or more persons are under an obligation to accept the instrument as consideration for the provision of goods or services.

(3) The second condition is that either or both of—

(a) the goods and services for the provision of which the instrument may be accepted as consideration, and

(b) the persons who are under the obligation to accept the instrument as consideration for the provision of goods or services, are limited and are stated on or recorded in the instrument or the terms and conditions governing the use of the instrument.

(4) The third condition is that the instrument is transferable by gift (whether or not it is transferable for consideration).

(5) The following are not vouchers—

(a) an instrument entitling a person to a reduction in the consideration for the provision of goods or services;

(b) an instrument functioning as a ticket, for example for travel or for admission to a venue or event;

(c) postage stamps.

Meaning of related expressions

2 (1) This paragraph gives the meaning of other expressions used in this Schedule.

(2) “Relevant goods or services”, in relation to a voucher, are any goods or services for the provision of which the voucher may be accepted as consideration.

(3) References in this Schedule to the transfer of a voucher do not include the voucher being offered and accepted as consideration for the provision of relevant goods or services.

(4) References in this Schedule to a voucher being offered or accepted as consideration for the provision of relevant goods or services include references to the voucher being offered or accepted as part consideration for the provision of relevant goods or services.

VAT treatment of vouchers: general rule

3 (1) The issue, and any subsequent transfer, of a voucher is to be treated for the purposes of this Act as a supply of relevant goods or services.

(2) References in this Schedule to the “paragraph 3 supply”, in relation to the issue or transfer of a voucher, are to the supply of relevant goods or services treated by this paragraph as having been made on the issue or transfer of the voucher.

Single purpose vouchers: special rules

4 (1) A voucher is a single purpose voucher if, at the time it is issued, the following are known—

(a) the place of supply of the relevant goods or services, and

(b) that any supply of relevant goods or services falls into a single supply category (and what that supply category is).

(2) The supply categories are—

(a) supplies chargeable at the rate in force under section 2(1) (standard rate),

(b) supplies chargeable at the rate in force under section 29A (reduced rate),

(c) zero-rated supplies, and

(d) exempt supplies and other supplies that are not taxable supplies.

(3) For the purposes of this paragraph, assume that the supply of relevant goods or services is the provision of relevant goods or services for which the voucher may be accepted as consideration (rather than the supply of relevant goods or services treated as made on the issue or transfer of the voucher).

5 (1) This paragraph applies where a single purpose voucher is accepted as consideration for the provision of relevant goods or services.

(2) The provision of the relevant goods or services is not a supply of goods or services for the purposes of this Act.

(3) But where the person who provides the relevant goods or services (the “provider”) is not the person who issued the voucher (the “issuer”), for the purposes of this Act the provider is to be treated as having made a supply of those goods or services to the issuer.

Multi-purpose vouchers: special rules

6 A voucher is a multi-purpose voucher if it is not a single purpose voucher.

7 (1) Any consideration for the issue or subsequent transfer of a multi-purpose voucher is to be disregarded for the purposes of this Act.

(2) The paragraph 3 supply made on the issue or subsequent transfer of a multi-purpose voucher is to be treated as not being a supply within section 26(2).

8 (1) Where a multi-purpose voucher is accepted as consideration for the provision of relevant goods or services, for the purposes of this Act—

(a) The provision of the relevant goods or services is to be treated as a supply, and

(b) the value of the supply treated as having been made by paragraph (a) is determined as follows.

(2) If the consideration for the most recent transfer of the voucher for consideration is known to the supplier, the value of the supply is such amount as, with the addition of the VAT chargeable on the supply, is equal to that consideration.

(3) If the consideration for the most recent transfer of the voucher for consideration is not known to the supplier, the value of the supply is such amount as, with the addition of the VAT chargeable on the supply, is equal to the face value of the voucher.

(4) The “face value” of a voucher is the monetary value stated on or recorded in—

(a) the voucher, or

(b) the terms and conditions governing the use of the voucher.

Intermediaries

9 (1) This paragraph applies where—

(a) a voucher is issued or transferred by an agent who acts in their own name, and

(b) the paragraph 3 supply is a supply of services to which section 47(3) would apply (apart from this paragraph).

(2) Section 47(3) does not apply.

(3) The paragraph 3 supply is treated as both a supply to the agent and a supply by the agent.

10 Nothing in this Schedule affects the application of this Act to any services provided, by a person who issues or transfers a voucher, in addition to the issue or transfer of the voucher.

Composite transactions

11 (1) This paragraph applies where, as part of a composite transaction—

(a) goods or services are supplied to a person, and

(b) a voucher is issued or transferred to that person.

(2) If the total consideration for the transaction is not different, or not significantly different, from what it would be if the voucher were not issued or transferred, the paragraph 3 supply is to be treated as being made for no consideration.”

(6) In regulation 38ZA(2) of the Value Added Tax Regulations 1995 (S.I. 1995/2518), in the definition of “cash refund”, after “Act” insert “or a voucher falling within Schedule 10B to the Act”.

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.

54. VALUE ADDED TAX (GROUPS)

Resolved,

That provision may be made about the eligibility of individuals and partnerships to be treated as members of a group for the purposes of value added tax.

55. ALCOHOLIC LIQUOR DUTIES (RATES)

Resolved,

That—

(1) The Alcoholic Liquor Duties Act 1979 is amended as follows.

(2) In section 62(1A) (rates of duty on cider) in paragraph (a) (rate of duty on sparkling cider of a strength exceeding 5.5%), for “£279.46” substitute “£288.10”.

(3) For Part 1 of the table in Schedule 1 substitute—

“PART 1

WINE OR MADE-WINE OF A STRENGTH NOT
EXCEEDING 22%

<i>Description of wine or made-wine</i>	<i>Rates of duty per hectolitre £</i>
Wine or made-wine of a strength not exceeding 4%	91.68
Wine or made-wine of a strength exceeding 4% but not exceeding 5.5%	126.08
Wine or made-wine of a strength exceeding 5.5% but not exceeding 15% and not being sparkling	297.57
Sparkling wine or sparkling made-wine of a strength exceeding 5.5% but less than 8.5%	288.10
Sparkling wine or sparkling made-wine of a strength of at least 8.5% but not exceeding 15%	381.15
Wine or made-wine of a strength exceeding 15% but not exceeding 22%	396.72”

(4) The amendments made by this Resolution come into force on 1 February 2019.

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.

56. EXCISE DUTY ON MID-STRENGTH CIDER

Resolved,

That—

(1) The Alcoholic Liquor Duties Act 1979 is amended as follows.

(2) In section 62(1A) (rates of excise duty on cider)—

- (a) omit the “and” at the end of paragraph (b), and
- (b) after paragraph (b) insert—

“(ba) £50.71 per hectolitre in the case of cider of a strength of not less than 6.9 per cent but not exceeding 7.5 per cent which is not sparkling cider; and”.

(3) In section 62B (cider labelled as strong cider)—

- (a) in the heading, after “strong cider” insert “or mid-strength cider”,
- (b) in subsection (1)—
 - (i) in the opening words, after “standard cider” insert “or mid-strength cider”,
 - (ii) for paragraph (a) substitute—
 - “(a) is in a container which is up-labelled as a container of strong cider, or”,
 - (iii) in paragraph (b), for “an up-labelled container” substitute “a container which is up-labelled as a container of strong cider”, and
 - (iv) in the words after paragraph (b), after “standard cider” insert “or mid-strength cider”,
- (c) after subsection (1), insert—

“(1A) For the purposes of this Act, any liquor which would apart from this section be standard cider and which—

- (a) is in a container which is up-labelled as a container of mid-strength cider, or (b) for paragraph (a) substitute—
 - (b) has, at any time after 31 January 2019 when it was in the United Kingdom, been in a container which is up-labelled as a container of mid strength cider,
- shall be deemed to be mid-strength cider, and not standard cider.”,
- (d) for subsection (2) substitute—

“(2) Accordingly, references in this Act to making cider include references to—

- (a) putting standard or mid-strength cider in a container which is up-labelled as a container of strong cider;
- (b) causing a container in which there is standard or mid-strength cider to be up-labelled as a container of strong cider;
- (c) putting standard cider in a container which is up-labelled as a container of mid-strength cider; or
- (d) causing a container in which there is standard cider to be up-labelled as a container of mid-strength cider.”,
- (e) in subsection (4)—
 - (i) in paragraph (a), for “not exceeding 7.5 per cent” substitute “of less than 6.9 per cent”,
 - (ii) omit the “and” at the end of that paragraph, and
 - (iii) after paragraph (a), insert—
 - “(aa) “mid-strength cider” means cider which is not sparkling and is of a strength of not less than 6.9 per cent but not exceeding 7.5 per cent; and”,
- (f) in subsection (5), in the opening words, after “up-labelled” insert “as a container of strong cider”, and
- (g) after subsection (6), insert—

“(7) For the purposes of this section a container is up-labelled as a container of mid-strength cider if there is anything on—

- (a) the container itself,
- (b) a label or leaflet attached to or used with the container, or
- (c) any packaging used for or in association with the container,

which states or tends to suggest that the strength of any liquor in that container falls within the mid-strength cider strength range.

(8) For the purposes of subsection (7), a strength falls within the mid-strength cider strength range if it is not less than 6.9 per cent but does not exceed 7.5 per cent.

(9) Where liquor is no longer in a container which is an up-labelled container, and it falls within subsection (1)(b) and within subsection (1A)(b), then it is deemed to be cider of the strength range stated or suggested by the labelling for the up-labelled container in which it was first contained.

(10) For the purposes of subsection (9)—

- (a) an “up-labelled container” means—
 - (i) a container which is up-labelled as a container of strong cider as mentioned in subsection (1) (b), or
 - (ii) a container which is up-labelled as a container of mid-strength cider as mentioned in subsection (1A)(b), and
- (b) references to the labelling for any container are references to anything on—
 - (i) the container itself,
 - (ii) a label or leaflet attached to or used with the container, or
 - (iii) any packaging used for or in association with the container.”

(4) The amendments made by this Resolution come into force on 1 February 2019.

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.

57. TOBACCO PRODUCTS DUTY (RATES)

Resolved,

That—

(1) The Tobacco Products Duty Act 1979 is amended as follows.

(2) For the table in Schedule 1 substitute—

“TABLE

1. Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £228.29 per thousand cigarettes, or (b) £293.95 per thousand cigarettes.
2. Cigars	£284.76 per kilogram
3. Hand-rolling tobacco	£234.65 per kilogram
4. Other smoking tobacco and chewing tobacco	£125.20 per kilogram”
(3) The amendment made by this Resolution comes into force at 6pm on 29 October 2018.	

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.

58. TOBACCO FOR HEATING

Resolved,

That provision may be made about the charging of excise duty on tobacco for heating.

59. VEHICLE EXCISE DUTY

Resolved,

That provision may be made about the rates of vehicle excise duty.

60. TAXIS CAPABLE OF ZERO EMISSIONS

Resolved,

That provision may be made for the rates of vehicle excise duty given by paragraph 1GE(2) and (4) of Schedule 1 to the Vehicle Excise and Registration Act 1994 not to apply to a taxi capable of zero emissions.

61. HGV ROAD USER LEVY

Resolved,

That—

(1) The HGV Road User Levy Act 2013 is amended in accordance with paragraphs (2) to (6).

(2) In section 5(5) (payment of levy for UK heavy goods vehicles) for “in Schedule 1” substitute “or Table 1A in Schedule 1 (depending on which of those Tables applies to the vehicle)”.

(3) In section 6(4) (payment of levy for non-UK heavy goods vehicles) for “in Schedule 1” substitute “or Table 1A in Schedule 1 (depending on which of those Tables applies to the vehicle)”.

(4) In section 7 (rebate of levy), after subsection (2) insert—

“(2A) A rebate entitlement also arises where—

(a) HGV road user levy has been paid in respect of a vehicle at the rate applicable to a vehicle that does not meet Euro 6 emissions standards, and

(b) the vehicle becomes a vehicle that meets those standards.”

(5) In section 19 (interpretation)—

(a) in subsection (3)—

(i) in paragraph (b), for “under section 7” substitute “as a result of an entitlement arising under section 7(2)”, and

(ii) after paragraph (b) insert—

“(c) where a person receives a rebate of levy in respect of a vehicle as a result of an entitlement arising under section 7(2A), the person is treated as not having paid levy in respect of the vehicle for the

period starting with the first day of the month after the month in which the application for a rebate was made and ending with the end of the levy period.”, and

(b) after subsection (3), insert—

“(4) For the purposes of subsection (3)(c), a month starts on the day of the month on which the levy period started.”

(6) In Schedule 1 (rates of HGV road user levy)—

(a) for paragraph 1 substitute—

“1(1) Table 1 applies to a heavy goods vehicle that meets Euro 6 emissions standards.

(2) Table 1A applies to a heavy goods vehicle that does not meet Euro 6 emissions standards.

(3) Tables 1 and 1A set out the rates of levy for each of the Bands given by Tables 2 to 5 and by paragraph 4.”;

(b) in paragraph 5, after paragraph (b) insert—

“(c) a heavy goods vehicle meets Euro 6 emissions standards if it complies with the emission limits set out in Annex 1 of Regulation (EC) No. 595/2009 of the European Parliament and of the Council of 18th June 2009 on type approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro VI) and on access to repair and maintenance information.”;

(c) for Table 1 substitute—

“TABLE 1: VEHICLES MEETING EURO 6 EMISSIONS STANDARDS—RATES FOR EACH BAND

Band	Daily rate	Weekly rate	Monthly rate	Half-yearly rate	Yearly rate
A	£1.53	£3.83	£7.65	£45.90	£76.50
B	£1.89	£4.73	£9.45	£56.70	£94.50
C	£4.32	£10.80	£21.60	£129.60	£216.00
D	£6.30	£15.75	£31.50	£189.00	£315.00
E	£9.00	£28.80	£57.60	£345.60	£576.00
F	£9.00	£36.45	£72.90	£437.40	£729.00
G	£9.00	£45.00	£90.00	£540.00	£900.00
B(T)	£2.43	£6.08	£12.15	£72.90	£121.50
C(T)	£5.58	£13.95	£27.90	£167.40	£279.00
D(T)	£8.10	£20.25	£40.50	£243.00	£405.00
E(T)	£9.00	£37.35	£74.70	£448.20	£747.00

TABLE 1A: VEHICLES NOT MEETING EURO 6 EMISSIONS STANDARDS—RATES FOR EACH BAND

Band	Daily rate	Weekly rate	Monthly rate	Half-yearly rate	Yearly rate
A	£2.04	£5.10	£10.20	£61.20	£102.00
B	£2.52	£6.30	£12.60	£75.60	£126.00
C	£5.76	£14.40	£28.80	£172.80	£288.00
D	£8.40	£21.00	£42.00	£252.00	£420.00
E	£10.00	£38.40	£76.80	£460.80	£768.00
F	£10.00	£48.60	£97.20	£583.20	£972.00
G	£10.00	£60.00	£120.00	£720.00	£1,200.00
B(T)	£3.24	£8.10	£16.20	£97.20	£162.00
C(T)	£7.44	£18.60	£37.20	£223.20	£372.00
D(T)	£10.00	£27.00	£54.00	£324.00	£540.00
E(T)	£10.00	£49.80	£99.60	£597.60	£996.00”

(7) The HGV Road User Levy (Rate for Prescribed Vehicles) Regulations 2018 (S.I. 2018/417) are revoked.

(8) In section 19 of the Vehicle Excise and Registration Act 1994 (rebates)—

(a) in subsection (3), after paragraph (g) insert—

“(h) a relevant application for a vehicle licence for the vehicle has been received by the Secretary of State.”,

(b) after subsection (3ZA) insert—

“(3ZB) An application for a vehicle licence is a relevant application for the purposes of subsection (3)(h) if—

(a) there is an unexpired licence for the vehicle in respect of which the application is made,

(b) when the unexpired licence was taken out, the vehicle was chargeable to HGV road user levy under section 5 of the HGV Road User Levy Act 2013 at a rate applicable to a vehicle that does not meet Euro 6 emissions standards, and

(c) the vehicle now meets those standards, and an application for a rebate of HGV road user levy has been made under section 7 of that Act as a result of an entitlement arising under subsection (2A) of that section.”,

(c) in subsection (7), after “rebate conditions” insert “(other than the condition in subsection (3)(h))”, and

(d) after subsection (7) insert—

“(7A) Where the rebate condition in subsection (3)(h) is satisfied in relation to a licence, the licence ceases to be in force immediately before the first day of the period for which the relevant person is treated as not having paid levy in respect of the vehicle as a result of section 19(3)(c) of the HGV Road User Levy Act 2013.”

(9) The amendments and revocation made by paragraphs (1) to (7) are to be treated as having effect in relation to HGV road user levy that—

(a) becomes due on or after 1 February 2019, and

(b) is paid on or after that date.

(10) The amendments made by paragraph (8) are to be treated as having effect in relation to licences taken out on or after 1 February 2019.

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.

62. AIR PASSENGER DUTY (RATES)

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year increasing the rates of air passenger duty.

63. REMOTE GAMING DUTY (RATE)

Resolved,

That provision may be made increasing the rate of remote gaming duty to 21%.

64. GAMING DUTY (ACCOUNTING PERIODS ETC)

Resolved,

That the following provision relating to gaming duty may be made—

(a) provision about accounting periods by reference to which the duty is chargeable,

(b) provision allowing losses to be carried forward, and

(c) provision about payments on account.

65. CLIMATE CHANGE LEVY (EXEMPTION FOR MINERALOGICAL AND METALLURGICAL PROCESSES)

Resolved,

That provision may be made amending paragraph 12A of Schedule 6 to the Finance Act 2000.

66. LANDFILL TAX (RATE)

Resolved,

That provision may be made about the rates of landfill tax.

67. INHERITANCE TAX (RESIDENCE NIL-RATE BAND)

Resolved,

That provision may be made amending sections 8E(1), 8FA(2)(b) and (5), 8FE(9) and 8J(6) of the Inheritance Tax Act 1984.

68. SOFT DRINKS INDUSTRY LEVY (PENALTIES)

Resolved,

That provision may be made amending Schedules 10 and 11 to the Finance (No.3) Act 2010 for the purposes of soft drinks industry levy.

69. SOFT DRINKS INDUSTRY LEVY (ISLE OF MAN)

Resolved,

That—

(a) (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made for soft drinks industry levy to be a common duty for the purposes of the Isle of Man Act 1979, and

(b) provision may be made about the application of Part 2 of the Finance Act 2017 in relation to chargeable soft drinks that are imported from, or exported to, the Isle of Man.

70. CARBON EMISSIONS TAX

Resolved,

That provision may be made for a new tax to be charged in respect of emissions of carbon dioxide and certain other gases arising from activities regulated under the Greenhouse Gas Emissions Trading Scheme Regulations 2012 (S.I. 2012/3038).

71. TIME LIMITS FOR ASSESSMENTS ETC

Resolved,

That provision may be made about the time limits, in cases involving offshore matters or offshore transfers, for—

(a) assessments to income tax or capital gains tax, and

(b) proceedings for underpaid inheritance tax.

72. SECURITY DEPOSITS (CONSTRUCTION INDUSTRY SCHEME, CORPORATION TAX AND PAYE)

Resolved,

That provision may be made—

(a) about the giving of security for the payment of amounts that a person is or may be liable to pay under Chapter 3 of Part 3 of the Finance Act 2004,

(b) about the giving of security for the payment of corporation tax that a company is or may be liable to pay, and

(c) amending section 684(4A) of the Income Tax (Earnings and Pensions) Act 2003.

73. DOUBLE TAXATION (DISPUTE RESOLUTION)

Resolved,

That provision may be made about the resolution of disputes relating to double taxation arrangements.

74. INTERNATIONAL TAX ENFORCEMENT (DISCLOSABLE ARRANGEMENTS)

Resolved,

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made for the purposes of requiring persons to disclose information in connection with obligations of the government of the United Kingdom under—

(a) arrangements specified in an Order in Council made under section 173 of the Finance Act 2006, or

(b) Council Directive 2011/16/EU of 15 February 2011.

75. UNLAWFUL ADVANCE CORPORATION TAX

Resolved,

That provision may be made about the remedies available in respect of payments of unlawful advance corporation tax.

76. VOLUNTARY TAX RETURNS

Resolved,

That provision (including provision having retrospective effect) may be made about tax returns delivered otherwise than in pursuance of a requirement to do so.

77. INTEREST

Resolved,

That provision (including provision having retrospective effect) may be made about—

(a) rates of interest applicable by virtue of section 178 of the Finance Act 1989, and

(b) interest payable by virtue of sections 101 to 103 of the Finance Act 2009.

78. REGULATORY CAPITAL SECURITIES AND HYBRID CAPITAL INSTRUMENTS

Resolved,

That—

(a) provision may be made revoking the Taxation of Regulatory Capital Securities Regulations 2013, and

(b) provision may be made about loan relationships whose only significant equity feature is the entitlement of the debtor to defer or cancel payments of interest.

79. MINOR AMENDMENTS IN CONSEQUENCE OF EU WITHDRAWAL

Question put,

That—

(1) Provision may be made conferring on the Treasury a power, exercisable at all times after Royal Assent, to make—

(a) provision for the purpose of maintaining the effect of any relevant tax legislation on the withdrawal of the United Kingdom from the EU (and, accordingly, on the United Kingdom ceasing to be an EEA state),

(b) provision for the purposes of any relevant tax, in connection with any provision made by regulations under section 8 of the European Union (Withdrawal) Act 2018,

(c) provision in connection with any reference in relevant tax legislation to euros,

(d) provision amending paragraph 2(4) of Schedule 5 to the Finance Act 1997 for the purposes of removing the reference to EU legislation, and

(e) (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision amending section 173 of the Finance Act 2006 to

permit the disclosure of information to the Commissioners for Her Majesty's Revenue and Customs by other public authorities and by the Commissioners to persons outside the United Kingdom.

(2) In this Resolution—

(a) “relevant tax” means any tax (including stamp duty) except value added tax, any duty of customs, or any excise duty under the Alcoholic Liquor Duties Act 1979, the Hydrocarbon Oil Duties Act 1979 or the Tobacco Products Duty Act 1979, and

(b) “relevant tax legislation” means any enactment relating to a relevant tax.

The House divided: Ayes 312, Noes 295.

