

**Wednesday  
8 July 2020**

**Volume 678  
No. 83**



**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Wednesday 8 July 2020**

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# House of Commons

Wednesday 8 July 2020

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

## PRAYERS

[MR SPEAKER *in the Chair*]

*Virtual participation in proceedings commenced (Order, 4 June).*

[NB: [V] denotes a Member participating virtually.]

## Oral Answers to Questions

### WALES

*The Secretary of State was asked—*

#### Covid-19 Outbreak

**Rosie Cooper** (West Lancashire) (Lab): What recent discussions he has had with the First Minister of Wales on the covid-19 outbreak. [904299]

**Wendy Chamberlain** (North East Fife) (LD): What recent discussions he has had with the Welsh Government on the covid-19 outbreak. [904303]

**The Secretary of State for Wales (Simon Hart)**: The Under-Secretary of State for Wales and I have regular discussions with the First Minister of Wales and his ministerial team on the response to covid-19, totalling 124 meetings and calls since the pandemic began.

**Rosie Cooper** [V]: As the Secretary of State knows, the Welsh Labour Government are making a thank-you payment of £500 to every social care worker in Wales. Does he agree that it is a kick in the teeth to those workers that the Treasury intends to tax that bonus payment, and will he join me and the Welsh First Minister in urging the Chancellor to think again?

**Simon Hart**: We have discussed this at Wales questions before. It is disappointing that the Welsh Government did not discuss this in greater detail with the Treasury earlier on, because we could have found a way around it. Those discussions are ongoing, and there is a reasonably positive dialogue, but as I say, the answer to this would have been found in earlier engagement, rather than by their making an announcement that they knew required primary legislation for which there was not time.

**Wendy Chamberlain**: On Friday, the First Minister of Wales said that it had been “impossible” to get a “sensible answer” from the UK Government on the plans to allow travel to foreign countries. At the beginning of this crisis, we regularly heard from the First Minister that he had just come off a call with the UK Government, and we know that ministerial implementation groups were being used to co-ordinate a four-nations approach. Despite the numbers that the Secretary of State quoted, there seems to be a communications breakdown. Does he

believe that the Government could have done more to work more closely with Wales and other devolved nations during this crisis?

**Simon Hart**: I was talking to the First Minister about this only a few days ago, and he described the particular occasion that the hon. Lady refers to as the exception rather than the rule. As I mentioned, there have been 124 meetings between the two Governments. Actually, dialogue is pretty good, and in eight out of 10 cases, we reach agreement—albeit not necessarily in the greatest of humour, but we do reach agreement. The relationship is better than we sometimes read in the press.

**Nia Griffith** (Llanelli) (Lab): The loss of over 1,400 jobs at Broughton is a devastating blow for not only the workers on site and in the supply chain but the whole economy of north Wales. What discussions has the Secretary of State had recently with Airbus and Welsh Ministers, and when will his Government come forward with a specific sector deal to support the aerospace industry in Wales and across the UK?

**Simon Hart**: I am pleased to report that we have had regular conversations with Airbus throughout the pandemic and very recently, as well as with the Welsh Government and stakeholders in the north Wales and Broughton area. Airbus has reported that the industry has had between £6 billion and £10 billion-worth of UK Government support so far. Discussions with the Department for Business, Energy and Industrial Strategy are ongoing about other areas where help can be provided. My colleagues, led by my hon. Friend the Member for Delyn (Rob Roberts), have been at the front of that, looking at any other areas in which we can help the industry to remain in Broughton not just now but in five and 10 years' time. We are open to further discussions.

**Nia Griffith**: Sadly, there are not just sectoral problems for aerospace. With Bridgend now reeling from the INEOS threat to take jobs elsewhere, it is clear that Wales and the UK face fierce international competition. Can the Secretary of State explain what he and his Government are doing to develop a UK-wide industrial strategy and a trade policy that will help to retain, create and attract the new green jobs of the future?

**Simon Hart**: I have initial discussions with INEOS tomorrow. This is a deal between the Welsh Government and INEOS, so in a sense, that question should be addressed to the relevant Minister in the Welsh Government. That said, the inability or unwillingness of the Welsh Government to make any moves at all on improving the M4 relief road has played a part, it is rumoured, in the decision that INEOS has taken. In the wider context, I hope the hon. Lady can remain in her seat or one near it for Prime Minister's questions and the statement from the Chancellor afterwards, as I believe that some of the questions she raised may be answered at that stage.

#### Covid-19: Tourism Industry

**Jack Brereton** (Stoke-on-Trent South) (Con): What steps the Government are taking to help support the tourism industry in Wales during the covid-19 outbreak. [904300]

**Peter Gibson** (Darlington) (Con): What steps the Government are taking to help support the tourism industry in Wales during the covid-19 outbreak. [904301]

**Alexander Stafford** (Rother Valley) (Con): What steps the Government taking to help support the tourism industry in Wales during the covid-19 outbreak. [904302]

**Scott Benton** (Blackpool South) (Con): What steps the Government are taking to help support the tourism industry in Wales during the covid-19 outbreak. [904304]

**Mrs Sheryll Murray** (South East Cornwall) (Con): What steps the Government are taking to help support the tourism industry in Wales during the covid-19 outbreak. [904309]

**The Secretary of State for Wales (Simon Hart)**: The UK Government have provided unprecedented support to enable the tourism industry in Wales to get through the pandemic. Now is the right time for the industry to reopen safely, and I have urged the Welsh Government on many occasions to share their plans to ensure that Wales is not left behind and can make the most of what is left of the summer season.

**Jack Brereton**: Many of my constituents in Stoke-on-Trent South will be hoping to be able to get a holiday in Wales this summer, so as we reopen, will my right hon. Friend do everything he can to ensure that my constituents will still get a well-earned break and enjoy everything that Wales has to offer?

**Simon Hart**: My hon. Friend is absolutely right to point out that tourism, like covid, does not recognise political boundaries, so we are very eager to welcome his constituents—indeed, him and anybody else in the House who wishes to visit Wales—once the lockdown has been properly lifted. It is really important that there is a road map to that position. Wales wants to be back in business; it needs to be back in business, and that leadership needs to come from the First Minister of Wales. It has been a bit messy up till now, but there is still time for him to correct the untidiness around the reopening so that tourism can resume.

**Peter Gibson**: The people of Darlington have a great fondness for Wales. [Interruption.] Can the Secretary of State outline what representations he has made to the Welsh Government to encourage them to open up their economy, so that my constituents and others from across England can enjoy all its attractions?

**Simon Hart**: I am not sure that I understand why there was sniggering from the Opposition ranks in response to the point that the residents of Darlington might want to visit Wales. We absolutely want residents of Darlington and everywhere else to visit Wales, as has always been the case, but it does need a clear plan; and what has been lacking so far is a clear plan that enables our tourism industry to welcome with open arms residents of Darlington and other places back into the country in the few remaining weeks of the season.

**Alexander Stafford**: The UK internal tourism market will be very important for the rest of this year, not only for Wales in Rother Valley but for Wales as a nation, so does my right hon. Friend agree with those in the Welsh Association of Visitor Attractions who, before they delivered their vote of no confidence in the Welsh First Minister, said that the Welsh Labour Administration were “destroying the survival chances” of the tourism industry in Wales?

**Simon Hart**: We really should take some time to reflect on that. As far as I can remember, that is the first time ever that a major representative body, the Welsh Association of Visitor Attractions, has not only passed a vote of no confidence in the First Minister, but also said that his Government are “destroying the survival chances” of an industry in Wales. That, surely, must be the most shameful description of a devolved Government that we have heard in this Chamber.

My hon. Friend is right that 160,000 jobs are dependent on the industry—9.5% of the workforce of Wales. It deserves far better treatment than it has so far had at the hands of the Welsh Government, and I welcome his ability to raise it in the House—

**Mr Speaker**: Order. I appeal to the Secretary of State. We have a lot of questions to get through; let us have shorter questions and answers.

**Scott Benton**: My right hon. Friend will appreciate the interdependency between the economies of north Wales and north-west England. We often see holidaymakers travelling between both regions, and in Blackpool, we are always pleased to welcome visitors from north Wales. What steps is my right hon. Friend taking to improve transport links between the two regions, which will boost not only tourism, but the economy more generally in a post-covid-19 world?

**Simon Hart**: I will endeavour to be briefer than I have been so far. We have already delivered a £50 million project of railway upgrades in north Wales. We have commitments to the A55 improvements. There are numerous other accelerated plans for infrastructure. As I said in answer to an earlier question, tourism and covid do not recognise political boundaries. Such attempts to improve infrastructure will continue.

**Mrs Murray**: Many tourists will go to Wales from England and, indeed, Cornwall. What steps is my right hon. Friend taking to ensure that those travelling, or thinking of travelling, know the differences between any lockdown rules that we have and any that are in place in Wales?

**Simon Hart**: My hon. Friend makes a good point. I think that residents of Wales and other places have become fatigued by the completely confusing array of messages coming out of the Welsh Government in relation to what they can do, what they cannot do, and how far they can go to do it. That is gradually being cleared up. However, we do not want residents of Cornwall to decide that they cannot come to Wales and therefore align themselves with another part of the UK at our expense because of this lack of clarity. The perfect example of that is Llanymynech golf course, where you tee off in England and the ball lands in Wales.

**Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): There is mini-Budget talk of a VAT cut for hospitality, and it is fantastic if this is true, because Plaid Cymru has been pushing for it since 2008. Would the Secretary of State support a clear plan for targeted Wales-specific VAT cuts for specific sectors, such as tourism and home improvements, so that our small-employer economy can recover as quickly as possible?

**Simon Hart:** I am going to goad the hon. Lady into having to wait a little longer to hear what the Chancellor has to say in his statement at half-past 12. I would just point out to her, though, that at every possible opportunity the UK Government—I emphasise, the UK Government—have embraced jobs, livelihoods and businesses across Wales in a way that is unprecedented in modern times. I am sure that even as a nationalist, she would like to thank the UK Government and the Chancellor for those very special efforts they have made on behalf of the people of Wales.

**Liz Saville Roberts:** The Secretary of State has very kindly answered my question with a question. I will take it, because he has not said no, that he is interested in Wales-specific VAT reductions, and I look forward to talking to him more about that.

Another initiative we could introduce in Wales is one introduced in countries such as Malta and Poland—voucher schemes to encourage domestic tourism to help the recovery. Ahead of the Chancellor's statement, would the Secretary of State support the introduction of a Welsh tourism voucher scheme to be spent on outdoor attractions, accommodation and transport—trains and buses—which would be a much-needed boost to make the tourism industry work for the people of Wales?

**Simon Hart:** I think the first part of the hon. Lady's question is aiming too low. Referring to Wales as just a tourism industry in its own right does not go anywhere near embracing the opportunities that tourism in Wales, and the jobs associated with it, has as part of the Union push. My message to her is just to have a look at the interventions that the UK Government have made so far, let alone anything that may come later today, in support of that and many other industries. It is a bit like the sketch, "What have the Romans ever done for us?" I urge her to look at those figures, because I think she will be as pleased as the rest of the House is.

**Virginia Crosbie** (Ynys Môn) (Con): Ynys Môn is the most dependent of any constituency on tourism. My island constituency needs jobs, skills, employment and investment if this Government are to deliver on their levelling-up agenda. Will the Secretary of State commit himself to helping our island by championing Ynys Môn's capacity to play a leading role in the decarbonisation of the UK economy?

**Simon Hart:** There is no greater champion of Ynys Môn than my hon. Friend, on this and numerous other issues. In particular, her work around Wylfa Newydd has been outstanding and is ongoing. I would urge her—as I am afraid that I have become boring in saying to other Members—to remain in her seat for just a little longer, because I think that some of the subjects that she has raised may get a greater airing later.

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): As we know, the tourism and hospitality sector has been hit very hard by this pandemic, and despite the best efforts of operators across Wales, this year will be a very difficult one for those in the industry. Can the Secretary of State get the Government to act now and extend the furlough scheme to the tourism sector to avoid workers facing a cliff edge later in the year?

**Simon Hart:** As the hon. Gentleman knows, there have been significant interventions already, with £2.4 billion-worth of Barnettised income for the Welsh Government, plus over twice that in terms of the other interventions that the Welsh workforce has benefited from, particularly in tourism and hospitality. One in three workers in Wales is currently being supported by the furlough scheme. It is not for me to comment on what the Chancellor may or may not be saying in a few minutes' time. As with so many other questions this morning, I can only say that if he can remain patient for as long as possible, he may find some interesting comments will be made.

**Fay Jones** (Brecon and Radnorshire) (Con): Tourism is extremely important to mid-Wales. I am grateful to the Secretary of State for meeting some of my local businesses recently. Many of them could benefit from the £59 million generated by the Culture Secretary's recent announcement, but I am deeply concerned that the Welsh Government could stick to form and only channel that money towards Cardiff-based tourist and culture attractions. Will my right hon. Friend reassure me that he will do all he can to ensure that mid-Wales will see the benefit of that money, which is, after all, mid-Wales's money?

**Simon Hart:** Of course I can offer that commitment, but the commitment is to urge the Welsh Government to make those important decisions for the whole of Wales. Having had the pleasure of meeting some of my hon. Friend's industries the other day, I know that, in her own area, critical events such as the Royal Welsh Show are hugely culturally important, and it is absolutely right that the Welsh Government should look at the whole of Wales, and not be tempted into just supporting a few well-known industries around their favoured patch.

### Covid-19: Economic Recovery

**Stephen Crabb** (Preseli Pembrokeshire) (Con): What steps his Department is taking to support economic recovery in Wales as the covid-19 lockdown restrictions are eased. [904305]

**The Parliamentary Under-Secretary of State for Wales (David T. C. Davies):** The Government's support for business—the £350 billion package—is helping to limit the long-term damage to the economy, and my Department will continue to work with others in Whitehall and the Welsh Government to drive forward that economic recovery. As the Prime Minister said last week, we must "build, build, build" to ensure jobs and growth as we continue to ease lockdown.

**Stephen Crabb:** Wales desperately needs new projects to deliver growth and better-quality work, so may I ask my hon. Friend if he will look at the proposals coming from the joint venture based in Pembrokeshire between

Total and Simply Blue Energy for deploying floating offshore wind technology in the Celtic sea? I also ask him to use his office to ensure that Treasury and BEIS stay fully involved, because it is a serious project that is worth backing.

**David T. C. Davies:** I entirely agree with my right hon. Friend. Floating offshore wind is a hugely exciting technology. I would be happy to meet those companies. Our commitment to offshore wind is demonstrated by the £28 million which we, along with the Welsh Government, have invested in the Pembroke Dock marine project.

**Ben Lake (Ceredigion) (PC):** Recognising the severity of the economic damage of covid-19 and also the importance of swift responses from the Government, will the Minister consider proposals made by the Wales Governance Centre recently that both the annual drawdown limit from the Welsh reserve and the cap on Welsh Government borrowing should be “very significantly relaxed—or removed?”

**David T. C. Davies:** The hon. Gentleman will be aware that my right hon. Friend has already signed off about an extra £800 million for the Welsh Government, and if he can wait in his seat for a little while longer, there may be more good news to come.

**Dr James Davies (Vale of Clwyd) (Con):** Economic recovery in north Wales will be made all the harder by the devastating news that Airbus in Broughton is to shed 1,435 jobs. I know the UK Government are already supporting the UK aerospace industry significantly, but can the Minister confirm what further the Government can do to assist Airbus?

**David T. C. Davies:** I can confirm that when I and my right hon. Friend spoke to the leaders of Airbus last week, they were very grateful to the UK Government and said that the UK Government had been one of the most supportive Governments in the world, which is why, no doubt, far fewer jobs are being lost in the United Kingdom than in other European Union countries. Airbus has benefited from around £5 billion of UK Government support, and I am absolutely certain that the Government will want to continue to support the aerospace sector.

### UK-EU Trade Negotiations

**Alan Brown (Kilmarnock and Loudoun) (SNP):** What recent discussions he has had with the Welsh Government on the UK’s trade negotiations with the EU. [904306]

**Marion Fellows (Motherwell and Wishaw) (SNP):** What recent discussions he has had with the Welsh Government on the UK’s trade negotiations with the EU. [904316]

**The Parliamentary Under-Secretary of State for Wales (David T. C. Davies):** My right hon. Friend the Secretary of State for Wales and I discussed our future relationship with the EU as part of multiple engagements with the Welsh Government. We will continue to work and listen closely to the Welsh Government throughout the trade

deal negotiations. It is, of course, a reserved matter, but we always listen carefully to what the Welsh Government have to say.

**Alan Brown:** “Listen”, but probably don’t do anything, Mr Speaker. Michel Barnier told our Select Committee that the EU will introduce full border checks for the UK from 1 January regardless of the UK’s position. Given that exports to the EU from Wales account for 60% of Welsh exports, this will cause huge disruption. Has the Minister secured any additional support for Welsh exporters, or is it Brexit at all costs and who cares about the Welsh exporters?

**David T. C. Davies:** Ensuring that Welsh exports—and, indeed, those from Scotland and all other parts of the United Kingdom—are able to be traded freely across the world, including with our former partners in the European Union, is a top priority for the Government. Of course, the hon. Gentleman appears to be asking for some sort of extension to the current deal that we have. He had the opportunity to do that on three occasions last year. I voted on every occasion for a deal that would have given a permanent extension; his party voted against it.

**Marion Fellows [V]:** A recent survey by the Office for National Statistics has found that 46% of Welsh businesses have less than six months in cash reserves—the highest percentage among the UK nations. Without additional support, the looming threat of no deal in less than six months could be the final blow for many businesses. How will the Secretary of State explain to businesses that his Government actively decided to build additional barriers by ruling out an extension when they were already struggling?

**David T. C. Davies:** I have to remind the hon. Lady once again that SNP Members had the opportunity to vote for the whole of the United Kingdom to remain in a semi-permanent customs union until a deal had been struck. They decided to vote against it, taking a gamble that they could destroy Brexit completely. They lost the gamble, and it is far too late now for them to ask for their stake back. We are leaving the European Union at the end of this year, as we promised to do in our manifesto.

**Ruth Jones (Newport West) (Lab):** Over the years, the Erasmus scheme has benefited many young people in Newport West. The Welsh Labour Government have repeatedly requested that Wales should be able to participate in programmes such as Erasmus, even if the Conservatives in England stop England doing so. Can the Minister confirm whether this important request from a devolved Government has been relayed by the UK negotiators, and if not, why not?

**David T. C. Davies:** I have to declare a slight personal interest, because my wife was on an Erasmus scheme when I met her as a student some 20 or so years ago. Of course, at that time she was a citizen of a country that was not then in the European Union. So I can absolutely assure the hon. Lady that, whatever the future of Erasmus, I and my colleagues are determined to enable young people to be able to travel and study not just in the European Union, but outside the European Union.

### Covid-19: Employment Levels

**Mr Mark Harper** (Forest of Dean) (Con): What discussions he has had with the Welsh Government on the effect on levels of employment of the continuation of covid-19 lockdown restrictions in Wales. [904307]

**The Parliamentary Under-Secretary of State for Wales (David T. C. Davies)**: I have regular discussions with the Welsh Government on the effect of their lockdown restrictions on levels of employment in Wales. This Government are continuing to provide unprecedented support to businesses and employees in Wales, and as my right hon. Friend the Secretary of State for Wales has already said, now is the time to look to reopen Wales and keep people in their jobs.

**Mr Harper**: I am grateful for that answer. The Minister will know that the rules on pubs and restaurants operating in Wales are currently more restrictive than those in England. Can I urge him to say to his constituents that, at least for the time being, if they want to attend pubs and restaurants safely, they are very welcome in the Forest of Dean to safeguard jobs and livelihoods?

In passing, I understand the First Minister is a great fan of cheese, in which case I can recommend Stinking Bishop from Dymock in my constituency, which Claudia Winkleman no less has christened the King of Cheese.

**David T. C. Davies**: My right hon. Friend and I agree on many things, but I might beg to differ over whether tourists should come to the Forest of Dean or to Wales. I want them to be welcomed in Wales, and I look forward to the Welsh Government reopening the tourism industry in Wales as quickly as possible to save the 160,000 jobs that depend on it.

### Covid-19: Welsh Businesses

**Feryal Clark** (Enfield North) (Lab): What recent discussions he has had with the Secretary of State for Business, Energy and Industrial Strategy on support for Welsh businesses affected by the covid-19 outbreak. [904308]

**The Parliamentary Under-Secretary of State for Wales (David T. C. Davies)**: My right hon. Friend the Secretary of State has regular discussions with my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy on support for Welsh businesses. The hon. Lady will no doubt be aware that we have put forward a £350 billion scheme to support businesses and jobs across the United Kingdom, and much of that will go to Wales.

**Feryal Clark**: Will the Minister join me in welcoming the Welsh Government's economic contract, which means that any business that receives financial support must demonstrate its commitment to growth, fair work, employee health and skills, and reducing its carbon footprint?

**David T. C. Davies**: I hope the hon. Lady and everyone in this House will join me in congratulating the United Kingdom Government on bringing forward a furlough scheme that has protected 300,000 jobs in Wales and a self-employment scheme that has protected 100,000 jobs. In addition, we have had bounce back loans, the coronavirus

business interruption loan scheme and the coronavirus large business interruption loan scheme. Last week, we protected another 800 jobs—

**Mr Speaker**: Come on, Minister. You have got to help me get through the questions.

**Kevin Brennan** (Cardiff West) (Lab): I welcome some of the wartime-socialism policies of this Government, based on Gordon Brown's rescue packages under the last Labour Government, which were then cruelly undermined by the Tory Government who followed. But there is room for more fiscal measures, including perhaps looking at VAT on events as a way of trying to stimulate that industry. When the Chancellor sits down next to him, will the Minister whisper in his ear and tell him to do that?

**David T. C. Davies**: I am happy to accept the hon. Gentleman's support for Conservative party policies, and if he can just restrain himself for another half hour or so, he might well discover that there is yet more good news for businesses and individuals in Wales. Diolch yn fawr.

### Flooding

**Beth Winter** (Cynon Valley) (Lab): What steps the Government are taking to support people affected by flooding in Wales. [904321]

**The Secretary of State for Wales (Simon Hart)**: I certainly empathise with the victims of recent flooding, especially as many of the same areas were affected more recently. Flood defence is a devolved matter. However, we have made available £16 million to the Welsh Government through the Barnett formula, as a result of flood defences in England.

**Beth Winter** [V]: The unprecedented flooding this year disproportionately affected Welsh communities, including my constituency of Cynon Valley. The Government have now acknowledged the flooding problems caused and indicated that UK Government support for Welsh communities will come from UK reserves. However, in response to my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), the Government informed the House on 15 June that the support would be subject to the Barnett formula. Will the Secretary of State confirm that UK Government funding for flooding in Wales will come from the UK reserve in line with the ethos of support and solidarity central to our Union and that it will not be subject to the Barnett formula? Will he also clarify the amount that will be—

**Mr Speaker**: Beth, come on. Secretary of State.

**Simon Hart**: Mr Speaker, thank you. In the interests of brevity, may I inform the hon. Lady that discussions are ongoing on this subject and she will be hearing more from the relevant bodies in the near future?

### PRIME MINISTER

*The Prime Minister was asked—*

### Engagements

[904559] **Anna McMorrin** (Cardiff North) (Lab): If he will list his official engagements for Wednesday 8 July 2020.

**The Prime Minister (Boris Johnson):** This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

**Anna McMorris:** I am shocked and angered at workers in UK clothing factories such as Boohoo being paid a mere £3.50 an hour and being forced to work in totally unacceptable conditions. In the 21st century, there must be no room for exploitation and modern slavery. We must call time on fast fashion for the sake of people and our planet, so my question is simple: what will the Prime Minister do about it?

**The Prime Minister:** First, it is this Conservative Government who set out laws against modern slavery. It is this Conservative Government who massively increased the living wage—not only instituted the living wage, but massively increased it. We hoped that it would be the Labour mayor of Leicester who would stand up for the interests of the workforce in his community. That is what we will do.

**Mr Speaker:** We are heading to the shadows of Lichfield cathedral with Michael Fabricant.

**Michael Fabricant (Lichfield) (Con) [V]:** It is not just the 800-year-old Lichfield cathedral that we have; we also have the beautiful leafy lanes, wonderful restaurants and bars. But I will tell you what we also have: the Lichfield Garrick, which is a major theatre in the area, and The Hub at St Mary's. This is what I would like to know: I welcome the £1.7 billion grant that is being given to support our theatres and performing artists, but are we going to see any of it at all outside the west end, including here in Lichfield?

**The Prime Minister:** I thank my hon. Friend. I can tell him that Lichfield has been at the centre of our cultural life since Dr Johnson and David Garrick made their famous walk and ride from Lichfield to London in the 18th century, and it will continue to be so. We are working closely with Arts Council England to support and develop the projects that I know are so dear to his heart.

**Keir Starmer (Holborn and St Pancras) (Lab):** On Monday, when asked why care home deaths had been so high, the Prime Minister said that

“too many care homes didn't really follow the procedures in the way that they could have,”

That has caused huge offence to frontline care workers. It has now been 48 hours. Will the Prime Minister apologise to care workers?

**The Prime Minister:** The last thing I wanted to do was to blame careworkers for what has happened, or for any of them to think that I was blaming them, because they have worked incredibly hard throughout this crisis, looking after some of the most vulnerable people in our country and doing an outstanding job, and as the right hon. and learned Gentleman knows, tragically, 257 of them have lost their lives. When it comes to taking blame, I take full responsibility for what has happened. But the one thing that nobody knew early on during this pandemic was that the virus was being passed asymptotically from person to person in the way that

it is, and that is why the guidance and the procedures changed. It is thanks to the hard work of careworkers that we have now got incidents and outbreaks down in our care homes to the lowest level since the crisis began. That is thanks to our careworkers and I pay tribute to them.

**Keir Starmer:** That is not an apology, and it just will not wash. The Prime Minister said that

“too many care homes didn't really follow the procedures in the way that they could have”.

It was clear what he was saying. The Prime Minister must understand just how raw this is for many people on the frontline and for those who have lost loved ones. I quote Mark Adams, who runs a social care charity, who spoke yesterday. He said:

“You've got 1.6 million social care workers going into work to protect our parents, our grandparents, our children, putting their own health and potentially lives at risk. And then to get the most senior man in the country turning round and blaming them on what has been an absolute travesty of leadership from the Government, I just think it is appalling.”

Those are his words. I ask the Prime Minister again: will he apologise to care workers? Yes or no?

**The Prime Minister:** The right hon. and learned Gentleman keeps saying that I blamed or tried to blame care workers, and that is simply not the case. The reality is that we now know things about the way the coronavirus is passed from person to person without symptoms that we just did not know. That is why we instituted the care home action plan on 15 April. That is why we changed the procedures. Perhaps he did know that it was being transmitted asymptotically—I did not hear it at the time. Perhaps Captain Hindsight would like to tell us that he knew that it was being transmitted asymptotically. Of course it was necessary to change our procedures. I want to thank our care workers for what they have done, and this Government will continue to invest massively in our care homes and in our care workers. By the way, it is this Government, as I said just now, who put up the living wage by record amounts, and that is something that we can do directly to help every care worker in the country.

**Keir Starmer:** By refusing to apologise, the Prime Minister rubs salt into the wounds of the very people that he stood at his front door and clapped. The Prime Minister and the Health Secretary must be the only people left in the country who think that they put a “protective ring” around care homes. Those on the frontline know that that was not the case. I quote one care home manager from ITN News yesterday. She said this:

“I'm absolutely livid at the fact that he says we didn't follow the procedures. Because the care assistants, the nurses, everyone in the care home, have worked so hard. And then he's got the audacity to blame us.”

Those are her words. What would the Prime Minister like to say to that care home manager?

**The Prime Minister:** What I would like to say to the lady in question, and indeed to every care home worker in the country, is that this Government appreciate the incredible work that they have done, and we thank them for the incredible work they have done. Let me say further



that we will invest in our care homes and we will reform the care home sector. I hope, by the way, that we will do it on the basis of cross-party consensus and get a lasting solution to the problems in our care homes and the difficulties many people face in funding the cost of their old age. That is what we want to do. That is what this Government have pledged to do after 30 years of inaction, and I hope that the right hon. and learned Gentleman will join us in doing it.

**Keir Starmer:** I am glad to hear it. I gently point out that his Government have been in power for 10 years, with no plan and no White Paper. Of course we will join in plans for reforming social care, but 10 years have been wasted. The reality is that more than 19,000 care home residents have died from covid-19. It is a far higher number when we include excess deaths. Overall, around one in 20 care home residents is estimated to have died from the virus. One in 20—it is chilling. These are extraordinary numbers, yet the Prime Minister has consistently ducked responsibility for this. Will he accept that it is not care workers who are to blame; it is his Government?

**The Prime Minister:** I think the right hon. and learned Gentleman has got the old vice of reading out the pre-prepared question without listening to the answer I have just given. I have made it absolutely clear that this Government take responsibility for everything that we have done throughout this crisis. Of course I pay tribute once again to the work of every care worker in the country and I thank them, but what we have also done is put forward a care home action plan that has helped our care workers and our care home industry to get the incidence of coronavirus right down in every care home in the country to the lowest level, and we are now putting in monthly testing for every resident in our care homes and weekly testing for every care home worker. That is thanks to the fantastic efforts of everybody involved in NHS testing and tracing—and I think, by the way, that the right hon. and learned Gentleman should pay tribute to them as well.

**Keir Starmer:** The Prime Minister continues to insult those on the frontline by not taking these issues seriously. The Prime Minister must recognise that huge mistakes have been made. Two months ago at PMQs I highlighted the weakness of the early guidance on care homes. The Prime Minister, typically flippant, simply said it was “not true”. There were repeated warnings from the care sector and repeated delays in providing protective equipment—this was not hindsight; they were raised here day in, day out and week in, week out. It was not hindsight; it was real time for the frontline. It was the same with routine testing. And the decision to discharge 25,000 people to care homes without tests was clearly a mistake. Will the Prime Minister simply accept that his Government were just too slow to act on care homes, full stop?

**The Prime Minister:** The right hon. and learned Gentleman knows very well—or he should know very well—that the understanding of the disease has changed dramatically in the months that we have had it. When he looks at the action plan that we brought in to help our care workers, I think he would appreciate the vast amount of work that they have done, the PPE that they have been supplied with and the testing that they have been supplied with. That has helped them to get the

incidence of the disease down to record lows, and it has enabled us to get on with our work, as the Government, in getting this country through this epidemic—getting this country back on its feet. That is what this country wants to see. We have stuck to our plan to open up our economy gradually and cautiously; one week he is in favour of it, the next week he is against it. What this country wants to see is a steady, stable approach to getting our country back on its feet. That is what we are delivering.