Division No. 254]

[5.29 pm

AYES

Adams, Nigel	Cox, rh Mr Geoffrey
Afolami, Bim	Crabb, rh Stephen
Aldous, Peter	Crouch, Tracey
Allan, Lucy	Davies, Chris
Allen, Heidi	Davies, David T. C.
Amess, Sir David	Davies, Glyn
Andrew, Stuart	Davies, Mims
Argar, Edward	Davies, Philip
Atkins, Victoria	Davis, rh Mr David
Bacon, Mr Richard	Dinenage, Caroline
Badenoch, Mrs Kemi	Djanogly, Mr Jonathan
Baker, Mr Steve	Docherty, Leo
Baldwin, Harriett	Dodds, rh Nigel
Barclay, Stephen	Donaldson, rh Sir Jeffrey M.
Bebb, Guto	Donelan, Michelle
Bellingham, Sir Henry	Dorries, Ms Nadine
Benyon, rh Richard	Double, Steve
Beresford, Sir Paul	Dowden, Oliver
Berry, Jake	Doyle-Price, Jackie
Blackman, Bob	Drax, Richard
Blunt, Crispin	Duddridge, James
Boles, Nick	Duguid, David
Bone, Mr Peter	Duncan, rh Sir Alan
Bottomley, Sir Peter	Duncan Smith, rh Mr Iain
Bowie, Andrew	Dunne, Mr Philip
Bradley, Ben	Ellis, Michael
Bradley, rh Karen	Ellwood, rh Mr Tobias
Brady, Sir Graham	Elphicke, Charlie
Braverman, Suella	Eustice, George
Brereton, Jack	Evennett, rh Sir David
Bridgen, Andrew	Fabricant, Michael
Brine, Steve	Fallon, rh Sir Michael
Brokenshire, rh James	Field, rh Mark
Bruce, Fiona	Ford, Vicky
Buckland, Robert	Foster, Kevin
Burghart, Alex	Fox, rh Dr Liam
Burns, Conor	Francois, rh Mr Mark
Burt, rh Alistair	Frazer, Lucy
Cairns, rh Alun	Freeman, George
Campbell, Mr Gregory	Freer, Mike
Cartledge, James	Fysh, Mr Marcus
Cash, Sir William	Gale, Sir Roger
Caulfield, Maria	Garnier, Mark
Chalk, Alex	Gauke, rh Mr David
Chishti, Rehman	Ghani, Ms Nusrat
Chope, Sir Christopher	Gibb, rh Nick
Clark, Colin	Gillan, rh Dame Cheryl
Clark, rh Greg	Girvan, Paul
Clarke, rh Mr Kenneth	Glen, John
Clarke, Mr Simon	Goldsmith, Zac
Cleverly, James	Goodwill, rh Mr Robert
Clifton-Brown, Sir Geoffrey	Gove, rh Michael
Coffey, Dr Thérèse	Graham, Luke
Collins, Damian	Graham, Richard
Costa, Alberto	Grant, Bill
Courts, Robert	Grant, Mrs Helen

Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Halfon, rh Robert
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, rh Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Adam
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, rh Mr Nick
 Jack, Mr Alister
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Sir Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, rh Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David

Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Maclean, Rachel
 Main, Mrs Anne
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 May, rh Mrs Theresa
 McLoughlin, rh Sir Patrick
 McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Moore, Damien
 Mordaunt, rh Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, rh Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, rh Claire
 Philp, Chris
 Pincher, Christopher
 Poulter, Dr Dan
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, rh Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant

Sharma, Alok
 Shelbrooke, Alec
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, rh Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin

Abbott, rh Ms Diane
 Abrahams, Debbie
 Ali, Rushanara
 Amesbury, Mike
 Antoniazzi, Tonia
 Ashworth, Jonathan
 Austin, Ian
 Bailey, Mr Adrian
 Bardell, Hannah
 Barron, rh Sir Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Black, Mhairi
 Blackford, rh Ian
 Blackman, Kirsty
 Blackman-Woods, Dr Roberta
 Blomfield, Paul
 Brabin, Tracy
 Bradshaw, rh Mr Ben
 Brake, rh Tom
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Butler, Dawn
 Byrne, rh Liam
 Cable, rh Sir Vince
 Cadbury, Ruth
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carden, Dan
 Carmichael, rh Mr Alistair

Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Tugendhat, Tom
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wilson, rh Sammy
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
Jo Churchill and
Paul Maynard

NOES

Champion, Sarah
 Chapman, Douglas
 Chapman, Jenny
 Charalambous, Bambos
 Cherry, Joanna
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, rh Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Sir David
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Daby, Janet
 Dakin, Nic
 Davey, rh Sir Edward
 David, Wayne
 Day, Martyn
 De Cordova, Marsha
 De Piero, Gloria
 Debbonaire, Thangam
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Dodds, Anneliese
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Dromey, Jack
 Duffield, Rosie

Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Dame Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Farron, Tim
 Fellows, Marion
 Field, rh Frank
 Fitzpatrick, Jim
 Fletcher, Colleen
 Flint, rh Caroline
 Fovargue, Yvonne
 Frith, James
 Furniss, Gill
 Gaffney, Hugh
 Gapes, Mike
 Gardiner, Barry
 George, Ruth
 Gethins, Stephen
 Gibson, Patricia
 Gill, Preet Kaur
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Griffith, Nia
 Grogan, John
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh David
 Hardy, Emma
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Sir Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hill, Mike
 Hillier, Meg
 Hobhouse, Wera
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Howarth, rh Mr George
 Huq, Dr Rupa
 Hussain, Imran
 Jardine, Christine
 Jarvis, Dan
 Johnson, Diana
 Jones, Darren
 Jones, Gerald
 Jones, Graham P.
 Jones, Helen
 Jones, rh Mr Kevan
 Jones, Sarah
 Jones, Susan Elan
 Kane, Mike

Keeley, Barbara
 Kendall, Liz
 Khan, Afzal
 Killen, Ged
 Kinnock, Stephen
 Kyle, Peter
 Laird, Lesley
 Lake, Ben
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lee, Karen
 Leslie, Mr Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Linden, David
 Lloyd, Stephen
 Lloyd, Tony
 Lucas, Caroline
 Lucas, Ian C.
 MacNeil, Angus Brendan
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Gordon
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, rh John
 McFadden, rh Mr Pat
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McMahon, Jim
 McMorris, Anna
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Moon, Mrs Madeleine
 Moran, Layla
 Morden, Jessica
 Morgan, Stephen
 Morris, Grahame
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Norris, Alex
 O'Hara, Brendan
 O'Mara, Jared
 Onasanya, Fiona
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Platt, Jo

Pollard, Luke
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rashid, Faisal
 Rayner, Angela
 Reed, Mr Steve
 Rees, Christina
 Reeves, Ellie
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Ms Marie
 Rodda, Matt
 Rowley, Danielle
 Ruane, Chris
 Russell-Moyle, Lloyd
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Marsden, Gordon
 Smith, Angela
 Smith, Eleanor
 Smith, Laura
 Smith, Nick
 Smyth, Karin
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris

Stevens, Jo
 Stone, Jamie
 Streeting, Wes
 Stringer, Graham
 Sweeney, Mr Paul
 Tami, Mark
 Thewliss, Alison
 Thomas, Gareth
 Thomas-Symonds, Nick
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Stephen
 Twist, Liz
 Umunna, Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Walker, Thelma
 Watson, Tom
 West, Catherine
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Dr Paul
 Williamson, Chris
 Wilson, Phil
 Wishart, Pete
 Woodcock, John
 Yasin, Mohammad
 Zeichner, Daniel

Tellers for the Noes:
Vicky Foxcroft and
Jeff Smith

Question accordingly agreed to.

80. INCIDENTAL PROVISION ETC

Resolved,

That it is expedient to authorise—

(a) any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provisions designed in general to afford relief from taxation, and

(b) any incidental or consequential provision (including provision having retrospective effect) relating to provision authorised by any other resolution.

FINANCE (MONEY)

Queen's recommendation signified.

Resolved,

That, for the purposes of any Act of the present Session relating to finance, it is expedient to authorise the payment out of money provided by Parliament of expenditure incurred by the Secretary of State in preparing for the introduction of a scheme for charges to be imposed for the allocation of allowances under paragraph 5 of Schedule 2 to the Climate Change Act 2008.

Ordered,

That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, the Prime Minister, Mr Chancellor of the Exchequer, Secretary Matt Hancock, Secretary Greg Clark, Secretary James Brokenshire, Elizabeth Truss, Mel Stride, Robert Jenrick and John Glen bring in the Bill.

FINANCE (No. 3) BILL

Presentation and First Reading

Mel Stride accordingly presented a Bill to grant certain duties, to alter other duties, and to amend the law relating to the national debt and the public revenue, and to make further provision in connection with finance.

Bill read the First time; to be read a Second time on Monday 5 November, and to be printed (Bill 282).

Carolyn Harris (Swansea East) (Lab): On a point of order, Mr Deputy Speaker. There are sad reports that the Minister for Sport, the hon. Member for Chatham and Aylesford (Tracey Crouch), has resigned as a direct result of the Chancellor of the Exchequer's Budget. Will someone on the Treasury Bench confirm whether that is true? If it is, I want to put on record my support for the Minister's work and to thank her for the job she has done. Will the Chancellor confirm to the House whether this is the first time that a member of the Government has resigned during the votes on a Budget as a direct result of a Chancellor's policies?

Mr Deputy Speaker (Sir Lindsay Hoyle): As the hon. Lady is well aware, that is not a point of order for the Chair, but it is now on the record for all to know.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): On a point of order, Mr Deputy Speaker. On Tuesday, the Home Office told the Home Affairs Committee that there would be additional checks by employers on EU citizens in the event a no-deal Brexit. However, the Home Secretary appears to have told the media yesterday that there would not be any such checks and that there would be a transition. Today it appears that No. 10 has told the media both that there will be no checks, and also that free movement is starting straight away, and that planning is continuing so nothing is certain. Have you heard anything from the Home Office about whether a Minister will come to the House to clarify this chaotic mess? With five months to go, will you use your offices to ensure that somebody either from the Home Office or from No. 10 tells us what on earth is going on?

Mr Deputy Speaker: There are a couple of things to say. First, that matter is now on the record, ensuring that everyone is aware of it. Secondly, the power lies with the Chair of the Home Affairs Committee to invite Ministers, the Home Secretary or whoever back before the Committee to make a clarification. People will have noted what is being said, and I am sure that we will get an explanation before long.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Further to that point of order, Mr Deputy Speaker. This is not the first time that the Home Affairs Committee has received misleading, contradictory evidence from Home Office Ministers. It is deeply unacceptable that information is not being clarified by a statement to the House or in a letter to the Committee, but appearing in mysterious email communications with outside organisations and to the media. What can we do to get a Minister here to explain what on earth is going on at the Home Office?

Mr Deputy Speaker: There are obviously many alternative options and avenues to go down, such as an urgent question on Monday. I know that the Chair of the

Home Affairs Committee will not leave the matter at that, and I think that different approaches will be being used by Monday.

Robert Courts (Witney) (Con): On a point of order, Mr Deputy-Speaker. The hon. Member for Bootle (Peter Dowd) complained of not having advance sight of the Budget. If my understanding is correct, that is only the convention for the spring statement, not for the Budget. Can you confirm that advance sight has only happened once in 20 years of Budgets, 13 of which were covered by Labour Budgets?

Mr Deputy Speaker: The Government decided not to provide an advance copy, so that was a Government decision. What people will believe is the norm, they will believe, but others will say that it is not the norm. For clarification, somebody said on Facebook that the Opposition did not receive a copy but I did, and unfortunately for the person who said that, I am the Chairman of Ways and Means, and the Budget has been delivered to the person in that position for over 100 years. It was not delivered to me personally, but to the office that I hold.

Lyn Brown (West Ham) (Lab): Mr Deputy Speaker, you have given me some information that I did not know before.

Mr Deputy Speaker: Excellent. At least I can be helpful to the House.

Business without Debate

DELEGATED LEGISLATION

Mr Deputy Speaker: With the leave of the House, we shall take motions 2 to 7 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

COMPANIES

That the draft Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which were laid before this House on 18 July, be approved.

EXITING THE EUROPEAN UNION

That the draft European Union (Withdrawal) Act 2018 (Consequential Amendments) Regulations, which were laid before this House on 23 July, be approved.

EUROPEAN COMMUNITIES

That the draft European Union (Definition of Treaties) (Economic Partnership Agreements and Trade Agreement) (Eastern and Southern Africa States, Southern African Development Community States, Ghana and Ecuador) Order 2018, which was laid before this House on 19 July, be approved.

DEFENCE

That the draft Armed Forces (Specified Aviation and Marine Functions) Regulations 2018, which were laid before this House on 24 July, be approved.

EXITING THE EUROPEAN UNION (FINANCIAL SERVICES AND MARKETS)

That the draft EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018, which were laid before this House on 5 September, be approved.

EDUCATION

That the draft Further Education Bodies (Insolvency) Regulations 2018, which were laid before this House on 5 September, be approved.—(*Michelle Donelan.*)

Question agreed to.

PETITION

Women affected by changes to the state pension age

5.48 pm

Jessica Morden (Newport East) (Lab): I rise to present this petition on behalf of residents of Newport East, but first I want to acknowledge the women born in the 1950s in my constituency and across the UK for their resolute efforts in fighting against the injustice and unfairness that they have faced. I thank those who attended our public meetings in Newport on women's pension changes and who signed this petition.

The petition states:

The petition of residents of Newport East,

Declares that the 1995 Pensions Act has been implemented unfairly, with little/no personal notice (1995/2011 Pension Acts), faster than promised (2011 Pension Act), and no time to alternative plans; further that retirement plans have been shattered with devastating consequences; and further that hundreds of thousands of women have had significant changes imposed on them with a lack of appropriate notification.

The petitioners therefore request that the House of Commons urge the Government to work with the All Party Parliamentary Group on State Pension Inequality for Women to make fair transitional arrangements for all women affected who have unfairly borne the burden of the increase to the State Pension Age (SPA).

And the petitioners remain, etc.

[P002284]

Leaving the EU: Central Counterparty Clearing

Motion made, and Question proposed, That this House do now adjourn.—(*Michelle Donelan.*)

5.50 pm

Mr Chris Leslie (Nottingham East) (Lab/Co-op): The title of this debate may encourage hon. Members to flee the Chamber, but I encourage them to leave via the House of Commons Library, which can explain why central counterparty clearing services are so incredibly central to the infrastructure that underpins business, corporate finance and the nature of our economy, and why Brexit could potentially have a significant effect on such services.

To give a sense of scale, the British economy is worth about \$4 trillion. LCH, one of the biggest central counterparty clearing services, is owned by the London stock exchange, and this year alone it has cleared \$812 trillion-worth of derivative contracts—largely interest rate swaps. That is a mind-boggling sum of money, and I am raising this issue today because it is an internationally important liquidity pool. The UK specialises in this facility, but with the UK leaving the European Union, the jurisdiction in which these CCP operations take place could well be fragmented, which could have a destabilising effect on the operation of central counterparty clearing services.

The question is: if we crash out of the European Union, or if we do not get the right sort of regulatory framework, what will happen to those trillions of dollars' worth of derivative contracts? This is one of the most significant cliff-edge issues in Brexit, and it has not had anywhere near enough attention or coverage.

By way of background, I will provide an example of what a CCP operation does and what it clears. Imagine a construction company that is getting a big loan from a bank to build a housing estate, or whatever. That loan is quite a big liability for the business, and often the loan will come with a variable interest rate. In order to manage the liability, the construction company might want to swap that variable interest rate for something a little more predictable, a little more stable—perhaps a fixed-rate interest arrangement. Such interest rate swaps are now a common or garden part of corporate business finance. If we are talking about stability in the economy, such products, though complicated, are often the wiring behind the scenes. They really are important to how we stabilise our economy.

In recent times, central counterparty clearing facilities have developed to make sure that companies do not necessarily have to make these arrangements bilaterally with one another, because they can clear them through a central fund that has an insurance buffer arrangement in case of default on such contracts. Companies such as LCH can go through a number of layers in order to cope with the default. We saw a recent default scenario in Norway, where an energy trader was overexposed and a CCP arrangement absorbed much of that default shock and prevented contagion that could have had wider ramifications around the world. This certainly operated in respect of Lehman Brothers and others in the financial crisis. Since then, policymakers worldwide have recognised that CCP is a really important pillar of our financial stability mechanisms. So these are important

insurance policies and this is an international pool of liquidity, and London and the UK are right at the heart of those operations.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): My hon. Friend is drawing attention to an important set of issues of which I was not fully aware. He would probably agree that we cannot have an “It’ll be alright on the night” approach from the Government to such complex arrangements—we need surety on them. Was he interested, as I was, to see Commissioner Barnier talking earlier about how there had been misleading press reports about a deal on financial services and about many of these matters being close to being agreed, and saying that that was not the case?

Mr Leslie: My hon. Friend rightly takes us to the more contemporary story about what is happening with these, because Brexit has put everything in limbo. Will these CCP operations be able to continue to service the vast majority of euro-denominated interest rate swaps or derivative products? The European Union had been developing new supervisory arrangements that would have included the UK. Brexit came along and of course those have all now been put into abeyance because the UK may be taken out of those jurisdictions. Time has ticked on and we are now five months, perhaps less, away from the moment of change, yet we still do not have any certainty about what will happen. However, we have heard various rumours.

Last week, the Governor of the Bank of England, Mark Carney, highlighted £41 trillion-worth of outstanding contracts that could be forcibly voided—that could fall out of legal certainty—if we do not get some sort of arrangement put in place. Earlier in the week, EU Commissioner and Vice-President Valdis Dombrovskis indicated that the EU might allow the UK CCPs after Brexit to operate on a temporary basis, with some strict conditionality. Of course we saw the report in *The Times* today that perhaps in the negotiations there was some sort of sense in which UK financial services companies, including these CCPs, would be able to operate on an equivalence basis, which is not as good as the arrangements we have, where we are around the table and able to make the rules on regulations. We would be a rule taker, but of course we may be allowed access to European markets—and, potentially, vice versa. The danger with that is that it is precarious and it could be switched off at a moment’s notice if policymakers fell out, for whatever reason.

As my hon. Friend has pointed out, today Commissioner Barnier poured a big old dose of cold water all over that, saying, “You should not believe everything you read in the paper.” He reiterated that it was really in the hands of the EU to decide whether equivalence continued. This would not be an ideal situation at all, and the risk is that we would need to see CCP clearing services develop rapidly in other jurisdictions in Europe. Of course the Americans will have their arrangements, but that could start to undermine the centrality of the UK. That would be a great pity, because the UK has expertise and a relatively good regulatory approach, working with our European colleagues.

So the main question I want to put to the Minister is: what is the Government’s attitude to the future, long-term, stable, permanent regulation environment? Are we going

to align ourselves closely or in harmony with the EU regulatory framework for central counterparty clearing arrangements? If that is the case, it would be useful to know that that is British Government policy at this stage, because that might then enable something to be built on equivalence. We could possibly move to a position in which the UK still has a say in the regulatory arrangements.

In my view, the public should be given a chance to think again about this whole thing and, if they want, there should be a people’s vote so that the option to remain is still viable. Nothing has been decided that should prevent that from happening. If we are to leave the European Union, it would not be a good thing to do so and put all these things up in the air. We should not fragment the financial safety regulatory arrangements and potentially put businesses, jobs and livelihoods at risk.

Kerry McCarthy (Bristol East) (Lab): I used to do this sort of thing for a living as a derivatives lawyer, although that is not something to which I own up very often these days. I was working in the City at the time of preparations for the millennium bug, and when the euro came in I was involved in cleaning up the mess after the Barings collapse. With the millennium bug in particular, people said afterwards that it was a big fuss about nothing and that it was totally alarmist and exaggerated for people to say that it was going to cause chaos. What they did not realise was how much work had to go on behind the scenes to make sure that that chaos did not happen. There is a real danger of complacency with situations like the current one, with people thinking that it will all sort itself out. Does my hon. Friend agree?

Mr Leslie: I do agree, and I do not think that the work is being done. Frankly, there should be more leadership. We are in a rudderless situation right now. We have a lot of regulators—the Bank of England, the European Securities and Markets Authority and others—but they are of course subservient to the political policy makers, and although I hope that those policy makers are apprised of these issues and know the scale, I am not that confident that they are or that it is high up their agenda. I am not sure that I have heard the Prime Minister talk about these issues, let alone the Chancellor of the Exchequer. Perhaps the Minister will be able to enlighten us on that.

I shall come to an eventual conclusion by explaining why there might be a number of problems. Firms are currently discussing a lot of contracts that are not yet cleared. If we do not have the option of central counterparty clearing—in particular from the European side in respect of whether they can access London—what stability risks will be generated in those scenarios? Will we lose liquidity? If we do, will we see costs going up for businesses? When costs go up for businesses, will they be passed on to customers? That would have a drag effect on the worldwide economy.

The issue for those contracts that are already cleared—that are already in existence—is whether they will still be extant after 29 March, because if a whole load of existing contracts are in place, whether in Europe or wherever, many will have clauses that require notice to be given if their legal validity is due to expire. It could be six months or nine months, but we are now certainly

[Mr Leslie]

coming into the period in which the holders of those contracts will have to start to give notice and to say, “We are not certain that these existing financial contracts will be viable or in place, because of the risk of falling into legal no man’s land after 29 March.” There is a clear and present risk to the stability not just of our economy or Europe’s economy, but of the worldwide economy. Although this can seem a very dry topic, everybody should stay focused on the hundreds of trillions of pounds-worth of value that might have an effect on the wider economy.

Will the Minister say what we are going to do to come to a swift conclusion—certainly within the next few weeks—on this issue? I know that the UK has made an offer to the EU to allow temporary access to UK firms. The question is obviously whether that is going to be reciprocal, but if we are to offer that, are we going to legislate for it and put that guarantee into law? That could be done right now. I really want to find out the Treasury’s plan. Do we know that the Government care and are taking an interest in the stability of the UK and EU economies, and in businesses, jobs and the livelihoods of all our constituents, who will undoubtedly be affected by this issue?

6.4 pm

The Economic Secretary to the Treasury (John Glen): I congratulate the hon. Member for Nottingham East (Mr Leslie) on securing this debate and thank him for what he said. He set out very clearly the risks and the need for clarification. I am very happy to give him the answers to the questions that he has posed in his thoughtful and helpful speech.

I, first, wish to acknowledge the issue of no deal and to clarify from the outset that the Government firmly believe that it is in the interests of the EU and the UK to strike a deal. That remains the clear goal on both sides and we are confident that that will be achieved. I reassure the hon. Gentleman and the whole House that an enormous amount of work and dialogue is going on at all levels in order to understand the issues that exist on both sides.

Our proposal for the future UK-EU relationship in financial services seeks to be both negotiable and ambitious. It is founded on preserving the economic benefits of the most important financial services traded between us and on ensuring stable institutional processes for governing the relationship into the future. That is the best way to protect financial stability and open markets, and it is in the interests of businesses and consumers on both sides. Just for clarification, under our plan, we would build on the EU’s existing equivalence regimes but expand their scope to recognise business activities that are in the interests of both the EU and the UK but not covered by the existing regime.

Mr Leslie: Just stepping back from the specifics, on the policy stance of the UK Government, are we intending to remain in lock-step with our European neighbours in terms of the regulatory approach that we take—as a matter of philosophy? The Americans would perhaps like us to depart from that, but it feels to me important, for our existing market access, that a commitment is given to preserve some of the harmonies that we already have.

John Glen: I am very happy to respond to that point. We are seeking to recognise that we start from a common starting point. What we acknowledged in the White Paper in July is that there is an appetite on both sides—on the part of the UK and the EU—to retain the autonomy around their supervisory bodies. But we need to develop a strong bilateral relationship in the future should either side wish to innovate and deviate from the existing alignment, so that we can then have a strong bilateral dialogue on how to resolve any disputed areas.

However, I reassure the hon. Gentleman that we are not seeking to differentiate ourselves and to become a bargain-basement regulatory environment. We secure such significant investment in the City of London because of the world-class nature of our regulatory environment. In fact, we have led the way in many of the dialogues over the years within the EU. So our aspiration is an ambitious one and it is based on a strong trading dynamic with the EU into the future.

I want to move into the specifics, because the hon. Gentleman has raised some significant and sensible points. We are prepared for all outcomes, including for no deal. The Government recognise that, in the event of a no deal, this is a critical issue. We are not complacent and he has set out the stakes clearly, which are so high for jobs and livelihoods up and down this country.

As the Financial Policy Committee has said, £69 trillion-worth of centrally cleared derivative contracts could be affected. Central counterparties, as the hon. Gentleman set out, are financial institutions that firms use to reduce counterparty risk. CCPs do that by standing between the parties of a trade, becoming the buyer to every seller and the seller to every buyer. That guarantees that transactions will be honoured if the other party defaults.

CCPs are central to the UK and global financial system. They reduce risk and ultimately improve the efficiency and resilience of the system as a whole. Any disruption to this system would affect large banks and institutional investors, which use these clearing services when hedging their risks.

There are key issues for CCPs and their members. First, when the UK leaves the European Union, EU CCPs will not be recognised to provide their clearing services to UK firms, and vice versa. Secondly, there is legal uncertainty about whether EU clearing members can continue to meet their contractual obligations to UK CCPs. This disruption is particularly acute for EU firms using UK CCPs. The European Central Bank estimates that UK CCPs clear approximately 90% of euro-denominated interest rate swaps used by euro area banks. The only industry mitigant available would be to close out or transfer the contracts that EU clearing members have with UK CCPs before March 2019. But as the FPC has said, the movement of such a large volume of contracts in a short timeframe would be costly and would strain capacity in the derivatives market.

The importance of the financial services sector to the UK and the EU has already been noted in this debate, and it is critical that we acknowledge that and respond to these challenges wholeheartedly. I spend my time as a Minister promoting, preserving and standing up for the benefits of the sector for the whole United Kingdom—not just the City of London, but areas such as Bristol, Nottingham and Edinburgh. The sector is a British

asset as much as a European one. This Government remain committed to agreeing a close future relationship on financial services with the EU that preserves the mutual benefits of our uniquely integrated markets while protecting financial stability, consumers, businesses and taxpayers across the UK and the EU, and this relationship must take into account that the UK is a global hub for these clearing services.

As I said, it remains unlikely that the UK will leave the EU without an agreement, but we are prepared for all outcomes, so I will now go into some detail on the no-deal situation. As the hon. Gentleman mentioned, we have committed to unilateral action to resolve the risk of disruption as far as possible on the UK side. Colleagues will be aware that the Government have already laid draft secondary legislation that will establish a temporary recognition regime for CCPs. That regime will allow non-UK CCPs to continue to provide clearing services to UK firms for up to three years while those CCPs apply for recognition in the UK.

My noble Friend Lord Bates debated the statutory instrument through the Lords on Tuesday, and a debate is arranged for a Delegated Legislation Committee in the Commons next Monday—the pack is ready for me to go home to Salisbury with so I can prepare—and, as has been highlighted, any successful mitigant to the clearing services problem requires action by both UK and EU authorities.

I welcome the announcement by European Commission Vice-President Valdis Dombrovskis, I think, on Tuesday this week, that the EU will, if necessary to address the financial stability risks arising from the UK leaving the EU, act to ensure continued access to UK CCPs on a temporary basis. It is right that EU authorities will have to set out further details on their plans, and we would welcome that, but this announcement is a positive step in ensuring the stability of the financial system for the UK and the EU.

The Government are committed to working with our EU partners to identify and address risks relating to the UK's exit from the EU. We are supportive of continued engagement and co-operation between our regulators. This is continuing, including through the technical working group convened by the ECB since April with the Bank of England, and is evidence of our shared interests in

these issues. I acknowledge what the hon. Gentleman has said about the lack of detail coming out. I think that is a condition of the Commission's negotiating stance. We respect that, but will continue to engage and to observe what is going on.

There are suggestions from some in the EU that UK CCPs pose a risk to the EU's financial stability. That is the impetus behind the proposal to revise the framework for supervising third-country CCPs, including the so-called location policy. UK CCPs are truly global institutions, and we recognise that there are legitimate questions about the future supervision of UK CCPs with EU members once we leave the EU. We should take a stable and co-operative approach to the supervision and regulation of globally active firms. This should include the ability for regulators in different jurisdictions to defer to each other based on comparable rules—a principle that the EU and the UK have committed to at the international level. Some of the measures currently under consideration by the EU undermine this principle and cannot be seen as an enhancement of the existing equivalence process. In particular, a location policy would be a poor solution that would unnecessarily harm investment in Europe, increase costs for European firms and ultimately undermine financial stability. We are making that case, and I am sure that those who use CCPs will be making the same case.

I thank the hon. Member for Nottingham East for raising, in a very thorough way, some very legitimate issues at the core of these negotiations. I want to reassure him, and the hon. Member for Bristol East (Kerry McCarthy), who contributed to the debate, that the Government are not complacent on these matters. I am acutely conscious of the large number of statutory instruments that I will be taking through over the coming weeks. Dialogue is continuing at all levels as we seek to reassure the City of London, and the financial services industry across the United Kingdom, that the Government are prepared for all outcomes, though working determinedly and passionately for the best outcome and a good deal that recognises the centrality of financial services to the UK economy.

Question put and agreed to.

6.16 pm

House adjourned.

Westminster Hall

Thursday 1 November 2018

[SIR HENRY BELLINGHAM *in the Chair*]

Prison Health

HEALTH AND SOCIAL CARE COMMITTEE

Select Committee statement

1.30 pm

Dr Sarah Wollaston (Totnes) (Con): I would like to present a report on “Prison health” by the Select Committee on Health and Social Care. I start by thanking my fellow Committee members and the Committee staff, particularly Huw Yardley and Lewis Pickett. I also particularly thank all those who gave evidence to our inquiry, both in person and in writing. We visited HMP Isis, HMP Belmarsh and HMP Thameside, and I thank the staff, healthcare staff and all the people in prison who spoke to us about their experiences.

A prison sentence is a deprivation of liberty, not a sentence to poorer health or healthcare, yet sadly that was the picture that we found in our inquiry. Too many prisoners are still in overcrowded, unsanitary prisons with overstretched workforces. Those poor conditions contribute to even worse outcomes and health for those who arrive in prison, who are often from very deprived backgrounds and suffering from serious health inequalities. Violence and self-harm are at record highs, and most prisons exceed their certified normal accommodation level, with a quarter of prisoners living in overcrowded cells over the last two years. Staffing shortages have led to restricted regimes that severely limit prisoner activity, as well as their access to health and care services, both in and outside our prisons.

Too many prisoners still die in custody or shortly after their release. Although deaths in custody have fallen slightly since peaking in 2016 as a result of increased suicides, so-called natural-cause deaths are the highest cause of mortality in prisons and, I am afraid, reflect serious lapses in care. Every suicide should be regarded as preventable. It is simply unacceptable that those known to be at risk face unacceptable delays while awaiting transfer to more appropriate settings. We see that happen time and again, without appropriate action being taken.

Our report refers to the impact of the increasingly widespread use of novel psychoactive substances, not just on prisoners but on prison staff; dealing with violent incidents takes time away from the work that we would otherwise expect prison staff to do. We heard time and again from people in prison who we met of not being able to attend appointments, either within or outside the prison, because there simply were not the staff there, because they had been diverted to other cases.

We have made recommendations for the National Prison Healthcare Board. We would like it to agree a definition of equivalent care, and to tackle the health inequalities that we know prisoners face. It also needs to take a more comprehensive and robust approach to identifying and dealing with the healthcare needs of people in prison. However, many of our recommendations will not be met until sufficient prison officers are in post. That is an overriding issue, because the cut in

prison officer numbers—I know the Government are starting to address that—lies at the root of so many problems in our jails.

Health, wellbeing, care and recovery need to be a core part of the Government’s plans for prison reform. It is in all our interests to care about the health and wellbeing of prisoners, because they will later be back in our communities. If more of them become dependent on drugs during their time in prison, and these problems worsen, they will come back into our communities with even worse health issues, health inequalities and mental health problems. I know it is difficult, because it sometimes seems that the public do not care about our prisoners, but it is absolutely in everybody’s interest to care about the health and wellbeing of our prison population.

I am afraid that our report highlights a system in which, time and again, reports from Her Majesty’s inspectorate of prisons are not acted on. We need those reports to have real teeth, and for people to be able to take action, or to be held accountable for not taking action. We heard time and again of governors not having the levers—even if they had the financial powers—to take the necessary action.

We call on the Government to regard the health of our prison population as a serious public health crisis requiring a whole-systems approach that takes root in sentencing and release, making sure that people are only in prison if absolutely necessary, that those with serious mental health problems are transferred in a timely manner and that sees time in prison as an opportunity to act and to address serious health inequalities. That is not only in their interest but in all our interests.

Mr Ben Bradshaw (Exeter) (Lab): Given the picture the hon. Lady just described, she will be aware of the serious problems in Exeter Prison, which the staff there are doing their utmost to try to address. Does she agree that, as we face voting on the Budget later this afternoon, it might have been better, rather than giving tax cuts to the richest 10%, for the Chancellor to spend that money on helping our prisons to deliver the kind of services that she would like to see?

Dr Wollaston: I thank the right hon. Gentleman for his contribution towards the report. He identifies that this is an area that is often deprioritised in favour of other issues. However, we absolutely have to prioritise the health of our prison population. I agree that we should address staffing levels. We should also look at the health and wellbeing of our prison staff. Too many leave because of the pressures and the violence that they face in prison.

Kate Green (Stretford and Urmston) (Lab): Although a disproportionate number of prisoners are young males, as the hon. Lady will know, the prison population is ageing, with more much older prisoners serving custodial sentences than previously. What observations did her Committee make of healthcare provision for that ageing prisoner population, and what does she think the Government need to do to make sure that those people are properly cared for?

Dr Wollaston: I thank the hon. Lady for drawing attention to that. Our report mentions that the prison population is ageing, particularly as a result of older sex offenders coming into our jails. It is about dealing not

[Dr Wollaston]

only with healthcare in our prisons but with social care. We call on the Government to look specifically at how we commission for that age group and their special needs. She will also know that the average age of death in prison is 56. We really have to look at the excess mortality, which is 50% higher for people in prison than for the background population.

Robert Neill (Bromley and Chislehurst) (Con): It is a pleasure to see you in the Chair, Sir Henry. I very much welcome my hon. Friend's statement and the report, in which I thank her for involving Select Committee on Justice. The evidence that she received entirely mirrors that which the Justice Committee is receiving for our inquiry into the make-up of the prison population in 2022. Does she agree that it is absolutely essential that we turn around the inadequate provision of health services across our prison estate, not only because it is morally right but because it is impossible to effectively rehabilitate people when there is endemic ill health in many parts of the prison population? That means that people are discharged back into the community often in poor health and leads to a cycle of reoffending that costs the community more, as well as destroying and blighting lives.

Dr Wollaston: I absolutely agree with what my hon. Friend has said and I welcome the ongoing interest that the Justice Committee is taking in this issue. He will know that one very depressing aspect of this situation is that report after report is published highlighting the issue, but we are just not seeing the progress needed. There needs to be real accountability and consequences for progress not being made on all these issues.

Andy Slaughter (Hammersmith) (Lab): We all know that the suicide rate in prisons has increased markedly, but also, because of ageing prisoners and addiction problems, more people are dying. Was the Health and Social Care Committee able to assess whether the standards of healthcare mean that people go into prison and simply do not come out?

Dr Wollaston: I thank the hon. Gentleman for his question. The point is that if someone goes into prison with a serious underlying medical problem, it is simply unacceptable that they cannot access the healthcare that they should be receiving. That is what we heard time and again: people's appointments are cancelled, issues are not addressed and things are not followed up. Sometimes an outside appointment with a specialist, for very serious conditions at times, will simply be cancelled, and then there is no continuity and follow-up, so the person simply falls out of the system. Undoubtedly, therefore, people's health is suffering and, as I said at the beginning, no one is sentenced to worse healthcare when they are sentenced to deprivation of their liberty. The situation is unacceptable.

Dr Paul Williams (Stockton South) (Lab): I thank the hon. Lady not just for her presentation today, but for so ably chairing the inquiry. Her presentation put across very eloquently the fact that we put in prison a population of people who are very unhealthy already, but unfortunately our prison environment makes them even less healthy instead of taking the opportunity to reduce health inequalities and improve their health. It makes them

even less healthy for two reasons. One is the prison environment that they are in, which is very unhealthy. The second is prison health services. Despite some excellent prison health services that really work, we found that on the whole prison health services are not adequate. The hon. Lady has already talked about the need for accountability and consequences. Can she say something about the role that we recommend the Care Quality Commission might play in that?

Dr Wollaston: I thank the hon. Gentleman for his own really important role in the course of our inquiry. He highlights the point about the CQC. The CQC has no powers of entry into our prisons. We now know that it can carry out unannounced inspections just about anywhere else, but it cannot in prisons. The other challenge that it faces is being able to take a whole-system approach to the way services are commissioned. We heard from it again, in relation to a separate inquiry, earlier this week that it would like to have the powers independently to look at a whole-system approach, rather than just very narrowly looking at one aspect of it. It was very clear to us that a whole-system public health approach needs to be taken to the commissioning and provision of healthcare.

The hon. Gentleman's other point was about the conditions in our jails. Keeping people in conditions where there are broken windows, cockroach infestations and so on is wholly unacceptable. No one should be living in those conditions in Britain today.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The Select Committee on Welsh Affairs is undertaking an ongoing inquiry into the prison estate in Wales, and one issue that has been raised is the fact that health is of course devolved, but there appears to be relatively little consideration of how health is managed differently there from how it is managed in English prisons—of the difference between Wales and England. There is a particular anomaly with the only private prison in Wales, the question of answerability to the health ombudsman, and to whom actually that prison is answerable. Has the hon. Lady made any assessment of accountability between the Welsh and English regimes and to what degree we should perhaps be measuring the difference between health provision in prisons in Wales and that in England?

Dr Wollaston: I thank the hon. Lady for making that point. We did not look at devolved issues, because the remit of the Health and Social Care Committee is England only, but the hon. Lady makes a very important point. As the Justice Committee has an ongoing interest in this issue, there might be an opportunity for that Committee to take the matter up more quickly than we would be able to, but I would be very interested if the hon. Lady wanted to write to me about it.

I again thank all those who contributed to the inquiry, and I look forward to hearing the ongoing thoughts of the Justice Committee.

Sir Henry Bellingham (in the Chair): Would the Minister like to say anything?

The Parliamentary Under-Secretary of State for Health and Social Care (Jackie Doyle-Price): Thank you, Sir Henry. I really welcome the report. My hon. Friend the Member for Totnes (Dr Wollaston) alluded to the fact that this

issue lies within the bailiwicks of both the Department of Health and Social Care and the Ministry of Justice; I am glad that the Under-Secretary of State for Justice, my hon. Friend the Member for Charnwood (Edward Argar), is here beside me. We are seized of the importance of this issue and recognise that silo culture is often the enemy of good policy making. Rest assured that we will take away the report and reflect on it. We are very grateful for the interest that the Health and Social Care Committee has shown in this very important subject, because we do need to do a whole lot better.

Sir Henry Bellingham (in the Chair): I am very grateful to the Minister for those words.

Future of Legal Aid

1.45 pm

Andy Slaughter (Hammersmith) (Lab): I beg to move, That this House has considered the future of legal aid.

It is a pleasure indeed to serve under your chairmanship, Sir Henry. I am delighted that we have three hours to debate the important and complex subject of the future of legal aid. Let me begin by thanking the Backbench Business Committee for allowing the time, the many hon. Members in attendance and the cross-party group, More United, which has championed this issue and pressed successfully for this debate.

We are in Justice Week, the aim of which is to show the significance of justice and the rule of law to every citizen in our society and to register the importance of an effective justice system beyond the usual audience of professions and practitioners. That aim is reflected in the many representations and briefings we have received in preparation for this debate. They have come not only, as one might expect, from the Law Society, the Law Centres Federation, LawWorks and the Equality and Human Rights Commission, but from Mencap, Mind, Oxfam, Amnesty International, Youth Access and the Refugee Council. The message is that legal aid is important to everyone, but particularly to the poorest and most vulnerable.

I extend my thanks to those organisations not only for their help for today, but for the work that they do every day to support the justice system and those who need to navigate it. Indeed, I extend thanks to all the legal aid lawyers outside the House, not least my own local law centre in Hammersmith and Fulham, which is ably led by Sue James, last year's legal aid lawyer of the year. I extend thanks also to those in the House who do the same, not least the Chair of the Select Committee on Justice, the hon. Member for Bromley and Chislehurst (Robert Neill), and the chair of the all-party parliamentary group on legal aid, my hon. Friend the Member for Westminster North (Ms Buck).

My final thanks are as follows. It would not be right to let a debate on this subject pass without acknowledging the work of Carol Storer, the director of the Legal Aid Practitioners Group for the past decade, who is leaving this month. There will be other opportunities to mark her outstanding contribution as an advocate and organiser for the whole legal aid community, but I know that hon. Members on both sides of the Chamber will have benefited from her skill and knowledge and been on the receiving end of her charm and persuasion.

I am sure that the Minister will have good news for Carol and all those I have mentioned when she responds both today and in the post-implementation review of part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012—hereinafter LASPO. It was good to hear the Minister confirm this week at the APPG that the review will be published before the end of the year. I know by that she does not mean, "By way of written ministerial statement on the last sitting day." Obviously, that will not be the case, because it is going to be good news and the Government will want to boast about it.

This is a complex and many-faceted subject, and I will not be able to cover all areas and concerns, so let me start with my requests to the Minister, because I do not want them to get lost. We have just heard from the

[*Andy Slaughter*]

Chair of the Select Committee on Health and Social Care, the hon. Member for Totnes (Dr Wollaston), that cuts to prisons are causing serious deterioration in the health and welfare of prisoners. We should not be surprised. The Ministry of Justice budget will be cut by almost half in little more than a decade of continuing austerity. It is the biggest cut to any Department, and it is a relatively small Department, with only three major areas of spend. Inevitably, all three areas—not only prisons and probation and the courts service, but legal aid—are going through debilitating change. My first request to the Minister is that she tackle the funding issue head on. No one is saying that all the cuts since 2010 will be reversed, or that the clock will be turned back, but if the Government wish to honour their stated objectives for LASPO, and in particular,

“To target legal aid at those who need it most”,
they must put something extra in the pot.

Alex Cunningham (Stockton North) (Lab): My hon. Friend will remember when we sat on the Bill Committee and warned of the intended and potentially unintended consequences of the cuts and changes being made. Does he agree that the nightmare for people desperately in need of legal aid for everything from housing to medical negligence cases has been worse than expected, and that justice has certainly been denied to them?

Andy Slaughter: Yes. I will come on to the actual, rather than the predicted, effect of LASPO. Without spoiling the surprise, we will find that the Government have overachieved in cutting budgets and underachieved in every other respect.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Before my hon. Friend moves on, will he give way on that point?

Andy Slaughter: Of course I will give way to the chair of the all-party parliamentary group on miscarriages of justice.

Mr Sheerman: Does my hon. Friend agree that it is those very vulnerable people who find themselves feeling that they have been victims of miscarriages of justice? The Criminal Cases Review Commission was at our meeting yesterday and it explained that a lack of resources inhibits its ability to process the number of cases it would like to. The cuts in legal aid mean that many people are faced with representing themselves in very complex situations.

Andy Slaughter: That is not something we discussed during the passage of LASPO, because the impact on criminal law seemed relatively mild compared with the effect on civil law, but that came afterwards. Now, eligibility restrictions and the reduced availability of legal aid practitioners as a result of cuts mean that people often go into court unrepresented, even in quite serious matters, which of course increases the risk of miscarriages of justice.

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that the impact of the Government's policies has not fallen evenly on all members of the population and that women have been particularly affected? Often, they will represent themselves and be repeatedly brought back to court by a perpetrator,

perhaps their ex-partner, and have to face the trauma all over again. That has been a particularly damaging result of the changes introduced by the right hon. Member for Epsom and Ewell (Chris Grayling).

Andy Slaughter: My hon. Friend is exactly right. Rightly, more attention has been focused on domestic violence than on perhaps any other single issue. Although changes have been made, they are nugatory as far as the Government are concerned. In many cases, women are still being victimised because of the changes that LASPO introduced, against the assurances given at the time.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): My hon. Friend is making a powerful speech. I am concerned about the impact on sick and disabled people. In some cases, up to 90% of social security claimants on the employment and support allowance, the personal independence payment or the disability living allowance have been denied access to support as a result of the cuts, but 70% of people who go on to challenge the decision, in person or with a welfare advocate, will be successful in their claim. Is that not a real injustice?

Andy Slaughter: The figures speak for themselves. My hon. Friend is absolutely right. I am responding to a series of powerful interventions. Across the board, matter starts have gone down from more than 900,000 at their peak in 2010, to about 140,000 in the past year. That is a dramatic fall, but in some areas, such as welfare benefits, the decline has been even sharper.

Kate Green (Stretford and Urmston) (Lab): I congratulate my hon. Friend on securing the debate. Does he agree that the absence of legal aid funding has driven legal aid solicitors and not-for-profit providers out of the market, which has left the door open to cowboy providers? They purport to be able to offer advice on immigration cases, for example, but that advice is poor quality, unreliable and, frankly, inaccurate, as I see repeatedly in my constituency.

Andy Slaughter: My hon. Friend raises that issue from a position of knowledge, as she used to serve on the magistrates bench. There is a deskilling of the professions because of the decline in the number of practitioners who can secure funds. Although informal and non-legal advice, such as that from McKenzie friends, can play its part, too often it is stepping in where proper professional legal advice is needed and, as my hon. Friend has said, it is too often being done by people who are, effectively, rogues.