**Keir Starmer:** Finally, to add further insult to injury, there are reports this morning that the Government are to remove free hospital parking for NHS workers in England. The Prime Minister will know that this could cost hundreds of pounds a month for our nurses, our doctors, our carers and our support staff. We owe our NHS workers so much. We all clap for them; we should be rewarding them, not making it more expensive to go to work. The Prime Minister must know that this is wrong; will he reconsider and rule it out?

**The Prime Minister:** The hospital car parks are free for NHS staff for this pandemic—they are free now—and we are going to get on with our manifesto commitment to make them free for patients who need them as well. The House will know that that was never the case under the Labour Government—neither for staff nor for patients. May I respectfully suggest that the right hon. and learned Gentleman takes his latest bandwagon and parks it free somewhere else? One week he is backing us; the next week he is not. One week he is in favour of a tax on wealth and tax on homes; the next week he tries to tiptoe away from it. We know how it works: he takes one brief one week, one brief the next. He is consistent only in his opportunism, whereas we get on with our agenda: build, build, build for jobs, jobs, jobs. The House will hear more about that shortly.

[904561] **Mark Pawsey (Rugby) (Con):** My well-known and much loved constituent Alan Young died of cancer last year, having been cared for at Myton Hospice in Warwick. I am sure the Prime Minister will remember the very moving letter that he received from Alan's brave nine-year-old son Tommy—which Tommy read out on local radio—praising Myton for looking after his dad and asking for the hospice to receive support. The Government are providing £200 million per quarter for hospices during the current emergency, so it is very clear that the Prime Minister appreciates their work. Will he join me, Tommy, his brother Shay and his mum Kelly in thanking Myton and all hospices throughout the country for the invaluable care that they provide to people like Alan?

**The Prime Minister:** I do indeed remember that letter, and I know that the thoughts and sympathies of the whole House will be with Alan and his family. I would like to join Tommy, Shay, Kelly and indeed my hon. Friend in thanking all hospices for the incredible work that they do.

**Ian Blackford (Ross, Skye and Lochaber) (SNP) [V]:** I am sure that you, Mr Speaker, the Prime Minister and indeed the whole House will want to join me in marking Srebrenica memorial day, which takes place this Saturday, for the first time happening online. We should never forget the terrible genocide that took place 25 years ago.

May I associate myself with the concerns about Tory hospital parking charges? The Scottish National party Government abolished them in Scotland 12 years ago, and I urge the Tory Government to do the same, so that NHS workers and patients will not be penalised.

Some 3.8 million people across the United Kingdom could face unemployment when the furlough scheme ends. The job retention scheme has been a lifeline to millions; yet we could see progress unravel as the scheme ends. Millions of people could find themselves out of work, struggling to pay bills and to put food on the table. Will the Prime Minister commit today to extending the furlough scheme? People must not lose their jobs because the Tories refused to act.

**The Prime Minister:** I think that most people looking at what has happened in the UK over the last three or four months around the world have been overwhelmingly impressed by the way that we, as a Government, have put our arms around people, with £164 billion invested in jobs, in incomes and in supporting people. It has been a massive effort. I know that a lot of people in this House will agree with me that we cannot go on forever with a furlough scheme that keeps employees in suspended animation in the way that it does. We need to get our economy moving again. That is what I think the people of this country want to see, in a sustainable and cautious way.

I am sure that the right hon. Gentleman is constantly saying this, but I would just remind him that the job retention scheme—the furlough scheme—has worked because of the power and the efficiency of the UK Treasury. It is the UK Government that have funded the furlough scheme and £4.8 billion in Barnett consequentials to Scotland alone. I am sure that he does not hesitate to remind his colleagues of that.

**Ian Blackford:** Of course, it is about the future, and it is about making sure that people can be protected. Just this week, we have seen Spain look to extending furlough scheme into 2021. Research has shown that prematurely ending the job retention scheme risks higher unemployment and weaker productivity, with a potential loss of up to £50 billion to GDP. The Resolution Foundation is calling for £3 billion to £5 billion to be spent on extending furlough payments for the hardest-hit sectors, and the TUC is warning of the effect that ending the furlough scheme early will have on people who are shielding and in difficulties. This is about not throwing away the benefits that we have accrued. The Prime Minister seems intent on sinking the lifeboat that has been keeping so many people afloat. If the Prime Minister will not extend the furlough scheme, will he give Scotland the powers so that we can do it ourselves?

**The Prime Minister:** I think I have answered the right hon. Gentleman's question already. I believe it is absolutely essential that we invest in our people and protect them from the effects of this epidemic, as we have done at huge expenditure, quite rightly, but it is also essential that we get the economy moving, including in Scotland. I hope that he supports that objective as well.

[904564] **Paul Holmes** (Eastleigh) (Con): Does the Prime Minister agree with me and my constituents that calls from some in this House for a raid on homes, pensions and savings would hammer hard-working families and undermine Britain's economic recovery?

**The Prime Minister:** Absolutely right. I have been amazed to hear that Labour is proposing to bring forward a wealth tax—a tax on homes. New leader, same old Labour policies—exactly what this country does not need. What we need is investment in people and investment in their wages, increasing the living wage and taking this country forward. They want to tax, tax, tax; we want jobs, jobs, jobs.

**Colum Eastwood** (Foyle) (SDLP) [V]: Given the devastating impact of Brexit on my constituency and the decades of under-investment and neglect by successive British Governments, will the Prime Minister agree to work with the Northern Ireland Executive to ensure that a freeport area is developed in Derry to try to address the long-term economic imbalance? Will he agree to meet me and a delegation from the city to progress this project?

**The Prime Minister:** I note the paradox that the hon. Gentleman wants a freeport in Londonderry/Derry, which is something that can only be achieved by Brexit, by the way. I am more than happy to study the plans he proposes. We will see what we can do to take them forward.

[904565] **Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): The coronavirus has hit young people in work and those about to enter the jobs market particularly hard. Will my right hon. Friend continue to build on his excellent package of announcements so far, so that young people have hope, encouragement and the very best prospects for the start of their working lives?

**The Prime Minister:** Absolutely. We want young people to have the self-confidence brought by the experience of work, to keep learning on the job and to get the jobs that they need. If my hon. Friend waits just a few minutes, he will hear rather more from my right hon. Friend the Chancellor about that very matter.

[904562] **Angela Crawley** (Lanark and Hamilton East) (SNP) [V]: Hundreds of my constituents have been excluded from the furlough scheme or support for the self-employed owing to gaps in the legislation. Barriers to that support include real-time information cut-off dates and the 50% cap on non-trading income. The Government's solution for those constituents is to take out loans, which for many is untenable and will lead to unemployment and bankruptcy. Will the Prime Minister commit to widening access to these schemes for the many people who are left behind?

**The Prime Minister:** There are, in fact, 12,000 people who have taken advantage of the furlough scheme in the hon. Lady's constituency. They are getting 80% of their income up to £2,500 a month. It is a fantastic, massive scheme. In addition, for those she rightly identifies who have had difficulties accessing furlough, we have massively increased universal credit, which is up by £1,040 for families across the country. That is in addition to the panoply of other loans and grants we have made.

[904569] **Nick Fletcher** (Don Valley) (Con): I am sure that the Prime Minister will join me in thanking Richard Parker, the chief executive officer of Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust, and his

staff for all their hard work during the covid pandemic. Does the Prime Minister agree with me that Doncaster needs a new hospital? Does he believe that by building a new hospital in the town, the Government will send a clear message to the people of Don Valley that we are committed to levelling up the north?

**The Prime Minister:** I thank my hon. Friend for an apposite question, because the Health Secretary has committed not just to building 40 new hospitals, but to visiting Doncaster very shortly to discuss investment in healthcare there.

[904563] **Rachel Hopkins** (Luton South) (Lab): Luton airport provides direct funding to Luton Borough Council and many local charities in my constituency, but covid-19 has had a huge impact on that commercial and charitable income. Without urgent Government action, Luton council will be forced into making £22 million of in-year cuts next week. I have raised this issue repeatedly in Parliament on behalf of the thousands of Lutonians. Will the Prime Minister meet me to discuss how emergency funding for Luton council would save crucial local services and the jobs of hundreds of key workers?

**The Prime Minister:** The hon. Lady raises a very important issue. The aviation industry has been very hard hit. We are supporting the sector in all kinds of ways, not just by supporting employees, but through the time-to-pay scheme and loans from the Bank of England and the Government to aviation. Of course, we are supporting local councils as well with billions of pounds—£3.2 billion. The most important thing is to get a medium and long-term solution that enables airlines to start flying again, so that Luton council can get the revenue it needs. I perfectly understand and support the points she makes.

[904570] **Simon Fell** (Barrow and Furness) (Con): It has been said, I hope not uncharitably, that my right hon. Friend has never met a bridge that he did not want to build. Off the Cumbrian coast, we have an opportunity to steal a march with a tidal barrage that would supply 5% of the UK's energy needs in a green, sustainable way. It would leave a legacy of jobs in Copeland, Barrow-in-Furness and Workington—7,000 jobs. It would allow us to connect communities that have a terrible transport network at the moment with a shiny new bridge and it would allow us to build, build, build our way into a green revolution. Will the Prime Minister agree to meet me and my Cumbrian colleagues to explore this deal further?

**The Prime Minister:** I am grateful to my hon. Friend for bringing that attractive idea to my attention. I know that several projects are being considered along the Cumbrian coast. I would advise him, first, to get in touch with my right hon. Friend the Secretary of State for Business, Energy and Industrial Strategy to see what he can do to take it forward, and I will give what support I can.

[904566] **Alex Norris** (Nottingham North) (Lab/Co-op): Yesterday, after a delay of more than a year, the Government published their response to their call for evidence regarding violence and abuse against shopworkers. In that period,

there have been 150,000 such incidents, which are completely unacceptable. There are a lot of good things in the Government's response, but it is disappointing that they have stopped short of a change in the law. Will the Prime Minister make a commitment that if his plans do not reduce the 400-plus incidents every day within six months, he will support legislative change?

**The Prime Minister:** I think we should have absolutely zero tolerance for violence or aggression towards people who work in shops, just as we have zero tolerance for people who are aggressive towards those who work in our public services, and we will do everything we can to ensure that that is the case.

[904572] **Stephen Hammond** (Wimbledon) (Con): There was a welcome relaxation of lockdown rules on Saturday, but some sectors, such as health and beauty, the performing arts, language schools, events providers and the wedding industry, are still not able to open. Will my right hon. Friend publish a timetable so that there can be some hope and certainty for these industries?

**The Prime Minister:** My hon. Friend raises a very important point. As he knows, on 10 May we set out our plan for cautiously getting our economy open again, and we will be saying more later this week about the next steps and the timetable we hope to follow.

[904567] **Mohammad Yasin** (Bedford) (Lab) [V]: A care home owner in my constituency was told that if it refused to accept the return from hospital of a covid-positive patient, they would be discharged to an unfamiliar home. The procedure that the owner was obliged to follow was this Government's, so rather than pointing the finger at care workers for his failures, will the Prime Minister do the right thing, apologise and pay tribute to the professionalism of the care home owners, managers and staff in Bedford, who went above and beyond this Government's guidelines in order to save lives?

**The Prime Minister:** I thank the hon. Gentleman and renew the points I made earlier and the tributes I pay to care home workers. The particular case he raises is important and troubling, so if he would be kind enough to write to me with details, setting out exactly what happened, I would be very happy to reply.

**Danny Kruger** (Devizes) (Con): We have seen the most amazing upsurge in community spirit in this country, with millions of people coming together to support their neighbours. Does my right hon. Friend agree that we need to sustain this community spirit into the future, which means supporting the social infrastructure of local places, such as libraries, youth clubs and community businesses, and means Whitehall giving away power, so that, finally, local communities can take back control?

**The Prime Minister:** I thank my hon. Friend for everything he has done to champion the voluntary sector and community spirit over many years. I have followed his campaigns with interest and with support. I think there is now an opportunity to build on the way the nation came together during the covid crisis and to deliver even more of the kind of projects that he wants. We will certainly be putting our support behind those types of community initiative.

[904568] **Catherine West** (Hornsey and Wood Green) (Lab): Some 230,000 renters are going to be at risk of homelessness or eviction as we emerge from lockdown. Will the Prime Minister urgently, today, lay legislation so that, on a cross-party basis, we can support those people at risk of homelessness before we break up for the summer recess?

**The Prime Minister:** I am grateful to the hon. Lady. She is right to draw attention to one of the most remarkable features of the covid crisis, which was the way that the country and the Government were able to help thousands and thousands of homeless people to find accommodation. In other countries, where they were less fortunate, we saw serious epidemics among the homeless. Thankfully, we have so far avoided that, and we are taking forward plans with Dame Louise Casey and my right hon. Friend the Secretary of State for Communities and Local Government to ensure that the 15,000 do not just come back on to the streets. We will do everything we can to stamp out homelessness in this country.

**James Wild** (North West Norfolk) (Con): The Queen Elizabeth Hospital in King's Lynn serves more than 300,000 people across Norfolk, Cambridgeshire and Lincolnshire. On the 40th anniversary of a hospital built to last only 30 years, does my right hon. Friend agree that the dedication shown by staff in responding to coronavirus deserves to be recognised by our including the Queen Elizabeth in our new hospital building programme?

**The Prime Minister:** Of course, this Government were elected to build 40 new hospitals, and that is what we are going to do. My right hon. Friend the Secretary of State for Health and Social Care will be setting out the list, but I can also tell my hon. Friend that the Queen Elizabeth Hospital was awarded £9 million in October for urgent upgrades to protect vital frontline care. I am sure he will understand that further, long-term solutions are now under active consideration.

[904571] **John Spellar** (Warley) (Lab): I thank the Prime Minister for getting things moving on the disclosure and barring scheme. It was also good to hear him belatedly adopting the policy of jobs, jobs, jobs, but does he mean jobs in the UK, or in France, Poland, Germany, Korea and China? It is all very well announcing, for example, blue passports, but those are now being produced not in the north-east, but by a French company in a Polish factory. Will the Prime Minister now take back control and give instructions to the Treasury, the Cabinet Office, Whitehall and town halls to buy British and protect British jobs, jobs, jobs?

**The Prime Minister:** My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) behind me says from a sedentary position, "What has the right

hon. Gentleman got against Poland?" We will create hundreds of thousands of jobs in this country. We will actively buy British. We will ensure that contracts go to great British companies, but what we will not do is turn our faces against the notion of international free trade and the market, which has brought colossal wealth to the people of this country. Those are the politics and the economics of the madhouse.

**Mr Steve Baker** (Wycombe) (Con): To avoid drama later, we need to complete the process of getting Brexit done in the next few months. Will my right hon. Friend therefore please confirm for the benefit of everyone listening that nothing in the Northern Ireland protocol will be allowed to stop the United Kingdom charging our own tariffs for the whole United Kingdom from 1 January 2021?

**The Prime Minister:** Yes. Not a sausage, not a jot and not a tittle of the Northern Irish protocol will provide any such impediment to the unfettered access of goods and services between all parts of the UK.

[904573] **Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): I am totally on board with the Prime Minister's rhetoric that for too long money has piled into the south-east corner of this island. Investment is needed now to bolster and boost universal confidence. Can he explain, therefore, why his Secretary of State for Wales took to Twitter this week to argue that Wales is too poor, with too few businesses and taxpayers, to be successful? Surely he cannot condone the Welsh Secretary's off-message pessimism.

**The Prime Minister:** I have seldom met anybody who was more boosterish for the future of Wales than the Secretary of State for Wales, and that is because this Government are absolutely committed to levelling up throughout the whole UK—in Wales and everywhere—with infrastructure and investment in education and in technology. We will do the things, by the way, that the Welsh Labour Government have failed to do, such as unblocking the Brynglas tunnels and allowing that proper M4 bypass, which has long been needed. We will apply the Vicks inhaler to the nostrils of the Welsh dragon and get Wales moving.

**Mr Speaker:** Are you trying to put the fire out of the dragon, Prime Minister?

In order to allow the safe exit of hon. Members participating in this item of business and the safe arrival of those participating in the next, I suspend the House for three minutes.

12.34 pm

*Sitting suspended.*

## Economic Update

12.38 pm

**The Chancellor of the Exchequer (Rishi Sunak):** I stood here in March saying I knew people were worried, and I know they are worried still. We have taken decisive action to protect our economy, but people are anxious about losing their jobs and about unemployment rising. We are not just going to accept that. People need to know that we will do all we can to give everyone the opportunity of good and secure work. People need to know that although hardship lies ahead, no one will be left without hope. So today, we act with a plan for jobs. Our plan has a clear goal: to protect, support and create jobs. It will give businesses the confidence to retain and hire, to create jobs in every part of our country, to give young people a better start and to give people everywhere the opportunity of a fresh start. Where problems emerge, we will confront them. Where support is justified, we will provide it. Where challenges arise, we will overcome them. We entered this crisis unencumbered by dogma and we continue in that spirit, driven always by the simple desire to do what is right.

Before I turn to our plan for jobs, let me first outline the nature of the challenge. Our economic response to coronavirus is moving through three phases. In the first phase, beginning in March, the Government announced social distancing measures and ordered businesses to close, halting the spread of the disease. We put in place one of the largest and most comprehensive economic responses in the world. Our £160 billion plan protects people's jobs, incomes and businesses. We supported more than 11 million people and jobs through the job retention and self-employment schemes, alongside billions of pounds for the most vulnerable. We supported over 1 million businesses to protect jobs through tax cuts, tax deferrals, direct cash grants and over 1 million Government-backed loans. And we supported public services, with new funding for the NHS, schools, public transport and local authorities. In total, we have now provided £49 billion to support public services since this crisis began.

Analysis I am publishing today shows that our interventions significantly protected people's incomes, with the least well off in society supported the most, and this crisis has highlighted the special bond which holds our country together. Millions of people in Scotland, Wales and Northern Ireland have been protected by the UK Government's economic interventions, and they will be supported by today's plan for jobs. No nationalist can ignore the undeniable truth: this help has only been possible because we are a United Kingdom.

Four months on, as we carefully reopen our economy, we are entering the second phase of our economic response. Despite the extraordinary support we have already provided, we face profound economic challenges. World economic activity has slowed, with the International Monetary Fund expecting the deepest global recession since records began. Household consumption—the biggest component of our economy—has fallen steeply. Businesses have stopped trading and stopped hiring. Taken together, in just two months our economy contracted by 25%, the same amount by which it grew in the previous 18 years. And the independent Office for Budget Responsibility and Bank of England are both projecting significant

job losses, the most urgent challenge we now face. I want every person in this House and in the country to know that I will never accept unemployment as an unavoidable outcome. We have not done everything we have so far just to step back now and say, "Job done." In truth, the job has only just begun.

If the first phase of our economic response was about protection and the second phase—the phase we are addressing today—is about jobs, there will come a third phase, when we will rebuild. My right hon. Friend the Prime Minister has set out our vision to level up, unite the country, spread opportunity, and repair and heal the wounds exposed through this crisis. I can tell the House that we will produce a Budget and spending review in the autumn.

And we will deal, too, with the challenges facing our public finances. Over the medium term, we must, and we will, put our public finances back on a sustainable footing. In other words, our plan for jobs will not be the last action, but is merely the next, in our fight to recover and rebuild after coronavirus.

Let me now turn to the detail of our plan for jobs. Central to our economic response has been the job retention scheme. Furlough has been a lifeline for millions, supporting people and businesses to protect jobs, but it cannot, and should not, go on forever. I know that when furlough ends it will be a difficult moment. I am also sure that if I say the scheme must end in October, critics will say it should end in November. If I say it should end in November, critics will just say December. But the truth is, calling for endless extensions to the furlough is just as irresponsible as it would have been, back in June, to end the scheme overnight.

We have to be honest: leaving the furlough scheme open forever gives people false hope that it will always be possible to return to the jobs they had before. The longer people are on furlough, the more likely it is that their skills will fade, and they will find it harder to get new opportunities. It is in no one's long-term interests for the scheme to continue forever, least of all those trapped in a job that can exist only because of Government subsidy. So the furlough will wind down, flexibly and gradually, supporting businesses and people through to October.

While we cannot protect every job, one of the most important things we can do to prevent unemployment is to get as many people as possible from furlough back to their jobs. So, today, we are introducing a new policy to reward and incentivise employers who successfully bring furloughed staff back—a new job retention bonus.

If you are an employer and you bring back someone who was furloughed, and you continuously employ them through to January, we will pay you a £1,000 bonus per employee. It is vital that people are not just returning for the sake of it; they need to be doing decent work. For businesses to get the bonus, the employee must be paid at least £520, on average, in each month from November to January, the equivalent of the lower earnings limit in national insurance.

The House should understand the significance of this policy. We will pay the bonus for all furloughed employees. So if employers bring back all 9 million people who have been furloughed, that will be a £9 billion policy to retain people in work. Our message to business is clear: if you stand by your workers, we will stand by you.

[Rishi Sunak]

The furlough was the right policy to support people through the first phase of this crisis, but now, in this new phase, we need to evolve our approach. Today, I want to set out for the House a new three-point plan for jobs. We need to, first, support people to find jobs; secondly, create jobs; and, thirdly, protect jobs.

Let me start with supporting jobs, in particular the help we want to provide for those who will be hardest hit by this crisis: younger people. Over 700,000 people are leaving education this year. Many more are just starting out in their careers. Coronavirus has hit them hard—under-25s are two and a half times as likely to work in a sector that has been closed.

We cannot lose that generation, so today I am announcing the kick-start scheme, a new programme to give hundreds of thousands of young people in every region and every nation of Britain the best possible chance of getting on and getting a job. The kick-start scheme will pay employers directly to create new jobs for any 16 to 24-year-old at risk of long-term unemployment. These will be new jobs, with the funding conditional on the firm proving that the jobs are additional. These will be decent jobs, with those working a minimum of 25 hours per week paid at least the national minimum wage, and they will be good-quality jobs, with employers providing kick-starters with training and support to find a permanent job.

If employers meet those conditions, we will pay young people's wages for six months, plus an amount to cover overheads. That means that for a 24-year-old the grant will be around £6,500. Employers can apply to be part of the scheme from next month, with the first kick-starters in their new jobs this autumn. I urge every employer, big or small, national or local, to hire as many kick-starters as possible. Today, I am making available an initial £2 billion, enough to fund hundreds of thousands of jobs, and I commit: there will be no cap on the number of places available.

We can do more for young people. Traineeships are a proven scheme to get young people ready for work, and we know they work, so for the first time ever we will pay employers £1,000 to take on new trainees, with triple the number of places. What is more, to help 18 to 19-year-olds leaving school or college to find work in high-demand sectors, such as engineering, construction and social care, we will provide £100 million to create more places on level 2 and 3 courses.

The evidence says that careers advice works, too, so we will fund it, with enough new careers advisers to support over a quarter of a million more people. We will also expand our universal skills offer. Sector-based work academies provide training, work placements and a guaranteed job interview in high-demand sectors, and the evidence shows they work, so we will expand them, by tripling the number of places.

We know that apprenticeships work, too, with 91% of apprentices staying in work or doing further training afterwards, so for the next six months we will pay employers to create new apprenticeships. We will pay businesses to hire young apprentices, with a new payment of £2,000 per apprentice, and introduce a brand new bonus for businesses to hire apprentices aged 25 and over, with a payment of £1,500. I thank my right hon. Friend the Education Secretary for his support and commitment in developing these measures.

We know that the longer someone is out of work, the harder it is for them to return. Millions of people are moving on to universal credit and need urgent support to get back to work, so we are doubling the number of work coaches in jobcentres, increasing the flexible support fund, extending the rapid response service, expanding the work and health programme, and developing a new scheme to support the long-term unemployed. The academic and economic evidence tells us these are among the most effective things we can do.

For that reason, I am investing an extra £1.2 billion in the Department for Work and Pensions to support millions of people back to work, and I am grateful for everything my right hon. Friend the Work and Pensions Secretary and her incredible team have done. I am talking about £1 billion of support for the unemployed, more money for skills, traineeships and apprenticeships, and a new, good-quality job for hundreds of thousands of new kick-starters. That is the first part of our plan for jobs.

The second part of our plan is to support job creation, and that begins with historic investment in infrastructure to create jobs in every region and nation of the UK. In the Budget, I announced £88 billion of capital funding this year, and last week the Prime Minister announced our plans to accelerate £5 billion of additional investment projects. We are doubling down on our ambition to level up, with better roads, better schools, better hospitals and better high streets, creating jobs in all four corners of the country.

As well as investing in infrastructure, we want to create green jobs. This will be a green recovery, with concern for our environment at its heart, and as part of that, I am announcing today a new £2 billion green homes grant. From September, homeowners and landlords will be able to apply for vouchers to make their homes more energy efficient and create local jobs. The grants will cover at least two thirds of the cost—up to £5,000 per household—and for low-income households we will go even further, with vouchers covering the full cost, up to £10,000.

On top of the £2 billion voucher scheme, I am releasing £1 billion of funding to improve the energy efficiency of public sector buildings, alongside a £50 million fund to pilot the right approach to decarbonise social housing. Taken together, we expect these measures to make more than 650,000 homes more energy efficient; to save households up to £300 a year on their bills; to cut carbon by more than half a megatonne per year—equivalent to taking 270,000 cars off the road; and, most importantly right now, to support around 140,000 green jobs. A £3 billion green jobs plan to save money, cut carbon and create jobs.

One of the most important sectors for job creation is housing. The construction sector adds £39 billion a year to the UK economy. House building alone supports nearly three quarters of a million jobs, with millions more relying on the availability of housing to find work. But property transactions fell by 50% in May. House prices have fallen for the first time in eight years and uncertainty abounds in the market—a market we need to be thriving. We need people to feel confident—confident to buy, sell, renovate, move and improve. That will drive growth. That will create jobs. So to catalyse the housing market and boost confidence, I have decided today to cut stamp duty.

Right now, there is no stamp duty on transactions below £125,000. Today, I am increasing the threshold to half a million pounds. This will be a temporary cut running until 31 March next year, and, as is always the case, these changes to stamp duty will take effect immediately. The average stamp duty bill will fall by £4,500 and nearly nine out of 10 people buying a main home this year will pay no stamp duty at all. Stamp duty cuts, a £5,000 green homes grant and tens of billions of pounds of new capital projects—we are creating jobs: the second part of our plan for jobs.

The final part of our plan will protect jobs that already exist by helping some of our highest-employing but hardest-hit sectors: hospitality and tourism. Our economy relies on consumption, especially social consumption: the pubs, cafés, restaurants, hotels and B&Bs that bring life to our villages, towns and cities. Taken together, these sectors employ over 2 million people—disproportionately younger, women and people from black, Asian and minority ethnic communities. Many rural and coastal communities rely on these industries. Some 80% of hospitality firms temporarily stopped trading in April and 1.4 million workers have been furloughed—the highest proportions of any sector. So the best jobs programme we can do is to restart these sectors and get our pubs, restaurants, cafés and B&Bs bustling again.

I know people are cautious about going out, but we would not have lifted the restrictions if we did not think we could do so safely. I have seen in the last few weeks how hard businesses are working to make their premises safe, and if we follow the guidance and respect what they ask us to do, we can all enjoy summer safely. In turn, we need to give these businesses the confidence to know that if they open up, invest in making their premises safe and protect jobs, demand will be there—and will be there quickly. So today, I am announcing two new measures to get these sectors moving and protect jobs.

First, at the moment, VAT on hospitality and tourism is charged at 20%, so I have decided, for the next six months, to cut VAT on food, accommodation and attractions. Eat-in or hot takeaway food from restaurants, cafés and pubs; accommodation in hotels, B&Bs, campsites and caravan sites; attractions like cinemas, theme parks and zoos—all these and more will see VAT reduced, from next Wednesday until 12 January, from 20% to 5%. This is a £4 billion catalyst for the hospitality and tourism sectors, benefiting over 150,000 businesses and consumers everywhere—all helping to protect 2.4 million jobs.

But we will go further. The final measure I am announcing today has never been tried in the UK before. This moment is unique. We need to be creative. So, to get customers back into restaurants, cafés and pubs and protect the 1.8 million people who work in them, I can announce today that, for the month of August, we will give everyone in the country an “eat out to help out discount”. Meals eaten at any participating business, Monday to Wednesday, will be 50% off, up to a maximum discount of £10 per head for everyone, including children. Businesses will need to register and can do so through a simple website, open next Monday. Each week in August, businesses can then claim the money back, with the funds in their bank accounts within five working days. Some 1.8 million people work in this industry. They need our support, and with this

measure, we can all eat out to help out. A VAT cut to 5% and a first-of-its-kind Government-backed discount for all—that is the third part of our plan for jobs.

A £1,000 job retention bonus; new, high-quality jobs for hundreds of thousands of young kick-starters; £1 billion to double the number of work coaches and support the unemployed; more apprenticeships, more traineeships and more skills funding; billions of pounds for new job creation projects across the country; a £3 billion plan to support 140,000 green jobs; and, in this vital period, as we get going again, VAT cut, stamp duty cut and meals out cut—all part of our plan for jobs worth up to £30 billion.

Governments, much less people, rarely get to choose the moments that define them. What choice there is comes in how we respond. For me, this has never been a question just of economics, but of values. I believe in the nobility of work. I believe in the inspiring power of opportunity. I believe in the British people's fortitude and endurance. And it is that value, endurance, more than any other that we need to embody now—a patience to live with the uncertainty of the moment and to find that new balance between safety and normality. We will be defined not by this crisis but by our response to it. It is an unambiguous choice to make this moment meaningful for our country in a way that transcends the frustration and loss of recent months. It is a plan to turn our national recovery into millions of stories of personal renewal. It is our plan for jobs, and I commend it to this House.

**Mr Speaker:** Before I call the shadow Chancellor, I inform Members that at the end of questions on this statement, I will call the Chancellor of the Exchequer to move a provisional collection of taxes resolution. Copies of the resolution are available in the Vote Office.

1.3 pm

**Anneliese Dodds** (Oxford East) (Lab/Co-op): Our country has been through a great deal over these past few months. Hundreds of thousands have wrestled with this terrible disease. For many months, people have had to go without being able to embrace their loved ones or even to say goodbye. Tens of thousands have died. Our NHS, social care and other workers have made extraordinary sacrifices. We owe them so much.