It becomes wearing to hear Minister after Minister repeat the mantra that legal aid is an important part of our legal system and that all individuals must have access to justice, without ensuring that the resources are there to allow that to happen. That is a disconnect. Although I welcome the remit and engagement of the LASPO review, the feedback from those who have met the Department suggests that little action will follow the warm words we have heard. More specifically, this week's Budget confirmed that the Department will continue to make hundreds of millions of pounds of cuts over the next five years, some of which will inevitably come from the legal aid budget. The Minister must realise that that is unsustainable and incompatible with her stated support for legal aid.

Let me try to make it easy for the Minister to say yes. In garnering public support for this debate, More United specified three asks to put to the Government to deal with some of the worst consequences of LASPO, which were: access to early advice, access to welfare advice and simpler criteria for obtaining legal aid.

Those will not be unfamiliar requests to the Minister, but they encapsulate solutions to three major and predicted calamities of LASPO. First, cutting early advice means problems fail to get sorted while they are small and manageable, with worse consequences to the individual and the state down the line. Secondly, taking welfare advice out of scope leaves those people who need help most struggling. Thirdly, restrictive and complex eligibility criteria have become an effective way of stopping even those of very limited means getting access to what legal aid is still available.

Teresa Pearce (Erith and Thamesmead) (Lab): My hon. Friend is being extremely generous in giving way. During the passage of the Bill, the Government said that they believed that withdrawing legal aid for family matters would increase mediation, but research shows a 56% decrease in mediation. The Law Society says that early advice from a solicitor was a significant source of referrals to mediation in family matters. I agree with that, and I wonder if my hon. Friend does too.

Andy Slaughter: Yes. I will come on to mediation. My hon. Friend highlights two points: first, the lack of early advice and its consequences, and secondly, that the so-called alternatives put in place by the Government have failed, so we are left with effectively no safety net.

Lilian Greenwood (Nottingham South) (Lab): My hon. Friend is starting to build up quite a case on the issue. Sally Denton, a senior solicitor at the Nottingham Law Centre, made precisely that point about the importance of early advice:

“Given the massive changes to the benefit system coupled with the evidence that most people presenting as homeless to the local authority are doing so following the end of a private tenancy and the massive crisis in homelessness it is clear that failing to enable people to access early assistance with benefits issues will result in many losing their tenancies and either being homeless...or having to be accommodated by the local authorities”.

Do these savings in one area not just create much bigger costs in another?

Andy Slaughter: My hon. Friend identifies the fact that by pulling away parts of the legal aid structure, the whole thing has collapsed in many areas. It is often the case that one problem, which may be housing or debt, is caused by another solvable problem, which is the lack of welfare benefits. Because they are not in receipt of welfare benefits, someone who would otherwise be eligible for legal aid may not qualify under the eligibility rules, and therefore the whole thing spirals down.

As I was saying, I have three specific requests. There are other discrete issues that I wish to mention and I will say a bit more about those in a minute, but I would like some indication from the Minister, when she responds to the debate, that at least these three specific requests are being considered as part of the review.

LASPO was billed as having four objectives,

“to discourage unnecessary and adversarial litigation at public expense; to target legal aid at those who need it most; to make significant savings to the cost of the scheme; and to deliver better overall value for money for the taxpayer.”

The Ministry of Justice predicted that the budget for the legal aid bill would be cut by £350 million. It promised that there would be innovative ways in which advice and legal services would be offered, allowing costs to be cut while still maintaining access to justice.

There was, however, little of substance. Instead, LASPO swept away 60 years of the development of legal aid, taking almost all private family law and most of social welfare law out of scope, introducing onerous restrictions on eligibility, and turning on its head the principle of a right to advice and representation. Now, matters would be eligible for legal aid only if expressly allowed by the schedule to the Act.

Later, criminal legal aid got the LASPO treatment. It did not feature in any detail in the original Bill, but subsequent secondary legislation introduced cuts of a similar scale for crime, opening up the prospect of advice deserts and, as we have already touched on, miscarriages of justice, where defendants do not meet eligibility criteria but cannot afford representation.

Catherine West: On the narrow point of advice deserts, does my hon. Friend agree that some London boroughs are appreciative of the Bar's pro bono unit and the free representation it offers, and indeed, in my borough's case, of the St James's Church Legal Advice Centre in Muswell Hill, where the excellent Peter Thompson, who is not 21 anymore but still gives legal free aid, works? However, access to justice is a genuine issue in other parts of the country, where retired solicitors are simply unable to provide that kind of support.

Andy Slaughter: My hon. Friend is absolutely right. First, however good pro bono services are, they cannot replace legal aid and it would be wrong to say that they could. Secondly, I will give an example of a letter I received in preparation for this debate, which my hon. Friend the Member for Wrexham (Ian C. Lucas)—who is in attendance and is himself a distinguished solicitor—may want to comment on. It says that in north Wales only two firms are contracted to do mental health work, in an area with eight hospitals with mental health services, and only one firm is doing community care—that is, social and health care law. That situation is far from untypical.

Ian C. Lucas (Wrexham) (Lab) *rose*—

Sir Henry Bellingham (in the Chair): I think the hon. Member for Hammersmith (Andy Slaughter) has prompted an intervention.

Ian C. Lucas: I am grateful for the prompt from my hon. Friend; I was being a little cautious, compared with my colleagues. The dearth of advice in Wrexham, which is the largest town in north Wales, has a real impact. Even worse, until my last-minute intervention the Conservative-Independent coalition that runs the council was going to close our local citizens advice bureau. There is virtually no advice available. My constituency office has had to take on an extra caseworker to provide advice in the biggest town in north Wales.

Andy Slaughter: My hon. Friend reminds me to touch on the effect on Members of Parliament, which I am sure we are all interested in.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my hon. Friend on securing this debate. Most advice centres are experiencing staff reductions and are underfunded. That much is clear with regard to issues such as housing and immigration. Does he agree that that is a disgrace, to say the least?

Andy Slaughter: I absolutely agree. Pre-LASPO, my own law centre employed eight solicitors across a range of, mainly, social welfare law, but now it can afford to employ only two solicitors. It is only through the generosity of the local Labour council—against the backdrop of its own budget cuts—and that of charitable trusts that it is able to top up that number with further practitioners. Even the previous position, however, was insufficient for the need, as I well know, and the current position is almost unsustainable.

Alex Cunningham: Mencap mentions very specifically in its briefing the distress faced by people with disabilities who cannot get the support they need, and who drop out of the social security and care system because there is no one to speak for them. Even if they qualify for assistance, they cannot find the specialist lawyers they need. Mencap says that that is happening across the country. Does he agree that the Minister needs to look at increasing provision, and also needs to assess whether the necessary specialist lawyers are available in the system to help people?

Andy Slaughter: That is particularly important to my hon. Friend and he makes a very good point. We have been briefed by both Mencap and Mind on today's debate. It will not surprise anyone that Mind said that people with mental health problems are twice as likely as members of the general population to experience legal problems and four times as likely to experience complex legal problems—in other words, problems that extend across a number of different disciplines. As was predicted, those are the people who are worst affected.

Even as the Bill was being published, alarm bells were being rung, and not only by Opposition Members. I had the pleasure of leading for the Opposition in Committee on LASPO. We heard not only from experts and users of the system but from the Government officials. The impact assessments that accompanied the Bill predicted that people with protected characteristics would be disproportionately affected by the cuts.

The official MOJ line was:

“The wide-ranging availability of legal aid can lead people to assume legal action is their only option, even where early practical advice could be of more help to them and avoid them needing a lawyer at all.”

Gillian Guy, the chief executive of Citizens Advice, said the money available was not enough and that we were losing precisely the swift and practical advice offered by CABs and advice and law centres. She added that Citizens Advice research suggested that every £1 spent on early advice saved around £9 later, partly by avoiding unnecessary and expensive tribunal hearings.

Richard Hawkes, the chief executive of Scope, said:

“To cut legal aid at a time of unprecedented changes to welfare support would mean disabled people who fall foul of poor decision-making, red tape or administrative error being pushed even further into poverty as they struggle to manoeuvre the complicated legal system without the expert support they need... This could result in a ticking timebomb of poorly prepared and

lengthy tribunals and appeals, choking the courts and not saving money, but actually costing the government far more in the long term.”

The Government were warned. Did the predictions of doom come to pass? We know that they did. In fact, LASPO has cut far more deeply than had been billed. The stated aim was to reduce the legal aid budget by £350 million, but last year spending was £950 million less than in 2010, at £1.6 billion, as against £2.55 billion in 2010-11, with similar percentage falls in both civil and criminal legal aid.

While waiting for the Government review of LASPO—it was promised for between three and five years post-enactment, but we are now nearer six years post-enactment—we have not been short of expert opinion on its effects. Reports by the Justice Committee, the National Audit Office, the Public Accounts Committee, the Joint Committee on Human Rights, the Bar Council, the Law Society, the Bach Commission and the Low Commission have been consistent in highlighting the serious failings of LASPO. In 2017, the Bach Commission found that

“the justice system is in crisis. Most immediately, people are being denied access to justice because the scope of legal aid has been dramatically reduced and eligibility requirements made excessively stringent. But problems extend very widely through the justice system, from insufficient public legal education and a shrinking information and advice sector to unwieldy and creaking bureaucratic systems and uncertainty about the future viability of the practice of legal aid practitioners.”

In 2015, the Justice Committee published its verdict:

“Our overall conclusion was that, while it had made significant savings in the cost of the scheme, the Ministry had harmed access to justice for some litigants and had not achieved the other three out of four of its stated objectives for the reforms. Since the reforms came into effect there has been an underspend in the civil legal aid budget because the Ministry has not ensured that many people who are eligible for legal aid are able to access it. A lack of public information about the extent and availability of legal aid post-reforms, including about the Civil Legal Advice telephone gateway for debt advice, contributed to this and we recommend the Ministry take prompt steps to redress this.”

Advice officers around the UK began looking for alternative sources of funding so that they could continue working with clients who would soon find themselves ineligible for legal aid. However, with local authority budgets cut, few sources of funding were available. Many agencies closed and private firms found that it was no longer economic to undertake legal aid work. As we have heard, whole areas of help have been removed from scope, leaving millions unable to get advice or representation. There has been an almost complete collapse in early legal advice. That means that cases now escalate and are resolved only after becoming much more complex, traumatic and expensive, if they are resolved at all.

As my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) said, the Government argued that removing legal aid for most private family law matters would increase the uptake of mediation so families could resolve their problems outside court. They predicted an increase of 9,000 mediation assessments and 10,000 mediation cases for the year 2013-14. Instead, there was a decrease of 17,246 mediation assessments in the year after the reforms, and the number of mediation cases fell by 5,177 in the same period. One reason for that was the withdrawal of firms from those areas of law, leaving no one to signpost litigants to mediation.

The removal of legal aid from most areas of family law has had a disproportionate effect on women. In a survey carried out by Rights of Women and Women's Aid, 53% of respondents took no action in relation to their case because they could not apply for legal aid. It is becoming so difficult for victims of domestic violence to obtain legal aid that last year, the Government were forced urgently to review the criteria for legal aid in such cases. Time limits preventing victims of domestic violence from obtaining legal aid for court hearings were scrapped and rules were relaxed to accept evidence from victim support organisations. Despite that, there are still concerns that too many women are falling through the cracks and not getting the help they need.

A dramatic increase of litigants in person following LASPO has created a severe strain on the court system which, to quote the retiring Director of Public Prosecutions this week, is already "creaking" under the effects of significant cuts and court closures.

Ian C. Lucas: My hon. Friend touches on an important and under-appreciated point. The court system is struggling to cope with litigants in person and the judiciary, whose role it is to judge cases, is having to take on the advice aspect of the justice system. It is difficult to combine that advisory role with providing impartial judicial functions.

Andy Slaughter: My hon. Friend knows his business well. That is self-evidently true, and the judiciary is responding magnificently, but we are asking those people, whether in tribunals, magistrates courts, or the higher courts, effectively to do two jobs. They are asked both to be inquisitors and to represent parties—sometimes one party and sometimes both—as well as perform their ordinary functions. That is simply unsustainable in the long term.

Litigants in person can struggle to understand court procedures and their legal entitlements, and cases involving them take longer to resolve. The Personal Support Unit reports that, in 2010-11, its staff and volunteers helped people without access to a lawyer on about 7,000 occasions. By 2017-18, that number had rocketed to more than 65,000. The removal of most welfare benefits law from the scope of legal aid—which, again, we have touched on—has disproportionately affected disabled people. The number of benefits disputes cases with legal aid has fallen by 99% compared with pre-LASPO levels, from 29,801 cases in 2011-12 to 308 in 2016-17. When individuals are able to challenge benefits decisions, the majority of those decisions are overturned. Since 2013, 63% of appeals against personal independence payment decisions and 60% of appeals against employment and support allowance decisions were decided in the claimant's favour.

Mr Sheerman: My hon. Friend is something of a historian in legal matters. Who was it—it may have been H.R. Greaves in his first lecture at the London School of Economics—who said:

"In England, justice is open to all—like the Ritz Hotel"?

Andy Slaughter: I am grateful to my hon. Friend, but I think he means that I have been around for too long.

Many Members will have seen the results of LASPO in their surgeries and I am grateful to colleagues for raising this point. Half of the MPs who responded to a survey carried out by the all-party parliamentary group

on legal aid said that the volume of constituency casework had increased over the past year. More than half said they had seen a notable increase in the complexity of that work. Many MPs reported that advice agencies in their constituencies had closed, meaning that those MPs were no longer able to refer constituents onwards to get the help they needed. Some MPs even said that citizens advice bureaux were referring constituents to them because the bureaux were unable to cope with the number of people seeking help.

Fearful of falling foul of human rights law, LASPO introduced exceptional case funding. The Government projected that 5,000 to 7,000 such exceptional cases would be funded per year, but only 954 people benefited from that scheme in 2017. In almost every aspect, the consequences of LASPO have been as bad as predicted or worse, and the mitigating measures have not worked.

Unlike my constituents, the Government are not short of advice on what to do. In particular, I commend the 25 recommendations in the Bach Commission report. Those include changes to scope and eligibility; a simplification of the current rules, including for criminal matters; reform of exceptional funding; and better access to existing services, including more face-to-face advice. That report also suggests solutions to other issues of concern. The restrictions on legal aid for judicial review, the lack of representation at inquests for the deceased's family, and the complicity of the Legal Aid Agency in refusing legal aid in cases that are embarrassing to Government, such as the prisoner book ban, are all subject to recommendations in that report. Those are serious issues, not just of inequality of arms, but of manipulation of resources by Government to avoid proper scrutiny of their actions. I hope the Minister has time to respond on those issues. If not, I suspect we will be debating them again before too long.

Many Members wish to speak, so I will conclude by reiterating our main asks for today. The first is to restore access to early advice. Lack of early advice means that simple problems are left to escalate. Larger problems cost more money to fix. Lack of early housing law advice on disrepair issues can lead to health, social and financial problems, the tab for which will ultimately be picked up by the NHS and local authorities. Prevention is better than cure. A recent report commissioned for the Law Society found that restoring early legal help would save the taxpayer money.

Secondly, we ask that the Government restore access to welfare advice. Welfare benefits law is labyrinthine, and that system is particularly difficult to navigate for people who are disabled. Recent social security reforms have led to a steep rise in inaccurate decisions and benefit sanctions. Thousands of disabled people have been left to challenge unlawful decisions without legal assistance. How many more unfair decisions would be overturned if people who had been treated unlawfully by the Department for Work and Pensions could access welfare advice?

Thirdly, we ask that the Government simplify the criteria for those who need legal aid. The Government should consider a significantly simpler and more generous scheme. The means test should be based on a simple assessment of gross household income following an adjustment for family size. In 1980, civil legal aid was available to 80% of the country. Today, that figure is thought to be under 20%. Ordinary working people

[*Andy Slaughter*]

who are just about managing are now considered too rich to be eligible for legal aid. Pensioners are among those worst affected by the outdated means test—even modest savings disqualify them from legal aid. The effect is that a vulnerable pensioner unlawfully denied basic care may well have to pay for a lawyer out of their own pocket. Legal aid does not only fund a lawyer, but provides protection from paying the other side's costs.

I have been sent a huge number of individual case studies. For reasons of time, I am not going to be able to go through all of them—I would be happy to supply them to the Minister, but I am sure she is aware of the problems that arise. I have seen some heartbreaking cases involving mental capacity. Often, elderly people are removed from their own homes, sometimes forcibly, and are unlawfully detained by local authorities. They wish to go back to their homes and to criticise the conditions in which they are being kept, but because they have equity in their property which, frankly, they have no chance of raising money on, they are unable to challenge the decision. That is a fundamental breach of people's human rights.

Cases such as those should make the Minister think again. I therefore ask her to put her well-thumbed, prepared text aside, because it does not—I know, having heard it earlier this week—address the specific point that I and others highlight in this debate. As a distinguished lawyer, I know she wants to ensure access to justice for all. She knows that even the best justice system is worth having only if it is open to anyone to use it. The requests I have made would go some way to restoring that access. I hope we get a positive response today and when the review reports next month.

2.20 pm

Robert Neill (Bromley and Chislehurst) (Con): It is a pleasure to serve under your chairmanship, Sir Henry. I start by referring to my declaration in the Register of Members' Financial Interests. I thank the hon. Member for Hammersmith (Andy Slaughter) for securing this debate on a very important topic.

I make no bones about approaching this debate with a rather personal stake. Before I came to this place, the whole of my working life had been as a barrister practising in the criminal courts, almost invariably publicly funded by legal aid to defend or by the Crown Prosecution Service or the Serious Fraud Office to prosecute. I hope I can recognise that this is not merely an academic matter. These things affect the lives of every one of our constituents and every Member of this House, regardless of party. I hope I will be able to approach the debate in that spirit.

It is a long history that we have to review. LASPO is just one step in the changes to legal aid that we have seen over the years. The hon. Member for Huddersfield (Mr Sheerman) referred to the famous quote by Mr Justice Mathew, later Lord Justice Mathew. At the turn of the 20th century, he said that the courts of England are open to all like the Ritz hotel. I am sure the hon. Gentleman was not actually there at the time—I was not either—but it has become a stock phrase. The point, however, is that Mr Justice Mathew was being ironic; for those who did not have means, there was precious little access to the courts of England at that time.

After that period, we developed a system of legal aid over a number of years. I accept that I was to some degree a beneficiary of that system, but the system was necessary to ensure that justice was done. Thereafter, it may be argued—I think it was part of the rationale behind LASPO—that in some areas, the system did not work as efficiently as it might. I can think of rolled-up conspiracy trials that went on for about six months, where two barristers for each defendant would ask about one question a week. Frankly, that was not an expenditure that could be justified, and it was not targeting things in the right way.

The problem is that successive Governments seeking to reform—it is worth remembering that changes to legal aid did not begin with LASPO or the coalition Government; they were set in train initially, in some measure, during the Blair and Brown Governments—have run the risk of throwing out the baby with the bathwater. In cutting down on some instances of needless expenditure that went beyond what was necessary to ensure justice, there is always a risk that the pendulum will go too far the other way. Having looked at the matter and tried as a lawyer to look at the evidence, I am sorry to say that I am driven to the conclusion that that is what has happened here.

The good news is that there is an opportunity to review things. It is a shame that it has taken so long, but we would all say, "Better late than never." I know that the Minister is absolutely committed to ensuring proper, good-quality access for all who genuinely need it. I know her personal commitment to the Bar, the rule of law and our legal system and her personal experience of it, so I know she will approach this matter in the open-minded way she did when she was in practice herself. I urge her to look at the evidence. As the hon. Member for Hammersmith said, the evidence is pretty compelling that changes are needed. I do not expect her to say what those changes are going to be today, but I hope she will take away the message that the evidence does not purely come from pressure groups of self-interested lawyers. Nothing could be further from the case.

Alex Chalk (Cheltenham) (Con): My hon. Friend is making an excellent point. Does he agree that our international reputation is at stake? The legal sector is one of the most important in our economy. If we want to continue to be a country that has a global reputation, generating revenues for our economy in respect of international law, we need to ensure that we hold up equality of access to justice for all as a touchstone of our liberty.

Robert Neill: My hon. Friend is absolutely right. He speaks with great experience from his time in practice in serious criminal matters and from his work on the Justice Committee, to which I pay warm tribute. We cannot disaggregate the justice system. As part of our post-Brexit strategy and our "Britain is GREAT" campaign, the Minister's Department is rightly proclaiming the value of our legal system and legal services, which is real and profound. Their integrity depends on the whole system being properly resourced and funded. It is no good simply to say that we have the best means of commercial dispute resolution and arbitration in the world. It is not enough to say we have probably the best system of civil justice across the piece in the world. It is

equally important that we can say the same about our criminal justice system, our family law system and our tribunals system. They are increasingly relevant and important to the whole system.

Ian C. Lucas: The hon. Gentleman is making an excellent speech and an excellent point. May I add that we need to have a local justice system that works right across the country? Towns and rural areas also need access to justice for people in those areas. One of the real problems with the Government's running of the justice system more broadly is that local justice has been profoundly undermined by lack of provision and court closures.

Robert Neill: With his experience, the hon. Gentleman makes an entirely valid point. The Justice Committee has looked at a number of those areas over the past two or three years or so, and we have looked at aspects of access to justice in all its forms. It is partly about legal aid, but there are other matters, too. I will concentrate on legal aid because that is the subject of the debate, but his point about other matters is entirely fairly and well made.

There is a clear case that in attempting to right what was perhaps extravagance in some limited areas, we may have inadvertently done injustice to potential claimants. We need to put that right. The first area that I would suggest to the Minister is important is funding advice, as has already been observed. The legal aid change was predicated—I was there at the time, as was the hon. Member for Hammersmith, and I was prepared to take this on face value—on the idea that it would be a good thing to move away from the comparatively adversarial approach to family cases to mediation and something much more collaborative. That has to be the right thing. The Minister's Department is recognising that in another sense with the sensible proposals to reform the divorce laws to move away from a confrontational approach. The irony is that so far as legal advice and representation are concerned, those good intentions have not been followed through.

As has rightly been observed, early access to legal advice and a solicitor would point people in the direction of mediation. We can invest significant money in having much more public education so that people can assist themselves, but it may be just as cost-effective—I suspect it would be more cost-effective—to restore some measure of early advice in those family cases. Any good solicitor worth their salt will rightly advise their clients to adopt that course of mediation if it fits the circumstances of the case. Restoring the position there would be a sensible investment to save.

Alex Chalk: Does my hon. Friend agree that sometimes the best advice that a lawyer can give at an early stage is, "For goodness' sake, don't litigate"? If that good advice is given at an early stage, we can have a reasonable expectation that the courts will be properly allocated to deal with those disputes that they should be dealing with.

Robert Neill: Again, my hon. Friend is absolutely right. What he says applies not only to family work, but to any form of civil litigation and, in truth, to criminal work, too. When I defended people, I regarded it as my first and principal duty to give them an honest assessment of their prospects of successfully defending a charge.