The Government have had to take big decisions, too—we acknowledge that—but today should have been the day when our Government chose to build a bridge between what has been done so far and what needs to be done to get our economy moving again. It should have been the day when the millions of British people worried about their jobs and future prospects had a load taken off their shoulders. It should have been the day when we got the UK economy firing again. Today, Britain should have had a back-to-work Budget; but instead we got this summer statement, with many of the big decisions put off until later, as those on the Government Benches know full well.

Labour is a constructive Opposition during this time of crisis. We will not criticise for criticism's sake. But when the Government fall short we will speak up, and the blunt truth is that we have one of the highest death rates in the world and among the deepest economic damage in the industrialised world from coronavirus. So the very first thing the Chancellor must do is prevent additional economic damage due to the slow public health response of his Government.

[Anneliese Dodds]

As we have seen throughout this crisis, the failure to match soaring rhetoric with meaningful action has consequences for people across our country. Despite all their talk, the Government have failed to create a fully functioning test, track and isolate system. That has damaged public confidence and, in turn, harmed consumer demand. Despite all their talk, the Government have failed to produce a clear system for local lockdowns. The lack of timely information sharing has led, as we all know, to the imposition of an additional wide-scale lockdown in Leicester.

The Government's contracts with outsourcing firms amount to almost £3 billion, but we still have not got test, track and isolate working properly in the UK, as it is in many other countries, and the Government still have not got a grip on the low value and limited scope of sick pay, risking people's ability to self-isolate. Fear is corrosive. Fear is hurting our economy. The Government have got to get this right.

Of course, we welcome the Government's announcement today of targeted VAT cuts in hospitality and tourism and of vouchers to be used in restaurants. Local businesses desperately need that support, and so many low and middle-income people in particular really need help right now. That is why we have repeatedly called for social security to better meet their needs and prevent people risking losing their homes. If delivered properly, these measures should help.

But the Chancellor himself said, when interviewed on "The Andrew Marr Show", that the best the Government can do to boost demand is to give consumers and workers and confidence psychological security that they can go out to work, to shop and to socialise in safety. So please, Chancellor, work with your colleagues so our public health response catches up with that operating in other countries. The Prime Minister asked, what have I been doing about that? My party has been repeatedly suggesting solutions to the public health problems facing our country, and we need to adopt them in the UK before this crisis becomes even more severe.

Now the Government must act to deal not just with unemployment as a symptom, but also with its cause. Research reported this week in the *Telegraph* indicates that British workers have already been the biggest casualty in the global jobs cuts. It shows that while jobs markets in many other countries have already fully recovered, in Britain it could take comparatively much, much longer for vacancy levels to return to normal. The levels of unemployment that this country saw in the past were not just an economic waste; they ruined lives. We are seeing the same impacts again—the same devastated high streets and communities robbed of their pride and purpose.

Of course the re-employment bonus announced by the Chancellor is necessary, not least because his Government refused to put conditions on the use of those funds related to employment. But, first, how can he ensure that that money will not just go to those employers who were already planning to bring people back into work and, secondly, what will he do for those firms that lack the cash flow to be able to operate even with that bonus? Related to that, the Chancellor still needs to abandon his one-size-fits-all approach to

withdrawing the job retention and self-employed schemes. No one is saying that those schemes should stay as they are indefinitely; the Opposition have never said that, but we have said that the money spent on the job retention scheme must not serve merely to postpone unemployment. The scheme must live up to its name, supporting employment in industries that are viable in the long term. We also need a strategy for the scheme to become more flexible so that it can support those businesses forced to close again because of additional localised lockdowns. There is still time to avoid additional floods of redundancy notices. It is the Government's duty to help Britain through this and stop employment reaching mass levels again.

We need action to ensure the support needed for key sectors of our economy—for our small and medium-sized enterprises and our manufacturers. While we of course welcome the long overdue arts and culture package, we still have not heard the Government's plans for other sectors. Many of us expected to hear them today, but we have not. The Project Birch process has been slow, tortuous and opaque. Large parts of industrial Britain need help to get through this—to keep their employees in jobs and keep their suppliers in jobs. Meanwhile, it appears that there will be no solutions for SMEs who cannot take on additional debt until the autumn. This risks many SMEs going to the wall.

Until now, the Chancellor has described a targeted, sectoral approach as the Treasury "picking winners", but the necessary public health measures have created losers. As the Chancellor himself said just now, the Government required many businesses to shut down to prevent the spread of this disease. Supporting businesses that are viable in the long run but currently starved of cash flow is not a matter of "picking winners": it is about protecting our country's economic capacity for the future. Failure to do so—to make the job retention and self-employed schemes more targeted and focused and to support viable businesses—is driving up unemployment in this country. The claimant count is on course to top 3 million people in June—the highest number since the previous record in 1986. This is the Chancellor's record, and one that cannot and must not be worsened.

Where unemployment arises as a symptom of economic damage, more must be done to help. Labour repeatedly called for the Government to match the ambitions of Labour's future jobs fund and Welsh Labour's Jobs Growth Wales programme, and finally the Government have come forward with a scheme apparently modelled on them—the kick-start scheme. The Conservatives cancelled the future jobs fund, of course, and it has taken almost 10 years for them to catch up. As with their belated adoption of our call for "jobs, jobs, jobs", perhaps this gives a new meaning to the phrase "Project Speed". We now need to make sure that the kick-start scheme provides genuinely additional opportunities for young unemployed people. The Government must also recognise the specific challenges faced by older jobseekers, many of whom are becoming unemployed for the first time, and those based in especially hard-hit places. Reimposing sanctions now is punitive and counter-productive when jobseekers need support.

We must be ambitious for the future of our country's economy. Our ambition should not be just to build our way out of this but to do so in a greener and cleaner way. For this, we need more than the reheated announcements



by the Prime Minister last week. Of course the investment announced was welcome, not least because much of it was already committed to by the Government. However, core elements are missing. For example, £50 million to support retrofitting in social homes is just a seventh of what the Conservatives said they would be spending every year. The muddled confusions over stamp duty when it comes to house building, particularly for genuinely affordable and social homes. Overall, the UK's green investment package barely touches the sides of other countries' commitments. Even with what was announced today, it only equates to just over the value of Germany's investment in one green technology alone—hydrogen. The Committee on Climate Change has indicated how far behind the UK is in the race to decarbonise. Failure to heed its recommendations is not only damaging to our planet, but it also cuts us out of leading the development of the key technologies of the future. The Conservatives are still refusing to impose conditions on investment to ensure that it contributes to the goal of net zero and that it supports local jobs, uses local firms, leads to sustainable skilled employment in local areas and prevents the use of tax havens and other forms of asset stripping.

If the Chancellor really wants to “build back better”, he must prevent a rerun of the past. From 2010 onwards, we have seen how families' resilience has been eroded. We entered this crisis with a quarter of families lacking even £100 in savings. In a typical classroom of 30, nine children are growing up in poverty, and our economy is the most regionally unequal in Europe. Our local authorities continue to be cut to the bone, with many standing on the brink of bankruptcy as we speak, and rather than our hearing the promise that our NHS and social care services would get whatever they needed this winter—to weather a potential second wave—those words were conspicuously absent from the Chancellor's speech just now.

Politicians in this House have gone out on our doorsteps to clap key workers, while the lowest paid have struggled to keep a roof over their heads. We must have a new settlement for the future: an end to poverty pay for our social care workers and those who clean our hospitals and deliver our groceries. We want a recognition of the value of the work of those who have been taken for granted for far too long.

There were some initial press reports that the Government were due to announce generalised tax increases or cuts in services this autumn, which were contradicted by the Prime Minister, who rejected whatever had apparently been briefed out by the Treasury—that has happened quite a few times. I say to the Government that, if they do increase taxes during the recovery and cut back the public services that we all rely on, it will damage demand and inhibit our recovery. Labour is not calling for tax rises. We are calling for growth.

The Tory manifesto committed them to no rises in income tax, national insurance or VAT, and therefore it is for the Conservatives to set out how any additional spending will be paid for. It is the Chancellor's job to ensure that the economy bounces back from this crisis, so that there is money in the coffers to protect the public finances.

Last week, the Chancellor's colleague, the Prime Minister, tried to claim the mantle of FDR—as we all know. Perhaps now we know why he went for Roosevelt. It is because this week the Prime Minister blamed carers for

the failings in the system that his Government had underfunded for the past decades. Now we know why he went for Roosevelt. It is because the last thing that his Government would have wanted was the sign on the desk of Harry Truman, the successor to Roosevelt, which said, “The buck stops here.” If this Government had a sign, it would probably say, “The buck stops anywhere but here”. But they cannot escape their responsibilities: to govern is to choose. It is to choose to finally sort out test, track and isolate, to prevent unnecessary additional unemployment and to build the green jobs of the future. This is a moment when our country needs its Government to help Britain through.

**Rishi Sunak:** I thank the hon. Lady for that contribution. Throughout this crisis, she and I have spoken and, where possible, I have tried to find common ground for our measures with as broad a coalition as possible, including with members of the Opposition. I do feel that it is necessary, however, to reiterate just a few points. She talked about vulnerable people, but, as I said, the analysis published today shows that our interventions have helped the poorest in our society the most. Those are the values of this Conservative Government. We will make sure that no one is left behind during this time of national crisis, and we will ensure that those who are most vulnerable get the support and protection that they deserve.

The hon. Lady also talked about jobs and the difference in different countries' reactions to the labour market. She is right: our economy is more reliant on consumption than other economies. It is also more reliant on social consumption than other economies. That is why the acute difficulty of social distancing and the shutdowns have affected our economy more than others. That is why, to help protect those 2 million jobs in the 150,000 businesses in those sectors and the people who are, on average, lower paid—women, black and minority ethnic communities, and rural and coastal communities—we have put in place what I believe to be bold and decisive measures to help protect employment in those sectors.

The hon. Lady talked about conditionality on funds that we provided. Here, she has to choose. It cannot be that you can develop significant interventions to provide liquidity and cash support to businesses at scale and speed, while at the same time having an incredibly targeted approach, imposing conditions on individual businesses. You have to choose one or the other. We unashamedly chose the former. The speed of what was happening to our economy and the scale of what was happening required us to take a broad-brush approach, and that was the way we could get help to as many people as possible as quickly as possible. But when individual businesses come to the taxpayer and require bespoke support, it is right that we impose conditions on those businesses. I have been very clear that that is what I would do and, indeed, that is what we have done. Without going into the details, as that would be inappropriate, let me say that such interventions will come with conditions: conditions on executive pay, protecting employment, climate change obligations, how supply chains and small businesses are treated, and obligations around tax. Those are all commitments and conditions that the taxpayer would expect us to make and that is what we have done in the one instance where the support has been provided thus far. It is what we will do for any future support.

[*Rishi Sunak*]

The hon. Lady talked about a green recovery. This Government are proud of their record on our environment. She talked about Germany and other countries. When I stood here in March, we outlined one of the most ambitious and far-reaching investment programmes for our environment and tackling net zero from any Government this country has ever seen. Carbon capture and storage, the nature for climate fund, investing to further the support for electric vehicles, new charging stations, tackling air quality, taxes on polluters—those are all measures we have already taken. I am glad that other countries are catching up. We have decarbonised faster than almost every other European country. It is a record that those of us on the Government Benches are proud of.

The measures we have announced today are some of the most far-reaching measures any country has taken to tackle energy efficiency. They will provide thousands of pounds of grants for homeowners up and down the country to create local jobs and ensure we can reduce carbon emissions from our housing stock, which today account for almost a fifth of all our emissions. The Committee on Climate Change has said we must address that. In our manifesto, we committed ourselves to addressing it. Rather than waiting to get started and rather than the five-year plan outlined in our manifesto, we are getting on with it today.

The hon. Lady spoke about furlough. Here again, I make no apology for the fact that we must and should wind down this scheme. I am glad that today the OECD made it clear that it also believes wage support schemes must be carefully wound down in order to get people back to work, protect jobs and return to growth. I see the hon. Lady has moved around on this issue. She said at the end of May that a targeted approach would “pose challenges” and force “hard choices”. I have not heard from the hon. Lady how she would solve those challenges and hard choices, but we remain committed to protecting people in their jobs. We understand that businesses that have had to furlough employees have been through a difficult time, which is why today we outlined a £9 billion policy—the job retention bonus—to support workers and to support businesses who bring those furloughed workers back.

Lastly, the hon. Lady talked about the future jobs fund. I am guided by the evidence. Parts of that scheme did work well and I am not dogmatic—I will do what works—but there are major differences in the kick-starter scheme. The kick-starter scheme will be bigger. It will help more young people. It will be broader, involving the private sector. It will be better value for the taxpayer, ensuring less money is spent on administration fees and more money is in the pockets of young people working.

We have questions from the hon. Lady, we have opinions from the hon. Lady, and last week, we even had tests from the hon. Lady. The one thing we do not have from her is a plan. I closed my statement by saying that this Government were making an unambiguous choice to make this moment meaningful for our country. Now, Labour Members must choose. Do they believe, as we do, that Britain has the energy and power to bounce back? Do they have confidence, as we do, in our incredible public services? Do they believe, as we do, in the enterprising spirit of British business? If they do, then they should do what is right and back our plan for jobs.

**Mel Stride** (Central Devon) (Con): My right hon. Friend’s plan for jobs is characteristically thoughtful, creative and bold, and I firmly welcome it. He has rightly said that we look to businesses to grow the jobs of the future, yet we know that many hundreds of thousands of small and medium-sized enterprises will emerge from this crisis saddled with significant amounts of corporate debt, and we will look to them at that moment to be investing in jobs and growth, rather than being concerned about de-leveraging and shoring up their balance sheets. So may I ask my right hon. Friend whether he has given this particular issue specific thought, and if he has, what solutions he might have to bring to this House?

**Rishi Sunak**: I very much welcome my right hon. Friend’s support, and thank him for that. I also thank him for the advice he has provided to me over the past few weeks and months. He is right to highlight the issue of leverage; it was good that, on coming into this crisis, levels of corporate indebtedness in the UK were the lowest for around a decade and ranked very favourably when compared with most OECD countries, but he is right that we want to make sure that that is not a drag on our recovery. I am currently looking at proposals from a range of people, including my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami), TheCityUK and others, and I look forward to discussing those with my right hon. Friend.

**Alison Thewliss** (Glasgow Central) (SNP): I would usually start by thanking the Chancellor for advance sight of his statement, but today I think I might ask for a fresh printer cartridge for the heavily redacted copy, which was effectively useless, that was sent to spokespeople ahead of his statement.

Countries around the world have supported their people in this crisis, and the only UK exceptionalism is in its being among the countries where the most people have died. The Chancellor has spent big over the past few months and comes with more proposals today. We support measures such as the job support schemes and encourage the Chancellor to be more ambitious and think to the future in his stimulus plans; we want a comprehensive plan to support the economy, protect jobs and incomes, and build a greener, fairer society.

We have looked to the ambitious stimulus packages of our European neighbours and urge the Chancellor to look at a package of investment with no less than £80 billion of new money, equating to approximately 4% of UK GDP, the equivalent investment to that being made by Germany. That would allow for the level of investment needed to secure jobs not just now, but for the future, because we know that Brexit is coming over the horizon.

The Scottish Parliament currently has a very restricted ability to borrow, under a fiscal framework that was not designed with covid-19 in mind. Kate Forbes, Rebecca Evans and Conor Murphy, the Finance Ministers of all three devolved institutions, have come together to seek urgent devolution of the financial powers in these unprecedented times, and to be able to have the flexibility to switch from capital to revenue spending. The Scottish Parliament must have the full range of powers to deliver a tailored response and secure a strong recovery for Scotland, otherwise necessary spending on coronavirus

will mean cuts elsewhere and fixed budgets. And will the Chancellor be clear on what these proposals today mean for the block grant adjustment?

The National Institute of Economic and Social Research has said today that UK GDP could be cut by 2.5% if the Chancellor goes ahead and withdraws the job support schemes prematurely. Roz Foyer, general secretary of the Scottish TUC, has called for the continuation of the scheme, noting that hospitality, tourism, aviation, and oil and gas are in particular need of extended support—and there was not a word about oil and gas in the Chancellor's statement.

Those shielding and with caring responsibilities will also need ongoing support. Coronavirus is not going away, and there is a real risk that with future outbreaks, such as happened in Leicester, the support will not be there when it is needed. I hear what the Chancellor says about encouraging people back to work and about a bonus for employers who do, but for many people it will not be safe to go back to work. At the start of this crisis my inbox was full of correspondence from people worried about the safety of their workplaces, and people should not be forced to go back if it is not safe for them to do so.

Recent Treasury Committee reports and work by ExcludedUK highlight the substantial gaps in the coronavirus job retention scheme and the self-employment income support scheme, with between 1 million and 3 million people left with no support whatsoever. People were furious at the suggestion by the Chancellor yesterday that they have had support; they asked me to assure him again today that they have not. The SNP believes that the Chancellor must fill these gaps and extend the furlough and self-employment income support schemes for as long as each of the four nations require that, so that no one is left behind.

A report by the Social Mobility Commission last week warned that UK child poverty is projected to increase to 5.2 million by 2022, with covid-19 adding to this problem. Now is the time to strengthen measures to reverse rising child poverty, including a £20 per week increase in the child element of universal credit and child tax credits. That will help families put food on the table and clothes on children's backs at a time when many are struggling. These parents are not eating out. Some of these parents are barely eating at all.

The Tories must also scrap the callous two-child cap, re-establish child poverty targets, introduce a real living wage for all ages and roll out an emergency basic payment plan to protect families. We want to see investment in a national debt plan to support businesses, families and individuals who have been struggling. While I am glad to hear that the Chancellor wants to re-employ jobcentre staff, will he reopen the many jobcentres he closed in Glasgow?

We support a temporary reduction in VAT, and we are glad to see the Chancellor coming forward with plans—we have been calling for this since March. He mentioned cinemas. Will live events also see a VAT reduction in their ticket sales? Gigs and theatres would benefit hugely from being able to offer that. All this sits alongside a 2p cut we are calling for in employers' national insurance contributions, to protect jobs and reduce the cost of hiring staff.

Our bright, talented young people are worth so much more than 25 hours a week on the minimum wage, rather than a real living wage, with age discrimination baked in. For many of those young people, it will be not so much a kick-start as a kick in the teeth to be told to go to work for so little money. Those aged between 16 and 24 have bills to pay too, and they deserve fair pay for their work. I note that the Chancellor cited the higher band of pay for a 24-year-old, not the £6.45 an hour for younger people or the £4.55 that 16 and 17-year-olds get—an absolute pittance. There should be a real living wage for all.

If, as has been trailed, this plan is tied to universal credit, can the Chancellor confirm whether sanctions will be applied to those who do not take it up? What will happen to those shielding or with caring responsibilities? What will happen to those not currently on universal credit—will it be open to them? What commitment will he require from employers not to fire older, more expensive staff in favour of people on this scheme? What will happen after six months? What is open to older people to help them continue in employment? Many young people are already employed in sectors where jobs are disappearing right now. Many are already on furlough. Would it not be less disruptive to maintain that link with employers, rather than make them start over?

The voucher scheme that the Chancellor proposes for green plans is, relatively speaking, tinkering when we look at the comprehensive work that the KfW Development Bank in Germany has done to change the whole conversation about green investment. We want to put significant and sustained investment in the future at the heart of these plans and to ensure that Scotland has the widest possible range of powers to tackle covid-19. Only by doing that can we avoid the worst of this storm and protect both businesses and the health and wellbeing of our people.

**Rishi Sunak:** I thank the hon. Lady for her questions. I will run through them as quickly as I can. She asked about the block grant adjustment. The OBR will do final costings for these policies in the coming week, and once those costings have been done, the block grant will be adjusted as quickly as possible. It should be based on OBR costings, as is normal for these matters.

The hon. Lady asked about Barnett. I am pleased to tell the House that the sum total of Barnett funding for Scotland as a result of all the interventions through this crisis is now £4.6 billion, which is going to support measures in Scotland similar to the ones we are providing elsewhere.

The hon. Lady asked about the inclusion of different businesses in the VAT cut. For attractions, I refer her to principal VAT directive annex III, paragraph 7, where the existing legislation is drawn. The guidance will be published tomorrow, for SIs to be laid next week and to come into force on Wednesday. That paragraph has the full range covered in our existing legislation.

It is absolutely important that we invest in our future. This is something that matters keenly to both me and the Prime Minister, which is why, in the Budget, we delivered on the Prime Minister's ambitions to level up in every part of this country with investment plans that tripled the amount of investment in our country from the last four decades. It is a significant commitment of our level of ambition and support for every part of this

[*Rishi Sunak*]

United Kingdom, building prosperity for the future by having an investment revolution. The hon. Lady can be reassured that we remain committed to that goal.

The hon. Lady also asked about support for those who are older. Not quite for the first time, although the only other time that we did it was very time-limited, we are introducing a payment to businesses to take on apprentices over the age of 25—£1,500 per apprentice taken on—for the simple reason that while most people think of apprentices young people, some 44% or so of new apprentice starts are actually over the age of 25. It is important that we provide that financial incentive at this time of economic distress, to try to create as many new apprenticeships as possible, including for those who are older, who will of course also benefit from all the other universal skills interventions that my right hon. Friends the Secretary of State for Work and Pensions and the Secretary of State for Education will take forward.

More broadly, the measures that I announced today—the job retention bonus for furloughed employees, the kick-start scheme, the VAT cut and the “eat out to help out” discount—are all incredibly significant interventions and all of them benefit the entire United Kingdom. It is important to note, as I have heard from the hon. Lady and other members of her party, how important tourism is to the Scottish economy—something that my Scottish colleagues have made clear to me. Rural communities and coastal communities especially play a disproportionately important part in the Scottish economy. The “eat out to help out” measure and the VAT reduction for these economies will be absolutely vital in driving Scotland’s growth going forward. That is a reminder to everyone that we are stronger together, one United Kingdom.

**Sir Peter Bottomley** (Worthing West) (Con): I welcome the positive approach that the Chancellor and the Government are taking. Were we to ask them, I think many MPs who will not be able to ask a question today would share my view that we should be green, red and blue: green by having economically and environmentally sustainable ways of getting the economy to come back; red by watching out for things that we should not be doing; and blue by being colour blind and trying to make sure that whether they are on the coast, in the countryside or in the cities, people get opportunities.

I hope that the Chancellor will pay attention to what the hon. Member for Glasgow Central (Alison Thewliss) said for the SNP about those excluded. The new all-party group is very concerned about those who have not been caught up by some of the support schemes. They need help and I hope that the Chancellor will find some way of bringing that forward as well.

Let me give just one example of the red—of what not to do. I am putting down an early-day motion—a prayer against Statutory Instrument 2020 No. 632, which goes under the name of the Town and Country Planning (Permitted Development and Miscellaneous Amendments) (England) (Coronavirus) Regulations 2020. It allows two storeys to be built on blocks of flats built between 1948 and 2018—I do not have a personal interest in this matter, by the way—which will potentially wreck the lives of leaseholders who want to get their freehold and put the price up so that someone like Vincent Tchenguiz can go stuffing his pockets again at the risk of the pockets and the expense of leaseholders.

Will my right hon. Friend look at this matter and ask whether there can be a better housing adviser in No. 10 and in the Ministry of Housing, Communities and Local Government, to make sure that they do not get things wrong again?

**Rishi Sunak:** I am grateful for my hon. Friend’s support and am happy to talk to him about the matter that has raised. I agree with him that there must be a green recovery—something he has championed for a long time—and it will be a green recovery.

**Sir Edward Davey** (Kingston and Surbiton) (LD): I thank the Chancellor for the positive measures that he has announced, but why was there absolutely nothing serious for the self-employed? With unemployment rocketing—perhaps up to 3 million—and the climate emergency already hitting us, why is the Chancellor’s ambition for a green recovery so small? Surely we need far more green jobs, now and in future. Why is he not being as radical as European countries such as Germany and France, with a massive green fiscal stimulus for the technologies and industries of the future? Surely even his own home insulation plan should be three times as big and last five years to get real investment in our homes, to decarbonise, and to get the green jobs for our young people and for every community throughout our country.

**Rishi Sunak:** The right hon. Gentleman asked about the self-employed; he will know that our self-employment scheme is without doubt one of the most comprehensive and generous—if not the most comprehensive and generous—anywhere in the world. That is considerable support that has already been provided. Also, 40% of those in the construction sector are self-employed. Many of the people installing the new energy-efficiency measures will be in that category and will benefit from that increased demand for their services—something that I am delighted will happen. Lastly, the right hon. Gentleman talks about Germany, as do other Members; it is important to remember that Germany’s plan for this €50 billion is one with unspecified dates stretching over five years. In March, we unveiled a £640 billion investment plan for the next five years.

**Sajid Javid** (Bromsgrove) (Con): I commend my right hon. Friend’s statement and the actions he has taken to ensure that we get the strongest possible recovery. He has been absolutely right thus far to spend “whatever it takes”—something he set out clearly back in March—but he will be acutely aware that interest rates will not stay low forever and that we will eventually need to bring our national debt back under control in order to sustain recovery, continue to create jobs and keep taxes low. So may I encourage him to set out new fiscal rules in his autumn Budget with the aim of getting our national debt down as a proportion of our national income by the end of this Parliament?

**Rishi Sunak:** I thank my right hon. Friend for his kind support and also for his advice. He is of course absolutely right, and I hope that he was heartened by what he heard me say in the statement about the importance of returning our public finances to a sustainable footing in the medium term. We can and will do exactly that. He is right to highlight the sensitivity of our debt to interest rates, which was why he was right to introduce

into our fiscal framework the notion of an interest service rule, and that is something that I will look at keenly in the coming months.

**Sammy Wilson** (East Antrim) (DUP): I welcome the announcements that the Chancellor has made today to undo some of the economic damage caused by the actions taken to deal with the health crisis. I echo his point that these measures benefit places such as Northern Ireland only because we are part of the fifth biggest economy in the world and we have the umbrella of the UK to protect us against these economic crises. I am sure that the hospitality industry will welcome the measures that he has announced today, although they are quite time-limited. Clothes shops might welcome similar measures as well, because once we have eaten our way through a month's half-price meals, we might need to visit them!

Other sectors that are important to Northern Ireland in terms of their export potential, high-value jobs, tourism and connectivity with the rest of the United Kingdom are the aerospace and aviation sectors, but there has been no mention of those sectors today. The Chancellor has said that these are the first of his steps, so I hope that we will quickly see some action taken to deal with those areas.

**Rishi Sunak:** I am grateful for the right hon. Gentleman's support. Perhaps alongside the "eat out to help out" scheme, we can make progress on reopening our gyms, to deal with that side of the equation at the same time. He is absolutely right to suggest that airlines and aviation are experiencing a difficult period. I remain in close contact with the industry and with individual companies to understand what is happening, and if there are things that we can and should do, of course we will do them.

**Laura Trott** (Sevenoaks) (Con): Many Opposition Members would have us extend the furlough scheme indefinitely, but that would simply extend false hope. Does my right hon. Friend agree that bold demand-side measures, such as "eat out to help out" and the VAT cut, are much better ways to protect jobs and our much-loved businesses?

**Rishi Sunak:** My hon. Friend is absolutely right, and the OECD agrees with her. We should not be peddling false hope to people. We should be providing a better future for them, and that is what our interventions today will do.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op) [V]: May I give a cautious welcome to the Chancellor's emphasis on young people, employment and training? Many of us across the House have a lot of experience of schemes like this, some of which have worked better than others. We would be willing to work with him to make this a success. There is disappointment, however, that he has not accepted my challenge to introduce a windfall profit tax like the one Mrs Thatcher introduced in order to pay for a massive green apprenticeship scheme.

Lastly, on a very serious point, if we are going to train these young people, we have to have the capacity to do so. Further education colleges are in deep trouble, and they need help now. Private trainers, including some in my constituency, are struggling to maintain their existence. Will the Chancellor look at this urgently, because we need the trainers to train these young people?

**Rishi Sunak:** The hon. Gentleman will be pleased to know that I am very happy to take advice on how best to design these schemes. I hope that he will take some comfort from the fact that I have just been talking to Frances O'Grady of the TUC. I am very open to hearing advice from the unions, which I know were involved in helping to design previous schemes.

With regard to green jobs, the measures that we have announced today will help to protect 140,000 such jobs. I agree with the hon. Gentleman about the importance of training, which is why in the Budget we announced £400 million extra, I believe, for further education colleges' funding this year and an ambitious plan to upgrade the entire FE estate over the coming years.

**Mr Richard Holden** (North West Durham) (Con): Most constituents in North West Durham and across the country will welcome the massive cash boost for employers who both hire our young people and protect employees with our new job retention bonus. Does my right hon. Friend agree with me that, alongside the confidence and demand boost delivered by his VAT cut and other measures in this extra Budget, the measures on employment show that this Conservative Government are putting jobs at the heart of our recovery from the global coronavirus pandemic?

**Rishi Sunak:** My hon. Friend is absolutely right. I know that he shares with me a passionate belief, as I said, in the nobility of work. This plan today is about providing everyone in North West Durham and every other part of the country with the opportunity to secure good work.

**Margaret Greenwood** (Wirral West) (Lab) [V]: This week saw the first meeting of the ExcludedUK all-party parliamentary group, an APPG for the excluded, the estimated 3 million people who have missed out on Government support and are facing real financial hardship. I note that the Chancellor has avoided answering questions on this matter so far today. May I explain to him that the excluded include people on zero-hours contracts, the directors of small companies paying themselves through dividends, and many self-employed people? In my constituency, that is taxi drivers, joiners, beauticians, childminders, care workers, driving instructors, IT consultants—the list goes on. Will the Chancellor look again at providing support to the excluded, so that they, too, can play their part in the recovery?

**Rishi Sunak:** I have not avoided answering the question; I have answered it not just today, but on every other occasion that I have been at this Dispatch Box. We have provided comprehensive support to many millions of people, especially the self-employed—more generous and comprehensive support than any other country—and I have acknowledged that we have not been able to help everyone in the exact way that they would like, but, because of the strengthening of our welfare system that we put in place and our universal loan schemes, everyone has been able to access some form of support.

**Saqib Bhatti** (Meriden) (Con): I thank my right hon. Friend for his characteristically timely and bold interventions, which will be welcomed by a lot of nervous households across the country. My constituents in Meriden are very environmentally focused and will welcome the

[*Saqib Bhatti*]

green homes grant. Does he agree that it is about not just protecting the environment but creating jobs and giving the greatest benefit to those households on the lowest incomes?

**Rishi Sunak:** My hon. Friend is absolutely right. Those on the lowest incomes will receive grants of up to £10,000 to cover the full costs, but that is a policy that does all three things: it will create local employment in communities, which right now is what we want; it will save households money on their bills, up to £200 or £300 for typical cavity wall insulation; and it will cut carbon, with the average house installing these measures saving the equivalent carbon of a flight from London to New York. This is a policy that does what we need right now—cuts carbon, creates jobs and saves cash.

**Nick Smith** (Blaenau Gwent) (Lab): To boost employment in Blaenau Gwent, we need to help more people get on the Ebbw Vale train to Cardiff, but the line needs to be redoubled, with improved signalling and bridging works. A business plan is in the pipeline from the Welsh Government. Will the Chancellor commit to follow through and please look at providing the investment for jobs that we need—in short, to do what is right for the people of the south Wales valleys?

**Rishi Sunak:** I am very happy to look at the proposal from the hon. Gentleman, and I am sure that the Transport Secretary is fully abreast of it. I will pick it up with him as well.

**John Redwood** (Wokingham) (Con): The focus on jobs, and the measures, are excellent, so will the Government now review the taxes, subsidies and public procurement regulations so that they can be amended to allow us to grow more of our own food, land and process more of our own fish, generate more of our own power, and supply more of the things that our health service and Ministry of Defence require, because they can be better made in Britain, and better made with British jobs?

**Rishi Sunak:** I thank my right hon. Friend for his support, and he is absolutely right: leaving the EU provides us with a unique opportunity to re-examine all our procurement rules and many of our regulations. I share his passion for ensuring that, as much as possible, we support our local economy and create jobs, which has never been more vital than it is today.

**Chris Stephens** (Glasgow South West) (SNP): I want to take the Chancellor back to page 14 of his statement. He will know that DWP management have asked for 30,000 additional posts, so will the doubling of work coaches be new posts or redeployments? Will the jobcentre closure programme be suspended as a result of his announcements, and will he build an attractive terms and conditions package, given the high staff turnover in the DWP?

**Rishi Sunak:** We are investing an extra £1 billion in the DWP this year, specifically, among other things, to double the number of work coaches from 13,500. I am pleased to say that work has already started and recruitment is already under way. This will be done faster than ever before—certainly faster than in 2008-09.

**Sir Bernard Jenkin** (Harwich and North Essex) (Con): I thank my right hon. Friend for his statement, and I add my voice to those highlighting the plight of self-employed people, or people who have been remunerating themselves through dividends and have not been able to benefit from the furlough scheme, as raised by my right hon. Friend the Chair of the Treasury Committee in a recent report; but may I thank him wholeheartedly for what he has done for the hospitality sector, which will help coastal communities such as those in Harwich and North Essex? It is a big boost for jobs and employment.

**Rishi Sunak:** I am grateful to my hon. Friend for his support. He is absolutely right. We are approaching a summer unlike any we have ever seen, and it is important that we all enjoy it safely. It will be different, but it is vital for our coastal communities and those used to welcoming visitors from home and abroad that they get to have a proper summer, and we can help collectively by eating out to help out. It is critical to remember that the 2 million people who work in these industries are particularly vulnerable and are often in areas that are not necessarily as resilient as others. They need our support, so let us get out there this summer.

**Barry Gardiner** (Brent North) (Lab): The Chancellor has made some excellent announcements, and none more so than to the hospitality sector. The prospect in his May announcement to that sector of grants of up to £25,000 delighted 9,000 hospitality businesses in my borough of Brent. That was the prospect. The reality was very different. His Department released just £3.3 million to Brent, which would have given each of those businesses no more than £366. What can he say to those 9,000 disappointed businesses, and will he back up today's announcements with real cash this time?

**Rishi Sunak:** The hon. Member talks about real cash and business rates grants. We have deployed more than £10 billion in cash to local authorities across this country, which has found its way to 800,000-plus businesses, through grants of either £10,000 or £25,000 targeted at businesses in the retail, hospitality and leisure sector. It has been a lifeline for small shops and businesses up and down the country.

**Rachel Hopkins** (Luton South) (Lab): I am pleased that the Chancellor has spoken about the hospitality and retail sectors, but in my constituency many of those are reliant on passengers going through Luton airport. Until there is targeted support for the aviation industry, those employees will not be supported. Many are young and from BAME backgrounds. Can I be assured that detailed equality impact assessments have been done on all aspects of the plan?

**Rishi Sunak:** I have said before that this is a matter of social justice. It is precisely because the people who work in the sectors most affected are disproportionately younger, from BAME communities and women, and on lower pay and often part time, that we have taken bold and decisive action to help those sectors. Ultimately, we are trying to help those 2 million employed people. The hon. Member is right. It is because of the equalities impact that the moment demands such action.

**Ben Bradley** (Mansfield) (Con): I thank my right hon. Friend for the generous support he has laid out today. It is particularly welcome for hospitality businesses, which

have already been texting me their support for the packages. He will know that our country has regional inequalities, and many disadvantaged communities in the east midlands will be among the hardest hit by covid-19, while historically we have been underfunded compared with other regions. Will he help us to rebuild and have a strong local voice in this recovery by backing an east midlands authority as an effective voice for our area, to get all pistons firing on the midlands engine and rebalance things with our effective West Midlands Mayor, Andy Street, and make sure that the work he is delivering in government can be delivered effectively in the east midlands?

**Rishi Sunak:** I am loth to get involved in an east midlands-west midlands spat, but I very much encourage my hon. Friend in his efforts. He makes an important point about the importance of local leadership. It will be local leaders—town councils, parish councils, local authorities and local enterprise partnerships—who drive forward our recovery one area at a time.

**Kenny MacAskill** (East Lothian) (SNP) [V]: As others have mentioned and the Chancellor has acknowledged, the least well-off have suffered disproportionately from the health effects of the virus and must not pay the price of the economic consequences. Will he therefore ensure that the cost of these measures is borne not by the poor and low-paid, but by those with wealth and assets, whether in land and property here or in tax havens abroad, which so many chums in the Cabinet seem to have?

**Rishi Sunak:** Our record speaks for itself: this Government have done more to tackle tax evasion and avoidance than any other Government in history. We collect hundreds of billions of pounds more than has ever been collected. Indeed, I seem to recall that many of those measures were opposed by Opposition parties.

**Mrs Flick Drummond** (Meon Valley) (Con): I thank my right hon. Friend on behalf of the many constituents in Meon Valley who have benefited from the measures he has brought in during the coronavirus crisis and who will benefit from the ones he has announced today. Will the generous new arts funding be available to those in the live events industry? If not, might further support for them be announced in the near future?

**Rishi Sunak:** The Culture Secretary is working through the detail of how the money will be distributed, so I direct my hon. Friend to him on the precise question she raises. I would say that it is important that that funding is not just for our crown-jewel assets, famous and important as they are, but will benefit the local cultural institutions in all our communities across the country.

**Yvette Cooper** (Normanton, Pontefract and Castleford) (Lab): Having introduced the future jobs fund and the wider youth job guarantee as Work and Pensions Secretary in 2009, and having been appalled when they were cancelled a year later under the coalition, I very much welcome the reintroduction of those measures now. The Chancellor will know that speedy delivery is crucial, and the scheme will have to be bigger because the crisis is bigger. We achieved it last time by involving local councils, working with the local private sector and third

sector, to deliver jobs speedily. We could do that again. Will he confirm whether this is a job or training guarantee for every young person, as we had last time? If so, from which month will the guarantee apply?

**Rishi Sunak:** The right hon. Lady knows this area well, and I enjoyed reading of and learning from some of the things she did at that time. In terms of a guarantee, what we have put in place is a comprehensive suite of interventions. She will know from the evidence that we want to encourage young people into work or some kind of work-based training. In the hierarchy of interventions, that should come first. However, we do have a classroom-based offer. She will have heard me talk about increased funding for level 2 and 3 training for school leavers especially, if they cannot avail themselves of traineeships, sector-based work academies or other interventions. More broadly, I would be very happy to sit down with her to get her advice and thoughts on how we can ensure that the kick-start scheme is as successful as it can be.

**Peter Gibson** (Darlington) (Con): May I thank my right hon. Friend on behalf of the 9,900 furloughed workers of Darlington, whose prospects of redundancy have been reduced today, and the 1,000 unemployed young people of Darlington, whose prospects of a job have been improved today? Does he agree that his incredibly bold changes to stamp duty are the key to unlocking our housing market?

**Rishi Sunak:** I know that my hon. Friend has been working very hard on behalf of his local businesses and young people, and I am glad that he welcomes today's initiatives. He is right about unlocking the housing market. The intervention today will mean that almost 90% of people buying a main home in this country this year and until March next year will pay no stamp duty. It is a strong catalyst for people to get moving—to get buying and selling—and, importantly, to get renovating, all of which will create local jobs in Darlington and beyond.

**Catherine West** (Hornsey and Wood Green) (Lab): Given the emergency nature of the statement, will the Chancellor lay out exactly what kind of impact assessment will be made of each of the funding pots, so that we can ensure value for money, look at the impact of each measure on the environment and avoid any corruption or fraud?

**Rishi Sunak:** I assure the hon. Lady that all relevant impact assessments are conducted at the time that they are required by legislation. As for the environmental impact, I gave a flavour of it earlier. The sum total of the green homes grant scheme and public sector decarbonisation fund will mean that about half a megatonne of carbon will be saved every year, which is the equivalent of about 270,000 cars taken off the road, and there will be about 140,000 new jobs. I hope she will welcome that.

**Tim Loughton** (East Worthing and Shoreham) (Con): Representing a coastal constituency, may I warmly welcome the hospitality industry measures, which are very practical? May I suggest that this should be, “Eat out, to help out, to work out”, for which we need our gyms open again?

[Tim Loughton]

I recognise that this is mostly about business, and I welcome the emphasis on young people, but may I ask my right hon. Friend not to forget the youngest people? Some 200,000 babies have been born during lockdown and we have seen a higher incidence of perinatal mental illness, with new parents unable to access extended family support and health visitors. What steps can he take to make sure that this cohort is helped to catch up as well?

**Rishi Sunak:** I thank my hon. Friend for that. I wholeheartedly agree with him about gyms, and have hope on that, as the Prime Minister has indicated previously that he is keen to see progress made there. On the issue of early years and children, my hon. Friend knows this better than many others—other than perhaps one colleague sitting behind me—and he is right in what he says. He will know the work we did on the troubled families programme, and I was grateful to him when I was a local government Minister for his advice and support on that. I know that the early years working group has put forward a range of suggestions that we can take forward into the spending review.

**Paula Barker** (Liverpool, Wavertree) (Lab): The coronavirus pandemic has laid bare the deep and systematic inadequacies of the current social care system and revealed the true extent of the impact that underfunding, structural issues and market instability have had on the system's ability to respond and protect older people at a time of crisis. Despite the Prime Minister seeking flagrantly to blame our incredible social care sector for excess deaths this week, when will the Government get serious about caring for our most vulnerable and fund local authorities properly to bring social care services back in-house?

**Rishi Sunak:** In our manifesto, we committed ourselves to an extra £1 billion a year for social care, and that is what we have delivered this year and will continue to deliver. During this crisis, we have provided £3.7 billion to local authorities and an additional £600 million for infection control in care homes. But, as the Prime Minister has said, we remain committed to ensuring that local authorities and care homes get all the support that they need.

**Sir David Evennett** (Bexleyheath and Crayford) (Con) [V]: I welcome my right hon. Friend's statement and all the work he has done in the past months to preserve jobs and assist our businesses. Young people are at greater risk of unemployment at this time, and I welcome his plans to help 16 to 24-year-olds with his kick-start scheme, traineeships and a better careers advice service. Does he agree that these proposals will be good for them and for our economy, and give real hope for the future, with many more jobs?

**Rishi Sunak:** I am very grateful to my right hon. Friend for his support. He is absolutely right; the research and the evidence lays bare the risk that young people face from scarring at this early stage in their careers. They are entering an appalling labour market, which is why it is crucial that we have made the interventions that we have today, particularly the kick-start scheme. He is right: if this is about one word, it is about providing them with hope.

**Mr Kevan Jones** (North Durham) (Lab): At the beginning of this crisis, the Chancellor said that the Government would do "whatever it takes". Local government finance is in crisis, but it was not mentioned in his statement today. Durham County Council has spent £62 million on its covid response and it has had £33.2 million from the Government, leaving £28.8 million for the taxpayer locally to pick up. When will he bring forward a comprehensive settlement for local government, which is being called for by all political parties in local government? Without it, services will be lost and jobs will also be cut.

**Rishi Sunak:** As a former local government Minister, I know at first hand what a great job our local authorities do, but I would say to the right hon. Gentleman that the last two years' settlements for local government have involved record increases in core spending power—

**Mr Jones:** No, they haven't!

**Rishi Sunak:** They absolutely have—the highest in over a decade, two years in a row. In this crisis, we have provided £3.7 billion for local authorities and an additional £600 million for infection control. Just last week, at the Local Government Association conference, my right hon. Friend the Local Government Secretary unveiled a new deal with local government to help provide some compensation for the losses through income that has gone, in a sharing arrangement, and it was warmly welcomed by the sector and at the LGA.

**Mrs Maria Miller** (Basingstoke) (Con): I thank my right hon. Friend for his statement and for so carefully judging what is needed now as we move forward, particularly to support young people who have been hard hit by recent events. Thousands of young people in my constituency got their first foot on the jobs ladder through apprenticeships at places such as the Basingstoke College of Technology. How will my right hon. Friend's plan for jobs build confidence among employers to create and sustain more apprenticeships at this very difficult time?

**Rishi Sunak:** My right hon. Friend is absolutely right about the impact on young people. They are two and a half times more likely to work in a sector that has been closed down. She is right, and we know that apprenticeships work: the evidence points that way. What I can tell her is that, starting in September, employers will be paid £2,000 for every young apprentice that they take on, a bonus that will incentivise them to create more apprenticeships at this time of vital need.

**Darren Henry** (Broxtowe) (Con): Alan Gerring has been an independent builder for years in my constituency. I spoke to him today, and he would welcome the green homes grant as a chance to cut emissions, but also to support plumbers, builders and other self-employed microbusinesses. Does my right hon. Friend agree that now is the moment to unleash green van man?

**Rishi Sunak:** I thank my hon. Friend—and I have a feeling that might catch on—but that is exactly what we are trying to do. Through our green homes grants and through stamp duty cuts, we are getting activity going, we are getting people at work, we are getting work to happen, and all of that will be good for our local communities. I know people in Broxtowe will welcome it, and I am thankful to my hon. Friend for coining a phrase.



**Stella Creasy** (Walthamstow) (Lab/Co-op) [V]: One word that has not been mentioned so far is childcare, yet we know that two thirds of women who want to return to work in the next couple of months cannot because they cannot get any, and that 71% of our voluntary sector childcare agencies are already operating at a loss, risking their closing in the coming weeks. So can the Chancellor set out what funding he is providing now to make sure that parents can get back to work?

**Rishi Sunak:** With regard to nurseries, for example, we have already included them in the business rates holidays for this year, and also ensured that the funding that they receive from Government remains constant throughout this crisis. On top of that, they have access to our other areas of support—bounce back loans and others—but of course we keep everything under review.

**Gareth Bacon** (Orpington) (Con): My right hon. Friend's support for business and workers has safeguarded the livelihoods of thousands of my constituents. Now more than ever, it is vital that we stick to sound economic principles to help our nation's recovery. Will my right hon. Friend therefore reject the Leader of the Opposition's hard-left call for a raid on people's hard-won homes and savings in the form of a new wealth tax, and offer reassurance that the Government will continue to focus instead on policies aimed at creating wealth, rather than simply plundering it?

**Rishi Sunak:** My hon. Friend is absolutely right: at this stage, that is absolutely not the policy that we should be pursuing. What we should be pursuing are policies that will get people back to work, encourage and incentivise businesses to take on new employees and new apprenticeships, and ultimately—he is right—create the wealth that funds our public services.

**Maria Eagle** (Garston and Halewood) (Lab): Does the Chancellor agree that it makes no sense to withdraw support from businesses that are viable but cannot work at all at present, or cannot work profitably because of the ongoing effects of health restrictions, such as in aviation, aerospace manufacturing and technical production companies, all of which I have in my constituency? Furlough is going to end, but his job retention bonus will not be available to them because they cannot go back to their usual work at the moment. Will he change his one-size-fits-all approach to winding down the employment schemes that have kept many companies going in these sectors? Otherwise, he will simply have deferred a wave of mass redundancies, job losses and failures of fundamentally sound businesses, which he could save if he made some adjustment.

**Rishi Sunak:** There are a few remaining closed sectors, and I agree with the hon. Lady that it is absolutely right that we get those open. Indeed, the Prime Minister has said recently that that is something that he is keen to see happen, and hopefully we can make progress on that, soon. With regard to the other sectors, we need to adjust to a new economy, which is why it is right that over time, furlough winds down gradually and flexibly, while at the same time we reward employees generously for bringing furloughed employees back. We have also put in place a range of other interventions today to help provide hope and opportunity to young people and others across the country.

**Dr James Davies** (Vale of Clwyd) (Con): The tourism and hospitality sector right across the UK will thoroughly welcome my right hon. Friend's announcements today, but the sector in my constituency will benefit only if it is allowed to open, so will he endorse the call by Jim Jones, the chief executive of North Wales Tourism, for the Welsh Government to open up restaurants, pubs, cafés and indoor attractions by no later than 19 July?

**Rishi Sunak:** My hon. Friend knows well how important tourism is to Wales's economy. In fact, it may well be more reliant on tourism than any other part of the UK, from memory, so I fully understand and sympathise with his desire to get his local tourism businesses open, ready for business and ready to ensure that we can all enjoy the summer safely in Wales.

**Sir George Howarth** (Knowsley) (Lab) [V]: In response to an earlier question, the Chancellor said that everything in the garden was rosy with local government finance, but he will know that local government faces a catastrophic loss of revenue next year as a result of covid-19, and that that will have a devastating effect on jobs and services. Knowsley Council alone faces a loss of income of £90 million, and the Liverpool city region faces a loss of £112 million, so will the Chancellor give a firm commitment that councils will receive full funding for the collection fund shortfalls in 2021 and 2022?

**Rishi Sunak:** The Local Government Secretary addressed that issue just last week and unveiled a comprehensive agreement with local government to provide loss sharing on income that has been forgone during this crisis.

**Ben Everitt** (Milton Keynes North) (Con): Milton Keynes has a significant consumption economy, and our hospitality sector has been particularly hard hit in this global pandemic, not just in central Milton Keynes but in our market towns and, indeed, in our rural pubs. Will my right hon. Friend join me in encouraging everybody in Milton Keynes—in fact, anybody who can travel to our wonderful Milton Keynes and market towns—to eat out to help out?

**Rishi Sunak:** My hon. Friend knows well, and he has seen first-hand, what a great job his local businesses have done in ensuring that their premises are safe for us to return to. They have made an enormous effort to be able to welcome us back. With our new “eat out to help out” discount, we can all play our part in helping to support their businesses and to protect those jobs.

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): The Institute for Fiscal Studies has said that 13 universities could go bust as a result of covid-19. That will not only reduce choice and opportunity, but create unemployment and damage the local economies where they reside. Can the Chancellor state his commitment to build back better and support social mobility by confirming that no university will be allowed to collapse?

**Rishi Sunak:** My right hon. Friends the Education Secretary and the Business Secretary have already outlined proposals to engage with universities where they face difficulty. In particular, they have put in place measures to deal with the issue of fewer overseas students being here and to protect our higher education research base.

**Simon Jupp** (East Devon) (Con): I thank my right hon. Friend for the major steps that he is taking to get money flowing through the economy in East Devon and beyond. Cutting VAT on food, accommodation and attractions to 5% has been described as “epic” by the South West Tourism Alliance. The measures announced today will protect jobs, but perhaps not my waistline, as I wholeheartedly promise to eat out to help out. Will my right hon. Friend continue to work with me and other south-west MPs to protect and strengthen tourism in the best part of Britain?

**Rishi Sunak:** My North Yorkshire constituents might have something to say about that, but I know how important tourism is to my hon. Friend’s constituency, similar to so many of our rural constituencies up and down the country. I am glad that he will be doing his bit to eat out to help out. I hope that others will join him. In doing so, we can collectively help to protect 2 million jobs across our country.

**Andy Slaughter** (Hammersmith) (Lab): While the Chancellor has made welcome announcements on the hospitality and cultural sectors, he has said nothing in support of the events industry and those who work in it, despite the Prime Minister promising a timetable for reopening last week. From wedding receptions and conferences to world-famous exhibition centres, such as Olympia in my constituency, events make a £70 billion contribution to the economy. When will safe, organised events with more than 30 people attending be permitted, as they are in most other countries?

**Rishi Sunak:** I sympathise with the hon. Member and agree that the best thing we can do to help these sectors is to get them to reopen. I know this is something that the Prime Minister and the Health Secretary are looking at as we speak. Hopefully, in the weeks to come, as we progress our fight against this virus, we can continue to reopen all the closed parts of our economy and progressively loosen some of the restrictions that currently we all face.

**Robert Halfon** (Harlow) (Con) [V]: I am over the moon with the Chancellor’s statement. He is rebuilding our apprenticeships and skills nation and ensuring that young people can climb the important ladder of opportunity—so thank you. He knows that the public sector target for apprenticeships is 2.3%. Will he consider raising the target by 5%, which would create 4,000 new apprenticeships in 2020-21, based on hiring 50,000 new members of staff in the public sector? Will he also change procurement rules to ensure that any big company bidding for a public sector contract must have at least 5% of its workforce employed as apprentices?

**Rishi Sunak:** My right hon. Friend knows this subject particularly well, so I am grateful to him for his comments. He makes two very interesting suggestions and I look forward to discussing them with him further.

**John Spellar** (Warley) (Lab): In his reply to the right hon. Member for Wokingham (John Redwood), the Chancellor said that leaving the EU gave us the opportunity to reform our procurement regulations, so will he say exactly when he will take that opportunity and send out revised guidelines to tell Whitehall and town halls to prioritise British-based companies and British jobs? [Interruption.]

**Mr Speaker:** Order. Somebody’s phone is ringing. Will hon. Members just check their phones, please?

**Rishi Sunak:** The right hon. Gentleman will know that during the transition period this year we are still constrained, but he can rest assured that from next year, when we have our full freedom, we can take advantage of all these things and ensure that our local economies benefit as they should.

**Chris Grayling** (Epsom and Ewell) (Con): I warmly welcome the Chancellor’s announcements on employment programmes. Jobs are vital going forward and this is exactly the right thing to do. I am particularly pleased to see the expansion of the sector-based work academies—one of the programmes we launched when I was Employment Minister 10 years ago. I can assure the Chancellor that we do not need to learn too many lessons from the Opposition, given our record on employment in the period up to the crisis, but I am concerned about one group on the jobs front: those in the aerospace and aviation sectors. Will he keep them firmly in mind and perhaps look at whether aviation could be included in the VAT reductions, or look at other measures to support a sector that is vital to our economy but has been very badly affected?

**Rishi Sunak:** My right hon. Friend is right about the difficulties facing the aviation and aerospace industries, and of course I will keep them very much uppermost in my mind as we go through the next few months. More generally, I pay tribute to the work that he did when he had those briefs. He knows at first hand what it takes to get unemployment down, get people into work and give them hope and opportunity. I hope that we can build on the success that he had, because we will absolutely need to deliver for our young people in the coming months.

**Caroline Lucas** (Brighton, Pavilion) (Green): The Chancellor says he is proud of the Government’s green record, yet the green measures announced today will cut just 0.14% of UK emissions—not only that, but this is a Government who are still committed to spending £27 billion on new roads. If he wants to have a green record that he can genuinely be proud of, will he start by cancelling the roads scheme, put the money into public transport and broadband, and introduce a new rule for the UK economy to ensure that all spending and taxation are in line with the Paris agreement and restoring our natural world?

**Rishi Sunak:** It is a record to be proud of. We have cut carbon emissions by 40% in the last few years. We are now a world leader in offshore, wind, and, for the first time ever last year, we generated the majority of our energy from zero carbon sources. We are building on our progress. That has happened under a Conservative Government, and whether it is through our nature for climate fund, our measures to tackle air quality, or new technologies such as direct air capture or carbon capture and storage, this Government will ensure that we meet our net zero obligations and do so in a way that creates jobs in every part of our United Kingdom.

**Lucy Allan** (Telford) (Con): I congratulate my right hon. Friend on his excellent statement and his £30 billion jobs plan, which will give hope to thousands of people

in my constituency—I thank him for that. I am particularly grateful for the commitment to the future of our young people, who are hardest hit by this crisis. The kick-start scheme is for an initial six months. Will he reconsider and review it at the end of that period?

**Rishi Sunak:** I thank my hon. Friend for her support. She has spent a lot of time in this place championing the futures of young people. I am pleased to tell her that the kick-start scheme will be for longer than six months. It will be open for bidding, hopefully, at the end of this month or the beginning of next month, and the first new kick-starters will start in the autumn. The scheme will run at least until the end of next year. Hopefully, if it is popular, we can get as many as hundreds of thousands of young people on to the kick-start programme. I hope that she and her constituency can be a champion for it.

**Stephen Flynn** (Aberdeen South) (SNP): Three hundred and fifty billion pounds: that is how much the UK Treasury has coined from Scotland's oil and gas sector over the past decade, so I say to the Chancellor that it is time to give back. When will his Government finally stop dithering and instead deliver on an oil and gas sector deal to protect jobs now while creating new and sustainable jobs for Aberdeen's future?

**Rishi Sunak:** Scotland has benefited extraordinarily from the interventions that this Government have put in place during this crisis. I talked earlier about the Barnett consequential and the billions of pounds, but more importantly about the ability for us to act as one United Kingdom. At a time like this, the importance of that has never been more to the fore. The hon. Gentleman talks about oil and gas. I am happy to acknowledge the difficulties in that sector, and I know that the Business Secretary is in talks with it. Mechanisms have been put in place before. Again, we keep all these things under review, and if we need to make more interventions in future, of course we will.

**Bim Afolami** (Hitchin and Harpenden) (Con): I thank the Chancellor for his statement and also for his kind words that he is considering my proposals on recapitalising the SME sector. I want to ask about the infrastructure funding of, I think, £5.6 billion that he has committed to today. Will he expand on how he thinks we can get infrastructure delivered more quickly, whether it is through dealing with planning regulations or with other practical obstacles, because that is how we can make sure that that money is most effective?

**Rishi Sunak:** My hon. Friend is absolutely right. It is one thing to sit here and approve budgets for things; it is more important that we get on and actually deliver them. We need to make sure that our communities see tangible improvements in what is happening around them, and, particularly given the economic situation we face at the moment, there is a premium on doing that quickly. That is why we brought forward £5 billion-worth of projects and why we have initiated Project Speed to look at our entire process end to end—procurement, planning, construction and regulations approval—to ensure that we can deliver for our communities as quickly as possible.

**Beth Winter** (Cynon Valley) (Lab) [V]: Richard Murphy, a professor of political economy at City University in London, says that the Government have the potential to raise £174 billion a year if wealth were taxed at the

same rate as income. That could cover the cost of the job retention scheme for over 12 months, according to the latest estimates from the Office for Budget Responsibility. Does the Chancellor believe that the time is right for a radical overhaul of our taxation system in order to fulfil the Prime Minister's levelling-up promise, or is the truth that we are not really "all in this together"?

**Rishi Sunak:** No, I do not believe that now is the time, or ever would be the time, for a wealth tax. Now is the time to recognise the acute challenge that we face of unemployment and now is the time to act decisively and with compassion to provide hope and opportunity for the hundreds of thousands of young people, especially, who are at risk of scarring and losing the future that they deserve. That is why we have put the measures in place today, and that is what the focus should be on.

**Andrew Jones** (Harrogate and Knaresborough) (Con): I congratulate my right hon. Friend on his statement. Young people are perhaps more at risk from the economic impact of coronavirus, so I was very pleased to see the introduction of the kick-start programme. Does he agree that a comprehensive package of support for apprenticeships and traineeships, and other support too, will allow young people to acquire the skills they need to take the opportunities of the future?

**Rishi Sunak:** My hon. Friend is absolutely right. We cannot afford to lose this generation; they cannot be the generation that is defined and scarred by coronavirus. That is why, as he rightly identifies, we have put in place a suite of interventions, from traineeships to apprenticeships to the kick-start fund, all designed to help that generation to a better and a brighter future.

**Jessica Morden** (Newport East) (Lab) [V]: According to StepChange Debt Charity, 4.5 million people have lost income and accumulated £6 billion of debt in arrears on household bills during the pandemic. Will the Chancellor ensure that economic recovery plans also include a strategy to support people in unavoidable coronavirus-related financial difficulties?

**Rishi Sunak:** I know my colleague the Financial Secretary has been abreast of this issue for a while, and he has just reminded me that we have invested £37 million in debt advisory services during this time. I also know that he is taking forward actions on our breathing space initiative, which is something that he passionately believes in, and I wholeheartedly support those efforts.

**Richard Fuller** (North East Bedfordshire) (Con): The Chancellor has answered many specific questions, but I would like to commend the overall tone of his statement, which he began by saying that he would be "unencumbered by dogma", but with

"a simple desire to do what is right."

His responses have oftentimes mentioned the social justice imperative behind his plan for jobs, which I think will strike many in the country as absolutely right.

May I echo the comments of my right hon. Friend the Member for Bromsgrove (Sajid Javid), about the need, when we come to the fall, to look at ways in which overall debt as a burden on the GDP of the country can be brought under control?

**Rishi Sunak:** I am very grateful to my hon. Friend for those comments, and he is absolutely right about how I have approached this. As I have said, for me, it is a question not just of economics but of values, and we demonstrate those through the actions we take and the people that we prioritise. He is also right to highlight the importance of sustainability in our public finances, which he knows I care about passionately and have spoken about repeatedly from these Benches. He can rest assured that as we come to the autumn, we will set our public finances on a path back to sustainability.

**Darren Jones (Bristol North West) (Lab):** The Chancellor failed today to set out sector-specific help for British manufacturers. In doing so, he is gambling with an important industry and making the UK less competitive compared with countries such as Germany, France and the United States. Perhaps the Chancellor can set out for the House today what it is that he has against British workers making British aeroplanes, British cars and British steel?