Mr Sheerman: The hon. Gentleman and I both serve on the all-party parliamentary group on miscarriages of justice. I do not think that people are saying that the situation is due to malign intent. Many of the things that we are talking about today are unintended consequences. Certainly, it was not intended that there should be miscarriages of justice, or that people should be unable to get any professional help at all. The Ministry of Justice is tiny in the scheme of things, but its resources have been savagely cut.

Robert Neill: I take the hon. Gentleman's point, and I agree that there was nothing malign in the intent. The changes were made at a time when the coalition Government were under considerable financial pressure because of the situation that we inherited. I have much sympathy with that, but to adopt the phrase of John Maynard Keynes, "When the facts change I change my opinion—what do you do, sir?" The Government need to do that too, because the evidence has been built up, and it is powerful.

For a number of reasons, it was thought necessary to introduce the LASPO reforms at some speed. They were probably not fully worked through, there was no chance to do sufficient impact assessments, and they were not tested. Again, it was not for a malign reason. At the time, there was a compelling budget imperative to get on with it, but it created unintended consequences. As the Prime Minister has observed, we are getting to a stage where, thanks to the Government's good economic stewardship, we might be able to loosen the purse strings a little in some areas. That gives us the chance to adopt that Keynesian approach and adjust our conclusions to the fresh evidence that has come before us.

Early advice is essential. We have talked about family work and its importance in the criminal system. Any lawyer will advise his client, if the evidence against him or her is overwhelming, of the advantageous discount in sentence for an early plea. Proper advice by specialist lawyers saves time and money, and saves witnesses in criminal cases from the trauma of having to go to court. We should not forget that either, as it is an important part of the system.

Early advice is also important in cases of housing and debt, and related matters. People have come to my surgery, in a comparatively prosperous part of suburban London, having been in effect served with an eviction notice because they did not understand the court papers. Bailiffs were literally coming to the door. We cannot expect people who often have multiple problems in their lives necessarily to be able to resolve such things on their own.

We can certainly make the civil justice system easier to navigate. The reforms to an online court, for example, and better means of entering pleadings and dealing with smaller-sized claims are all perfectly worthy and worth while. However, ultimately, even if a computer can process the pleadings efficiently and effectively, it cannot advise someone on whether there is merit in their claim, whether they have a defence to an action brought against them or how they might best compromise the matter so that they do not, for example, end up on the street or saddled with significant debt. All those things require the legal element, and I suggest that there would be a saving in reinstating some funding there.

[Robert Neill]

I keep in touch with many friends and colleagues at the Bar who now sit on the bench. I sometimes reflect that my career took a wrong turn somewhere along the line. The truth is that anyone in the judiciary—whether from the High Court or, perhaps even more significantly, down to circuit judges and district judges, who shoulder the vast volume of the work, as well as magistrates—will say that the amount of time that is now taken up by litigants in person is placing a serious burden on the system. I go to my local county court and talk to the district judges and the county court judge. Exactly the same thing can be seen at the magistrates court, and I have no doubt that it is replicated across the country.

It is generally thought that a litigant in person will take about three times as long to deal with a case than lawyers would, if they were involved. The upshot is that we are saving cost at one end of the system but piling it on in another part. The net benefit to the public purse is nil—perhaps even negative.

Alex Chalk: My hon. Friend has been so generous. Does he agree that one of the pillars of our world-renowned legal system is the integrity, skill and impartiality of our judges? It is no secret that they feel quite put upon at the moment, not least on pensions and other matters. Their time is being taken up with extremely complex issues where it is harder for them to achieve justice. Does he not agree that we should take that extremely seriously, so that we continue to have a pipeline of the brightest and the best?

Robert Neill: That is right. We could probably have a debate on judicial recruitment and retention.

Alex Chalk: Put in for it.

Robert Neill: Perhaps we should, and perhaps I will encourage my hon. Friend to join me in doing so.

Litigants in person are a real pressure on the totality of the court system, because if courts are being clogged up by cases that are being slowly presented—where the judge has to hold the litigant by the hand to take them through steadily and ensure that there is no miscarriage of justice—that uses up the time of the court building and the court ushers. It puts pressure upon listing, and means delays in other cases coming on. There are more likely to be adjournments because people will not have prepared the bundles properly or got their evidence together. That is all wasted cost in the system, which some early investment would save.

Those are key areas where more could be done. We perhaps need to look, too, at some areas in relation to tribunals—an increasingly important area of jurisdiction. Not all tribunal cases, of course, need legal representation, but they increasingly deal with more complex matters and more complex areas of law and of fact where it makes sense, for exactly the same reasons, to have proper legal advice.

Joining those thoughts together, I commend to the House the Justice Committee's reports on access to justice, and on courts and tribunal fees. Although fees are separate from the legal aid regime, the unintended consequence of some of those changes was remarkably similar in making access to justice for deserving—that is the key bit—claimants more difficult. Finally, we recently wrote a report on criminal legal aid. I will end on that—it may be the subject on which I have spent most of my life.

We cannot have a situation where it is extremely difficult to get high-quality young lawyers to go into criminal work. The integrity of our system, to which my hon. Friend the Member for Cheltenham (Alex Chalk) referred, is seen most visibly in the way in which we deal with criminal cases. If the state, no doubt for good reasons, thinks it necessary to bring charges against an individual to be tested in our courts, it is only right and proper that that individual, having had the resource and power of the state brought against them, has as a matter of equality of arms and basic fairness the ability to defend themselves. To do that properly, they must be able to access lawyers who are as good, as well trained, and as competent as those who prosecute.

To do that, we have to be prepared to remunerate people. We cannot have a situation where criminal barristers are worse off, as they are under some aspects of the advocates' graduated fee scheme at the moment, if they take on a complex and demanding case—for example, a multi-handed rape—as opposed to a single-handed offence of the same kind, because the extra work is simply not reflected in the fee. Those are precisely the cases—I did many of them myself—where experienced and sensitive advocates on both sides are critical. We are in danger of damaging the supply chain, as far as that is concerned.

It also cannot be right that the system does not remunerate defence lawyers for looking at the unused material in cases. Some of the main cases where miscarriages of justice have occurred, as you will know, Sir Henry, from your experience in these matters, are where there has been a failure in disclosure. Usually it is, as is often the case here, a result of unintended error. Although I have come across one or two cases where I could not say that that was the case, things genuinely go wrong, and it must be possible, in terms of the fairness of a trial, for the defence lawyers to be able to look through the unused disclosed material to ensure that there is nothing that might be exculpatory to their client.

That is only right and proper, and prosecutions have collapsed in high-profile cases because that was not properly done. People have been saved by the integrity of members of the independent Bar, on both sides, who took the opportunity, even though they were not going to be paid for the hours, to go through the unused material and highlight matters that meant that the prosecution could not safely proceed. It seems only right and just that the solicitors and barristers who were on legal aid on those matters should be paid for doing that, because we want to ensure that it is done properly. Let us face it: as those cases highlighted, the sooner it is done the fewer wasted hearings and adjournments, which have bedevilled some of those high-profile cases, there will be. It is not only the right thing but the common-sense thing to do.

We also need to recognise that early advice from solicitors at the police station is critical in criminal cases. Striking evidence was given to the Justice Committee inquiry that the average age of a police station duty solicitor is 47. Young people are not coming into the role because it is simply not remunerated well enough.

That all leads me to the conclusion that Lord Kerr got it right in his Supreme Court judgment on the Unison case. His view, to which I am driven by the evidence, was that regrettably, however good the intentions, the current arrangements under LASPO have adopted

too transactional an approach to justice. He said that litigation is not merely a private transaction between parties; it also involves a greater public good. In that case, which was about employment tribunals, it involved the exposure of bad working practices and improvements that might stem from it, but the principle applies to any type of litigation. There is a public good in access to the courts that goes beyond the right—itself important—of the parties themselves to have access to justice. It is a bigger thing—a point that takes us back to our commitment to the rule of law, which my hon. Friend the Member for Cheltenham referred to.

I therefore urge a Keynesian approach on the Minister. Keynes was not always wrong, and he was certainly right about this. If we believe in following the evidence, as we all do in any legal process, and if the evidence indicates that things have gone too far the other way and we have the chance to change them, there is no shame in admitting that. It would be honest politics, good government and entirely consistent with the spirit that the Minister and her ministerial colleagues seek to bring to our approach. Where we can put things right, it is better to accept the position, act on the evidence and ensure that we have a better basis for legal funding and access to justice.

2.41 pm

Ms Karen Buck (Westminster North) (Lab): It is a great pleasure to serve under your chairmanship, Sir Henry, particularly given your personal interest in and commitment to this field of policy. It is also a great pleasure to follow two superb speeches that set out the broad range of topics that we need to cover. I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter) on securing the debate and on his opening speech. I strongly commend the speech of the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill); I do not think I disagreed with a word of it.

The excellent briefings that we received in advance of the debate from a wide range of organisations come on top of a wealth of analysis that has already contributed to the debate, not only from the Justice Committee but from my own Committee, the Joint Committee on Human Rights, which produced a report including an analysis of many of the post-LASPO failings. The case has already been made, as we have heard today, but I wish to make a few remarks to convey not just an analytical concern for the post-LASPO world, but the real anxiety, passion and anger that so many people feel about the environment in which we find ourselves.

Yesterday morning, we marked Justice Week with a meeting of the all-party parliamentary group on legal aid. We were very pleased that the Minister came to speak to us and that the meeting was very well attended, including by the Bar Council, the Law Society, parliamentarians, a great many people from the not-for-profit sector, and solicitors. We heard a compelling case for the central role of legal aid and for ensuring access to justice. We heard the message that the Government need to hear thunder reverberating, because every single prediction made before the passage of LASPO has come to pass. We heard that the situation has declined to the point that the criminal Bar has thought it necessary to take strike action and the Law Society is taking legal action against the Government. It is unprecedented in

modern times for those organisations to feel compelled to take such strong action, but they want the Government to hear exactly what is going on.

Sadly, in Justice Week, we also learned in the Budget that the Ministry of Justice, which with the Ministry of Housing, Communities and Local Government has already taken the largest cuts of any Department, is to be subject to yet another cut. It is an unprotected Department, and we now know that its budget will be cut from £6.3 billion to £6 billion. We are making the case for legal aid in a context in which justice funding is falling still further.

As we have heard, legal aid is in competition with many other areas of justice that are also under intolerable pressure. Almost every hon. Member in this Chamber has been present at debates that conveyed our anxiety about other creaking, breaking parts of the criminal justice system, so it is understandable that we are extremely concerned to ensure that the case for legal aid is not made at the expense of the prison service or the other parts of the justice system that are also under absolutely intolerable strain. In truth, the thunder is reverberating; it is just that the Government have not been listening.

I will not repeat in great detail the case that has been made so widely in this House and through the many forms of evidence submitted to the LASPO review about the consequences of areas of service falling out of scope and of the tightening of eligibility. The impact on providers has in turn had an impact on people—often the most vulnerable people—who need to be effectively represented.

Robert Neill: I agree entirely with the hon. Lady's argument, and I am glad that she referred to Justice Week. Does she agree that it might be worth while for every Member of this House to watch the Bar Council's video about justice cuts, in which several providers, as well as hon. Members, talk about the impact on the individual cases they deal with?

Ms Buck: Absolutely. I would love every Member of this House to watch that video and to be made aware of the case being made.

We know what is happening to legal aid providers. Law centres lost 60% of their income from legal aid post LASPO, and in the immediate aftermath we lost eleven law centres. I pay tribute to my own centre, Paddington law centre, which provides such an essential service. I also commend North Kensington law centre—this country's first law centre, which I used to represent but is now just outside my constituency—for doing such extraordinary work in the aftermath of Grenfell.

Law centres are indispensable; they are an integral part of effective community life. The Chair of the Justice Committee was absolutely right to draw attention to the fact that justice is not a private transaction. These services—particularly law centres, but not only them—are part of a healthy community and a strong civic life. The consequences of undermining them go far beyond the individuals concerned.

Alex Chalk: Does the hon. Lady agree that there is a lesson for us in this place, too? There is no point in our standing up, making speeches, passing legislation and pontificating grandly if the laws that we give effect to are ultimately not capable of being enforced. Is that not a crucial point?

Ms Buck: That is absolutely right. I will come on to a variant of that theme—the extent to which the law is having to bear the burden of bad laws and bad implementation of policy. We are seeing even more of that now than we were before.

In addition to the impact on law centres, we have also seen a fall in the number of providers across the piece, including a 60% fall in not-for-profit providers. I am sure that the Government did not want not-for-profits, with all their ability to lever in additional support from outside legal aid, to be a form of service that was reduced, yet absolutely inevitably and as was predicted, the not-for-profit sector has seen some of the deepest cuts.

As we heard, there has been a calamitous fall across the piece in new acts of assistance, with legal help matter starts down from 573,000 in 2012 to 140,000 in 2017, so we know that people who would previously have got legal assistance and representation are now not doing so. We have heard also about the kinds of areas of service where that has had an impact. What we have not heard yet is that this is happening in a context in which the demand and need for that kind of representation and advocacy is growing.

In terms of welfare, that is an absolute explicit consequence of the welfare reform legislation, the Welfare Reform Act 2012 and the changes to disability benefits, which have seen so many people losing their benefits. They have been making appeals against that, and winning those appeals in unprecedented numbers—at a level that clearly demonstrates the total inadequacy of the way in which disability policy has been drawn up—but those appeals are only being won where people have representation and advocacy. There is a difference in the success rate for people who are appealing against loss of benefits where they are represented and where they are not. It is deeply worrying that people with identical conditions and identical sets of circumstances may or may not be successful in maintaining or restoring their disability benefits depending on whether they live in an area where they are able to access advice and representation.

As people will not be surprised to know, another issue that is close to my heart, homelessness, is another factor. After many years in which homelessness fell, there has been a doubling of rough sleeping and a 50% increase in the number of families going into the homelessness system. Although that remains within scope, with the loss of providers and the pressure on the system, the demand for assistance is rising but the ability to provide is not.

Speakers this afternoon have talked about different groups of people who have fed evidence in to the debate. I am particularly grateful to Youth Access for its briefing. It wanted to draw attention to the predicament of young people, who experience many of the difficulties with the welfare system and housing on the same level as others, but who are particularly unlikely to be able to access help. Youth Access states that 84% of young people are left unaided in their search for legal representation. That too will have worsened post-LASPO.

It is unfashionable in this House to champion the cause of the lawyers who provide these services. We often hear about fat cat lawyers, or see the media representation of the tiny number of lawyers who have made a considerable amount of money through the legal aid system. The truth is that legal aid lawyers are in very challenging financial circumstances. They have not had a pay rise

for a very long time. Unless we are able to retain them and attract a new generation of lawyers into legal aid, the service available in some parts of the country will decline further. I saw another example today of areas of the country where nobody is bidding or competing for legal aid contracts in housing law, because they are simply not able to make money out of them.

In the debate in my name on the LASPO review a few weeks ago, I set out a more detailed critique of what has gone wrong since 2012, so I will not cover any more of those points now. The Minister was very courteous in her response and subsequently replied to some of the questions; she also attended a meeting of the all-party parliamentary group. I understand that she is not able to pre-empt the conclusions of the LASPO review today, but in that debate at the beginning of September I listened in vain for a sense of a real commitment to understanding the scale of the challenge that we face. I hope that today she will be able not just to tell us what money is going into the legal aid system—I think we already know that—but to convey a sense of her passion for wanting to address and redress the problems that so many people across the board are now telling her about.

What we are looking for, and what we hope we hear a commitment to today with the detail spelled out when we get the LASPO review, is a restoration of money for early help. Everybody understands the importance of early intervention and preventive services, so we want to get a commitment to putting money back into early help. We have specific and detailed proposals for improving eligibility, for simplifying and clarifying the rules on eligibility and for bringing certain areas back into scope. Family law is a particular area that we want to see restored, as well as criminal legal aid, which should include a proper recognition of the need to tackle the under-remuneration of criminal legal aid lawyers.

Access to justice is as fundamental to the functioning of a good society as services such as health and education, which we more often invoke when we talk about public services. Access to justice is now being deeply and dangerously undermined. We need not just warm words, but urgent and immediate action from the Minister.

2.56 pm

Melanie Onn (Great Grimsby) (Lab): It is a pleasure to serve under your chairmanship, Sir Henry. I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter) on securing what has been an excellent debate.

I start by picking up on a couple of comments from the contributions so far, not least on the matter of self-representation and the fact that it leads to an increased potential for miscarriages of justice. The hon. Member for Cheltenham (Alex Chalk), who has just left his place, mentioned the importance of the rule of law. Over the last couple of years, there has been an increasing reference to the rule of law in this country, as part of the debate on restoring our sovereignty; it is becoming much more important to people and is much higher up the agenda. It must be reflected in a strong and impactful justice system. Without it, we cannot continue to consider ourselves a bastion of extraordinary strength in our legal framework.

More and more in my constituency surgeries, I receive queries on matters such as immigration, although housing, welfare and family matters are also prevalent. I echo the

comments of my hon. Friend the Member for Stretford and Urmston (Kate Green) about the advice that is being given to people in quite complex circumstances. Very often, people arrive at my door having been given advice on Home Office procedure or relevant sections of Home Office codes and regulations by paralegals or so-called legal advisers, who are not solicitors. They have paid thousands for this erroneous advice. Those in my office, who are also not legally qualified, have to untangle the mess. Thanks to the expertise of our own Library and the resources that we have access to, we are able to point them in the right direction and give the right kind of support that they need.

There is much in this debate that I am sure the Minister is listening to very carefully. As has been mentioned, a number of advice briefings have been circulated ahead of this debate. I read the Mencap briefing, which really resonated, especially in terms of the reference that it made to low levels of legal literacy among the general population, and to the fact that there is very limited access even to basic advice, with people increasingly becoming more reliant on organisations that are unable to take on legal cases. They might be able to advise up to a certain point, but they are unable to take the matter forward and provide representation, with the result that people, without that background of knowledge and perhaps without the skills to take their case forward fully are left without a full level of support in their case.

[MR ADRIAN BAILEY *in the Chair*]

The Mencap briefing refers to the suggestion that the Government should address the problems with the supply of specialist solicitors. That is the reason why I wanted to participate in this debate and the reason for my concerns about the lack of availability of solicitors, particularly in areas like Grimsby, and around responsive criminal matters. The Library debate pack reminds us that, as we have heard already, there have been

“significant changes to criminal legal aid, particularly in relation to means testing of applicants and to rates of pay for solicitors and barristers undertaking criminal work.”

It notes that most of that has come through secondary legislation. That has made it even harder for solicitors to continue to run their practices.

My hon. Friend the Member for Wrexham (Ian C. Lucas) highlighted the issue of access to justice in towns, but in towns such as Grimsby, lots of solicitors have closed down their practices and moved to nearby cities, where they are more assured of getting additional work, or they have completely changed their area of speciality. The awful thing is that that fact, which I believe has come about because of the limitations around legal aid, is now being used as part of the evidential base in consultations on future local court viability.

Robert Neill: The hon. Lady makes a very good point about the impact on firms of solicitors. I wonder whether she might be interested to know that evidence given to the Justice Committee suggested that when the Solicitors Regulation Authority took data from some 2,000 firms, 5% were at high risk of financial difficulty and 45% were at medium risk—so half were running some risk of financial difficulty. The prime mover in that was exposure to having more than half their fee income from criminal or family legal aid. It is forcing firms out of business.

Melanie Onn: The hon. Gentleman makes a very powerful point, which surely must go towards the consideration of what kind of legal advice will be available around the country in the future if firms are at risk of closure because they cannot secure their anticipated income. It certainly cannot be much of a draw for those who are thinking about entering the legal profession and perhaps joining a local firm.

On Monday, a consultation was launched on listing arrangements in magistrates courts across the Humber and South Yorkshire. One issue that is highlighted in the consultation document is the changes that are coming about due to the low number of legal advisers available to cover the courts at the Grimsby site. I cannot help but think that the reason why so few legal advisers are available to cover that site is that we have seen so much closure as a result of limitations to legal aid. It almost feels like a self-fulfilling prophecy—that a decision has been made that impacts this, and is now driving yet another consultation on justice. It will have yet another impact on people’s overall access to justice, albeit in a slightly different area from the main subject of this debate.

To support that line of argument, the consultation includes a number of annexes and has various statistics to prove the necessity of the structural reform. The dates provided for these statistics run from 2017 to 2018 or from the beginning of January until the end of August 2018, none of which takes into account the number of cases and the support that was available before legal aid cuts had such an impact, reducing the number of solicitors available locally. I cannot help but think that there is an in-built bias in the consultation document, which already leads us down the route to saying that there is no requirement for the court system as it exists in that area.

The consultation document lists eight benefits while providing just two identifiable drawbacks:

“Defendants in custody who would otherwise have appeared at Barnsley, Doncaster, Beverley and Grimsby, may now need to be transported a greater distance to appear in court. This may also apply to their representatives, and others wishing to support those defendants. Producing defendants in custody at fewer sites will increase the pressure on custody facilities at those sites.”

The document fails to recognise the issue of Grimsby’s local geography—of where we are in the country. It talks about our being 33 miles from Hull, but that must be as the crow flies because it is certainly not that distance on any form of public transport. In reality, it is at least an hour’s drive for people to access those custody suites, bearing in mind the traffic in Hull and Sheffield, which are the two nearest courts that it is being suggested we will be directed to. Two hours on a bus or train to access those provisions really is not accessibility at all for people. Even if people are to drive and there are to be police officers escorting people under arrest to those sites, that will take away significant resources from police, who we would otherwise expect to be on our streets.

I have been contacted to say that exactly the same process happened in Scunthorpe, which is a 40-minute drive from Grimsby. Twelve months ago, Scunthorpe had a fully operational magistrates court with custody facilities. Just 12 months after those custody facilities were lost, the magistrates court was entirely closed. Such a process is not something that people in my area would be best served by. There does not seem to be any

[Melanie Onn]

consideration of the additional pressures of such closures on other areas and the custody facilities at nearby suites. I think that there will be a significant limitation, in terms of cost and ability, of people's attendance at those sites. It is likely that we will see a greater level of non-attendance. If we think about justice in its fullest meaning, and about access and support around the whole justice system, I cannot see how those two fit together in any way.

The frequently asked questions in the consultation document talk about queries on subsequent trials and mention that trials will be held at whichever sites are

"most convenient for defendants, victims and witnesses."

I know the shadow Minister has visited my constituency, so she will be aware how precarious the public transport system is; it is incredibly difficult to get to. The FAQs conclude that the difficulties are

"likely to be few within the overall circumstances."

I find it surprising that that kind of expediency can be given, and that it can be considered acceptable for even one person not to receive the same kind of access to justice facilities.