**Rishi Sunak:** I am not entirely sure about the tone of the hon. Member's question. The support schemes we have put in place have benefited equally all sectors and all workers in every region and part of our United Kingdom. Manufacturing companies have been large users of the furlough scheme and are very grateful for it. They are now in the process of bringing those workers back and adding shifts, and they are grateful also for the flexibility that that scheme provides. What they are more interested in when I speak to them are our ambitious commitments, such as our plans to double research and development investment. We will be working closely with the private sector to do that, helping to create the innovations that will drive growth, productivity and employment tomorrow.

**Andrea Leadsom (South Northamptonshire) (Con):** My right hon. Friend is doing a fantastic job in promoting and protecting jobs, but to really trade our way out of this recession, we will need to look at the future, and I know he is keen as I am to see a green recovery. Does he agree that COP26 next year offers us a really good opportunity to show UK global leadership, including by working now with international partners in big projects in areas such as battery storage, offshore wind or carbon capture, usage and storage? Those areas can create green jobs for the future the Chancellor.

**Rishi Sunak:** My right hon. Friend knows this area better than most. She is absolutely right. This is an opportunity for us to demonstrate global leadership, and she can rest assured that we will do so, particularly on the finance track, which I am responsible for. I am working closely with Mark Carney, who is the Prime Minister's envoy, and we are trying to put in place an ambitious set of goals that we can help deliver. She also talked about our leadership in particular areas, and those are things that we must double down on. With offshore wind and carbon capture and storage, we can lead the world in developing those technologies.

**Brendan O'Hara (Argyll and Bute) (SNP) [V]:** Although I welcome the temporary reduction in VAT, it does not go nearly far enough to help the tourism and hospitality businesses in my already economically fragile Argyll and Bute constituency. Surely, if we are to ensure that

these otherwise robust businesses are still there and are ready to go again next year, they will need an extension of furlough to be able to retain their staff and to have access to grants, rather than having to rely on the business interruption loan scheme.

**Rishi Sunak:** I will not repeat my comments on an ever-extending furlough scheme. I do not think that that is the right thing to do. With regard to grants, we provided grants—£10,000 or £25,000—specifically to businesses in the retail, hospitality and tourism sector, and that is why those businesses did not necessarily have to use loans if they did not want to. They received that support early in this crisis, because we acknowledged the particular difficulty that they would face. The hon. Gentleman referred to the VAT cut, which was one of the significant asks—if not the significant ask—from industry, but there is also the “eat out to help out” discount that will drive tons of businesses and protect millions of jobs.

**Sir Graham Brady (Altrincham and Sale West) (Con):** The Chancellor spoke about finding a new balance between safety and normality. Is it not time to look at moving away from the guidance that people should work from home if possible towards guidance that they should go to work if it is safe to do so? May I also urge him to reflect over the summer on whether a cut or suspension of air passenger duty would be the best way to get the aviation sector back to health for next year?

**Rishi Sunak:** My hon. Friend, as always, champions the aviation industry. He is right to do so, and, as he knows, we are committed to a review of aerospace taxation, so I will certainly bear that in mind. With regard to the guidance, I share with him an impatience to get our lives back to normal. I know what a difference it will make, not just to those businesses, but to all the ancillary businesses that are used to office workers being in their offices. That is something that we should hopefully look to address in the coming weeks and months as we progressively move back to a new normal.

**Mr Alistair Carmichael (Orkney and Shetland) (LD):** Having campaigned for many years for a 5% rate of VAT for the visitor economy, may I welcome that part of the Chancellor's announcement today? May I ask him, though, please not to close the door on the idea of extending that or even making it permanent? He will have the best possible data now to test against previous studies that have shown that that rate could actually bring a better return of revenue for the Treasury. I fear that, even in my constituency where we have a highly seasonal visitor economy, many of the businesses will not benefit from it, because they are not intending to reopen again until next spring.

**Rishi Sunak:** I know that this will make a big difference. It is important, though, that it is time limited. That is in keeping with most other countries that have done something similar—they have also run theirs through to the end of the year. I will happily bear all future tax suggestions in mind, but, in the short term, I hope that the right hon. Gentleman's constituents and businesses get the boost in confidence and demand that they will need.

**Anthony Browne (South Cambridgeshire) (Con):** It is bold, it is imaginative, and it is well targeted. I congratulate my right hon. Friend the Chancellor on this package,

which will do so much to promote jobs and growth across the country. I very much welcome the cuts in VAT and in stamp duty, but most welcome of all is the kick-start scheme, which brings hope to young people in these difficult times. Unlike Labour's future jobs fund, it is not just focused on the public sector. Does my hon. Friend agree that it will have most impact if it is fully embraced by the private sector, and private businesses take advantage of the opportunity to take on young workers?

**Rishi Sunak:** My hon. Friend is absolutely right. It is important that we provide as many opportunities for young people as possible. One thing we want to improve and build on is the involvement of the private sector. I hope that this becomes a galvanising cry to businesses, small and large, up and down the country to take on a kick-starter to help play their part in the recovery, and I know that this is an area in which my hon. Friend has strong experience from his time in London. I appreciate the advice and suggestions that he has given me about how to encourage and incentivise businesses to create jobs and opportunity.

**Ian Paisley** (North Antrim) (DUP): May I take the opportunity to say thank you, Chancellor? I am already receiving text messages from my constituents— from the business community and from ordinary men and women—saying thank you to the Chancellor for some of the measures that have been announced today. So, thank you, Sir. It is a very important statement that you have made and it will benefit many of my constituents.

Last week, the Prime Minister told us from the Dispatch Box that the Government were going to invest massively in hydrogen power. The Chancellor had me on tenterhooks. I was waiting for the statement. I was waiting for him to tell me that the new hydrogen strategy is about to be announced. It has not come, so he still has me on tenterhooks. Will he now commit himself solidly, on behalf of the Government and of the Treasury, to unlock that strategy that will unlock £1.5 billion of investment money in the whole of the United Kingdom. Invest billions of pounds into this new strategy and that will allow us to commit ourselves, as a nation, to this new, clean, green technology? Will the Chancellor meet me and colleagues—

**Mr Speaker:** Order. Mr Paisley—

**Ian Paisley:** Thank you.

**Mr Speaker:** No, not thank you. You are going to stay on those tenterhooks. You will be on them for a long time if you do that again. [*Laughter.*]

**Rishi Sunak:** I am grateful to the hon. Gentleman for his very kind words. I am glad it will make a difference to his constituents, as I hope it will to communities up and down the country across our United Kingdom. On hydrogen, what I can say is that I am absolutely not in a position to steal my boss's thunder, so I will leave future announcements on hydrogen to him. The hon. Gentleman can rest assured that it is something that the Prime Minister and I—and, indeed, the Treasury—take very seriously.

**Marco Longhi** (Dudley North) (Con): I will be brief. Last week, my right hon. Friend the Prime Minister accepted my pleading to come and visit Dudley. He delivered a visionary speech and saw for himself the building of the institute of technology that will futureproof people for the jobs of the future. Will my right hon.

Friend the Chancellor please also visit Dudley to support that scheme, as well as our ambition for a university campus, as I want Dudley people to be jobs-ready?

**Rishi Sunak:** I am very happy to accept my hon. Friend's invitation. He is absolutely right. The best way for us to provide opportunity for people is to give them the skills and the education they need, whether through universities, institutes of technology, further education, schools or apprenticeships. Providing people with that knowledge is what will enable them to build a better future for their lives. That is something that he and I both feel very passionately about. We will, as a Government, deliver that.

**Seema Malhotra** (Feltham and Heston) (Lab/Co-op) [V]: I am genuinely surprised that the Chancellor has not today brought forward a flexible furlough scheme for aviation, which he knows will have a longer recovery tail. I hope that, as he keeps in touch with the industry, he will also keep in touch with MPs from aviation communities for place-based support. He is right that young people and others will need support and access to jobs, and I welcome the kick-start scheme. However, with experts estimating that over 30,000 work coaches are needed and with unemployment in the sector set to hit a record high in October, the Secretary of State for Work and Pensions expects 4,500 new work coaches to be in place by then. Is the Chancellor concerned that there will not be enough in place to meet demand when we most need it, and what more does he think can be done?

**Rishi Sunak:** I commend and applaud all the efforts the Work and Pensions Secretary and her team are doing at the moment. Just for reference, they are doubling the number of work coaches and doing it in record time. We will have 13,500 in just eight months—a 100% increase. It is worth comparing that to what happened in 2008-09, when the Department for Work and Pensions recruited just 10,000, a 60% increase, which took 12 months. We will go as fast as is necessary, but no one can accuse us of not doing as much as we can, as quickly as we can, to provide people with the support that they need.

**Stephen Crabb** (Preseli Pembrokeshire) (Con): Make no mistake, what the Chancellor has announced today to save a generation of young people from bearing the brunt of this economic crisis is incredibly positive and to be welcomed. May I welcome, in particular, the determination of my right hon. Friend to avoid past mistakes in employment schemes, when we saw too many examples of young people in work placements not doing meaningful work, with poor oversight, poor management and no opportunity to really build their skill levels? Make this scheme, the kick-start scheme, the best employment support scheme we have ever seen.

**Rishi Sunak:** I very much thank my right hon. Friend for that support. Of course, this is an area he will know well. He is absolutely right. There is no point in doing this if the work placements are of low quality. It is important that we get it right as we construct the bidding process. I would be very grateful to him if he sat down with me so that we can get his thoughts on how best to achieve that.

**Barbara Keeley** (Worsley and Eccles South) (Lab) [V]: I join my hon. Friend the shadow Chancellor in urging an end to poverty pay for our care workers. Today's

[Barbara Keeley]

interventions in the job market are welcome, but there is still no recognition in pay for the fantastic job done in this crisis by our care staff. Rather than blaming care staff, as the Government have done this week, will the Chancellor commit himself to showing them some parity of esteem with NHS staff and pay them a real living wage of £10 an hour?

**Rishi Sunak:** I join my colleagues in paying enormous tribute to those on the frontline during this crisis, who have done an extraordinary job under incredibly difficult circumstances. They deserve not just our thanks, but our praise, and they have it. In terms of public sector pay we are in the midst of the second year of inflation-busting pay rises for almost a million people, and we have got social care who are funded from local authorities. As I said, local government has enjoyed two years of record increases in core spending power, which hopefully will help find its way to the frontline.

**Sir Christopher Chope** (Christchurch) (Con): May I make a suggestion to my right hon. Friend of one way in which he could help fund some of today's expenditure commitments? That is to implement without further delay the cap on public sector exit payments. My right hon. Friend the Chief Secretary to the Treasury promised on 13 March that that would be done by bringing forward secondary legislation before the summer recess. That has not happened. Can my right hon. Friend therefore allay concerns that the process is being sabotaged by Treasury mandarins—the Sir Humphreys—who have for five years successfully resisted this proposal, which was supported by the House in legislation five years ago?

**Rishi Sunak:** I remember that when I had the Chief Secretary's job we discussed this very topic, and my hon. Friend is right to keep highlighting it. What I can tell him is that, as the Chief Secretary said, I believe, very recently, we are well on the way to implementing the measure and will bring forward appropriate legislation in due course.

**Hilary Benn** (Leeds Central) (Lab): Given that councils have a statutory responsibility to set a balanced annual budget, even the further help announced last week will not be enough for councils like Leeds and many others. I urge the Chancellor to look again at what the Treasury can do to help fill the remaining gap, which in the case of Leeds is £63 million, because without further assistance the council will, by law, have to start cutting jobs, and those could include non-statutory services that have been so important in providing support to communities affected by covid.

**Rishi Sunak:** The right hon. Member is right to highlight the important work that Leeds council does. Having spent some time there, seeing how they do early intervention in children's services in particular, I was very impressed when I did the local government job. My right hon. Friend, the Secretary of State for Housing, Communities and Local Government has been engaging extensively with the sector. We have put billions of pounds of incremental support in place. Of course it was going to be difficult—it is difficult for all of us, whether it is business or a local authority—to get through this time,

but considerable support has been put in place. In particular, the announcement last week on a loss-sharing arrangement with central Government for their income and fees and charges is an important step in the right direction.

**Dr Kieran Mullan** (Crewe and Nantwich) (Con): I thank my right hon. Friend for the steps he has announced today, particularly focused on young people, which show yet again that the Conservatives do what works, not just what might sound good, even if it means tough decisions in the short term. Can he confirm that from the support given so far, proportionately the lowest-income families in our society have benefited the most?

**Rishi Sunak:** My hon. Friend is absolutely right. The analysis published today shows that we have reduced the scale of losses for working households by up to two-thirds in general, but the support for the poorest households has been the highest. He will find that in the distributional analysis published today. It demonstrates what we believe is important at a time like this—to protect the most vulnerable in our society. I know that is something that he feels very deeply, and I share that feeling.

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): The country expects us to pull together now to get our country back on its feet. In that spirit, let me welcome the investment that the Chancellor has announced today for young people and for the hospitality trade. My observation, though, is that of the money he has brought forward, the capital is only about 5% to 6% of the budget that he has earmarked for the next four or five years. What that means in my region is 50p per person per week invested in so-called shovel-ready projects. That is not enough.

But crucially, there is a gaping hole in today's announcement where support for manufacturing should be. We have 330,000 people across the west midlands on furlough in construction, manufacturing and the car business. I believe that the sharp ends to the furlough arrangements will put many people out of work, and there is no subsidy scheme for new cars of the type that has been announced in France and Germany. We want to be the capital of green manufacturing. I fear that, from today, we are now looking at manufacturing meltdown.

**Rishi Sunak:** When it comes to capital investment, it is important to put in context what our existing budgets were for this year. I announced £88 billion at the Budget for this year. That represents a 20% increase on our capital investment plans in the previous year and, as a percentage of GDP, the highest amount that we have invested in capital since the '70s. The starting base level for our capital investment is already exceptionally high. We have brought £5 billion of additional projects forward into this year, but, taken in the round, it will be the most we have ever spent on capital in real terms for a very, very long time.

**Sir Edward Leigh** (Gainsborough) (Con): Will this young, vigorous Chancellor not be too cruel to an old Thatcherite for making this deeply unfashionable point? There are no good, long-term subsidised jobs. As we saw with the new Labour make-work jobs and with furlough, sooner or later they are subject to fraud and

market distortion. Will he confirm that the only good, long-term jobs are based on the Government's ensuring deregulation, market flexibility and tax cuts on entrepreneurship, with a plan to repay the national debt? Otherwise, as the right hon. Member for Birmingham, Hodge Hill (Liam Byrne) once said, there will be no more money.

**Rishi Sunak:** I wholeheartedly agree with my right hon. Friend. He is absolutely right: these interventions are specific to the moment that we face now. They provide support for young people at this moment of acute crisis. In the long term, only a dynamic market economy can provide sustainable, long-term employment for young people and beyond. In the medium term, once we get through this crisis, we must return our public finances to a sustainable place.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP) [V]: The community access to cash scheme recently announced at Cambuslang in my constituency is going to become one of the pilot areas, bringing back much needed payment facilities to our community, which has lost several bank branches. The Chancellor has promised legislation to improve access to cash, which is needed urgently in the light of the economic downturn caused by the coronavirus. When will he bring forward that vital legislation to protect cash use, support small business and boost the recovery of our high streets?

**Rishi Sunak:** The hon. Member makes a good and fair point about the importance of cash, particularly in our rural communities. My hon. Friend the Economic Secretary is very much on top of this. He is conducting roundtables with the industry in the coming weeks, and we will bring forward legislation, as we have committed to do.

**Steve Brine** (Winchester) (Con): I thank the Chancellor for bringing some real hope today. Early years providers have played their part in getting us through this pandemic, but reduced attendance combined with increased costs is taking its toll. That is on top of the fact that, as he and I have discussed before, this sector is struggling and has been experiencing market failure for quite a long time. Jobs, jobs, jobs is fantastic and right, but it has to be backed by childcare that actually exists. Will he give me some time—it only has to be a short amount; 15 minutes would be fantastic—so that we can set out the challenge this sector faces and some of our suggested solutions?

**Rishi Sunak:** I know that this matter is close to my hon. Friend's heart, and he has brought it up with me before. I would be delighted to give him the time he asks for to discuss this matter further.

**Justin Madders** (Ellesmere Port and Neston) (Lab): Last week Airbus announced that 1,700 jobs are going in this country. It cannot afford to wait for a bonus payment in January, so what is the Chancellor going to do to save those jobs now?

**Rishi Sunak:** I have been very clear: I cannot save every single job. It is a tragic fact that what we have done to our economy over the past few months means that there will be job losses. Unemployment will rise.

It is something that we cannot avoid, but what we can do is put in place a range of interventions to provide new hope and new opportunity for those who lose their jobs, so that they can find the skills, work placements or new jobs they need to provide a better future for themselves and their family. That is what we will devote all our energies to in the coming weeks and months.

**Mary Robinson** (Cheadle) (Con): I am grateful to the Chancellor for this statement and the enormous package of money that is being put into our constituencies and the economy. I am keen to see even more money made available for us to spend on the things that really matter in the UK. One way to do that is to cut down on fraud and corruption. As chair of the all-party parliamentary group on whistleblowing, I am very keen that we do that. Will he join me for our webinar tomorrow, when we will be looking at ways that international Governments are tackling this through programmes, so that we can deal with the problem of corruption and fraud? I thank him for everything that he has done on tackling furlough fraud, which has been a real issue in our economy.

**Rishi Sunak:** I pay tribute to the work my hon. Friend does in this area. She is absolutely right that we must tackle corruption and fraud in procurement. It costs billions, if not tens of billions, of pounds; that is money lost to the Exchequer that we can use to fund public services, and it also means that our local authorities in particular do not get the quality of services that they need to provide for their residents. My hon. Friend is absolutely right to focus on this, and I very much look forward to hearing what proposals she might have for us to take forward.

**Claire Hanna** (Belfast South) (SDLP) [V]: I thank the Chancellor for advancing some very important mechanisms, although I share the concerns of others about those who have fallen through the cracks, such as new freelancers and those on precarious contracts. Given the need to protect confidence in spending, and given the opportunity that historically low interest base rates hold, will the Chancellor consider speaking to the banks, particularly those in which the Government have a majority stake, about offering temporary lower-cost mortgage products, as that could save hundreds of pounds for the average household? Will he be open to meeting me to discuss this idea?

**Rishi Sunak:** My hon. Friend the Economic Secretary is in close contact with the banking sector and deserves enormous credit for the measures he has put in place to show forbearance to people during this difficult time, and he will be very happy to meet the hon. Lady. He put in place a scheme that provided mortgage holidays to people, and I think about one in six mortgages was able to benefit from that. Millions of people will therefore have welcomed that relief, and I pay tribute to him for the excellent work he has done.

**Martin Vickers** (Cleethorpes) (Con): With question 74, it is difficult to think of something that has not been mentioned yet, but it is a fair bet that up until now no one has quoted the *Grimby Telegraph*, which last week said, after the Prime Minister's speech:

"Now put your money where your mouth is Boris!"

[*Martin Vickers*]

The Chancellor has delivered on that today. The article finished by saying:

“Give us the opportunity and we’ll show the country what can be achieved”,  
and the support given to businesses today will verify that.

May I also urge the Chancellor to consider yet again the freeport issue for Immingham and Grimsby? The consultation ends next week. Please do not waste time mulling over the consultation responses; deliver freeport status for Immingham and Grimsby.

**Rishi Sunak:** My hon. Friend is right, as always, about the importance of private enterprise in driving our growth forward. He is right to highlight a freeport. I know what a difference it would make to his community; I remember that when I met his local businesses they were hungry to take up that opportunity to attract investment, to create new jobs, and to drive up productivity, and I look forward to working with him in the coming months on trying to make that a reality.

**Clive Efford** (Eltham) (Lab): A nine-month cut to stamp duty is welcome, but without an injection of new houses it risks forcing up prices, making it harder, not easier, for first-time buyers to buy homes. This statement should have been taken as an opportunity to inject capital into the housing market, and also into social housing, building houses that people can afford to live in, and creating opportunities for new jobs, new apprenticeships and new skills that people can use in the future, so will the Chancellor go away and have a look at putting some money particularly into building social housing?

**Rishi Sunak:** The good news is that we already have. The Prime Minister announced it, and I talked about it at the Budget: the affordable homes programme will increase from £9 billion to £12 billion over the next few years, a significant uplift in the amount of new housing delivery—180,000 new homes, from memory. With regard to the benefits of stamp duty, the evidence we have both from economists and from HMRC is that the majority of the benefit of a stamp duty cut last time around, in ’08-’09, accrued to the buyers.

**Steve Double** (St Austell and Newquay) (Con): As the chairman of the all-party group on hospitality and tourism, I warmly thank the Chancellor for his announcements today: thank you for listening to the sector and for what you have delivered, which will undoubtedly save tens of thousands of jobs and thousands of businesses.

The Chancellor has done his bit, and businesses across the country have done theirs in getting ready to make our bars, pubs, restaurants and hotels safe to welcome customers. Does he share my view that what we now need is the British people to do their bit—to get out and spend money in our bars and restaurants—and will he join me in inviting everyone to come to Cornwall this summer?

**Mr Speaker:** Let’s hope there’s sun in August.

**Rishi Sunak:** There are fewer greater champions of the tourism and hospitality industry than my hon. Friend, and I know he will be pleased about today’s announcements.

He is absolutely right that our local businesses in all our constituencies have worked unbelievably hard over the past few weeks to adapt how they do business, to invest in new things, and to make their premises safe for us, and that is why today we introduced the “eat out to help out” discount. We can all play our part in supporting these businesses and protecting these jobs.

**Stephen Farry** (North Down) (Alliance): As a former employment Minister in Northern Ireland, I welcome the Barnett consequential that allow us to shape our own local response around youth unemployment, apprenticeships and traineeships, but what analysis has the Treasury done of where redundancies have been occurring and where they are likely to occur over the coming months? Surely that information should guide the use of that £9 billion for the furlough bonus to be more targeted around those sectors that are going to face problems for longer, but which have sustainable futures, such as aerospace and the creative industries.

**Rishi Sunak:** We have published breakdowns of the furlough population by region, constituency and age to give a sense of the types of people who are affected. One thing that comes out of that is the importance of rural and coastal communities being particularly impacted by numbers of people on furlough. That is because they are disproportionately reliant on the hospitality and tourism sectors, which is why today’s interventions are targeted and will make the biggest difference to the greatest number of people.

**Daniel Kawczynski** (Shrewsbury and Atcham) (Con): In addition to the misery that covid has brought to our constituencies, over 46 constituencies, such as mine on the River Severn, also face devastation from flooding earlier this year—a double whammy for our local businesses. The River Severn Partnership has been formed in conjunction with all the councils down the River Severn and the support of local MPs. I have been led to believe by the Environment Agency that an announcement is imminent on additional support for the River Severn Partnership in order to secure a more holistic solution for the management of this river. Does the Chancellor agree that when it comes to the recovery of our economy, making sure that our constituencies are not repeatedly flooded is an important aspect of that? I very much hope so.

**Rishi Sunak:** My hon. Friend is absolutely right. That is something the Committee on Climate Change also mentioned, which is why in the Budget we doubled the investment that we put into flood defences. That was the right thing to do. It will build resilience in our communities and protect our natural environment. I do not know the specifics of the timing of the announcement that he alludes to, but I am happy to go away and take a look at it. I know how important it is to him and his constituents that we are able to protect them from the devastating flooding that we have seen in recent years.

**Vicky Foxcroft** (Lewisham, Deptford) (Lab) [V]: Disabled people and charities are concerned about the lack of support available to enable high-risk individuals to return to work safely when the shielding programme ends. Ministers have said they expect employers to do the right thing and ensure that workplaces are covid secure. Where it is impossible for an employer to do this,



individuals could be forced to put their health at risk just to make ends meet. Will the Government consider extending the full job retention scheme for those who are not able to return to work safely?

**Rishi Sunak:** On the basis of the medical advice, it has been determined that the shielding population can return to work safely after the end of the month. That is already clear and has been announced. We have published extensive guidance and guidelines for workplaces to make them safe, so people can take comfort from that. If there are more things that we need to do, I am sure the hon. Lady will send them to the Business Secretary for the workplaces, or indeed to me, and we will happily take a look at them.

**Richard Drax** (South Dorset) (Con): On behalf of the many businesses in South Dorset, may I thank my right hon. Friend for the furlough scheme and welcome his statement today? Surely our aim is to help many in a struggling private sector because, as I am sure he agrees and as the Opposition need continually to be reminded, it is they who generate the jobs and prosperity that we need, as well as the tax that pays for our public services.

**Rishi Sunak:** My hon. Friend is absolutely right. It is, in the long term, the market economy that will provide the growth and prosperity we need. It will provide the jobs that we need, but it is important that we provide support to those businesses in the short term, given the disruption they have faced, and I know his local businesses and many others will welcome the job retention bonus to help reward and incentivise them to do the right thing, stand by their workers at this time and bring them back, and look forward to a brighter future.

**James Murray** (Ealing North) (Lab/Co-op) [V]: On 25 June, a Treasury direction in relation to the coronavirus job retention scheme made the position clear:

“Integral to the purpose of the CJRS”

is that the grant

“is used by the employer to continue the employment of employees”.

Will the Chancellor therefore confirm that British Airways would be liable to pay back any taxpayers’ money used to furlough staff the company chose to put on notice of redundancy during that furlough period?

**Rishi Sunak:** Procedures are in place for any employee to talk to HMRC if they believe that they themselves have been the victim of fraud or that the company for which they work has not acted in a way in keeping with the guidance. I urge any employees of any company who feel that that has happened to take up the matter via the HMRC hotline, the details of which are online.

**John Penrose** (Weston-super-Mare) (Con): First, I thank the Chancellor for, as far as I can work out, subsidising me to go down the pub; that is very welcome indeed. I also thank him for the effect that his announcement about tourism VAT will have on hundreds of businesses and thousands of jobs in my constituency of Weston-Super-Mare. May I suggest to him that over the medium term, the best guarantee of jobs and employment has to be to have competitive businesses? I therefore urge him to consider, over the more medium term, sharpening our competition laws and opening up our market economy to tougher competition, as the best long-term guarantee of employment for everybody.

**Rishi Sunak:** My hon. Friend is absolutely right. Just to clarify: the “eat out to help out” discount will not apply to alcohol, but 90-something per cent. of pubs serve food, so my hon. Friend can still go to the pub and enjoy that. He is absolutely right about competition policy: it is important that we have dynamic markets in this country. We need dynamic competition to create jobs and productivity in order to get the outcomes that we want. I am happy to talk to him—I know he has expertise in this policy area—to get his thoughts about things we can do to update and turbo-charge our competition policy to make sure it is fit, especially for the digital age.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP) [V]: The Chancellor said at the beginning of his statement that

“no one will be left without hope”,

so what does he say to the hundreds of thousands of businesses and sole traders excluded from support during this pandemic crisis? Many of them are in seasonal businesses facing, in effect, three winters of trading. They cannot afford extra debt, so is now not the time to convert some of the money put aside for loans into grants to support the sector?

**Rishi Sunak:** The hon. Gentleman talks about seasonal businesses and whether they have or have not had support; he may have missed the fact that we have just cut VAT for those sectors from 20% to 5% for the next six months, and we have just provided an “eat out to help out” discount for the country to enjoy discounted meals to protect those businesses and protect the employment in them. That is probably the best thing we can do for seasonal businesses.

**Mr Steve Baker** (Wycombe) (Con): With his plan for jobs, my right hon. Friend has, like Roosevelt, given a masterclass in economic interventionism, but it is quite expensive. Can he reassure me that he has a contingency in case the independent Bank of England needs to change its stance on monetary policy because inflation begins to rise?

**Rishi Sunak:** As ever, my hon. Friend is right to remind us about the importance of monetary economics, and he is also right to focus on the long-term sustainability of our public finances. Although in the short term it is right to act in this way to prevent long-term damage and scarring to our economy that would create an ongoing, larger structural deficit, once we get through this crisis we must retain and sustain public finances. We will return them to a position of sustainability over the medium term, I assure my hon. Friend of that, but in the short term I am confident that this is the right thing to do to protect the long-term health of our economy.

**James Daly** (Bury North) (Con): As the chair of the all-party group on youth employment, I warmly welcome the fantastic package of support for young people in our country that the Chancellor announced today. Bury College in my constituency has a proven record of delivering sector-based work academies, with 600 young people currently in construction and engineering placements. Will the Chancellor meet me and the fantastic principal, Charlie Deane, to discuss how Bury College can expand the range and number of placements on offer for young people and thereby transform their opportunities in the jobs market?

**Rishi Sunak:** I am excited to hear about what is going on at Bury College. My hon. Friend is absolutely right about the importance of youth employment—a subject area that he knows well. The Secretary of State for Work and Pensions would probably be delighted to sit down with my hon. Friend—as we announced today our tripling of sector-based work academies—and make sure that we can figure out how as many of them as possible can find their way to his constituency.

**Kerry McCarthy** (Bristol East) (Lab): My colleagues have mentioned the lack of sector-specific support in this statement. May I ask particularly about car manufacturing? France has announced increases in electric vehicle subsidies, making them the most generous in Europe, and a means-tested scrappage scheme. Germany has doubled its EV subsidies. What will the Chancellor do not only to get car manufacturing back on its feet, but to help us meet our climate objective and the Committee on Climate Change recommendation that we bring forward the ban on new diesel and petrol vehicle sales to 2032—the committee recommends a zero-emission vehicle mandate? I hear nothing from him about what he will do to support manufacturing and our climate objectives.

**Rishi Sunak:** In the Budget, we announced about £1 billion in support for low-emission vehicles in various different ways, including a £400-million charging infrastructure fund to spread the development of charge points across the country. I think that underlines our commitment to ensure that we transition properly to our net zero environment, starting with our transportation industry.

**James Sunderland** (Bracknell) (Con): It strikes me that this is a perfect opportunity to review our investment and procurement strategies in a range of sectors. Does the Chancellor agree that we must stop spending so much taxpayers' money overseas? It is time to build British, buy British and sell British.

**Rishi Sunak:** My hon. Friend is right to point out the opportunities that we will now have, after leaving the EU, to tweak our procurement rules to ensure that we will of course always get value for money for the taxpayer, and that we can do so in a way that supports our local economies and—especially right now—local jobs.

**Wendy Chamberlain** (North East Fife) (LD): Although it has excluded and still does exclude many people, it must be acknowledged that support delivered directly via the Treasury, such as the job retention scheme, has been delivered quickly. That support is allocated on the basis of not proportion of population, the cost of support or the level of productivity, but the need of those who apply and qualify. This is how devolution can operate. Will the Chancellor provide us with detailed figures so that we can assess exactly how much financial support has been delivered from the Treasury to the people and businesses in Scotland and the other devolved nations?

**Rishi Sunak:** Those numbers have been published. As I said, £4.6 billion is the total amount of Barnett funding that has been provided to Scotland throughout the crisis. The block grant adjustment resulting from the stamp duty cut will be finalised after we have final costings from the OBR.

**Sir Desmond Swayne** (New Forest West) (Con): After that package and that performance, the only reasonable thing I can say to my right hon. Friend is, “Remember, O Caesar, you are mortal.” However, it would be a great shame if the effectiveness of his measures were to be undermined in the New Forest, with the loss of at least £16 million to local traders, by the company to whom the Forestry Commission handed a monopoly refusing to open its campsites. Will he summon Forestry England, threaten it with the rough end of a pineapple and instruct it to use its position on the board and its substantial shareholding to get those campsites open?

**Rishi Sunak:** Thank you—I think—to my right hon. Friend. I share his passion for getting our campsites open. I hope that an extra incentive today will be the cut in VAT, from 20% to 5%, which extends to campsites, as well as to caravan sites, bed and breakfasts, and hotels. I am not sure that I have the powers to summon anyone, but I will be delighted to bring to bear whatever influence I can on the matter. I look forward to discussing it with him further.

**Madam Deputy Speaker (Dame Rosie Winterton):** In a moment, I will call the Chancellor of the Exchequer to move a provisional collection of taxes motion. Copies of the motion are available in the Vote Office. In accordance with Standing Order No. 51, on Ways and Means motions, a Minister of the Crown may without notice make a motion for giving provisional statutory effect to any proposals in pursuance of section 5 of the Provisional Collection of Taxes Act 1968. The question on such a motion shall be put forthwith.

## PROVISIONAL COLLECTION OF TAXES

*Motion made, and Question put forthwith (Standing Order No. 51(2)),*

That, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional statutory effect shall be given to the following motion:

Stamp duty land tax (temporary relief)

That—

(1) This Resolution makes modifications of Part 4 of the Finance Act 2003 in relation to any land transaction the effective date of which falls in the period (“the temporary relief period”)—

(a) beginning with 8 July 2020, and

(b) ending with 31 March 2021.

(2) Section 55(1B) (amount of stamp duty land tax chargeable: general) has effect as if for Table A there were substituted—

“TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £500,000	0%
So much as exceeds £500,000 but does not exceed £925,000	5%
So much as exceeds £925,000 but does not exceed £1,500,000	10%
The remainder (if any)	12%

(3) Schedule 4ZA (higher rates of stamp duty land tax for additional dwellings etc) has effect as if for the Table A in section 55(1B) mentioned in paragraph 1(2) there were substituted—

were substituted—

## “TABLE A: RESIDENTIAL

<i>Part of relevant consideration</i>	<i>Percentage</i>
So much as does not exceed £500,000	3%
So much as exceeds £500,000 but does not exceed £925,000	8%
So much as exceeds £925,000 but does not exceed £1,500,000	13%
The remainder (if any)	15%

(4) Paragraph 2(3) of Schedule 5 (amount of SDLT chargeable in respect of rent) has effect as if for Table A there were substituted—

## “TABLE A: RESIDENTIAL

<i>Rate bands</i>	<i>Percentage</i>
£0 to £500,000	0%
Over £500,000	1%

(5) Part 4 of the Finance Act 2003 has effect as if section 57B and Schedule 6ZA (which concern relief for first-time buyers) were omitted (and, accordingly, Schedule 9 is to have effect as if paragraphs 15 to 16 were omitted).

(6) In a case where—

- (a) as a result of section 44(4) of the Finance Act 2003 the effective date of a land transaction falls in the temporary relief period, and
- (b) the contract concerned is completed by a conveyance after that period ends,

section 44(8) of that Act is not to apply in relation to that conveyance if the sole reason that (but for this paragraph) it would have applied is that the modifications made by this Resolution have no effect in relation to that conveyance.

(7) Section 44(10) of the Finance Act 2003 applies for the purposes of paragraph (6).

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.—(*Rishi Sunak.*)

*Question agreed to.*

**Madam Deputy Speaker:** In order to allow the safe exit of hon. Members participating in this item of business and the safe arrival of those participating in the next, I am suspending the House for three minutes.

*Virtual participation in proceedings concluded (Order, 4 June).*

3.9 pm

*Sitting suspended.*

## Pregnancy and Maternity (Redundancy Protection)

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

3.12 pm

**Mrs Maria Miller (Basingstoke) (Con):** I beg to move,

That leave be given to bring in a Bill to prohibit redundancy during pregnancy and maternity leave and for six months after the end of the pregnancy or leave, except in specified circumstances; and for connected purposes.

We have record numbers of women in work, more women studying STEM—science, technology, engineering and maths—subjects to the highest levels and more women being given the opportunity to take up roles in every sector of society. Women will have a central role in this country’s recovery from covid-19, but we have a clear opportunity for the Government to level up, because despite the real legal protections, set in law by this place, designed to outlaw discrimination against pregnant women and new mums, the Government’s own data show that more than 50,000 women a year feel they have no choice but to leave their jobs when they are pregnant. The routine use of non-disclosure agreements means that the reasons women leave their jobs can be, at best, opaque, even when analysed through third party research, but we do know that about one in 20 is made redundant.

Anyone who has ever been a parent will know that pregnancy and the period after the birth is a time when, for most of us, money is a huge concern. Securing a new job, because you do not have one, could be impossible because of the obvious need to take maternity leave. Finding and starting a new job, when meeting the needs of a new baby should be of paramount concern, is in practice extremely challenging. Taking the decision to leave a job, at that point, is not a decision most women would plan for voluntarily, based on their own choice. The data show that women forced out of their jobs during this period of their working life most often have to downgrade their jobs and their income, often to low-paid, part-time work that is well below their skill levels. This is not through any notion of “choice”—that argument of old is, thankfully, losing credibility in most people’s minds—but through sheer financial necessity, with all the ensuing productivity issues for the nation as a whole. As a result, we see a far greater gender pay gap for women in their 40s and 50s of up to 25%, with a resulting pension penalty on top of that.

Given our legislation, it is wrong that so many women should be fearful of losing their jobs simply because they are pregnant. That is why I am introducing this Bill today. It would put in place an effective new law to protect pregnant women and new mothers from this fate, helping to keep them in the labour market, which is good for them, their families and the economy.

The challenges facing pregnant women and new mums have been even more acute in recent months, and any economic shock that follows covid-19 could well be the first that impacts women more than men. There are reports that the number of women seeking legal advice regarding discrimination has increased fivefold since the lockdown. A study by PwC in May found that 78% of those who have lost their jobs as a result of covid-19 are women. A report from the London School of Economics found that more women are likely to lose

[Mrs Maria Miller]

their jobs in the coming months because of the sectors that are most likely to be hit. We heard about that from the Chancellor earlier.

The past few months have cast a worrying spotlight on the attitudes of some UK employers towards pregnant women and new mums, and their willingness to contravene existing redundancy laws by allowing pregnant women and new mothers to be the first in line for dismissal. Some pregnant women have been told to go home on sick pay when they are not allowed to work because of health and safety considerations, rather than on full pay as is set out in law. I make no excuse for the fact that the Bill is designed not only to make the specific point about pregnant women, but to sharpen employers' focus on this aspect of employment law and their treatment of the women in their workforce.

Too often, I hear that better protection for women will reduce their attractiveness to employers because of the costs associated with things like maternity pay. That is wrong in and of itself, but it also shows how little attention is paid to these issues, because smaller employers recover more than 100% of the cost of statutory maternity pay when they make those claims. It is therefore an argument that has long since been resolved.

The real cost of the failure of the current system is that the Government forgo taxes and have to pay increased benefits to the tune of up to £17 million a year. A report by McKinsey found that encouraging women's participation in work and ensuring that they are protected from discrimination could add up to £150 billion to the UK economy—something we need at this time. If the Government are to reboot the economy and if my right hon. Friend the Chancellor's plan for jobs is to work as he envisages, we need to use all the talent this country has to its fullest and address the ongoing issues around productivity. I do not for one minute pretend that this is easy, and it is likely that the reported levels of discrimination are the tip of the iceberg.

In recent weeks, many right hon. and hon. Members will have seen cases of women in their own constituencies similar to that of the young woman I spoke to who had been made redundant. Her ordeal began when her employers asked how many weeks pregnant she was. She was furloughed in March for two days and then, just three hours before she was entitled to statutory maternity pay, she was made redundant. It was devastating.

I initially presented this Bill in 2019, on the heels of the consultation by the Department for Business, Energy and Industrial Strategy that looked at extending the existing protections to six months after maternity leave

has ended. The current protections mean that if a woman's job is at risk of redundancy during her maternity leave, she must be offered any suitable alternative vacancy that is available. She should in theory be given priority, but both the Equalities and Human Rights Commission and the Maternity Action helplines show that, in practice, that is woefully inadequate. Employers continually confuse their legal obligations, ignore them or insist that women on maternity leave compete for an alternative post when they are giving birth, have just given birth, or have been out of the workplace for many weeks.

Extending the current provisions to six months would simply entrench a system that we know does not work. My Bill proposes a much simpler and cleaner protection, drawing on proposals from the Women and Equalities Committee. The provisions that I propose are also currently used in Germany. The major change that the Bill would make is to offer pregnant women the sort of protection that is long overdue. Currently, for a woman to challenge her employer's unlawful behaviour she would have to go to an employment tribunal—not an attractive proposition for any employee, particularly one who is looking after the needs of a newborn baby. Employers are well aware that less than 1% of women subject to maternity discrimination seek remedy at tribunal.

My Bill would strip out the complexity of the protection available to women. We will be able to tell a woman that from the time she is pregnant to six months after she returns to work she cannot be made redundant unless the employer is closing down the business or ceasing work in that area. Women who experience a stillbirth or miscarriage would similarly be protected for up to six months from the end of their pregnancy or any leave that they were entitled to. The woman's employer would be able easily to comprehend their duty too.

There are more than half a million pregnant women in the workplace every year, and the Government should be applauded for creating an environment where we have record numbers of women in work, but we need to update our laws to reflect that change, to address the challenges that women routinely face and to ensure that we level up the workplace for all women.

*Question put and agreed to.*

*Ordered,*

That Mrs Maria Miller, Sally-Ann Hart, Nickie Aiken, Mrs Flick Drummond, Virginia Crosbie, Caroline Nokes, Karen Bradley, Angela Crawley, Sarah Champion, Jeremy Hunt and Stephen Timms present the Bill.

Mrs Maria Miller accordingly presented the Bill.

*Bill read the First time; to be read a Second time on Friday 16 October, and to be printed (Bill 158).*

## The Economy

3.22 pm

**The Chief Secretary to the Treasury (Steve Barclay):** I beg to move,

That this House has considered the economy.

It is a privilege to open this economic debate, and to do so hot on the heels of a statement from the Chancellor that places the Government's plan for jobs at the heart of our recovery. The past few months have tested our economy in a way that few of us, if any, have experienced before. Never in our history have a Government ordered businesses across the country to close for an extended period, and never have a Government asked so many people to halt normal activity so completely. Shops closed, offices emptied and production lines juddered to a halt as millions worked from home.

From the onset of this pandemic, the Government worked to ensure that our frontline public services would get whatever funds they needed. To date, £49 billion has gone towards the NHS, local authorities and others working to protect us from the virus, but our public servants were not alone in that endeavour. The very fact that so many of working age were willing to stay at home, protect the NHS and save lives is a sign of the cohesion and compassion that still exists within our society.

**Chris Bryant (Rhondda) (Lab):** If the Minister does not mind me being a bit cheeky, I want to ask about the money that we need in the Rhondda to deal with the floods earlier this year. Some £67 million is needed by my local authority. Half of a tip fell into the river, and £2.5 million is needed to take away the 60,000 tonnes and to make the tip safe for the future. It is vital that the Government recognise that the Coal Authority is a Westminster responsibility, and the money must be found so that we can make people's homes safe.

**Steve Barclay:** When it comes to speaking up for his constituents, I do not think the hon. Gentleman has ever held back, whether or not he is being cheeky in doing so. He raises a very important point about the investment in flood prevention. That is why the Chancellor set out a number of measures as part of the infrastructure package, and I will come on to say more—*[Interruption]*—if he allows me to get into my speech, about how we are accelerating a number of projects with that in mind. Given the history of coal and some of the tragedies that have happened in the past in Wales, we are very cognisant of the need to take action on such schemes. Again, that is being looked at by the Secretary of State for Wales, and I have been in discussions with him about it.

Let me now make some early progress. The Government were clear that we would stand by those whose livelihoods were in jeopardy through no fault of their own. We said we would do whatever it takes to protect and preserve the businesses and jobs on which our national prosperity and resilience ultimately depend, and we meant it. The House will be familiar with the scale and scope of our economic response, which has included business rates reliefs and grants for the worst-hit sectors, uplifts in welfare support for families struggling to make ends meet, and more than £70 billion of business loans and guarantees approved to date. Meanwhile, the coronavirus job retention scheme and the self-employment income

support scheme have preserved many millions of jobs and livelihoods across England, Scotland, Wales and Northern Ireland, demonstrating once again the shared strength and resilience we derive from our Union.

**Jim Shannon (Strangford) (DUP):** Will the Minister give way?

**Steve Barclay:** I know the hon. Gentleman is a passionate defender of the Union, and I give way on that point.

**Jim Shannon:** We are very much better together. The Minister and I know that, and everyone else in the House knows that as well, even my friends to my left.

One of the things that concern me is the aerospace sector, and the manufacturing base in particular. We have the possibility of losing 600 jobs at Bombardier in Northern Ireland and some 45 jobs at Magellan, which is a smaller contractor in my constituency. Within this process—and I thank the Government for all the moneys they have made available—will there be extra help for the aerospace sector, particularly for small firms and for the apprentices in those small firms?

**Steve Barclay:** As the hon. Gentleman knows, the Chancellor addressed that issue in his statement earlier. Indeed, he wrote to the industry in March setting out the terms on which Government support would be offered, including the requirement for firms first to look at what support they could receive from their own commercial backers and shareholders. On individual firms, what discussions take place is a matter of commercial confidentiality, but the Chancellor indicated both his engagement in that issue and that of the Secretary of State for Transport.

All in all, the United Kingdom's economic response to covid is one of the most comprehensive and generous from any Government in the world. The past few months have been hard for everyone, particularly the many families whose loved ones have lost their lives. But thanks to our collective grit and determination, the tide was turned and the infection rates fell, and we are now in a position to reopen our economy in a way that is safe to do.

**John Redwood (Wokingham) (Con):** As one who thinks it is exactly right, as a one-off cost, to spend and cut taxes at the moment to promote economic recovery, I accept that we have to borrow to do that. When will we be getting some revised numbers on what the borrowing might amount to?

**Steve Barclay:** There are two issues within that. First, there are the revised numbers from the Office for Budget Responsibility, which has set a timescale for when it will produce them. Then there is the more substantive issue, which the Chancellor set out in his statement, of seeing the plan for jobs in the context of three phases. The medium-term recovery that we need will be set out in the autumn with the Budget and the comprehensive spending review. Again, that will be an important milestone in this three-phase approach.

**Wera Hobhouse (Bath) (LD):** Will the Minister give way?

**Steve Barclay:** I will make a little progress, and then I will happily give way to the hon. Lady.

[Steve Barclay]

These interventions have come at a considerable cost to the public finances, but I have no doubt that they were the right thing to do. The Bank of England, the OBR and other external forecasters have all emphasised that the cost to the economy would have been significantly higher had it not been for the swift and decisive action that the Government have taken. Nevertheless, the pandemic has caused a profound shock to both the national and the global economy, the consequences of which will be felt by businesses and individuals for some time to come. Even as we step out of lockdown, a great deal of disruption and uncertainty remains. Many businesses have yet to reopen their doors. Up and down the country, people are worried about whether their jobs will be secure when they return to work.

**Wera Hobhouse:** Bath is an international spa city, and the wellbeing and beauty industry is very much part of our local economy. Some industries have been worse hit than others and unfairly treated, particularly the beauty industry. When will there be an announcement that the beauty and wellbeing industry is open for business again?

**Steve Barclay:** The hon. Lady highlights an extremely important sector, not least in terms of its profile. Many women work in that sector, and often those incomes are extremely important to their households as well. At Treasury oral questions yesterday the Chancellor expressed our desire to get those sectors up and running as quickly as possible. The hon. Lady will know that we have already taken significant steps to support them, not least through the £10,000 and £25,000 grants that were offered, which included many within the sectors that she highlights.

Today the Government made it clear that we are ready to take further action as necessary, just as we have done throughout this crisis. That is why the self-employed income support scheme will open for a second and final round of grants between 17 August and 19 October. Likewise, the job-retention scheme has been extended until the end of October, with new, more flexible terms to support people back to work. But with the best will in the world, no Government can reasonably save every single job in these circumstances; nor can the furlough scheme, successful as it has been, last indefinitely.

**Lilian Greenwood** (Nottingham South) (Lab): Of course the Minister is right that the furlough scheme cannot continue forever. However—I listened to his response to the hon. Member for Bath (Wera Hobhouse) about the beauty sector—surely we need different approaches to the sectors that have been able to reopen and those that are currently still closed. Surely the sectors that are still unable to open, and potentially may not be able to open for quite some time, such as theatres, music venues and beauty therapists—a range of sectors—need something more flexible. Why has he not considered something more flexible with regard to the job retention scheme?

**Steve Barclay:** We have been flexible. The hon. Lady mentioned theatres: we announced a package of £1.57 billion-worth of support as part of the flexibility of which she speaks. People also seem to ignore the fact that we are only halfway through the furlough scheme. It runs until October—we are four months in. The

intention, as part of this second phase, is to reopen the economy, including these businesses. As the Chancellor said, we do not think it is good for people to be away from the labour market for an extended period because skills atrophy, and that is not in their interests.

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab) *rose*—

**Steve Barclay:** I will make a little progress and then of course come back to the hon. Lady.

Now is the time to move to the next step in our economic response. Later this autumn, the Government will deliver a Budget and spending review, but today we set out our plan for jobs. As the Chancellor said, this is not a time for ideology. We are driven by a belief in the nobility of work and the power of opportunity. Most of all, we are motivated by the desire to do what is right for the British people. Where jobs are at risk, we will work to protect them, and where jobs are needed, we will help to create them.

**Emma Hardy:** Will the Minister give way?

**Steve Barclay:** Given the hon. Lady's persistence, I will, but then I will make some progress.

**Emma Hardy:** On the issue of protecting jobs, the Minister must be aware of the situation facing the caravan industry in Hull and the East Riding. We are asking—this is supported cross-party, by Conservative Members as well—for specific support to protect the caravan manufacturing industry in our area. All the industry is asking for is an additional four months of support to keep it going until spring. We know that more staycations will mean a boom in caravan sales. Will he please look at specific support for this vital industry?

**Steve Barclay:** Again, we have taken measures with specific support, which my right hon. Friend the Chancellor set out. That is why we are cutting VAT for campsites and the tourism sector from 20% to 5%. That is part of it, but as the Chancellor also said, if we extended as the hon. Lady suggests, others would say, “Another month, another month, another month”, and people would be away from the labour market for a long period, which would not be in their interests.

**Karin Smyth** (Bristol South) (Lab): Bailey of Bristol in my constituency is a world-class manufacturer, and I totally echo the point made by my hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy) that these businesses are not talking about forever. They are clearly talking about getting through to the spring. That is not that long, and it is a big investment. Please will the right hon. Gentleman reconsider?

**Steve Barclay:** Again, this was covered extensively in the earlier debate. First, the furlough is already in place for an extremely long period, until October. That is eight months, and we are only halfway through it. Secondly, other measures are being put in place, including measures to incentivise employers to bring those on furlough back. It is not right that people should stay on furlough for an extended period of time—[*Interruption.*] Nor have the Opposition set out exactly which sectors they want it extended for, or how that would apply in

areas such as the supply chain. We would simply get an indefinite period in which that scheme would be —[*Interruption.*]

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. The hon. Member for Kingston upon Hull West and Hessle (Emma Hardy) has made her point. Yelling at the Minister is probably not quite the way to proceed.

**Steve Barclay:** Thank you, Madam Deputy Speaker.

We will also ensure that those who have sadly lost their jobs are supported back into work as quickly as possible. We will do that by expanding work search and doubling the number of work coaches, so that jobseekers will benefit from high-quality personalised one-to-one support. We will also invest £32 million of new funding over two years to expand the National Careers Service, and we will prioritise support for young people who have not only had to contend with disruption to their education but must now enter the workforce at an extremely difficult moment. The £2 billion kick-start scheme will create hundreds of thousands of new fully subsidised quality jobs for young people aged 16 to 24 who are claiming universal credit and are at the highest risk of long-term unemployment.

There will be new money to invest in schools in England, for measure, including tripling the number of sector-based work academy placements and traineeships, and giving all 18 and 19-year-olds the opportunity to study targeted high-value level 2 or 3 courses when no employment opportunities are forthcoming. Furthermore, we will introduce a new youth offer for young people on universal credit, in the form of 13 weeks of intensive support, including referral to work-related training or apprenticeships together with tailored support and coaching for those who need it.

The Government's immediate focus is on jobs, but our recovery is also an opportunity to renew our commitment to the UK's long-term prosperity. Six months ago the Government were returned to office by an electorate tired and frustrated by deadlock and delay. Thousands of people in dozens of constituencies lent the Conservative party their vote for the first time because we promised to leave the European Union, unleash the potential of the economy and level up investment and opportunity across the United Kingdom. Those commitments have not changed, and this Government are determined to repay the trust placed in us by bringing about meaningful change to people's lives.

Last week, the Prime Minister outlined how the United Kingdom could bounce back from this crisis, stronger and better than before, with new jobs and new industries in every region. Together with the plans set out by my right hon. Friend the Chancellor today, this means we will bring forward £8.6 billion of capital investment in infrastructure projects that will support thousands of jobs. That includes more than £1.5 billion for hospital upgrades and maintenance this year, and as the Prime Minister announced last week, we will allocate £1 billion to begin rebuilding schools in England, £142 million to modernise courtrooms and £83 million to invest in the prison estate. Meanwhile, we are working to put in place a new generation of roads, railways and fibre-optic cables to bind the country closer together and unleash the economic potential of the regions.

**Tim Farron (Westmorland and Lonsdale) (LD):** It is important that the right hon. Gentleman's focus is on jobs. Will he reflect on the fact that the hospitality and tourism industry—the fourth biggest employer in the country and the biggest employer in Cumbria—is now effectively in the middle of three winters in a row? The VAT cut is very welcome. However, 69% of hospitality businesses are not able to open fully, so, with goods and services that they cannot trade, they will get no benefit whatsoever from a tax cut. Does he agree that it is therefore right to invest in a wages and grant package to see the industry through to spring next year, so that it can come out fighting once the demand returns?

**Steve Barclay:** It is to address that exact reason that the Chancellor did not simply announce a VAT cut to help that sector. It is also why the "eat out to help out" programme is particularly targeted. Demand is key to those businesses being able to restart and take back people who are furloughed. It is predominantly and disproportionately the young who are most affected within that sector, and that is why the measures are targeted to help those who would have been most scarred economically if they had lost their jobs at the start of their careers.

The commitment to levelling up across the regions, including in Cumbria—in a way I am sure the hon. Gentleman, who is a proponent of localism, would support—is not just about the big-ticket projects such as High Speed 2 and Northern Powerhouse Rail, important though those are. It is every bit as much about numerous smaller-scale projects: the trunk roads, the local bus services, the flood defences—projects that rarely make national headlines but are every bit as transformative at a local level. That is why the Government have announced more than £100 million for local road upgrades. It means that we can proceed with much-needed bridge repairs in Sandwell, we can set about upgrading the A15 in the Humber region, and we can provide £10 million to support tackling bottlenecks in the Manchester rail network to bring about a faster, more reliable journey for thousands of passengers.

Our commitment to levelling up is directly linked to another of the Government's totemic ambitions—that of achieving net zero carbon emissions by 2050.

**Caroline Lucas (Brighton, Pavilion) (Green):** Will the Minister give way?

**Steve Barclay:** I can anticipate the intervention and I will make a little progress first. Over the past 30 years, the United Kingdom has reduced its carbon emissions by more than 40%, but now the time has come to accelerate our efforts—and I am sure the hon. Lady agrees at least on that point.

**Caroline Lucas:** Yes, I would love him to accelerate his efforts, but the truth is that the £3 billion earmarked for green recovery is dwarfed by ongoing Government funding for fossil fuels, whether it is the £27 billion road-building scheme or blank cheque bail-outs for aviation, so does he agree that we should have not one penny more spent on propping up the fossil fuel economy, not just for climate reasons, but because investment in the green economy has a much higher return on investment and is much more labour-intensive?

**Steve Barclay:** I fear that that is almost the same question that the hon. Lady put to the Chancellor earlier. I know that she and I will disagree on the commitment we have to the road-building programme, because on the Government side of the House, we see that as key to driving productivity and helping jobs, and it is an issue on which many of my colleagues campaigned at the election and their electorates sought to see improvements. However, we have a commitment to the green agenda. That is what the Chancellor set out in his statement, and that is the record that we are building on through measures that include the £1 billion decarbonisation of public sector buildings, which I am sure is a scheme that she would welcome.

Our quest for net zero has the potential to build on proven regional economic strengths and create many more high-skilled, high-quality jobs. It will spur innovation and exports and, most importantly, it can deliver clean and resilient long-term growth. As part of the £8.6 billion of capital investment, the Government will invest £3 billion to decarbonise the United Kingdom and, in doing so, protect or create thousands of green jobs.

**Wera Hobhouse:** Will the Minister give way?

**Steve Barclay:** The hon. Lady has already had one go, but she can have one more and then I will come to my conclusion.

**Wera Hobhouse:** The Minister is extremely generous, and I am very grateful. On the issue of cross-party support, I know that hydrogen is very much in the Government's heart as a way for the economy to recover and to get to net zero. Why is there no hydrogen strategy, and why has not there been an announcement today about anything to do with the hydrogen industry?

**Steve Barclay:** One of the advantages of coming after the Chancellor has spoken for two and a half hours is that many of the same issues come up a second time. He was asked about this, and he said that we had a commitment and he was not going to pre-empt any future announcement from the Prime Minister. Given that that was the Chancellor's response, I can say that I am certainly not going to pre-empt anything from the Prime Minister, but we recognise the issue. That is an area on which—the Chancellor covered this earlier—the Prime Minister will make any subsequent announcements.

We have announced today £2 billion of green homes grants, which will save energy and, just as importantly, save households money on their bills. Finally, our £40 million green jobs challenge fund will invest in shovel-ready natural capital projects, such as creating new parks and open spaces, cleaning rivers, restoring peatland, and helping to plant many more trees during this Parliament. Taken together, these measures will help to ensure that the future is not only more prosperous but happier, healthier and greener too.

Covid-19 has tested our economy to the extreme. The challenges we face in rebuilding are great, but the opportunities are greater still. We can build back better than before, with stronger public services, a new generation of infrastructure that brings our country together, and new jobs and opportunities in every region. It will not be easy—it will take all our ingenuity and commitment—but as the Chancellor said earlier today, it is not this crisis that will define us, but our response. The resilience,

compassion and determination shown by the British people has carried us through the hardest months, and now, this same sense of collective purpose will drive our recovery too.

**Madam Deputy Speaker (Dame Rosie Winterton):** It will not have escaped anyone's notice that many Members wish to contribute to the debate, so there will be an immediate four-minute time limit on Back-Bench speeches. I call the shadow Minister, Wes Streeting.

3.46 pm

**Wes Streeting (Ilford North) (Lab):** It was a joy to read in one newspaper this morning that the theme of the Chancellor's statement today would be jobs, jobs, jobs, which had a pretty familiar ring to it, as did the reports that the Prime Minister wants to bring about a green industrial revolution. In fact, I half expected the Chancellor to open his speech this afternoon by promising an economic policy for the many, not the few. These are truly extraordinary times, but in the end, history will not measure the Chancellor's success in newspaper headlines or column inches. It will be measured by the unemployment figures. It will be measured by the strength of the recovery, and it will be measured by whether he is able to build back better, build back greener and build a brighter future for every part of our country after a decade of failed economic policies.

Just as these are extraordinary times, this is no ordinary recession. The shutdown of our economy—essential to saving lives—has delivered the biggest contraction of economic activity in living memory, with a record fall in GDP measuring three times that which occurred during the financial crisis. Every community has been affected. Between March and May, an additional 1.6 million people claimed unemployment-related benefits, bringing the total to just under 3 million. We have seen the largest quarterly fall in vacancies since records began in 1971, and 22% of businesses reported turnover down by more than 50%. While the impact has been felt across our country, we know that it has not been felt evenly. Some in our services sector have been hit particularly hard, with the latest Office for National Statistics figures showing a fall in output in accommodation and food of 92%, compared with 20% in professional services.

**Tim Farron:** The hon. Gentleman is making a very good series of points. He is right to say that there is an inequality in the support. The Chancellor has failed today to provide support for the hundreds of thousands of newly set up small businesses, self-employed people and directors of small limited companies who are still excluded from support. Is not today the day that the Chancellor should be supporting those people and helping them to keep going, ready to meet the recovery?

**Wes Streeting:** I strongly agree, and it will not surprise the hon. Gentleman that I will come on to make exactly that point.

For some people in secure jobs and on decent pay, the lockdown restrictions have been an opportunity to clear the credit card or build up savings, but for so many others—particularly the young and the low-paid—the labour market shock has been severe, and so has the impact on their pockets. Behind every one of these statistics are people—families and communities who have played their part in getting our country through this crisis,



keeping our supermarkets stocked and essential services running; caring for us when we need it, from the brilliant staff who work in our NHS to the dedicated, often disgracefully low-paid and, this week, it seems, maligned staff who work in our care homes; and, with some notable high-profile exceptions, doing everything that was asked of them, staying home to save lives, looking out for their neighbours and volunteering in their communities. It is a truly national response, and it is not over yet. Coronavirus is the biggest crisis of most of our lifetimes. A resurgence of the virus remains the biggest threat to lives and livelihoods at the present time. And the health of our economy cannot be separated from the health of our country. That is why the Government's failure to put in place an effective track and trace system is so concerning. The Chancellor did not mention it this afternoon, but he knows as well as we do that, without it, the risk to public health and to our economy is that much greater.