I want to finish with an email that a local defence solicitor sent me to make me aware of these issues. He wrote:

"A local matter has arisen which may be of interest to you which will affect the whole community. A consultation (8 weeks) has been issued by HM Courts Service proposing that from April next year all Grimsby prisoners/people from Grimsby in custody go to Hull Magistrates Court to be dealt with and not Grimsby. Grimsby will no longer deal with custody cases. Local people from Grimsby will have their cases dealt with by Magistrates in Hull who have no connection to our area. This is exactly what happened in Scunthorpe a short time ago, their custody work was moved here to Grimsby and within 12 months the Court was closed altogether. All agencies in the local Criminal Justice believe the move is the first step to close Grimsby Magistrates Court and are opposed to the proposals. We are to fight against this but as with the fate of many Courts we fear we may be fighting a losing battle...Any support from you would be greatly appreciated...This"—decision—

"will destroy local justice for local people."

I hope the Minister will bear that in mind in her closing comments.

3.11 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): It is an honour to serve under your chairmanship, Mr Bailey. I thank the hon. Member for Hammersmith (Andy Slaughter) and the right hon. Member for Orkney and Shetland (Mr Carmichael) for applying for this debate, and I thank the Backbench Business Committee for granting it. It is an honour to follow the hon. Member for Great Grimsby (Melanie Onn).

Every single one of us here has similar concerns about the severity of the cuts. Today we have been highlighting the impact that the LASPO Act has had on our constituents and our communities over the past five years. I will speak specifically about Wales because of the particular issues there. They will of course be common to much that has already been raised, but it is important that particular needs are considered. Wales has experienced the largest decline in legal aid providers over the past five years—a decrease of 29%—and today I will talk

about the impact on housing, criminal legal aid, and the experience of victims of crime, particularly in the family court.

Legal aid in the housing sector has been particularly hard hit owing to the rates set by the Government, which have left Wales with only one housing legal aid provider in half of the procurement areas and a host of problems. First, families on low incomes might not be able to travel to see the only provider in their area, which might be located many miles away from where they live, because of travel costs and the availability of public transport. That is particularly true in rural areas. The inability to seek essential legal advice can, in the most extreme cases, result in homelessness. Secondly, one firm in a large area might not have capacity to provide advice to those who need it. People requiring legal aid advice on housing issues often need advice urgently and cannot afford to go on a waiting list. Thirdly, conflicts of interest can arise because one law firm cannot represent both tenant and landlord, or represent a tenant if the landlord is engaged with the firm on another matter. We have a real concern about conflicts of interest.

I welcome the recent High Court ruling in favour of the Law Society, confirming that the UK Government's latest cuts to the pay of criminal lawyers are unlawful. Criminal law duty solicitors, as we have heard, are already in high demand, and we have good grounds to believe that the situation will worsen if present trends continue. In Wales, where we have a specific need for people who can operate professionally through the medium of Welsh—a very real need in the county of Gwynedd and other communities in rural Wales—the shortage is even more exaggerated. In future, who will be able to provide that which we have a right to—justice in English and Welsh—if we do not have those people coming through?

Robert Neill: The hon. Lady might like to know that the figures provided to the Justice Committee in relation to mid and west Wales suggest that 60% of criminal law duty solicitors were over the age of 50. That situation clearly is not sustainable.

Liz Saville Roberts: The hon. Gentleman has just anticipated one of my next sentences. We have an ageing specialist profession, many of whom are able to operate through the medium of Welsh, and we are not seeing those skilled and important individuals coming through. Unless the Government reverse the cuts and provide an incentive for more people to train in criminal law, they will seriously threaten the right of individuals to access independent expert legal advice in either Welsh or English free of charge when detained by the police.

Finally, I want to explain how the cuts to legal aid are putting victims of domestic abuse, stalking and harassment in further danger and forcing them to come face to face with their abusers. Even if that was never the intention, that is the result. A survey of 122 victims of stalking and domestic abuse conducted by Plaid Cymru found that 55% of victims had court proceedings taken out against them by their abusers, despite restraining orders being in place, and two thirds of the victims then had to appear in court. Although it might be unintended, that snapshot is extremely revealing. Due to the cuts in legal aid, many abusers were not given free legal representation,

so they represented themselves. It is distressing enough for a victim of abuse to have vexatious proceedings—they are too often vexatious—taken out against them and to have to appear in court, but a third of the victims had to go through the trauma of being personally cross-examined by the person who had been stalking and relentlessly harassing them, who had made their lives such a misery that they had had to take out a restraining order against them. Again, that might not have been the intention of the legislation, but that is the result. It is in no circumstances safe; nor is it a responsible or just way to treat victims.

The situation is the result of unyielding cuts to legal aid. I do not think that the UK Government anticipated that victims of abuse would bear the brunt of the cuts in such a way, but unfortunately that is the case. Many people predicted such results, and the evidence that has come to pass proves them correct. Again, I echo fellow Members here when such evidence is presented to us. I sincerely hope and I believe that the Minister feels strongly on this matter, too. We need to resolve this. We have the evidence and time has passed. We are seeing the evidence in our constituency meetings and hearing it from legal experts, of whom I am not one, but this issue cries out to be addressed.

The principle of equality before the law should be upheld. A valid justice system must enable everyone to access legal advice. It must not remain a privilege afforded only to the wealthy.

3.17 pm

Ellie Reeves (Lewisham West and Penge) (Lab): It is a pleasure to speak in this debate, Mr Bailey. I thank my hon. Friend the Member for Hammersmith (Andy Slaughter) for securing this important debate today, particularly during Justice Week.

A recent survey commissioned by the Law Society, Bar Council and Chartered Institute of Legal Executives showed that 78% of people agree that justice is as important as health or education, yet only 20% of the 2,000 respondents thought there was sufficient funding for those who need legal advice. Since the implementation of LASPO under the coalition Government, the reduction in legal aid has caused a crisis of access to justice. Our justice system is fast becoming a two-tier system where the dividing line is determined by who can, and more often cannot, afford legal advice. Access to justice and the rule of law, which underpin so many things within society, are slowly ebbing away for many across the country.

LASPO removed many areas of law from the remit of civil legal aid, including in the sphere of housing, welfare, debt, employment, immigration, family law and clinical negligence. The Bar Council was absolutely damning in its recent assessment of LASPO: in a survey of members, 91% of respondents reported that the number of individuals struggling to get access to legal advice and representation had increased or risen significantly; the same number of respondents also reported a significant increase in the number of litigants in person in family cases. Most worryingly, however, 25% of respondents had stopped doing civil legal aid work, and 48% of barristers surveyed did less legal aid work than before. We know about legal aid deserts popping up across the country. Almost one third of the legal aid areas in England and Wales have one local legal aid housing advice provider, or none. LASPO has shunned those who most need help.

The ideologically driven cuts to budgets have had a profound impact on legal aid, but analysis has shown that the cuts to early advice in particular, as well as being a sign of poor decision making, cost the state more. When there is early advice, problems are resolved much more quickly, with 25% of cases resolved within three to four months, compared with nine months when there is no early advice.

Neil Coyle (Bermondsey and Old Southwark) (Lab): One area in which LASPO has perversely driven up costs is immigration. LASPO exempted certain immigration cases. Home Office error affects about 50,000 British-born children of parents who are legally in the UK and who have no recourse to public funds. A third are likely to have their decisions overturned. They are wholly reliant on council funding and children's services. The cost vastly exceeds the cost of providing housing benefit or child benefit. It can take years to overturn decisions, as I have seen in my casework and surgeries.

Ellie Reeves: My hon. Friend's constituency is not a million miles from mine and I completely relate to the points he raised about the cases people bring to surgery. I have lost count of the number of food vouchers that I have given to families in exactly the situation he describes—trapped in the immigration system without being able to get access to any kind of legal aid to resolve their problems.

For many years before entering this place I was an employment rights lawyer representing trade union members, and I regularly had to advise clients on their prospects of success in employment tribunal cases. In my experience, if I advised someone at the outset that their case had very little merit, they would rarely pursue it further; as a result, the tribunal did not get clogged up with unmeritorious claims, and judges did not need to spend time dealing with litigants in person. Conversely, if a claim did have prospects, often the early involvement of a lawyer providing objective advice meant that the claim would be resolved far earlier in the process, and often there was no need to resort to costly litigation. That brings home the fact that cutting early legal advice costs the justice system more, because of the number of cases that go forward and the time taken to deal with litigants in person in court.

By restoring early legal advice in the spheres of housing, immigration and welfare, not only would expensive legal proceedings often be avoided, but there would be less strain elsewhere in the system, on such things as housing and welfare costs. For example, it falls to the local authority to house someone who was evicted because of welfare benefit issues, and that often costs a great deal more than legal advice would have. The cost to the NHS when someone lives in a house in total disrepair is likely to be far greater than the cost of early legal advice to resolve the housing issue. As others have said, the extent to which the legal aid budget was cut is a false economy.

It is not only civil law that has suffered under this Government. The criminal justice system has been hit by cuts too, as others have mentioned. Earlier this year, barristers across the country went on strike. They are not a group known for taking industrial action, but they did so following the introduction of a new fees system, which meant that many barristers had to work unpaid while analysing evidence and preparing for trial.

[Ellie Reeves]

As I said, 78% of people agree that justice is as important as health. In the recent book “The Secret Barrister”—I recommend it to anyone who has not already read it—the author sums up the current state of the system:

“In every crumbling, decaying magistrates’ Court and leaking Crown Court, we see every day the law’s equivalent of untreated, neglected patients on hospital trolleys. And every day it is met with a wall of silence.”

The issues affecting the criminal justice system are not down to legal aid alone, but properly financing legal aid would be a good place to start to resolve them. If people are to come into direct contact with the justice system, both they and the public must have confidence that it will deliver justice. Access to justice and the rule of law underpin our society. Yet successive Tory Governments have cut the Ministry of Justice budget by 40%. The idea of access to justice for the many has been eviscerated in just eight years. The Tories have positioned themselves as the party of law, order and justice, but the millions-worth of cuts forced on the Ministry of Justice since 2010 underline how out of touch the Government have become on justice matters.

Legal aid should provide the public with a means to pursue justice regardless of their wealth, yet many are now left to fend for themselves, often facing huge inequality of arms and feeling deep mistrust as to whether the system will be able to deliver for them. Contrary to what the Prime Minister continues to tell us, austerity is by no means over for those seeking justice.

3.26 pm

Bambos Charalambous (Enfield, Southgate) (Lab): It is a pleasure to serve under your chairmanship, Mr Bailey. I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter) on obtaining this important and timely debate.

I will begin my assessment of the future of legal aid by outlining its origins. The first legislation to provide for legal help paid for by the state—there had been ad hoc funding for legal representation since Tudor times—was the Poor Prisoners Defence Act 1903. Payment was made only once a prisoner could establish a defence to a criminal charge. At about the same time, there was a “poor man’s lawyer” movement in east London, providing free legal advice up to but not including court. Pro bono representation was also available for divorce, but, again, that was patchy and ad hoc.

In 1944 the wartime coalition Government set up a committee, chaired by the Conservative peer Lord Rushcliffe, to assess the need for legal advice provided by the state. Lord Rushcliffe’s committee’s recommendations were accepted by the Labour Government, which stated in a White Paper that legislation would be introduced

“to provide legal advice for those of slender means and resources, so that no one would be financially unable to prosecute a just and reasonable claim or defend a legal right; and to allow counsel and solicitors to be remunerated for their services”.

Those are the principles that underpin our legal aid system.

The Legal Aid and Advice Act 1949 provided legal representation for those of small or moderate means in all courts and tribunals where lawyers normally appeared for private clients. Since then, legal aid has been chipped away by successive Governments. Since the passage of the Legal Aid, Sentencing and Punishment of Offenders

Act 2012, the legal aid budget has been slashed by £950 million, and many people have been taken out of scope, so that they do not get funding for cases involving matters such as housing disrepair, immigration, welfare benefits and family law.

On 11 July, the Joint Committee on Human Rights produced its report “Enforcing Human Rights”. The Committee said in the report that access to justice was an essential component of the rule of law, and referred to Lord Bingham’s statement:

“Means must be provided for resolving, without prohibitive cost or inordinate delay, bona fide civil disputes which the parties themselves are unable to resolve”.

The report was critical of the effect of LASPO, saying that it had

“deleterious and discriminatory effects on particular groups” and

“a disproportionate impact on various groups, including disabled people, women, children and migrants.”

Let me consider each of those in turn.

The charity Mind conducted a survey of 10,058 adults in England and Wales. It found that 18% of respondents suffered from stress, depression or other kinds of mental health problems, and that people with mental health problems were almost twice as likely to have experienced legal problems. One in four of those had experienced six or more legal complaints. The fact that the vast majority of those people would find it hard to access legal aid to get the help they need is deeply worrying.

People with immigration problems are also badly affected by LASPO, which took applications for refugee family reunion out of the scope of legal aid. In the absence of legal aid, people with refugee status in the UK are vulnerable to exploitation, as they have to take out informal, high-interest loans to pay for their family reunion applications, which are often complex and not straightforward. There is exceptional case funding, but it is not feasible for many applicants to access it, due to the large proportion of applications rejected. Many people are left in a very difficult situation.

Young people are also affected. According to Youth Access research, 18 to 24-year-olds are significantly more likely to have problems, but, as my hon. Friend the Member for Westminster North (Ms Buck) said, the vast majority—84%—get no help from a professional adviser or lawyer. Of the 15% of 18 to 24-year-olds who recognise that their problem is legal, only 6% are eligible for legal aid on financial grounds.

The situation is just as bad for women. Rights for Women, in its submission to the Joint Committee on Human Rights, quoted a woman responding to a survey for legal aid who said:

“I earn a low income, yet I’ve been assessed as having too much disposable income...and when you aren’t eligible, you’re expected to pay full solicitors’ costs—there’s no help anywhere in between. I’ve had to face my violent ex-partner in court twice now, and will have to continue to do so as I simply cannot afford costs.”

Even if people are eligible for legal aid, remuneration for lawyers means that there are advice deserts across the country. Legal aid rates today are the same as in 1994, yet inflation has increased prices by 89.3% since then. I recently had the pleasure of shadowing a junior barrister at Thames magistrates court; she told me that she would get a legal aid rate of only £50 for the hearing that she attended.

The hon. Member for Bromley and Chislehurst (Robert Neill), the Chair of the Justice Committee, has already mentioned advice deserts, which were highlighted in the Committee's report on criminal legal aid. The report warns of the decline of duty solicitors and says that very few younger lawyers are entering the profession. In Dorset, Somerset, Wiltshire, Worcestershire, west Wales and mid-Wales, more than 60% of criminal law duty solicitors are over 50. The Law Society's heat map study suggests that criminal defence lawyers in England and Wales could become extinct if nothing is changed. Many criminal law firms have fragile finances and small profit margins. What will happen if those firms close is deeply worrying.

It is not just criminal law firms that are affected. The House of Commons Library debate pack refers to advice deserts for housing law. It states almost one third of legal aid areas have just one, and in some cases zero, law firms providing legal advice through legal aid. The truth is that legal aid is in crisis and is teetering on the brink of a precipice. It may take generations to recover, if it ever does.

The aims of LASPO were to discourage unnecessary and adversarial litigation at public expense, to target legal aid at those who need it most, to make substantial savings and to deliver better value for money. Having saved £950 million, LASPO certainly has delivered substantial savings, but at what cost? Is it delivering better value for money? Given the closure of many law firms and the spread of advice deserts, people who are eligible are left with little or no choice of solicitors who do legal aid work. Law firms specialising in the relevant area of legal aid are often overrun, and it may be impossible to get an appointment for many weeks, if at all. People may need to travel long distances to get legal advice.

The examples I have set out make it clear that, under LASPO, legal aid is not being targeted at those who need it most. The intention behind LASPO was to discourage adversarial or unnecessarily litigation, but many people who need legal aid do not have the choice—for example, people who need to challenge benefits decisions, which have a more than 50% chance of being overturned at tribunal. If the Minister has any doubt about the impact of the cuts to legal aid, I encourage her, if she has not already done so, to read the excellent book “The Secret Barrister”, which explains how our legal system is broken.

What is to be done? I ask the Minister to do three things. First, restore access to early advice so disputes can be resolved fairly and reasonably, and so people do not embark on ill-advised, costly litigation. Restore access to welfare advice so the people who are most desperate can get the advice and support they need to challenge unfair decisions. Secondly, simplify the criteria for those who need legal aid—at the moment, many people find it hard to access legal aid, and there are conflicting and competing areas of application, which do not make much sense. Finally, justice cannot be done on the cheap. Please find the money to invest in legal aid.

3.35pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate, and I congratulate the hon. Member for Hammersmith (Andy Slaughter) on setting the scene, initiating the debate and giving us all an opportunity to participate in it. There are many more experienced, learned minds in the Chamber with a better legal

understanding than me. I am simply here on behalf of my constituents who, without legal aid, would never have seen justice. That is where I am coming from, and that is the point I am going to try to make. I do not have the legal mind of the right hon. and hon. Members who have shared their experience. I am just putting forward a constituency point of view.

As the Minister knows, Northern Ireland has its own legal aid system. I want to outline what we do with it. It might be the envy of other hon. Members when they hear about what we are doing, but has become financially restricted in the past few years. We are working with a new financial regime, but at the same time we have been able to deliver many things.

I am delighted to be able to speak about legal aid. I fully support a system that, if used correctly, fills a gap, and assists and benefits those who have little or no access to legal representation. Solicitors are turning away people who need legal representation because the funding is no longer available. I am not criticising them for that; that is a reality of life. Those on the lowest incomes are excluded from accessing justice if they have savings or assets—for example, a house. Working people on low incomes who are accused of wrongdoing are systematically denied their right to a fair trial, because they cannot access representation even when it is as clear as day that they cannot afford to pay for it themselves. I will give a couple of examples. The Minister is always very responsive to the points of view that we put forward, so I look forward to her response.

There is often only one firm, and sometimes no firms, able to offer legal aid support on housing law, which is a key issue that comes up in my constituency office all the time. It is one of the bread-and-butter issues that we deal with every day. The background information that we received from the Library outlines that legal aid may not be available even when a person's liberty is at stake, when a person faces the loss of their house, in domestic violence cases and when children might be taken into care. The exemptions for housing law clearly fall at that hurdle.

We look forward to the Government's review of legal aid, which the Secretary of State promised as far back as March this year in answer to another Member of Parliament, yet it has not been delivered within the timescale that was set out. I am pleased that the Government have now committed to carry out a review by the end of the year, as other hon. Members said, but I seek an assurance from the Minister that that timescale can be met.

I want to make some comments about what we do with legal aid in Northern Ireland and what the scheme means. Legal aid in Northern Ireland currently costs £63.65 million per annum. At present, it falls under two distinct headings: civil legal aid, which provides help and assistance in civil and family matters, and criminal legal aid, which provides help and assistance to those accused of a criminal offence. In fact, legal aid subject to means and merits tests is available for many aspects of the law that are triable in court in Northern Ireland. Despite the reductions in the availability of legal aid, we can still do many things. Many new proposals from UK Government Departments have a direct impact on legal aid expenditure—for example, changing the criminal or civil law, or improving or affecting in any way the rights of individuals—without the impact being immediately apparent. It is therefore essential that an assessment of how policy change might impact on legal aid is made as

[Jim Shannon]

early as possible. We look to the Minister for some direction on that. With the assistance of colleagues, we will also assess any possible impacts on the work of the courts.

Civil legal aid costs about £38.25 million a year and provides help across a range of areas, such as adoption and affiliation, bail, bankruptcy, children and family matters, divorce, maintenance and other matrimonial issues, injunctions, judicial reviews on negligence, whether general, medical or tripping, and personal injury cases. Within civil legal aid, there are three main stages: legal advice and assistance by way of representation and legal aid, initial advice on any aspect of Northern Ireland law, and qualification, which is subject to an evaluation of the individual's financial circumstances—the means test.

Legal aid, including assistance by way of representation, provides for comprehensive help including, where required, representation in court. To qualify, two tests must be met. The first involves financial eligibility, and depending on the applicant's personal circumstances, they may receive free help or may have to pay a contribution towards the cost of the case. The second test involves the merits of the case; a person shall not, for example, be given legal aid in connection with any proceedings unless they show that they have reasonable grounds for taking, defending or being a party thereto.

The Legal Services Agency Northern Ireland is currently undertaking a substantial reform programme, which will result in the introduction of civil legal services under the Access to Justice Order (Northern Ireland) 2003, so we are considering changes in Northern Ireland. I know that the Minister will be aware of that as she is well on top of her portfolio and understands what we are doing. I appreciate that understanding.

Criminal legal aid costs approximately £25.4 million a year, representing approximately 40% of the total legal aid budget. There are three levels of service: advice and assistance on general criminal matters, under the same provisions for civil cases; free advice and assistance for anyone being interviewed at a police station in connection with a suspected offence, or what they call "PACE advice"; and free legal aid. To qualify, the court must satisfy itself that the means of the accused are insufficient to enable him or her to obtain legal aid and that, in the interests of justice, the accused—or a person brought before the court to be dealt with—has free legal aid.

In satisfying itself, the court may consider, among other matters, whether the offence is serious enough that on conviction a custodial sentence is possible; whether there is a possibility of loss of livelihood or damage to the reputation of a person; whether there is a substantial question of law to be argued; or whether the accused is unable to understand the proceedings, for example if they do not speak English or have mental or emotional issues. Currently there is free legal aid in all criminal proceedings in Northern Ireland. Approximately 35% of the total individuals who appeared in magistrates' court and 98% of the total individuals who appeared in Crown court were legally aided.

I have given some background, because for the purpose of the debate it is good for everyone to know what we are doing. I hope that right hon. and hon. Members are

interested in what we are doing in Northern Ireland, just as I am interested in what happens in other parts of the United Kingdom.

I am very aware of the good that legal aid can deliver to those I often refer to as the "wee man" and "wee woman". I have a clear social conscience, as do other hon. Members present and the Minister. Our desire to help those who cannot always help themselves has been clear in all contributions. I want to ensure that everyone has access to justice and that those with the financial accessibility do not override those without it, and that fair play and the right to a level playing field are fully and totally justified.

The numerous questions raised by the Library's background information on legal aid illustrate quite clearly that all is not well with the legal aid system in the UK at the moment. It was introduced with admirable duty and conscience, yet now Government oversee a much lessened scheme. The figures from 2017-18 illustrate that very clearly: only 140,000 civil cases started with legal aid, compared with 785,000 cases in 2010-11, a decrease of 82%. Over the last seven years, legal aid has been reduced by four fifths—a drastic reduction. I am not saying that the data is entirely wrong, but those figures illustrate a clear deficit in the possibilities of legal aid. We have to have a legal aid system that works well for those who need it the most.