**Lilian Greenwood:** Does my hon. Friend share my concern that while the measures to protect and promote the hospitality sector were very welcome, some people might choose not to go out to restaurants and cafés for reasons that are less about being able to bear the cost of buying meals out and more about their concern as to whether they will be putting themselves and their families at risk by doing so?

**Wes Streeting:** My hon. Friend is absolutely right, because, as events in Leicester have shown, the virus has not gone away. Local lockdowns, or, God forbid, another national lockdown in the event of a second peak, would deliver a knockout blow to so many businesses struggling to get back on their feet, and as my hon. Friend has just mentioned, those businesses will continue to struggle unless the public are given the confidence they need to go out and start spending money again.

Since the start of this crisis, the Government have been too slow: too slow to take the threat of covid-19 seriously, too slow to lock down, and too slow to ramp up testing. Our criticism of the Government's approach to track and trace is not unreasonable; this is not mission impossible. Today, the German embassy in the UK is tweeting to invite British citizens to download its Corona-Warn-App before visiting Germany, and British people are replying to the German embassy here in London asking if they can use it here in the UK. We are not even demanding the world-beating track and trace system the Government promised; we just want a system that works.

In a spirit of national unity and common purpose, we sought to work with the Government wherever possible. We have helped expedite emergency legislation through the House, and we have supported many of the measures taken to respond to the health emergency and to the economic crisis. Where the Government have fallen short, we have suggested alternative approaches, and to be fair to the Government, they have been prepared to listen. They listened when they introduced the job retention scheme, which we had called for and which the TUC helped to design, and later when the Chancellor came back with support for the self-employed that has been a lifeline to so many.

In the same spirit, we called on the Chancellor to take immediate action to tackle youth unemployment, and we pointed to the future jobs fund introduced by the

last Labour Government as a model. Today's kick-start announcement is exactly that, and we welcome it. In fact, the greatest compliment I can pay to the Chancellor from this Dispatch Box is that in announcing the kick-start scheme earlier he sounded like Gordon Brown and Alistair Darling. Maligned by the Conservatives at the time, history has been kinder to them than the Conservative Opposition of the day were; their leadership is rightly recognised by the Chancellor today, and that is to his credit.

But I do want to impress on the Chief Secretary the following point before he returns to the Treasury. The success of Labour's future jobs fund was in no small part thanks to the hard work of the third sector and local authorities in delivering it, all of which are now in a far worse position than they were when the financial crisis hit. They have already stepped up in response to this crisis. Charities have been on the frontline of responding to covid-19, at the same time as the virus has plunged so many of them into financial crises of their own. They are at the heart of community resilience, public service delivery and tackling some of the biggest challenges of our time; we need them to come through this crisis and out the other side, so that they can help our country to do the same.

Councils were asked to do whatever it takes, whatever the cost, and they did. They have delivered food parcels to those shielding and made contact with those isolated and at risk. Their workers have kept essential services running at personal risk to themselves, and they have delivered Government grants to the businesses that need them with remarkable speed and efficiency. We have also seen endless examples of their creativity and ingenuity throughout their crisis response. The Mayor of London has worked closely with London boroughs to get rough sleepers off the streets and into safe harbour, and they are working together now to end rough sleeping for good. My own local council procured step-down accommodation for covid patients leaving hospital in order to delay the immediate discharge of those patients into care home settings to help control the spread of the virus. The Mayor of Greater Manchester, Andy Burnham, provided a loan to a local business to help it scale up PPE production during the national shortage. While the Government dithered and delayed over supports for arts and culture, the Mayor of Liverpool City Region, Steve Rotherham, was already delivering it through his music fund and film and TV development fund. Councils such as Staffordshire County Council and Brighton and Hove City Council have provided additional support to community groups and third-sector organisations, recognising the important role that they are playing in the crisis response.

Today, those local authorities are in far worse shape after a decade of cuts from Conservative Governments and the double whammy of rising costs and lost revenues as a result of this crisis. The Secretary of State for Housing, Communities and Local Government promised to reimburse them, but so far he has failed to deliver, and, after a decade of Tory cuts, they cannot afford to pay for the opportunity to sit next to him at the next Conservative fundraiser in the hope of a favourable decision coming out of the Government.

**The Economic Secretary to the Treasury (John Glen):** Cheap.

**Wes Streeting:** The Economic Secretary to the Treasury says that it is cheap. I am not sure that a seat at a Conservative party fundraiser is particularly cheap, and it is certainly a price too high for lobbying the Government, but there we are.

Let me turn now to the comments made by Torsten Bell, the chief executive of the Resolution Foundation. He has said that the £2 billion kick-start scheme is “a very welcome return” to the approach of the future jobs fund, but he notes that creating those opportunities will be a huge delivery challenge. He says that it will need loads of these jobs to be created by local authorities, and he is right. The success or failure of the kick-start programme will depend on the strength of local government to help deliver it, so it is time for the Government to put their money where their mouth is and fund local government properly.

**Jim Shannon:** The shadow Minister is right about the role for local government, and the important role that it plays. My local council of Ards and North Down has a very clear economic plan. With low rates and with the highly skilled employment that we have, the opportunities are very clearly there. All we need is that investment. I know that the Government have given so much on the Barnett consequential and that is really important, but it is also important that we have a strategy that works for the Northern Ireland Assembly and for here as well.

**Wes Streeting:** The hon. Gentleman makes a really important point. Of course, the devolved Administrations can provide their own policy responses, but we know that decisions taken here on public spending have a direct impact on their ability to respond accordingly, too.

We have said throughout this crisis that we will not criticise for criticism’s sake, and beyond the kick-start future jobs fund announced today, we welcome the attempt to make sure that the furlough scheme gets people back to work, instead of making them redundant through the job retention bonus. We are glad that the Chancellor included provision to get people into training and apprenticeships in his statement, and we welcome the additional resources provided to the Department for Work and Pensions to help get people back into work. In so far as they can, we hope that the cut in VAT and the limited “eat out to help out” scheme will be of some assistance to our tourism and hospitality industries, but this falls far short of what we called for and what was promised. We were promised a new deal, but the Chancellor’s big announcement was a meal deal. The Chancellor said that we cannot have endless extensions to the job retention scheme, which was echoed by the Chief Secretary, and that we cannot allow furloughing to go on forever. We agree. We have never argued otherwise. This straw man argument does a real disservice to the concerns coming from those employers and industries that face the biggest and longest hit as a result of covid-19.

**Bim Afolami (Hitchin and Harpenden) (Con):** Does the hon. Gentleman not accept that, as the Chancellor confirmed, there is still a Budget to come later in the year, and that the announcements today were not the sum total of everything that the Government will do? He should continue the constructive tone that he has used in part of his remarks and say, “Now we should work together on both sides of the House to see how, in the

autumn Budget, we should extend things and see what needs to happen once we understand the economic situation at that time, which will be different from what it is today.”

**Wes Streeting:** The shadow Chancellor has always been willing to work with the Chancellor, and we would be very happy to engage with the Government in terms of the flexibility that we are calling for in the sector-by-sector approach. In fact, we would encourage them to do what they did in establishing the job retention scheme, and sit down with employers and trade unions to look at what support is needed, for how long and across which sectors, to make sure that people come through this crisis. The challenge with what the hon. Gentleman describes is that for too many businesses it will simply be too late. When there are some businesses that are still shut down through no fault or choice of their own, it is completely unreasonable for them to see Government support beginning to wind up before they can actually open their doors to business. The public health response and the economic response have to go hand in hand. I would have thought that point would be obvious to the Government.

Part of the Government’s challenge is demand and getting consumers spending again, as we have heard, but many of the challenges are also on the supply side, where a cut in VAT or a £10 discount on a Tuesday night is neither here nor there. Beyond tourism and hospitality, we have seen job losses across a range of sectors in recent days and weeks. The Chancellor offered nothing for manufacturing, including companies at risk in aerospace and automotive industries, and nothing for the businesses whose doors are still closed. We fear that the Chancellor’s refusal to accept a more flexible and tailored sector-by-sector approach to business support and job retention is a failure of judgment that will be reflected in higher unemployment figures. I would be delighted to be proven wrong on that point.

In his statement, the Chancellor said that people need to know that although hardship lies ahead, no one will be left without hope. I am afraid, as we have already heard, he offered no hope whatever to the excluded, those who have consistently fallen through the cracks of the Chancellor’s support for employed and self-employed workers. Instead, they remain forgotten. Some of this is about choices and priorities. It is not clear why many of those facing the greatest financial hardship were offered no direct financial support in what the Chancellor announced today. Those who will benefit from the cut in stamp duty will, by definition, be better off.

**Richard Fuller (North East Bedfordshire) (Con):** I am very pleased that the hon. Gentleman is moving on to this group of people. He has just been talking about extending existing programmes from which they are excluded. In addition to wanting to extend those programmes, what does he want to happen to those who have been excluded, so that that sense of being left behind no longer continues?

**Wes Streeting:** It seems to me that people who have been excluded require exactly the same sort of assistance as people who have been included, which is direct support to protect their incomes. We would be very happy to sit down with the Treasury to discuss how to bring that about.

Turning to climate change, the Chancellor promised a green recovery with concern for the environment at its heart. What we actually got today was a scaled-back ambition that fell well short of what the Committee on Climate Change and climate change justice campaigners were looking for. The Conservative manifesto promised £9 billion for energy efficiency. Today the Chancellor announced just £2 billion, which is about a fifth of what the Conservative promised people before the election. If the crisis has taught us anything, it is that there is such a thing as too late. It is this decade to 2030 where action will really count if we are to prevent catastrophic climate breakdown—not the next 30 years to 2050, but the next 10 years to 2030—so where was the green new deal? A green industrial strategy will get our country back on track to meet its climate obligations in the longer term, but it can also be the shot in the arm our country needs in the shorter term, creating new jobs and delivering improvements to our quality of life.

**Lilian Greenwood:** I thank my hon. Friend for giving way. He has been very generous. We should have a three-point test for the Government's infrastructure investment: does it involve local firms and deliver better local jobs? Does it provide opportunities to upskill local people? Will it reduce carbon emissions and ensure that this is a green recovery that gets us back on track to zero emissions?

**Wes Streeting:** I know you are watching the clock, Madam Deputy Speaker, but the good thing about that intervention is that I no longer have to repeat those points in my speech. I agree entirely.

**Caroline Lucas:** Will the hon. Gentleman give way?

**Wes Streeting:** I am afraid I must begin to draw to a conclusion. I remember Madam Deputy Speaker as a Chief Whip and she is not afraid to crack it.

The Chancellor has taken measures that most people would have thought unthinkable from a Conservative Chancellor. In his statement this afternoon, he said his response to this crisis would be unencumbered by dogma. We welcome that approach and we hope that others in his party were listening. In recent weeks and months, we have seen the penny drop for the champions of small state, free market, low tax economics about the limitations of their blinkered ideological dogma. As they look to the future, perhaps they might reflect on their past failures, because if we are to build a better country in the aftermath of the crisis, we have to be honest about the state of the country as we entered it.

The ideological dogma that underpinned the last decade of Conservative economic policies has made this a lost decade—a decade of low productivity, stagnant wages, rising poverty and mounting debt, the slowest growth since the war and, perhaps the most damning indictment of all, child poverty rising on the Conservatives' watch. More children in this country are living in poverty—and not by accident or because of factors beyond the Government's control, but because, as the Chair of the Government's own Social Mobility Commission said, "welfare changes over the past ten years have put many more children into poverty."

People may not talk of their own life experiences in terms of a failed economic model or a broken social contract, but they experience it when their bills rise faster than their wages, when their public services are

not as good as they were, or when they hit glass ceilings because of their class, gender, race, religion or disability. Those people who have stared into the grim reality of Britain's social insecurity system—many for the first time in their family's living memory—and have contemplated what life would be like on universal credit can see that broken system, too. Those living outside London and the south-east can see it, and clearly resent the concentration of so much power, wealth and opportunity in one corner of our country. Even within our capital city, between the glittering lights of the City of London and Canary Wharf, those families crammed into temporary bed-and-breakfast accommodation can see the injustice under their noses. People may not always talk in terms of paradigm shifts, but they know that after this crisis, we simply cannot return to business as usual.

The Chancellor said he wants to

"heal the wounds exposed through this crisis",

but the wounds were already there for anyone who wanted to see them. This has got to be a turning point for our country—one that tackles injustice and gives everyone a stake in success; one that fixes our broken social care system, so that never again are older and disabled people left as dangerously exposed as they have been during this crisis; one that addresses the social insecurity experienced by people in precarious work and builds resilience for the challenges ahead posed by technological revolution; one where we seize the opportunity to make the recovery a green recovery with the green new deal that our country needs; and one where we argue with renewed vigour and conviction that global problems require global solutions, and play our part in rebuilding the institutions needed to provide safety and security in a dangerous world.

For the sake of our country, I hope the Government rise to the challenge, because ours is a great country, full of promise and opportunity, one of the richest countries in the world, with world-class universities, entrepreneurialism and successful business, groundbreaking science and technology, world-renowned arts and culture and a vibrant civil society, and that is what we are fighting to save. But this is also a country of staggering inequality, intolerable poverty and wasted potential, and that is what we are determined to change. As history has shown us, when the country provides the call for change, it is in a Labour Government that it finds the solutions.

4.8 pm

**John Redwood** (Wokingham) (Con): I have declared my business interests in the Register.

We need a job-rich recovery. I therefore strongly welcome the measures that the Chancellor has announced today. Some of those measures will save jobs. Some of those measures will create or stimulate new jobs. The Government are right to worry that we have lost too many jobs already over the closures, and they are right to worry that we might lose more in the days ahead. They are right to make the changes they are making in the furlough scheme, to encourage as many of the people in those jobs as possible to return, and they are also right to say that we cannot carry on with a furlough scheme indefinitely; there has to be a test of whether there is still a job there. If we roll it on for too long, there will be no real job left, and it becomes just a different kind of benefit, delaying the time when that person can retrain or find a better prospect for their work.

[John Redwood]

What do we need to extend this jobs recovery? First, we need plenty of money and credit around, so that it is available for the business to pick up and the incomes to rise. The new Governor is a welcome breath of fresh air. As I have mentioned before, the previous Governor went in for extreme austerity, which slowed the economy needlessly. The new Governor has corrected that and made a very big boost at the beginning of this crisis, which has been extremely helpful. I see no need for the Bank to go to negative interest rates. I do not think the Swedish experiment with them was particularly helpful, and the Swiss experiment is specific to the pressure on the Swiss franc, which we do not have on the pound. I do not think we need to go to negative interest rates, but I would say that the Bank is in danger now of going rather slowly on the quantitative easing and loosening. We see that in some of the figures coming out.

If we compare our figures with those of the United States of America and the Fed, we see that the Fed is doing twice as much as or more than the Bank of England, proportionate to the size of the economy. Some might think that perhaps the Fed is doing a little bit too much and the US might end up with some inflation, but we are in danger of not doing enough again, and I hope that progress will be made in getting the right adjustments.

**Sir Edward Davey** (Kingston and Surbiton) (LD): Does the right hon. Gentleman agree that while it is right that the Bank of England is doing quantitative easing, how the money is spent ought to have more democratic input? That money could be used for the sorts of investment we need now for jobs and tackling climate change.

**John Redwood:** The money is used to maintain the price of Government bonds so that the Government can borrow on very low interest rates as much money as they want. Investments are therefore determined by this House and the Government, so I cannot quite understand what point the right hon. Gentleman is making.

The Government are right to borrow a lot of money for six months or so, to get us through the crisis and to speed the recovery, but it has to be a one-off. We cannot live like that. One needs to earn a living, but this is a one-off crisis. The markets are such and the Bank of England's intervention is such that the Government can borrow a lot of money very cheaply and quite long term. That is the best we can do, and it is the right thing to do to try to save jobs and create new jobs.

This week, we have had the summer forecasts from the European Union for the economies of the European Union, and it has still done a UK forecast. It is worrying, because the forecasts say that the French, Italian and Spanish economies will lose more than 11% of their economic output and income this year. They say Britain will be in high single figures—a bit better than those three—although not as good as Germany, which has come through it the best so far. However, the figures are not acceptable, and most people feel that the United States figures will be considerably better, because the US response to this crisis has been on a far bigger scale, both fiscally and in terms of monetary policy, than the European response. The UK needs to be closer to the American example in this case, because this very severe hit to major economies requires something very big to try to carry them through and rescue those jobs.

I hope that the Government will look at the opportunities for sourcing more in the United Kingdom through its purchasing programmes as we leave the European Union. I am all in favour of strong competition, value for money and good pricing, but I think we have had examples of our not having enough national resilience. We found that we could not buy the things abroad that we needed for our health service, because we were relying on others' goodwill and they needed it for themselves. We are finding that buying things from China comes with all kinds of difficulties. We will find, if we go down the route of importing more and more electricity, that we have strategic weakness in depending on Russian gas, which is the main source of continental energy. I urge the Government to use their purchasing intelligently to give us resilience and more British jobs. Value for money and competition are good, but let us make sure that the purchasing goes to home purposes, just as they do in other countries abroad, where they look after themselves first.

4.13 pm

**Alison Thewliss** (Glasgow Central) (SNP): First, I want to say that with the Government and the Chancellor there is always a catch. Nothing is quite so shiny once we pull back the label and see what is underneath. I enjoy looking through the statement, picking around for the detail and the unanswered questions that many in this House have raised and did not have answered.

The Prime Minister's so-called new deal was neither new nor a deal sufficient for the challenge ahead of us—"Build, build, build" was plagiarised from President Duterte of the Philippines—so I have no hesitation in repeating the calls we have made for an £80 billion stimulus to protect household incomes and grow the economy.

Just as the clinical impact of covid-19 has varied over different geographical areas, so too will the economic impact. It has been a global crisis with very localised effects, and the economic response should reflect that. That is why Scotland's First Minister has proposed that Scotland should have greater financial powers, for example, over borrowing, so that we can shape our own targeted response to this pandemic, meeting Scotland's specific needs. The potential benefits to Scotland are clear. Where we have had the power, the Scottish Government have spent £4 billion on covid-19 and more than £2.3 billion to help businesses, well above the Barnett consequentials. The Scottish Government, however, are operating with one hand tied behind their back. According to the Fraser of Allander Institute, the Scottish Government can borrow up to £450 million per annum for capital investment, with a cap of £3 billion. On resource spending, they can borrow up to £600 million per annum, with a cap of £1.75 billion, but only for forecast error and cash management; they cannot borrow to fund discretionary resource spending.

The fiscal framework could not have envisaged covid-19 and must now be reviewed, as a matter of urgency, to allow the Scottish Government the flexibility to respond to this crisis. It is not just us calling for this; the Northern Irish and Welsh legislatures are also calling for this flexibility for their own needs. The Government would do well to listen to these requests, because they are made on a cross-Government, cross-party basis and with good intent at their heart.

I want to talk about some of the choices the Government can make quickly to help recovery in Scotland. Glasgow has five higher education institutions: the University of Strathclyde, Glasgow Caledonian University, the Glasgow School of Art, the Royal Conservatoire of Scotland and Glasgow University. This week, the Institute for Fiscal Studies published a new report warning that the higher education sector faces losses ranging between £3 billion and £19 billion and that several universities could be at risk of collapse due to the pandemic, yet there is nothing in the statement about this looming crisis.

The Government need to think about how they want to help this vital sector recover and support innovation. At the very least, it would be beneficial to have the graduate work visas extended to those already here on a tier 4 visa and the maintenance of home student fees for EU students. This would be a lifeline post-covid for cities such as Glasgow and for universities across the UK.

Local government is also struggling in Scotland. The hon. Member for Ilford North (Wes Streeting) put well the challenges facing local government across the country in the context of dealing with coronavirus and a decade of austerity orchestrated from Westminster. More money to support local government would of course be welcome, but also useful would be meeting the demand from the Convention of Scottish Local Authorities for a 12-month payment holiday from the Public Works Loan Board, which would be instrumental in helping local authorities manage the constraints arising from covid-19. I urge the Government to consider this.

Local authorities, along with other employers, would also benefit from a reconsideration of the winding up of the furlough scheme, which the National Institute of Economic and Social Research has said would result in a 2.5% reduction in the UK's GDP—a not insignificant sum. I think it would be a grave error to wind this scheme up too early, and have repeatedly made my feelings clear on this. Businesses cannot be left to fail. We have seen awful news this week of job cuts across sectors and industries but primarily from businesses in tourism, hospitality and retail, which have suffered the most.

**Tim Farron:** The hon. Member is making a really great contribution. She is right to focus on businesses in hospitality and tourism. For many of them, the Budget in the autumn will simply be too late. Thousands of businesses and tens of thousands of jobs are at risk this month as the furlough scheme is rolled back from August. Does she agree that sector-specific support for things such as hospitality and tourism could save thousands of jobs and that the Chancellor should provide such support—indeed, should have done so today?

**Alison Thewliss:** I agree with the hon. Member. Not all industries are in exactly the same position. Some cannot open now. Some will not be able to open for some months. As hon. Members said earlier, some might not open fully until next year. The International Monetary Fund has said that the UK's GDP could drop by 10.2%, and the scale of the response must meet the scale of the challenge we face, or we could be looking at years of unemployment and hardship across the UK.

Simon Jack, the BBC's business editor, made a very interesting point about the scale of the challenge facing business and the gamble that business are now taking.

As he said, the calculation facing business owners is: are they prepared to pay 5% of the wages of furloughed workers in August, 15% in September and 24% in October, plus £1,560 from November, to get a £1,000 bonus in January? It will depend on the demand that the Chancellor is trying to stimulate with food discounts and VAT cuts. It is a gamble for many businesses, and as we can see from all the job cuts in the past week, that gamble means people losing their jobs now.

**Jim Shannon:** It is about not just businesses but charities. The Government have said that £750 million is for charities, but unfortunately they are not helping those charities involved in research and clinical testing. Without the clinical testing, we do not have the medicines that can save lives, which will help this community in the future.

**Alison Thewliss:** The hon. Gentleman is absolutely correct to make that point.

We are all aware that the crisis will inevitably see an increase in public debt, and my ears pricked up at the Chancellor's mention of the medium-term public finances being put back on a sustainable footing. That had better not mean more austerity, because after the 2008 crisis we saw that the contractionary policy does not work. It spreads misery and hardship, and does more long-term damage to the country's fiscal position. As we move out of the reactionary emergency policy and into more deliberate methods of restarting and rebuilding the economy, a more radical approach from the UK is needed. Growing the economy and tackling the inequalities we have seen during this crisis must be the priority over deficit reduction.

The past few months have seen measures that would not have seemed possible only a few months ago. Although some of the Chancellor's announcements today are welcome, we need that bigger, bolder and fresher thinking. We cannot rely merely on the private sector to stimulate the economy; the Government must take the lead. The Chancellor's statement made mention of the green recovery, vouchers and other types of ideas. Let me expand on what I said to the Chancellor about what Germany has done through the KfW Development Bank, which has changed the whole conversation about energy efficiency in its buildings. The Chancellor could start to do some of that, not by way of vouchers, but by a cut in VAT on building repairs, as that would encourage people to invest in their properties, in energy-efficiency measures and other types of such activity; it could make a real, lasting difference, rather than just being a voucher.

We support policies such as an employment guarantee for young people, and we welcome a temporary cut in VAT to boost consumption, with low rates for the hospitality and tourism sectors. We hope that that will be sustained beyond the six months, if required. Policies such as a 2p cut in employers' national insurance contributions would also protect jobs and reduce the cost of hiring staff. We also want to see a national debt plan to deal with the debt that businesses and individuals are suffering, in a way that promotes fairness as well as economic recovery. That would mean working with lenders to ensure that loans, mortgages and rent holidays could be extended to those experiencing financial hardship as a result of the crisis, and that alternative payment plans are put in place to help prevent people from losing their homes.

[Alison Thewliss]

I would be keen to see the pilot on no-interest loans for people on particularly low incomes, which has previously been considered by the Treasury, because it would provide alternatives to high-cost credit, which is exploitative and predatory and ruins lives in my constituency and elsewhere. The reason people are often forced to turn to that high-cost credit is the shameful five-week wait for universal credit, which has been named as one of the biggest drivers of food bank usage and rent arrears in recent years. We could be forgiven for thinking that it is just part of the system, so inflexible have the UK Government been on this issue, but it is a choice and they could change it if they wanted to do so. I very much urge them to do that and to look at the fact that there has been no increase in legacy benefits, because many of the people affected have not seen an uplift and are struggling. The Government need to make the choice to spend the money, cut the wait and lift families out of poverty. The single most effective policy in reducing child poverty would be to increase UC payments, and Scottish National party Members are calling for an increase of £20 a week in UC and child tax credits as part of any stimulus package. Such an increase is supported by the Joseph Rowntree Foundation, Save the Children and many others, and we need to make sure that these families are not left behind as a result of this crisis. The Government should also look at the position for those people who are not entitled to that—people with no recourse to public funds—many of whom have been left with nothing.

The policies put forward today are attractive to those who have disposable income, but we have not seen many policies for those who have very little income. For families in Scotland it is too often the case that the Scottish Government have been the grown-ups in the room, presenting a clear and focused strategy for delivering economic growth, while tackling inequalities. It is unfortunate that we have had to look at a Government down here lurching from scandal to scandal to self-inflicted crisis. It is little wonder, therefore, that over the past week we have seen in the polls a majority for independence, up to 54%. It is no wonder that the Government seem so rattled by that, because it is clearly a direction of travel, so perhaps they would like to reflect on those polls when considering the support given by the UK Government to the people of Scotland.

4.24 pm

**Karin Smyth** (Bristol South) (Lab): I was in the Chamber when my hon. Friend the shadow Chancellor spoke earlier and it was obvious that the Prime Minister was visibly irritated by her comments, particularly those on public health and test and trace. However, as was echoed by my hon. Friends the Members for Ilford North (Wes Streeting) and for Nottingham South (Lilian Greenwood), we cannot separate the public health crisis, and the way in which the Government responded to it, from the response needed to the economic crisis. I am not an economist, but I have spent a lot of time in the health service and I know that we cannot rebuild the economy unless we build that public confidence. We saw last weekend that people start going back to places only when they know it is safe to do so.

At the beginning of this crisis, with my experience working in emergency planning in the health service, I thought the Government would revert to the usual tried

and tested processes that were in place and that they would trust local government public health officials to trace people properly, as they know how to do. I have been totally shocked—I will admit, perhaps naively—at how incompetent the Government have been with their national imposition around the entire system, which has failed us so badly and led to so many excess deaths. Only belatedly are they turning to local government and that local public health expertise, which does exist. Local government needs proper funding to continue to do that work to get a proper system in place so that people have the confidence to go back and support the economy. We cannot separate the two.

What we have had today is not a strategy for the future; it is not ambitious. I want the Government to succeed in putting the economy back together. I have three young people at home. I am desperately worried about the future for young people. Bristol South was devastated by the recession in the 1980s and people still bear the scars of that loss of jobs and loss of security, as well as the impact on people's physical and mental health. I want the Government to do much better.

Most businesses in Bristol South are small and medium-sized enterprises and there are many freelancers. They are not getting the support that they need. Women are more likely to be in shut-down sectors, particularly in retail and hospitality. Women—in fact, all families—cannot work unless there is decent child care and social care in place. The Women's Budget Group—

**Nadia Whittome** (Nottingham East) (Lab): My hon. Friend may have been about to make the point that analysis from the Women's Budget Group shows that over 2 million jobs could be created in the care sector, which is more than are being created by any of the Chancellor's schemes today. Does she agree that the Government should meet the Women's Budget Group to address this clear oversight in their policy making?

**Karin Smyth**: I am grateful for that intervention. That is exactly the point that I was going to make—more than 2 million well-paid jobs in this sector. In Bristol, social care makes up 13% of employment and it desperately needs supporting. The Minister has left the Chamber, but he commented in relation to another question that women's income is quite important to families. It is not the 1950s. It is not pin money that women are earning. They are supporting their families, and the gentlemen in the Treasury need a bit of help on the real economy as it affects women, which we are ready and willing to offer.

I want to focus my final comments on the further education sector and adult skills and training. They seem to be a bit hidden with respect to what we have seen today, and I am still trying to understand the detail, particularly as it affects apprenticeships. I am co-chair of the all-party parliamentary group on apprenticeships and I have long supported the Government's work in this area, working very closely with Ministers. Again, I want to see the apprenticeship system succeed. It is a ladder of opportunity for my constituents who are the least likely in the country to go to university. Please do better.

I have written to the Education Secretary suggesting an approach by Bristol City Council to retain some levy funds so as to be able to support public sector recruitment for apprenticeships. I would like an answer quite soon.

Also, I would like to understand from the Government today whether we can clarify what impact the kick-start programme, which we do welcome, will have on businesses if they take on apprenticeships. If that could be addressed later, I would be very grateful.

It looks as though colleges are getting some money, but it is a long way short of what they have been losing. City of Bristol College is hugely skilled in blended learning, supporting the most vulnerable and the least skilled youngsters, as well as those with greater skills, in our economy. We want further education colleges to succeed. They are ready to help with catch-up, training and adult skills, but they need to be properly funded to do that.

I would also like to know what the Government have estimated the regional economy of the west of England to be. We have been a net contributor to the Treasury in the past; we seem to be falling behind. When will we understand what these proposals mean for the west of England? At the start of this crisis, the Government said they would support local government. Bristol City Council is £76 million in debt. We need the Government to do better. Please support Bristol.

4.29 pm

**Robert Largan** (High Peak) (Con): We face a unique economic challenge that requires bold action, and that is exactly what we have seen from the Chancellor today. It is important to recognise that we are able to take such measures to save jobs now only because of the difficult decisions that have been made over the past 10 years. If we had listened to the Opposition, I dread to think what state our public finances would be in and how much more limited our room for manoeuvre would be in this crisis.

Let me be clear: this is not a choice between economic growth and public health. The two are intrinsically linked. Poverty also leads to excess deaths. Economic growth does not guarantee progress, happiness or personal fulfilment, but the absence of growth makes those things so much harder to come by, and the most vulnerable inevitably end up suffering most.