In her introduction, the hon. Member for Westminster North (Ms Buck) referred to tribunals and appeals. In the past, many people would have taken someone with a legal mind along to assist them. That has changed greatly. The hon. Lady is probably like me—probably like all of us—in that we represent our constituents on legal tribunals whatever their benefit issue might be: disability living allowance, personal independence payments, employment and support allowance, or community grants. We do that because it is our duty to, but we also have to learn the rudimentary legal parts of that system so that we can represent the law at the tribunal. In the past, in many cases, that would have been up to solicitors and others of legal mind.

I will always fight for those who need help and will continue to be a voice for them. I conclude as I am conscious that others wish to speak. I say with all sincerity to everyone here and to the Minister in particular that society is measured by its attitude towards and help for the less well off. With legal aid, there is a dearth of that attitude and help that needs to be addressed at the earliest opportunity. I hope the review that the Minister is initiating at her Department will do just that. I call on Government and the Minister to ensure that the legal aid pot is restored and that no financial penury denies those who need it access to legal help. They should have their day in court on an equal basis and never be disadvantaged; justice demands it, and right must and should always persist.

3.47 pm

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is good to see you in the Chair, Mr Bailey.

I, too, congratulate the hon. Member for Hammersmith (Andy Slaughter), not only on securing the debate but on his thoroughly comprehensive and powerful introduction to the topic. In fact, I also thank all hon. Members for their incredibly insightful contributions.

Since I was elected, barely more than three years ago, I think this is the fourth, fifth or even sixth time that we have been in Westminster Hall to debate legal aid or wider access-to-justice issues, and yet so little seems to have changed. We are still waiting for the review of LASPO to be completed—never mind implemented—although an end appears to be just about in sight, which would be welcome indeed. Persistence in pushing for reform is therefore essential. As other hon. Members have said, the issues are fundamental ones. Legal aid is crucial to access to justice and the rule of law. As many hon. Members have expressed today, LASPO represents a misguided and dangerous undermining of those fundamental principles, putting access to justice beyond the reach of many through changes to the scope and eligibility criteria for legal aid.

As the Chair of the Justice Committee has said, that is not an academic matter. Numerous hon. Members have provided all sorts of practical examples of the impact of those changes on their constituents, whether those cases concern clinical negligence, miscarriages of justice, family matters, domestic abuse, social security, housing, debt or immigration. Hon. Members have referred repeatedly to the creation of advice deserts. That has all been at a time when, as the hon. Member for Westminster North (Ms Buck) rightly pointed out, demand for some of those services could not be higher. Demand is soaring in cases of social security law and immigration law, at a time when the ability to access good legal advice is plummeting.

At the outset, the hon. Member for Hammersmith referred to what seems to have become the Government catchphrase in debates such as this, and it goes to the heart of what LASPO represents. The phrase jars with me, I have to say. Over and over again, the Government say that legal aid is available to “those who need it most”. That jars with me because the goal of any legal aid system should be that legal aid is available to all those who need it, full stop. By acknowledging that legal aid is available only to those who need it most, the Government in essence seem to be saying that LASPO was a legitimate exercise in the rationing of legal aid, accepting that many who need it will nevertheless not get it. As the hon. Member for Strangford (Jim Shannon) has said, if people do not get legal aid, that means that many of them simply do not get justice.

All Members have highlighted that LASPO’s flaws have been exposed repeatedly, including by the National Audit Office, the Public Accounts Committee, the Law Society, the Law Commission and many others. The Justice Committee concluded that the Act had failed to achieve three of its four stated goals. The one successful goal was that of cutting the budget, but that was at the cost of harming access to justice for some litigants.

On that note, it would be interesting to know what LASPO represented for other budgets, including its impact on service provision for homelessness, social work and health. Those services pick up the pieces when people struggle to vindicate their rights under housing law, employment law or social security law. What we do know is the impact that LASPO has had on the courts, as party litigants struggle to make their way through complex litigation. The hon. Members for Hammersmith and for Bromley and Chislehurst (Robert Neill) set that out extremely starkly.

My party supports a comprehensive legal aid system—one that is open-ended, uncapped and demand-led; in other words, one that is much closer to what was in existence in England and Wales before LASPO, and to what still exists in Scotland and, as I understand it, in the Netherlands. The main point that I want to make is that such a system, or a move in the direction of it, as Members have called for today, does not have to be prohibitively expensive. In fact, despite its significantly broader scope and financial eligibility rules—about 70% of people in Scotland would qualify for civil legal aid—the system north of the border still costs slightly less per head of population than that in operation down here, at £25.02, as opposed to £25.54. Why is that?

This week the Library provided me with an interesting set of figures that suggest that although legal aid is provided in many more cases in Scotland, it is done at far less cost. In 2016-17, for example, there were 4,000 grants of assistance per 100,000 inhabitants in Scotland, which is some 75% more than the 2,300 grants per 100,000 inhabitants in England and Wales, but spending in each of those legal aid cases was two thirds higher in England and Wales, at about £1,000, compared with £600 in Scotland.

Those figures seem to be consistent with what far more knowledgeable Members have said today about the value of intervention, even on a small scale at an early stage. One Justice Committee report pointed out:

“The Ministry’s efforts to target legal aid at those who most need it have suffered from the weakness that they have often been aimed at the point after a crisis has already developed, such as in housing repossession cases, rather than being preventive.”

The more comprehensive system in Scotland has meant spending small amounts of money at a better time, so the overall spend in each individual case has been kept lower. Several hon. Members made a similar point about early advice.

Those Library figures are also consistent with the argument that there are other ways to keep the legal aid bill under control. Most of our previous debates about legal aid have highlighted the work of Professor Alan Paterson OBE, an international expert in legal aid. He pointed out as long ago as 2010, when spending per capita in England and Wales was £38, compared with £29 in Scotland, that much of that difference was down to the success of reform of court procedures in Scotland, both civil and criminal, leading to reduced legal aid spending.

The recent independent review of legal aid in Scotland highlighted other ways in which the legal aid budget could be reduced. Indeed, it has been reduced there since 2011. Falling recorded crime means fewer court cases and less criminal legal aid, as does greater use of diversion from the courts through fines. More sensible use of civil courts and jurisdictions has contributed to a drop in civil legal aid spending.

In short, legal aid is a vital part of ensuring access to justice and the rule of law. It should never have been made a victim of austerity, and it was a totally false economy to make it one. LASPO should be ripped up—it was a bad piece of legislation and has proved a total failure. Tinkering around the edges is no longer enough. A comprehensive system is required for England and Wales, and it is required urgently.

3.54 pm

Gloria De Piero (Ashfield) (Lab): It is a pleasure to serve under your chairmanship, Mr Bailey.

[Gloria De Piero]

I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter) on securing this important debate. He pointed out the key target of those legal aid reforms—that those who were most in need would get legal aid. That is why we are having the debate—because we do not believe that that principle has been upheld. He put three key asks to the Minister, and I hope that she will respond to them.

It is essential that, regardless of someone's wealth or background, our justice system should be easily accessible so that everyone is on the same playing field when it comes to the law of the land. My hon. Friend the Member for Enfield, Southgate (Bambos Charalambous) gave us a historical perspective on how that principle came about. Government cuts of a third in overall spending on legal aid since 2012 have, however, made a mockery of that principle. To quote the words of the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), the pendulum has swung “too far” the other way.

There are many reasons why people may find that they need legal aid, unfortunately, and we have heard many of them today from speeches and numerous interventions, in particular from Opposition Members. Very real problems have been addressed, to do with issues including housing, benefits, those with disabilities, and immigration, where people simply feel as though they are on their own. Like me, the hon. Member for Strangford (Jim Shannon) does not come from a legal background, but as a constituency MP he gave a perspective on what is happening on the ground and why reform is needed.

When people have fallen on hard times, the last thing that they can cope with is a lengthy battle to get legal representation or, worse, learning to represent themselves in court, and yet that is exactly what the Government are forcing people to do. Legal professionals have warned of a sharp rise in the number of people forced to represent themselves in court to access the justice that they deserve. Will the Minister tell me what the rise in litigants in person has been?

Recently, we learned that the Equality and Human Rights Commission is launching an official inquiry into whether legal aid cuts have left victims of discrimination barred from justice, after BuzzFeed News revealed that not one person with a discrimination complaint against an employer or business had been referred to see a legal aid lawyer in 2016-17. The number of people receiving any publicly funded legal advice at all in discrimination cases has fallen by almost 60% since the Government's changes. Will the Minister tell us whether there been a 60% drop in discrimination? I sincerely doubt that.

A particularly pernicious aspect of the Government's attacks on legal aid is the impact on victims of domestic violence. It is well known that abusers often use the legal system to continue their abuse. There are a number of issues with the Legal Aid Agency's assessment of women's financial eligibility for legal aid via the means test. Such tests too often result in women making unaffordable contributions, or even having to sell their home to pay legal fees. I am pleased that the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts), from Plaid Cymru, talked about the re-traumatisation process that that puts survivors of domestic violence through.

Justice is being denied not only in those areas of law that have been specifically removed from the scope of legal aid. According to the Law Commission, advice deserts have appeared throughout the country, because the huge legal aid cuts have had the knock-on effect of forcing providers and law centres to shut up shop, providing a barrier to legal aid even for those who are eligible. That point was made particularly forcefully by my hon. Friend the Member for Westminster North (Ms Buck). My hon. Friend the Member for Great Grimsby (Melanie Onn) talked about the shortage of reliable legal advice and about the danger of unqualified organisations giving advice. She discussed the impact of court closures on access to justice. As a fellow—sister—Member of Parliament who represents a town, I know about the public transport challenges and all the other difficulties that court closures will create in constituencies such as ours.

Charities such as Shelter have warned that thousands of people a year are being made homeless because they cannot find lawyers to help them to prevent eviction. Vulnerable people are being left to fend for themselves, which is totally unacceptable. The human cost of LASPO is clear, but surely there should be some benefit from the Government's decisions. One might assume that the Government are saving money through the cuts, which could be reinvested in other worthy causes. Yet, as is so often the case with the Tory austerity agenda, the cuts are economically short-sighted. As a result, the taxpayer is footing a huge bill.

The Government recently revealed that the justice budget has, in real terms, fallen by 40% since 2010-11. The Law Society, however, has found that the restriction on access to early legal advice and the sharp rise in litigants in person mean that many more cases end up in lengthy court hearings, rather than being resolved elsewhere. My hon. Friend the Member for Lewisham West and Penge (Ellie Reeves) brought in her experience as a former trade union lawyer of how early legal advice can help the system to run smoothly and economically. Mediation starts have fallen by 55% since 2012, forcing into the courts more cases that previously could have been settled.

Does the Minister agree with the President of the Supreme Court, Lady Justice Hale, who said that LASPO cuts are likely to provide a “false economy” because of increased pressure on courts? The charity Citizens Advice estimates that every £1 of legal aid spent on housing advice could potentially save £2.34 for the public purse, and that lack of support to resolve a case early means potentially far more costly court proceedings down the line. Those hidden costs must be factored into any assessment of the savings made from legal aid cuts. Will the Government, as part of their review of legal aid, publish their own cost-benefit analysis of the wider impact of reducing early legal advice?

A Labour Government will return all funding for early legal advice, because we know that prevention is better than cure. We will re-establish early advice entitlements in the family courts, restore legal advice in all housing cases to protect 50,000 households a year against rogue landlords, and review the legal aid means test. We will change the rules for legal aid at inquests, so that bereaved families are not left to fend for themselves against an inequality of arms. That is a fitting proposal, given that it is a year to the day since the chair of the Hillsborough Independent Panel and adviser to the

Home Secretary called for legal aid to be granted to families who lost loved ones in the disaster, so that they can be represented at inquests. Will the Minister tell us whether the Government have any plans to do the same?

There have been changes this year to the advocates' graduated fee scheme by which legal aid criminal barristers are paid, provoking a backlash both from lawyers and in this House. Labour forced a vote against those measures. The Government responded to the threat of further action from lawyers with a Ministry of Justice announcement of £15 million to go into a new criminal Bar funding scheme. There are now complaints that that deal could be reneged on, and many are concerned that the funding will be more like £8 million. Will the Minister tell us whether the Government will honour the letter and spirit of that deal, and confirm a date for the implementation of the new scheme?

We welcome the review of the impact of LASPO, but for many victims it comes far too late and without a clear timetable or commitment to act on any recommendations. Will the Minister confirm when the review will conclude, which organisations the Government have consulted and when they plan to introduce any recommendations? For the sake of the thousands of people harmed by those measures, the Government must take seriously the concerns of service providers, legal professionals, court staff, the chair of the Justice Committee and victims themselves, and act to restore access to justice for the most vulnerable in our society.

Mr Adrian Bailey (in the Chair): I understand the Minister has an enormous number of points to respond to, but if she could give Mr Andy Slaughter a chance to wind up the debate, I am sure we would all appreciate it.

4.2 pm

The Parliamentary Under-Secretary of State for Justice (Lucy Frazer): It is a pleasure to serve under your chairmanship, Mr Bailey. I congratulate the hon. Member for Hammersmith (Andy Slaughter) on securing the debate. As the shadow Justice Minister when the Legal Aid, Sentencing and Punishment of Offenders Act 2012 was going through the House, he has considerable knowledge of the legislation. He mentioned the law centre in this constituency, but he did not mention that he has been a board member of that law centre for 30 years. I am sure he has contributed to the services that it provides. Like him, I pay tribute to the work that Carol Storer has done over the past decade as the director of the Legal Aid Practitioners Group. This week, she was rightly nominated for LawWorks' outstanding contribution to access to justice award.

We have heard some very powerful speeches from across the House, and I have listened carefully, as have my officials. My hon. Friend the Member for Bromley and Chislehurst (Robert Neill) made the important point that this debate is about matters that affect people's lives. At various points, an impartial observer might have thought that this Government spend a paltry sum, or no money at all, on legal aid but that is not the case at all. Legal aid has always been and remains available for the highest priority cases where people are at their most vulnerable: when they are about to be made homeless or to lose their children, or they are accused of a criminal offence that may result in the loss of their liberty.

I want to make it clear, as I have many times, that the Government make a significant investment in legal aid. We spend £1.6 billion a year on it, which is a fifth of the Ministry of Justice's budget. That is in addition to other sources of funding to ensure justice and the fair determination of rights: in the last three years we have spent almost £6.5 million in addition through the litigants in person support strategy.

The Government have not stood still on legal aid. Over the past year, we have improved its provision in a number of areas. In January we broadened the accepted evidence for domestic violence and reduced all time limits. In February we broadened the scope of legal aid for prisoners, and in June we updated the legal guidance for inquests on deaths in custody. I recently committed to laying an amendment to LASPO, to bring immigration matters for unaccompanied and separated migrant children into the scope of legal aid. We are also reviewing the provision of legal aid for parties involved in inquest proceedings, examining both the scope and eligibility criteria.

Robert Neill: I recognise and welcome the positive changes that have happened since the Minister has been in the Department. On the total spend, does she agree that, although we provide significant sums and compare well with other common law jurisdictions, a fifth of Ministry of Justice expenditure is a fifth of 1% of total Government expenditure? When we look at the scope for additional funding, we are looking at increasing a fraction of a fraction.

Lucy Frazer: My hon. Friend is very knowledgeable and experienced in many matters, including this one. He does a great amount of work on behalf of the legal aid professions and people who use the services we provide through Justice. As always, he makes an important point. I have listened carefully to all the points that have been made in this debate and throughout my time as Minister.

I will answer some of the many points made in the debate—you are right that I will not have time to respond to all of them, Mr Bailey. The hon. Member for Hammersmith spoke about the provisions in the Budget, but failed to mention the provision to build a new prison at Glen Parva, £30 million for prisons, and £20.5 million for the wider justice system.

A number of Members mentioned that legal aid is not provided in a number of areas. It is important to be clear about where legal aid is available and where it is not; we are reviewing where it is not available and has been taken out of scope. One reason why people do not access legal aid may be that they do not think it is available at all. Where we provide it, we need to say loud and clear that it is available. Some Members mentioned the lack of availability for housing and medical negligence, but the hon. Member for Westminster North (Ms Buck) rightly acknowledged that legal aid is available when a person's house is at risk of repossession.

Ms Buck: I acknowledge that point, but that was in the context of my arguing that these things are only as useful as the number of providers. A central argument advanced by the Opposition is about the loss of providers—the fact that people are not bidding for contracts. Does the Minister recognise and acknowledge that point?

Lucy Frazer: It was actually the hon. Member for Stockton North (Alex Cunningham) who said that legal aid for housing was not available, and I was trying to highlight that the hon. Member for Westminster North recognised that it is. She makes an important point about legal aid providers. When civil legal aid contracts were recently put out to tender, 1,700 bidders took part, but we need to ensure that people who want to do this work are available to do it across the country, not just in high-density areas, and we need to ensure that there is provision in more sparsely populated areas where those contracts are less lucrative.

Stuart C. McDonald: What does the Minister say to the Justice Committee's suggestion that, although housing may be within scope when people get to the stage of impending homelessness, we should invest smaller sums earlier to avoid catastrophe in the first place?

Lucy Frazer: The point that it is useful to nip problems in the bud and address them at the outset, so that they do not escalate, has been made and heard. Changes were made to LASPO to ensure that legal aid was available where people were at their most vulnerable. On clinical negligence, we should make clear that legal aid is available for compensation claims in respect of neurological trauma caused to children early in life due to negligence by medical professionals. As the hon. Member for Hammersmith recognised, by putting such things in the scope of legal aid, we are protecting the most vulnerable.

The hon. Member for Oldham East and Saddleworth (Debbie Abrahams) mentioned social security claims. We are introducing significant technological changes—things such as digitisation and better communication with judges using technology—to make the tribunal system much more accessible.

Many Members, including the hon. Member for Erith and Thamesmead (Teresa Pearce), mentioned family law. LASPO rightly removed most private family matters from the scope of legal aid, but legal aid remains available for mediation in certain family disputes where parties meet the eligibility criteria. Since November 2014, legal aid has covered the costs of the mediation information and assessment meeting and the first mediation session for both parties, even if just one is eligible for legal aid.

The hon. Member for Hammersmith mentioned exceptional case funding. Let me update the figures he gave. The number of people making applications and the number of applications granted have both increased. Some 746 applications for ECF were received in the first quarter of 2018, of which 59%—390—were granted. That is the highest proportion and number of grants since the scheme began.

The hon. Gentleman and the hon. Member for Ashfield (Gloria De Piero) both mentioned domestic violence. Legal aid is available to those seeking protection from an abuser in domestic abuse cases, and it was granted in more than 13,000 cases last year.

The hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) raised important points about Wales. She has asked parliamentary questions on a number of matters, and I am happy to meet her to discuss the issues she has raised.

I was interested to hear the points by the hon. Member for Enfield, Southgate (Bambos Charalambous) about children. I was pleased to meet him earlier this week to discuss some of those issues.

It is important to set out where legal aid is available, but we recognise the impact of the changes made by the coalition Government in 2012, which many Members rightly highlighted. As all hon. Members know, my Department is looking at the impacts of LASPO. The hon. Member for Hammersmith said he is looking for positive news, but as a former shadow Justice Minister, he knows as well as I do that it would be wrong to pre-empt the outcome of the review. We will respond at the end of the year.

I am happy to set out the process, which I outlined at the APPG on legal aid earlier this week. The evidence-gathering process has been comprehensive. My officials met more than 80 individuals and organisations from across the justice system to gather evidence, and they held two rounds of consultative group meetings with organisations, representatives and academics from across the justice system. At a third round of meetings, we will examine opportunities to consider further legal support. Officials will meet the Family Justice Council to discuss its concerns and recommendations in further detail, and are due to have a second meeting with the Civil Justice Council to explore its recommendations further.

I have held a number of instructive roundtables with those who have used our justice system, both with and without legal aid. I have met a number of Members of the House of Lords—last week I sat down with Lord Bach and other members of his commission on access to justice, and I have met Lord Low. Last week, I met the Equality and Human Rights Commission. I have also met many parliamentarians, and individuals from the advice and third sector who work with the most vulnerable in our society.

Alongside those meetings, much material has been submitted throughout the review, and we are considering that. It is clear that there are many issues to consider, from the stage at which advice is sought to types of provider and methods of provision. Many experts highlighted the value that technology can bring to individuals to navigate their rights in the court process.

We now use technology in every part of our lives, and justice should not be immune from that advancement. That is why, through the courts reform programme, the Government are investing £1 billion in updating our justice system for the 21st century. That programme is helping people to access court better, at the same time as changing outdated back-office systems. People can now apply for divorce online, we are trialling online applications for probate, and people can be updated about their social security claim through their mobile phone. Our reforms help vulnerable witnesses to give pre-recorded evidence so they do not need to see their attacker in court, and they enable those who find it difficult to travel due to disability or age to take part in proceedings by video link. That investment will transform how people experience the justice system with digital services, making justice more accessible and straightforward as well as using taxpayers' money wisely.

Andy Slaughter: I sense that the Minister is drawing her remarks to a close, but I wonder whether she will address a few more of my points. First, online and telephone services are valuable, but some people need face-to-face services. Will she look at that? Secondly, I know there is a separate review going on in relation to the representation of deceased people's relatives at inquests. Does she know what stage that has reached? Will it report, or will it form part of the same review?

Finally, will the Minister look at the independence of the Legal Aid Agency? There are serious concerns that, in specific cases or more generally, there has been interference in the agency's decisions because it is not sufficiently at arm's length from the Government. We may need to deal with that as a discrete issue, but anything she can say to reassure us on that would be helpful.

Lucy Frazer: I am happy to answer those points. We did not need to commit to looking at inquests, because LASPO made no changes to the inquests system, but the Government recognise that it is an important part of access to justice and we are looking at it. However, that is not the same review; it is running alongside the legal aid review.

Will the hon. Gentleman remind me of his first point? On his third point, the Legal Aid Agency is independent.

Andy Slaughter: On inquests, I simply wanted to know, if the review is separate, when it is likely to report. My first point was about face-to-face advice.

Lucy Frazer: Ah, yes. Of course it is important to consider all methods of provision. We have the telephone gateway, and many advice centres are looking at digital methods of offering advice. We do of course fund face-to-face advice at the moment in the provision of legal aid, and it forms an important part of giving advice.

As I mentioned, we are in the process of carrying out a legal aid review. All today's contributions, along with the previous debate in this Chamber secured by the hon. Member for Westminster North, yesterday's meeting with the APPG and the contributions and submissions in the other meetings we have held, are an important part of that process. I thank all hon. Members who spoke for their contributions, which we will take on board.

4.19 pm

Andy Slaughter: It is good to see you in the Chair, Mr Bailey, for the second part of the debate. I hope you have enjoyed it as much as I have. I will not abuse the position of having time left to speak for more than the two minutes normal for the response. I am grateful for that time.

I am grateful to everybody who has spoken and for the responses we had from the Front Benchers. There is so much consensus in the room that one might wonder what all the fuss is about. I know most of the speeches came from the Opposition, but there was an authoritative contribution from the Chair of the Justice Committee, the hon. Member for Bromley and Chislehurst (Robert Neill), several interventions from the hon. Member for

Cheltenham (Alex Chalk) and the contribution from the Minister. We have heard unanimity on the importance of legal aid, as well as an appreciation of how it needs to work and why it is not working at the moment.

Perhaps that is not surprising. As Members of Parliament we are perhaps in a unique position to see the usefulness and the essential nature of legal aid, from the top and the bottom. We see it in our surgeries, where people bring us increasingly legal problems and we think about how we can resolve them. People have not been well served by the system but are now doubly not being well served in having their grievance addressed. Many colleagues gave examples about areas such as housing and welfare benefits.

A lot of points were made about the contribution of legal aid to the rule of law, whether in ensuring that those accused of criminal offences and threatened with the loss of their liberty have proper representation to avoid miscarriages of justice, or about the broader principle—not simply an individual's cause being addressed—of policing good behaviour and ensuring that the institutions that we all rely upon give a proper service and do not let down the people they know. Those institutions could be anything from the Department for Work and Pensions to the NHS. Those are essential functions.

The problem is that many of us do not have confidence that the real damage that LASPO has done so far will be addressed. I understand why the Minister cannot say more today, but I hope that she found it useful to hear the comments that have been made. She knows what we are looking for. However the money has to be found and however persuasive she has to be with her colleagues in the Department and in the Treasury, she knows that the savings achieved so far are way in excess of what was intended or predicted, but she also knows that the collapse in service has been far greater than was provided for. That in itself should give the opportunity to make good some of the worst deficiencies that have occurred since then.

I am grateful to everybody who has spoken today. I am also grateful to those from Hammersmith and Fulham Law Centre who have attended the debate. I know that they will be taking the message back to many of their fellow practitioners that we are listening, we are engaged and hopefully we are informed, but it is the Government's response that we are waiting on before, as the Minister said, the end of the year.

Question put and agreed to.

Resolved,

That this House has considered the future of legal aid.

4.23 pm

Sitting adjourned.

Written Statements

Thursday 1 November 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Environment Council

The Minister for Energy and Clean Growth (Claire Perry): I attended the EU Environment Council in Luxembourg on 9 October. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Suffolk Coastal (Dr Coffey), and Roseanna Cunningham, Scottish Cabinet Secretary for Environment, Climate Change and Land Reform, also attended.

I wish to update the House on the matters discussed.

Regulation on CO₂ standards for cars and vans

The main outcome of Council was reaching an agreed position ("general approach") on the regulation on emissions standards for new cars and vans, as part of which the European Commission had proposed a 30% reduction in emissions by 2030. Council began with a full roundtable where Ministers set out their respective positions. The UK intervened calling for greater ambition in 2030 and stressing the importance of getting the package right as a whole. Following debate the presidency presented a revised proposal and called for an informal vote for agreement. Agreement was not reached in that round so a further presidency proposal was presented: the key elements included a higher level of ambition of a 35% reduction by 2030, strengthened incentives for zero and low-emission vehicles, a strengthened review clause and a continuation of the niche derogation for smaller car manufacturers to 2030. This was sufficient for Council to achieve a general approach although a number of member states could not support the text or abstained. Trilogue discussions have already commenced.

Adoption of conclusions on the preparations for the United Nations framework convention on climate change (Katowice, Poland, 2-14 December 2018)

The Council adopted conclusions on the EU's priorities and approach for the negotiations at the 24th session of the conference of the parties (COP24) to the United Nations framework convention on climate change (UNFCCC).

The conclusions focus on: the urgency of climate action, especially in the light of the Intergovernmental Panel on Climate Change (IPCC's) special report, "Global Warming of 1.5° C", published on 8 October 2018; completion of the COP21 Paris agreement work programme (PAWP), which constitutes the implementing rules underpinning the agreement; and the Talanoa dialogue, the facilitative process culminating at COP24 for taking stock of collective progress towards the long-term goals of the Paris agreement.

The UK intervened to underline the stark and sobering messages of the IPCC report, that current global efforts are insufficient, and that COP24 is crucial to making the Paris agreement a reality. The UK highlighted the action the UK is taking to address climate change, including hosting Green Great Britain Week, promoted

greater climate ambition and the EU updating its nationally determined contribution (NDC) by 2020, and signalled the importance of continued collaboration on climate change. The UK also supported the inclusion of at least one net zero 2050 scenario in the EU's long-term strategy on emissions reductions and the need for common time frames for submission of NDCs to the UNFCCC.

The conclusions highlighted the EU's ambitious climate and energy policy framework to 2030 and acknowledged that recent increases to the EU's 2030 renewable and energy efficiency targets will have an impact on the EU's level of achievement. Ministers expressed that they looked forward to the European Commission's proposal for a strategy for long-term EU greenhouse gas emissions in accordance with the objectives and long-term goals of the Paris agreement, underlining that the strategy should include a 1.5° C scenario and at least one pathway towards net zero greenhouse gas emissions in the EU by 2050. The conclusions stressed that the EU is ready to communicate or update its NDC by 2020 and recalled the importance of striving towards common time frames for all UNFCCC parties' NDCs.

Conclusions on the convention on biological diversity (Sharm El-Sheikh, Egypt, 17-29 November 2018)

Council adopted conclusions on the convention on biological diversity ahead of the 14th session of the conference of the parties in November. Member states stressed the need to prioritise action on biodiversity as well as climate. Minister Coffey called for 30% of the world's oceans to be protected by 2030, highlighted the UK's illegal wildlife trade conference, and stressed the importance of taking action on mangroves. Minister Coffey also argued that a holistic approach was required in order to overcome climate change and other environmental challenges going forward, including biodiversity.

Regulation on CO₂ standards for heavy-duty vehicles

The Council held a policy debate on CO₂ emissions from heavy duty vehicles, with the presidency seeking views on the level of ambition and incentives for low and zero-emission vehicles. Council was broadly supportive of the proposals, with some pushing for more ambition and others indicating they thought the Commission's proposal struck the right balance. The UK indicated its support for high ambition to help meet our clean growth and climate change ambitions.

AOB Items

Directive on single-use plastics

All Member states, including the UK, strongly welcomed the thrust of the proposal, but views were mixed on scope and targets. The UK, alongside other member states, stressed the need for extended producer responsibility requirements to be sufficiently flexible. Minister Coffey also highlighted the importance of taking into account the context in which products were used, for example in a medical setting, and emphasised that any fishing gear regulations needed to be implementable.

Reports on main recent international meetings

The presidency and Commission updated Council on two recent international meetings:

67th meeting of the International Whaling Commission (IWC 67) (Florianopolis, Brazil, 10-14 September 2018)

United Nations high-level political forum on sustainable development (New York, 9-18 July 2018)

Berlin declaration on nanomaterials

Minister Coffey welcomed the information from the German delegation, and noted that the UK is fully engaged, and working with the Malta initiative, the working party for manufactured goods at the OECD, and with other member states to develop test guidelines for nanomaterials, through research and expert input. Minister Coffey also stated that the UK is leading a series of Horizon 2020 projects which are positively inputting into the Malta initiative, with other member states.

Earth innovation forum conference and the second joint preparatory retreat of the bureaux of the UN environment assembly and of the committee of permanent representatives

Estonia updated the Council on its preparations for the UN environment assembly 4 (UNEA-4), which will take place in Nairobi next year. These preparations included holding a high-level “Earth innovation forum” in Tallinn on 5 September.

EU measures to tackle air pollution related to the import of used cars

The Council noted the Bulgarian, Polish and Slovakian proposal to restrict member states from exporting highly polluting second hand cars to other member states. Lithuania, Latvia, Hungary, Cyprus and Romania supported this proposal.

The clean air programme—to protect health, climate and environment—for co-financing of new heat sources and thermal modernisation of single-family buildings in Poland

Poland updated the Council on its clean air programme. [HCWS1054]

TREASURY

Capital Payment to an International Financial Institution: Contingent Liability

The Chancellor of the Exchequer (Mr Philip Hammond):

I am today laying a departmental minute to advise that HM Treasury intends—subject to the standard procedure for notification to Parliament of the assumption of contingent liabilities as described below—to make the Government’s fourth and fifth annual capital contributions of \$122,180,000 (approx. £95.3 million ¹) to the Asian Infrastructure Investment Bank at year end 2018 and year end 2019. This is in line with the authority provided by this House under the Asian Infrastructure Investment Bank (Initial Capital Contribution) Order 2015. Parliamentary approval for these payments will be sought in supplementary estimates for HM Treasury.

The UK’s overall capital contribution will total \$3,054,700,000 (approx. £2.4 billion), of which five payments together will make up the 20% “paid-in” capital contribution requiring a cash transfer. The other 80%, \$2,443,800,000 (approx. £1.9 billion), is “callable capital”—the AIIB has the right to call for payment for these shares if there is a crisis affecting the bank’s assets or liabilities.

The payment of the fourth and fifth instalments of the capital contribution will therefore incur additional contingent liabilities in line with the amount of callable capital paid. As such, the UK will increase its current contingent liability by \$488,760,000 (approx. £381 million) to a cumulative total contingent liability of \$1,955,040,000

(approx. £1.5 billion) after the fourth payment, and by a final \$488,760,000 to reach the total of \$2,443,800,000. This will complete the UK’s purchase of AIIB shares.

Although the AIIB has the right to call for payment of this callable capital incurred when the initial capital instalment was paid, no such instance has occurred in any multilateral development bank in the past. If the liability were to be called, provision for any payment would be sought through the normal supply procedure.

As is usual, a departmental minute has been laid before Parliament to give at least 14 sitting days’ notice of the intent to incur a contingent liability.

¹ Exchange rate as of 29 October 2018

[HCWS1057]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Agriculture and Fisheries Council

The Minister for Agriculture, Fisheries and Food (George Eustice): Agriculture and Fisheries Council took place in Luxembourg on 15 October. The UK was represented by Katrina Williams, deputy permanent representative to the EU, and Rory O’Donnell, agriculture counsellor.

The main focus of the Council for fisheries was a regulation on fixing the fishing opportunities in the Baltic Sea for 2019, for which a political agreement was sought. Additional scientific advice for 2019 was presented and the deal received unanimous support from member states.

There was also an exchange of views on the EU-Norway annual consultation for 2019. The Commission highlighted the 2019 deadline for full implementation of the EU landing obligations and the 2020 deadline for all EU stocks to be fished at maximum sustainable yield. The UK mentioned the importance of maximising inward trades of fish species to help mitigate potential “choke” problems in the North Sea in 2019.

During an exchange of views on the annual meeting of the International Commission for the Conservation of Atlantic Tunas (ICCAT), some member states supported a move within ICCAT to progress the bluefin tuna recovery plan into a management plan. Commissioner Vella agreed with greater participation of small scale fishers but made it clear that the existing controls should remain in place.

For agriculture, the main item that was discussed was the progress report on the regulation on CAP strategic plans. Member states supported the new delivery model in principle but discussed making some of the requirements optional. In response, the Commission pointed out the importance of ensuring a level playing field.

The Commission briefed Council on the G20 agricultural ministerial meeting that took place in July, highlighting that the conclusions reflected the EU’s position.

The presidency updated Council on the outcome of the informal process to identify a single EU candidate for the next Director General of the food and agriculture organisation of the United Nations (FAO).

A number of items were discussed under “any other business”:

The Italian delegation raised an item about the state of the European sugar market

The Spanish delegation informed Council of the upcoming electoral round for the Director General of the international organisation of vine and wine (OIV)

The Commission gave an update on the state of play with African swine fever (ASF). An informal ministerial meeting on ASF will be held in the margins of the AgriFish Council on 19 December.

[HCWS1056]

International Whaling Commission

The Minister for Agriculture, Fisheries and Food (George Eustice): I was unable to attend this year’s meeting of the International Whaling Commission (IWC67) on 10-14 September 2018 in Brazil due to pressing commitments in relation to the UK’s exit from the EU. However, a strong UK delegation was present.

This meeting was particularly challenging, with a number of complex and controversial proposals tabled. These included a significant challenge to the long-standing moratorium on commercial whaling. However, I am happy to report that all UK objectives for this meeting were achieved and the strong global protection in place for cetaceans was maintained.

As always, the UK delegation worked tirelessly behind the scenes, supporting the EU presidency, analysing proposals, brokering compromises, and influencing crucial decisions, all with the aim of securing improvements to the conservation and welfare of cetaceans.

The UK also ensured its long-standing opposition to commercial whaling and whaling under special permit (scientific whaling) was made clear at every appropriate opportunity. As always, there was the need for careful diplomacy, with the UK working hard to ensure dialogue remained constructive and respectful despite the fundamental differences in views.

Of particular importance at this meeting was resisting the proposal by Japan to restructure the organisation to allow for the resumption of commercial whaling. This complex proposal sought to create a new whaling committee within the IWC to oversee a return to commercial whaling on abundant whale populations and relax the voting rules for amending the convention’s schedule (which contains the provision establishing the moratorium) from a three-quarter to a simple majority. The UK worked extremely hard on defending against this proposal, leading the co-ordination with like-minded countries to ensure a coherent and well aligned strategy. I was therefore extremely relieved to see that the proposal failed to secure sufficient support and that the critical commercial whaling moratorium remains in place. The UK will now use the intersessional period to reach out to countries on both sides of the debate to ensure that constructive engagement within the IWC is maintained.

I am pleased to also report that a number of other important agreements were reached, in particular with regards aboriginal subsistence whaling (ASW) which was a challenging but important proposal and one that the UK had been engaging closely on for several months prior to the meeting. The proposal sought to renew, and

in some cases increase, quotas for indigenous communities reliant on whales for subsistence purposes. In addition, it also introduced expanded carryover provisions to allow greater flexibility for hunters and a mechanism to automatically renew quotas without the need for the IWC to discuss and agree providing the scientific advice was favourable and there were no substantive changes to the hunt or subsistence need. After a series of complex negotiations within which the UK was centrally placed, an eventual compromise was reached, a compromise that protects indigenous communities’ access to food, reducing the stress and uncertainty associated with returning to the IWC every six years to request food for their families, but crucially balancing this by ensuring the IWC maintains its important oversight role and protecting its decision-making power in the event that the status quo situation of the hunts changes. I am extremely pleased by this landmark decision for the IWC which clearly demonstrates the maturity and functioning nature of the organisation.

I was also encouraged to see a number of important decisions taken on tackling important threats to cetaceans, in particular the passing by consensus of resolutions on underwater noise and ghost gear. The Florianopolis declaration also passed following a vote, delivering a clear statement from anti-whaling nations on their vision for the future of the IWC; one that is rooted in conservation without the need for commercial or scientific whaling.

Important progress was also made on further modernisation of the organisation through institutional and governance improvements. An intersessional process was established to bring forward recommendations and develop a programme of work in time for the next biennial meeting in 2020. The working group tasked with delivering this will be chaired by the USA, with the UK taking on an important role as Vice Chair.

I was pleased to see how the discussions on special permits progressed following the report of the intersessional working group established by resolution at the previous biennial meeting. The UK participated in this group, expertly chaired by Australia, which delivered for the first time a clear and concise summary of the advice of the scientific committee and proposed conclusions for the IWC to adopt. Despite disagreements from pro-whaling nations, the IWC meeting report will reflect these conclusions as representing the view of the commission, with a statement opposing from those that disagreed. This represents a good outcome and for the first time provides significant clarity of position for the IWC on this matter.

Once again I am pleased to report that the UK, in line with the agreed position of EU member states, voted in favour of establishing a South Atlantic whale sanctuary. Unfortunately the proposal failed to gain the three-quarters majority required for adoption. I expect this proposal to be re-tabled at the next meeting in 2020, which, in the absence of any other offer, will be hosted by Slovenia.

Finally, I was pleased that the UK led work to develop a tool to assess the welfare implications of non-hunting threats to cetacean welfare and efforts to further strengthen the conservation work of the IWC received endorsement. We will continue working closely with NGOs and academia to maintain momentum and continue to deliver improved conservation and welfare outcomes for cetaceans.

In conclusion, despite the significant challenges faced at this meeting, this can be viewed as a success. We now turn our attention to the intersessional period and, following our successful nomination to the IWC bureau, begin building for the 2020 meeting. Integral to this will be our continued close working with civil society in delivering our shared goal of improving the conservation and welfare of cetaceans globally.

[HCWS1055]

HOME DEPARTMENT

Serious and Organised Crime

The Secretary of State for the Home Department (Sajid Javid): My first priority as Home Secretary is to keep the public safe. Today I have published a new, revised and updated, “Serious and Organised Crime Strategy”. The strategy has been laid before Parliament as Command Paper (Cm 9718), and copies are available in the Vote Office and on gov.uk.

Serious and organised crime affects more UK citizens, more often, than any other national security threat. Its perpetrators ruthlessly target the most vulnerable, ruining lives and blighting communities. Their activities cost us at least £37 billion each year and have a corrosive impact on our public services, communities, reputation and way of life.

Since the previous strategy was published in 2013, we have made significant progress in creating the powers, partnerships and law enforcement structures we need to respond to the threat. The law enforcement community, and the National Crime Agency in particular, has an impressive and sustained track record of pursuing serious and organised criminals and bringing them to justice. But the threat we face has grown increasingly complex over the past five years. Criminals and networks are quick to exploit the rate of technological change and globalisation, whether it is grooming children online, using malware to steal personal data or moving illegal goods, people and money across borders. They have learnt to become more adaptable and resilient. Our response must continue to adapt to new challenges.

The revised strategy follows a comprehensive cross-Government review, led by the Home Office. It sets out the Government’s new approach to prevent serious and organised crime, build our defences against it, track down the perpetrators, from child sex offenders to corrupt elites, and bring them to justice. We will allow no safe space for these people, their networks or their illicit money in our society.

Our new approach will be to target the highest harm networks and the most dangerous and determined criminals exploiting vulnerable people, using all the powers and levers available to the state to deny them access to money, assets and infrastructure. But we will not achieve our aim through disruption alone. We will also work with the public, businesses and communities to help stop them from being targeted by criminals and support those who are; and we will intervene early with those at risk of being drawn into criminality.

We will invest at least £48 million in 2019-20 in law enforcement capabilities to strengthen efforts to tackle illicit finance, which will enhance our overall response to serious and organised crime, including additional

investment in the multi-agency National Economic Crime Centre. We will pilot new approaches to preventing people from engaging in serious and organised crime and build community resilience against it. We will establish a new national tasking framework for law enforcement. We will improve engagement with the private sector, particularly the information and communications technology industry. We will also expand our overseas capabilities, including establishing a new network of overseas policy specialists.

The new strategy will align our efforts to tackle serious and organised crime as one cohesive system. We will equip the whole of Government, the private sector, communities and individual citizens to play their part in a single collective endeavour.

[HCWS1053]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Local Government

The Secretary of State for Housing, Communities and Local Government (James Brokenshire): In the written statement of 12 March 2018, (HCWS535), the then Secretary of State for Housing, Communities and Local Government, my right hon. Friend the Member for Bromsgrove (Sajid Javid), told the House that there was consensus amongst the five Buckinghamshire councils that local government across the county should be reorganised, and that two alternative approaches for doing this were being proposed. He announced that he was minded to implement, subject to parliamentary approval, the locally-led proposal for replacing the current structures with a single new unitary council, and that he was not minded to implement the locally-led proposal for two new unitary councils for the same area. There followed a period for representations.

Since then I have received over 3,000 representations, which I have carefully considered along with all other relevant information available to me. I am clear that there is broad consent for change in Buckinghamshire. A survey, conducted by Opinion Research Services of a representative sample of residents, found that 75% agreed with the principle of reorganisation in Buckinghamshire, and overall 87% of the representations made to me supported change. Both proposals made it clear that retaining the status quo is not an option.

Having assessed both proposals against the criteria that we announced to the House on 28 February 2017 (PQ 65271), I have concluded that whilst both proposals meet the criterion for a “good deal of local support”, only the proposal for a single unitary council satisfies the criteria for “improving local government” and for “being a credible geography” and that in any event the proposal for a single unitary council is better able to meet the criteria overall.

The Government’s policy—as explained to the House by Ministers on 22 May 2018, *Official Report*, column 336WH, is that we will not seek to impose top-down solutions on local government; where there is a desire and a thrust for more change and innovation we will look to support those involved, according to the criteria we have laid out. Given the desire and thrust for change and innovation in Buckinghamshire, that the five councils agree that the current structures are not sustainable,

and that the locally-led proposal for a single unitary is the only proposal that meets the three criteria, I am persuaded that the right course of action is to establish a new single unitary district council for Buckinghamshire.

Accordingly, I am today announcing that I have decided to implement, subject to parliamentary approval, the locally-led proposal to replace the existing five councils across Buckinghamshire—the two tier structure of Buckinghamshire County Council and the district councils of Aylesbury Vale, Chiltern, South Bucks and Wycombe—by one new single unitary district council, and that I have decided not to implement the proposal for two new unitary councils.

Whilst I am clear that the single unitary proposal fully meets the three criteria, I recognise that some have questioned whether such a structure might weaken local democratic engagement at the most local level. To help reassure any who might be concerned on this, I intend to speak with the five councils to determine whether I should modify the proposal before implementing it, in relation to councillor numbers, perhaps providing for three-member electoral wards. I will also expect the new unitary council, and in the meantime the existing councils, to engage with their local communities about the appropriate arrangements for civic representation for towns and parishes. I similarly expect the councils to promote and help support the development of neighbourhood plans, as I consider these can be key building blocks for the successful implementation of change in Buckinghamshire that residents deserve.

In March, the then Secretary of State was clear that, in relation to establishing a single council, further steps were needed to secure local consent amongst the local

partners. Further steps have been taken, with Ministers having meetings with council leaders. The great majority of local partners do support the proposal for a single unitary council including the police, the ambulance service, CCG, NHS trust, independent chair of the Adult Safeguarding Board, Thames Valley local enterprise partnership, and Bucks Business First. In addition to enjoying a good deal of local support, I am satisfied that the proposal meets the requirement for local consent set out in the Cities and Local Government Devolution Act 2016.

I now intend to prepare and lay before Parliament drafts of the necessary secondary legislation to give effect to my decision. My intention is that if Parliament approves this legislation the new council will be established on 1 April 2020 with the first elections to the council held on 7 May 2020. I intend to explore with the district councils whether they would like me to make and lay before Parliament an order to delay for one year the May 2019 local elections in Aylesbury Vale, Chiltern, South Bucks and Wycombe, so as to avoid councillors being elected for only one year if Parliament approves the legislation establishing the new council.

From March 2019, the sunset clause means that the consent provisions in the process we are currently using for reorganisations fall away. In future, any proposal considered under the Cities and Local Government Devolution Act process will require unanimous consent from all councils. Alternatively, I may issue a formal invitation for proposals, and the specific circumstances in which I would do so will be set out in due course.

[HCWS1058]

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