The Government are absolutely right to focus on infrastructure investment as a key part of creating jobs and stimulating economic growth across the whole country, particularly in places such as the High Peak. The truth is that over the past few decades, Governments of all parties have failed to invest properly in transport infrastructure outside London and the south-east. If we are serious about creating jobs and tackling regional inequality, we have to invest in transport infrastructure in places like the High Peak. The rest of the country is not less productive than London because the people are less intelligent or do not work as hard; it is because our public transport systems are decades behind the capital's.

There is so much potential to be unlocked and so many projects that would make a huge difference. Let me put forward a few suggestions. Let us build the Mottram bypass and the trans-Pennine tunnel to solve the long-standing congestion problems around Glossop and remove the road bottleneck between Manchester and Sheffield. While we are at it, let us upgrade the Hope Valley line and improve the rail links between Manchester and Sheffield. These are two of our country's major cities and the transport links are simply not good enough. I am prepared to bet that if senior civil servants were commuting to work from places such as New Mills,

Chinley or Bamford, that line would have been upgraded decades ago. We badly need to upgrade Manchester Piccadilly station to remove the bottleneck that holds back the entire northern rail network.

We need to connect communities that have been effectively excluded from the public transport network. The people of Gamesley were first promised a railway station more than 50 years ago. Building Gamesley station would create jobs, get cars off the road and transform the life chances of people in one of the most deprived areas of the country.

Infrastructure is more than just transport. We need to turbocharge the roll-out of fast and reliable broadband, especially to rural areas like mine; we need to get on and build new urgent care centres at Tameside Hospital and Stepping Hill Hospital, and push ahead with plans for a new major health centre in Buxton; and we need to repair the dam at Toddbrook reservoir near Whaley Bridge, hopefully with a new hydro scheme and a circular path.

I am aware that I have just reeled off a list of ambitious projects. To deliver them, we need more than just political will; we need to get the nuts and bolts of delivery right. I have talked about bottlenecks in our transport network, but to solve them we need to address the bottlenecks in our construction industry and our planning system. It might not be as glamorous or exciting as the big money announcements, but it is just as essential. We need to make certain we have the skills and the people in place to build the infrastructure, and the supply chains to get them the materials and machinery they need. Therefore, I wholeheartedly welcome the Chancellor's announcements on training schemes and apprenticeships, but we should be thinking more carefully about how they can be targeted at the industries that we need to build infrastructure.

To sum up, the next few months will be extremely difficult. There is no magic wand or silver bullet and we will not get everything right, but I am confident that if we work together, we will get through this.

4.33 pm

**Ben Lake** (Ceredigion) (PC): Diolch yn fawr, Madam Deputy Speaker, for calling me to speak in this important debate.

It is a pleasure to follow the hon. Member for High Peak (Robert Largan). I agree with him that some of the measures in today's statement were bold. I would highlight the cut in VAT to 5% for the tourism and hospitality sectors. That is, of course, a long-standing Plaid Cymru policy. I never thought I would stand in this place and thank a Conservative Chancellor for the temporary implementation of Plaid Cymru policy, but there we are. I do thank him nevertheless.

I also put on the record my support for the measures on youth employment. They are particularly important for Wales, where employees under the age of 25 were almost three times as likely to be working in sectors that were shut down as those in any other age group. Of course, 18% of female employees worked in shut-down sectors, compared with 14% of male employees. In welcoming those measures, I note that the fundamental challenges facing the UK economy, including low productivity and regional inequality, have been exacerbated by the covid-19 crisis.

[Ben Lake]

To address those long-term problems, I pressed the case for a review of existing tax reliefs and further innovation funding during the Finance Bill debate. Today, I fear that an opportunity has been missed to increase R&D credit, as well as to review reliefs such as the enterprise investment scheme to ensure that taxpayers' money is adequately supporting private investment in the marginalised areas of the UK. I note only that 46% of public R&D funding is spent between London, Oxford and Cambridge.

I had hoped to see some measures to address that issue. What is more, the statement might have talked a little more about the future shape of the economy. Despite the ravages of covid-19, we have an opportunity to facilitate a green transition and to address some of the fundamental issues of the pre-covid economy that I mentioned earlier—low productivity, low wages and low growth.

What, I would argue, is the long overdue support for home insulation is another measure that I welcome. In doing so, I say to the Minister that I hope the measure will utilise the fantastic nature of Welsh wool, particularly given the difficulties that the British wool industry is facing.

With research showing that just 1% of the global fiscal response to covid-19 is going to green projects, today was a clear opportunity for the Government to set out their environmental credentials and to lead by example. Instead, the £3 billion promised pales in comparison with the example of Germany, whose a third of €130 billion stimulus is targeted directly at lowering emissions. I am conscious that the Chancellor suggested in his speech that a third phase to the economic response will focus on efforts to rebuild the economy, so I very much hope that such issues will be addressed at that point.

The Chancellor explained that the current phase—the second phase, which we are addressing today—is about jobs, and measures on jobs being placed at the heart of the economic recovery. In that respect, I note that economic recovery is intertwined with the success of containing any outbreaks of the virus. As such, we need to explore ways to introduce targeted furlough schemes and business support schemes to support local lockdowns, which recent events suggest will become the norm.

My concern is that with statutory sick pay at less than £100 a week at the moment, many people will face a difficult decision if they are asked to self-isolate—a choice between doing the right thing for public health and putting enough food on the table for their family. That is an unnecessary risk, which could undermine not only the efficacy of local lockdowns but any wider economic recovery. I hope that the Minister and the Government will give further consideration to those points.

4.37 pm

**Mark Eastwood** (Dewsbury) (Con): Even before the Government's announcement today, they had already put in place an unprecedented support package for businesses, employers and employees, which has provided a vital lifeline throughout the coronavirus emergency. By the beginning of June, the job retention scheme had safeguarded 12,900 jobs in my constituency alone.

Nationally, more than 1.1 million employers have used it to protect more than 9.3 million jobs. The self-employed income support scheme has paid out more than £10 million across Dewsbury, Mirfield, Kirkburton and Denby Dale.

Those essential schemes were put together at a rapid pace, and it is testament to the dedication of Ministers and officials that they are being delivered. I also thank Ministers for listening to my voice and those of Back-Bench colleagues, recognising the limitations of the business support fund and implementing the local authority discretionary grant scheme, which has allowed local authorities to provide targeted support for those businesses that had slipped through the gap.

I welcome all the measures announced by the Chancellor earlier. I particularly welcome the focus placed on skills and apprenticeships, a key part of my election campaign. The measures announced in his statement will be a huge boost for apprenticeships. Clearly, we must avoid the risk of young people losing out on skills development at such a key stage of their lives. The measures announced earlier see off that risk, both safeguarding and incentivising apprenticeships. Alongside the kick-start scheme, high-quality traineeships and more places for level 2 and 3 courses, this shows the Government's commitment to our young people and to boosting skills. I will continue to provide my support to Kirklees College and other local organisations to promote skills and apprenticeships. The national skills fund announced in the Budget earlier this year will be a significant scheme to assist people in retraining and adapting post covid-19. I urge the Government to ensure that it has a timely delivery, to provide long-term skills support.

We are not yet through coronavirus. Some sectors of the economy remain closed until they can reopen in a covid-secure way. The Chancellor indicated that there will be a third phase, when we will rebuild. Once we are free of coronavirus, we will need a programme as ambitious as the announcements today. It will need to focus on giving more flexibility to businesses, and boosting jobs and local infrastructure. I hope to work with Ministers to secure key infrastructure investment across my constituency, looking at the feasibility of the Flockton bypass, essential improvements to Mirfield railway station and much-needed upgrades along the Penistone line. I will continue to work closely with businesses and the self-employed in my constituency to minimise the impact of covid-19 and ensure that they prosper after this pandemic has passed.

4.41 pm

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): There is no doubting the magnitude of the economic challenge that we face as a country. The north-east too often gets the worst deal when trouble hits, with lost jobs, declining investment and public sector cuts. Our region went into this crisis with the highest level of unemployment in the country, and I can only see things getting worse. The northern TUC estimates that almost a third of jobs in our region are currently supported by Government schemes, so a huge number of jobs are at risk. With 71% of children living in families with little or no savings, the impact could be devastating.

Today, I was hoping for reassurance that things could be different. There are certainly measures to welcome. The kick-start scheme, like Labour's future jobs fund, should hopefully help young people starting out in



their careers. The green jobs drive should help to deliver skilled, well-paid, sustainable jobs. However, I fear that the Government's ambition simply does not meet the scale of the challenge. Just as they were too slow to act on public health in the early days of this crisis, which led to many more devastating deaths than we should ever have seen, I am concerned that this is just not enough now to ensure that we can grow out of this crisis.

It is the poorest households that have seen the greatest loss of income already. The jobs that are most at risk are in the sectors with lower pay where young people and women make up most of the workforce. We cannot let this crisis entrench regional, intergenerational and gender inequalities even further. It is crucial that the Government do more. We need short-term support for businesses that will continue to struggle. A one-size-fits-all approach is leaving too many people falling through the gaps. The package for the creative sector is welcome, but we also need a longer-term strategy as venues remain shut and capacities limited.

Transport investment will be vital to unlocking the potential of the north. A commitment to get Northern Powerhouse Rail, High Speed 2 and upgrades to the east coast main line shovel-ready and started in the north would unlock thousands of good-quality jobs. The kick-start scheme for young people is welcome, but we need to see reskilling opportunities for older workers and action to address poverty and income inequalities, including a real living wage and reforming social security. The long-promised review of business rates and online taxation is desperately needed for our high streets and town centres, because their long-term transformation has been accelerated by this crisis. I want to put in a special plea for business rates relief for our regional airports. It is a major fixed cost that is simply not reflected in the current passenger numbers or the projected numbers for quite some time.

I also want to touch on support for new parents. I know that it is not hard-hat and shovel-ready stuff, but frankly, thousands of new mums have been left completely overlooked during this crisis. Their maternity leave period has seen isolation, with a lack of health visitor, mental health and medical support and peer group and family help at this vital time. If not addressed, that could impact on them and their children for years to come. They are now having to go back to work—many without access to childcare—and they risk being targeted for redundancy. That is no way to treat new parents or the children they are bringing up in this world. I implore the Chancellor to look seriously at the Petitions Committee report on these issues and at the reasonable request for the additional support that new parents now desperately need.

The cost of doing nothing now will be far greater than that of providing the right support. People have made huge sacrifices to get us through this health crisis. The north-east is now looking for the Government to deliver on their promises in return.

4.45 pm

**Jacob Young (Redcar) (Con):** I direct Members to my entry in the Register of Members' Financial Interests. As a former apprentice in Teesside's chemical industry, I welcome my right hon. Friend the Chancellor's statement, as he takes the necessary steps to restart our economy by supporting, creating and protecting jobs.

Four months ago, as a country we all sat down and watched the Prime Minister announce the national lockdown. Businesses closed their doors, not knowing when they would reopen. Employees went home, not knowing whether they would have a job to return to. Families sat with their children, not knowing when schools would return.

The Government recognised the scale of the sacrifice and delivered an unprecedented level of support for workers throughout Britain. In Redcar and Cleveland alone, more than 20,000 people were helped through the coronavirus job retention scheme and the self-employed income support scheme. I accept that the system is not perfect and that some people were not able to get the same level of support, but those two schemes alone are recognised as some of the most generous globally.

If we consider the cut in business rates, the mortgage holidays, the coronavirus business interruption loan scheme, the bounce-back loans, the uplift in universal credit, the future fund, the sick-pay rebate, the tax deferrals and the £30 million-worth of small business grants given to Redcar & Cleveland Borough Council, we can see that this is a Government who are determined to support businesses and working people with whatever it takes. Now is the time to get things back on track.

Following on from the plan for jobs that my right hon. Friend announced earlier, there are three areas in which I think we can start a jobs revolution. The first is focused decarbonisation. Before the lockdown, between January and March this year renewables soared to make up 47% of all UK electricity generation—up from a mere 6% 10 years ago. Our new normal is greener, but there is still more to do. The announcement on the green homes grant is a fantastic first step, and in the Budget earlier this year the Chancellor had already committed £800 million to support carbon capture, utilisation and storage, but I urge him to go further in his autumn Budget. Investment in hydrogen technology can decarbonise our hard-to-abate sectors such as transport, domestic heating and industry, creating and securing hundreds of thousands of jobs in the sector.

Secondly, the Chancellor and I share a love for free ports. However, the process for developing our free port strategy could end up being long and complex. By fast-tracking Teesside as a free port pilot, without the need for the lengthy competition process, we will start to create new jobs now and benefit from free port status immediately after 1 January 2021.

Thirdly, we need to reform public procurement to help to support local businesses and ensure that UK jobs are supported. We are embarking on a decade of build, build, build, and one of the largest pieces in the jigsaw will be HS2. However, we already see parts of HS2 being made in France when British fabricators have the capability here. This is not a cry to buy anything with a Union Jack printed on it—we should of course protect the public purse and strive to deliver value for money—but we must always consider the economic, social and environmental impact of choosing to support UK jobs. By seizing such opportunities, we can be at the forefront of a global transition and lead the way to a new, healthier post-covid economy.

The last time this country was asked to make a national effort on this scale was during world war two. After so much destruction, the areas that the Government needed to rebuild then were obvious—roads, infrastructure

[Jacob Young]

and buildings—and left little room for innovation. This time it is different: this time we have the ability to decide our own spending priorities on the back of this crisis. I know that everyone in this House will seek to play their part in helping the country to rise to this challenge of new proportions and ensure that no one is left without hope.

4.49 pm

**Owen Thompson** (Midlothian) (SNP): There were lots of bribes and a lot of bluster in today's statement, but very little on what will actually tackle the issues at the heart of society and expose those issues exaggerated by covid-19: the deep poverty and inequality endemic in society. The virus itself may not discriminate, but we know that the economic as well as the health impacts have been far more acutely suffered by those in poverty.

A recent Social Metrics Commission report found that 65% of those in work and in deep poverty have seen reduced hours or earnings, have been furloughed or have lost their jobs, compared with 35% of those who are comfortably above the poverty line. Families who are already struggling with in-work poverty and who cannot afford to lose their household income are those who are being most badly hit. They need hope. They do not need a meal deal; they need a new deal—no matter how much the Chancellor might like a cheeky Nando's.

Covid-19 has caused a surge in the need for the UK's welfare safety net, but that has been brutally decimated over years by the UK Government's austerity policies, described by a UN report as causing a "systematic immiseration of a significant part of the British population".

Covid-19 has made millions more reliant on that broken system. Recognising the impact of poverty, and taking steps to eradicate it for all, should be at the forefront of any response.

We also need to look again at the coronavirus business interruption loan scheme, and get the money flowing through to the businesses that need it. Uptake at the start was pitiful, and although some effort was made to improve the scheme—and some effort to massage the figures, some would say—too many companies are still being left without any support. Many are just surviving and cannot take on the weight of crippling additional debt, especially with the sky-high interest rates that some companies are offering for loans, with full Government accreditation. Instead of being given a hand up, many smaller businesses are being left to be hocked by unscrupulous lenders. The Government need to commit themselves to turning those loans into grants instead of debt, to protect jobs and to ensure the survival of those businesses.

I want to give credit where credit is due. I certainly welcome the 5% VAT cut for hospitality. The Scottish Government have also called for a youth jobs guarantee, so I very much welcome today's recognition of the need to centre on young people in the economic response. Young people from Midlothian's youth platform recently met me virtually to discuss the findings of a survey that they undertook to share the experiences that young people have faced through lockdown. It was worrying—I will be honest about that—and it showed the deep level of anxiety that young people felt about their

futures, about jobs, about apprenticeships, and about their education. Many are in households where parents have lost their jobs and were struggling just to pay their bills, so it is hard to feel positive about their prospects. Action to help young people to see opportunities instead of struggles is certainly much needed.

Those who are excluded from the support so far have also been missed yet again today. There was an opportunity perhaps to recognise those who have been forgotten, although I accept that the Financial Secretary to the Treasury said yesterday that they had not been forgotten. I can only conclude that, if they have not been forgotten, it is an intentional act to exclude them.

I would have thought that this was an opportunity for working together respectfully, and for the four nations approach; yet a support measure that could have genuinely helped a lot of these people was universal basic income. When I asked the Department for Work and Pensions what intention it had of considering the findings of a study on that, it simply said that it was not even going to look at it. Inequalities need to be tackled. This was a chance for the Government to do that, and unfortunately I think it has been missed.

4.53 pm

**Theresa Villiers** (Chipping Barnet) (Con): Almost everything that we want to achieve in this House depends on having a strong economy, whether it is protecting the NHS, putting police on our streets, giving every child the best education or conserving the natural environment. All those things and so many more depend on economic prosperity, so the question of how we pull ourselves out of this covid economic catastrophe could not be more crucial.

The Government's intervention package, as many have said, is bigger than anything ever attempted in our nation's history, and it has protected the livelihoods of millions of people, but it cannot last forever. That was one of the reasons why I was one of the MPs pressing from the earliest point to get the lockdown lifted, to allow shuttered businesses to open up once again. With a global economic recession that is probably going to be the worst on record, many businesses and jobs are in peril. I welcome the Government's determination to invest in infrastructure, better transport, better broadband, better flood protection and better school buildings. They can all play a part in a plan for recovery, and I appeal for London to get its fair share of that investment.

I welcome the pledge to build back greener. Only a few days ago, constituents logged into a Zoom lobby of Parliament, asking for a concerted push to insulate homes and buildings, and the Chancellor has confirmed that that is going to happen. We will need to train up thousands of people to do such work, and investment in skills needs to be a second key element of our plan for recovery. That will help improve our poor productivity, but it can also be a powerful driver of social justice.

The Conservatives are committed to aspiration and ensuring that everyone has the chance to get on in life and go as far as their talent will take them. Giving people of all ages and backgrounds access to the highest-quality training and apprenticeships can help us make good on that vital commitment. In the deliver of those training opportunities, active efforts must be made to reach out to BAME communities to unleash the potential of people who may have been held back by discrimination and disadvantage.

Lastly, I turn to the public finances. The covid crisis has devastated the nation's balance sheet. Even the driest of fiscal conservatives recognises that we need to spend big when our economy suffers an external shock. With borrowing costs at a historic low, the steep increase in borrowing seems just about affordable. However, it does leave us vulnerable if interest rates rise in the future or if we are hit by a second shock, whether a renewed outbreak or some other unforeseen disaster.

Thankfully, as many have said, the current situation does not require a rush to austerity, but we will need a clear plan for starting once again the painstaking task of repairing the public finances and getting the deficit down to manageable levels. It will take time, it will take work and it will take some hard choices, but the Conservatives have never shirked this task in previous decades. Now, we must rise again to that challenge and ensure that we put the nation's finances back on a sound and stable footing for the future.

4.57 pm

**Chris Clarkson** (Heywood and Middleton) (Con): First, I welcome today's statement and this opportunity to discuss the economy more broadly. Mindful of how many people want to speak today, I will try to keep my comments brief.

Notwithstanding the crack of doom from some of the Opposition, I am delighted that the Government are intending to keep some of their promises at the general election, delivering on jobs and skills, especially for younger people, to drive our economic growth as we recover from coronavirus. I have to say I am overwhelmed by the sheer scope of what was proposed today, which is certainly more than I had anticipated. The measures announced will be widely welcomed not just in my constituency of Heywood and Middleton, but across the whole north-west—not least in my own household, as it now appears that the Treasury is turning every one of my vices into a small act of economic patriotism.

The country faces an immense task in the months and years ahead as we adjust to the new normal, but this Chancellor and this Government are proving themselves more than equal to the task. I know that I speak for many colleagues when I say that the dialogue with the Treasury has been open and reassuring. Reacting to such an unprecedented situation was never going to be smooth or seamless, but it has been heartening to know that, throughout, the Government's response has been driven by a commitment to keep people safe and our economy strong, based on listening to Members in this House. May I take this opportunity to thank the whole Treasury team, but in particular my hon. Friend the Member for East Surrey (Claire Coutinho), who, according to forward estimates adjusted for the medium term, turns 25 today? I should put on record that I am not an economist and some of my figures may be out slightly, but I am sure she will not correct me.

It is clear that the north-west must be at the heart of this country's economic recovery from covid. I welcome the measures announced by the Prime Minister on 30 June as part of the £5 billion of investment in capital projects, including the £1.5 billion for hospital improvements and £900 million for shovel-ready projects, which I am sure will include some excellent ones in Heywood and Middleton. Just as my hon. Friend the Member for High Peak (Robert Lorgan) is always diligent

in remembering Gamesley station, I must say that such projects must include bringing the Metrolink to Middleton.

However, whether it is the northern powerhouse, the midlands engine, the western gateway or the southern—whatever it is they have down south: Pret A Manger?—it is clear that this needs to be a national recovery, driven by a one nation approach.

4.59 pm

**Sir Edward Davey** (Kingston and Surbiton) (LD): I give almost two cheers for the short-term measures announced today, but less than one for the medium and long-term measures. The Chancellor will have to produce a much more coherent economic strategy if we are to deal with unemployment in the medium term and with inequality and climate change, which are still massive challenges for our country.

In the short term, the job retention bonus looks good, particularly on the back of the furlough scheme. The VAT cut for the hospitality and leisure sector is also good, but there was nothing for the self-employed; they have been left behind—they have been excluded—and that is just not good enough. The kick-start programme for young people looks good, but why only six months of training? If we are really going to help young people come back and retrain, we have to give them far more than that. And I do not think that the stamp duty measure is going to be a huge boost to people. For a start, the housing market is already picking up now that people are able to buy again, as demand was already there. Secondly, this tax cut will get capitalised in the price; house prices will just go up, not serving anyone, and that will mainly go to the better off. I would rather have seen help for renters, help for homeless people, and the building of homes—that is the way to tackle the housing problem in our country.

When it comes to the medium term, this package is just not up to the moment. We have a serious economic crisis, the like of which we have never seen, and it comes on the back of the threats that will be posed to parts of our economy from Brexit. We also have the climate change challenge and the global issues caused by the tensions in trade between China and the US. All these things will dampen the global economy and our economy, and I just do not think that the package we have heard about today really amounts to anywhere near enough if we are serious about protecting jobs and getting that green transition.

It is difficult to look at the figures and do a proper analysis, given that there is so little data in this plan for jobs, but it looks as though this may be the smallest fiscal stimulus in the whole of the G7. So to put this into context, this is not the massive boost that people are saying it is.

If we really want a fiscal stimulus, we should be talking about the longer term and about the new industries. I was very proud when I was Secretary of State for Energy and Climate Change that we really boosted renewables. We nearly quadrupled renewable power. We became the world leader in offshore wind. We saw jobs created in declining economies such as those in Hull, Grimsby and Lowestoft, thanks to the policies we put in place on the basis of green jobs. Where is that ambition here? I do not see it. There is nothing on hydrogen, as has been said, and no real push for renewables, no real push

[Sir Edward Davey]

to make sure that we bring in investment in nature and environmental improvements as part of the climate change challenge, and very little more on green transport.

I say to the Ministers on the Treasury Bench that what we wanted above all, for short-term jobs and long-term benefits for the climate and the economy, was a home insulation package that was much bolder. There is a former Prime Minister who used to say, “Education, education, education,” and I say, “Insulation, insulation, insulation.” I want jobs in every village, town and city across our country. That will be the way to really make sure we do not have a blight on our economy and a blight on young people, and really get a grip.

**Caroline Lucas:** The right hon. Gentleman is making a powerful case. As well as insulation, does he agree that we need to make sure we have zero-carbon homes going forward? Some 2 million homes have been built since the Climate Change Act 2008 came into being that now need to be retrofitted. Does he agree that the Government must bring forward the future homes standard, and that they were wrong to scrap the zero-carbon homes standard?

**Sir Edward Davey:** The hon. Lady, whom I call my hon. Friend, is absolutely right. I was part of the team that brought in the zero-carbon homes regulation, and two months after we left office the Conservative party got rid of it. It was an outrageous act of climate change vandalism, and nothing has happened on that, so the hon. Lady is absolutely right.

The idea that the Conservatives have a good record on climate change is for the birds. All the advantages actually came from things that the Labour Government did before 2010 and things that the Liberal Democrats did when we were in charge of the Department of Energy and Climate Change, and they tried to undo almost everything when they had the chance. I saw them trying to undo all the great things—not just zero-carbon homes; they cancelled the carbon capture and storage plans, which they are now trying to put back with the timidity of a mouse. They do not understand how big the challenge is. This is an historic challenge: we have to move our economy from a fossil-fuel based economy to a net zero carbon economy, and we cannot wait for 2050. We now have an opportunity to retrain our young people, and our whole workforce, so that we can deliver this, creating a green industrial base and a regional strategy that brings everybody up. However, I fear that this Prime Minister, this Chancellor and this Government are just not up to the job.

5.4 pm

**Lucy Allan (Telford) (Con):** It is a pleasure to follow the fine speech by the right hon. Member for Kingston and Surbiton (Sir Edward Davey), although I do not agree with his conclusion. At the start of March 2020, Telford, the town that I am so proud to serve, was coming of age. We had just celebrated our 50th birthday as a flourishing new town with a great future. Historically, Telford is a town that has been among the hardest hit by previous recessions, and it was once an unemployment blackspot, particularly for young people not in education, training or employment. We had the closures of the pits in the east Shropshire coalfield and the deep recessions that followed. Telford has always struggled, but it has

always survived and, against the odds, in 2020 it was flourishing as never before. The new Southwater centre had been created, there was a thriving night-time economy with new restaurants and bars, and with new factories and new skills in advanced manufacturing jobs, unemployment was at an all-time low. The town centre’s iconic Plaza office blocks were fully let for the first time, and our huge retail sector was bustling.

Against this backdrop, it is desperately sad to see that those who had been hit the hardest in the past—those who had struggled the most and triumphed over the odds—have been hit the hardest all over again. Overnight, Telford became a ghost town, a wasteland with bits of litter blowing around the empty streets. The Telford dream was now a nightmare of lost livelihoods, lost opportunities and lost hopes for the future. The futures that people had nurtured and nourished were swept away in an instant. When people stop buying cars, it is not just the showrooms in Chelsea and the production lines in Solihull that suffer; it is also the supply chains, including the people making wheel arches in Telford, as well as their families, their household incomes and the local shops where they spend their wages. They all suffer.

However, Telford has always found innovative ways to survive—adapting, evolving and embracing change, from the coke ovens of the industrial revolution to the state-of-the-art advanced manufacturing robots of 21st-century post-Brexit Britain. We know how to do change in Telford: fundamental change, step change, revolutionary change. Let us be in no doubt that the covid crisis is the stimulus for a new, accelerated revolution involving a new economy with new jobs in tech, data and the life sciences. In the town that was the birthplace of the very first industrial revolution, we understand that by embracing change we embrace opportunity.

Post-covid, none of us can keep doing what we used to do. The world has hit reset, and we must evolve to meet the new normal. We are all being forced out of our comfort zones and doing things differently, and that process is now well under way in Telford. Our history in Telford shows us that by embracing revolution and finding solutions through innovation, all change is an opportunity to be seized. Because of this, we in Telford will survive and flourish once more. I want to take this opportunity to thank the Treasury team for the incredibly agile and responsive support that they have given to workers and businesses throughout the pandemic, and to young people across Telford today. Telford’s economy, and the economy across the UK, could not be in better hands than those of our nimble, responsive and emotionally intelligent Chancellor. My message to the Chancellor is: keep doing what you are doing, because we know you are with us every step of the way. We in Telford thank you for that.

5.8 pm

**Olivia Blake (Sheffield, Hallam) (Lab):** It is a pleasure to follow the hon. Member for Telford (Lucy Allan), who has spoken passionately about Telford’s tenacity. Today we are debating the state of our economy, which is in urgent need of discussion and desperate need of action. As the Chancellor pointed out in his statement, covid-19 resulted in a 25% drop in GDP in April, compared with February. That is unprecedented. Technically we are not in recession yet, but the writing is on the wall: there is worse to come. We know that we will be living with this crisis for a long time.

Many of the measures that the Chancellor has outlined today are welcome, but they do not go far enough to address either the current unprecedented crisis or the long-term problems that have caused the UK to be one of the G7 economies hit hardest by the coronavirus. Before covid-19, we were in no position to weather a financial storm. Ten years of anaemic growth have seen wages stagnate in real terms, and people's rights at work have been eroded. Take the care workers the Prime Minister has clapped for on Thursdays and then scapegoated on the following Monday—on zero-hours contracts, poverty wages, and often unacceptable statutory pay. This was a problem created in the past 10 years, not six months. In my city, we have seen central Government funding cut year in, year out, with vital services stretched and starved of funding. We now face a £23 million shortfall in the council's funding this year.

**Feryal Clark** (Enfield North) (Lab): Does my hon. Friend agree that local authorities are essential in our recovery from covid, and that local authorities have been abandoned by the Chancellor in this mini-Budget, and by this Government?

**Olivia Blake:** My hon. Friend makes a very valid point. The work that local authorities have been doing should be commended and rewarded. The Government have made promises that need to be kept in terms of funding, and I will watch to see whether they will fulfil them.

Nothing the Chancellor has said today addresses these issues. We were promised a green new deal. The £3 billion for home retrofits and energy efficiency in public buildings is welcome, but it is not a green new deal. It falls well short of the funding we need to kick-start a faltering economy and deliver the growth and green jobs that are vital for our recovery. We will see Governments across the globe act on a green recovery, and I am afraid that this will be a missed opportunity for the UK to help with a future crisis in the wake of this pandemic. We know that we are not out of the woods yet and we may be facing further hardship as a result of coronavirus. The medium to long-term impacts could be felt for generations. We need the Government to forge a path from which we can emerge with greater opportunities and a greener economy.

I welcome the extended access to funding for apprenticeships, but we cannot escape the fact that our further education sector has been decimated. We need accessible, lifelong learning to help us to pull through this global crisis. I am shocked that the only mention of universities in this whole package is the reference to £300 million for infrastructure and labs. That undermines the fact that research in this country is completely down to the amazing researchers that we have. We have seen redundancy processes started at multiple universities across the country, and this will be harmful to gender and black, Asian and minority ethnic representation in early careers. We risk having a lost generation of researchers in this country, and that will serve only to make us weaker in the future and reduce our productivity. It is absolutely vital that we see more from the Government on this.

The scale and ambition of the economic response to the coronavirus must match the scale of the challenges we face. As we come out of this public health crisis—if

we do indeed come out of it—building back better requires that we do more than provide a plaster for the damage inflicted on the economy. It means addressing the fundamental problems in our economy—low growth, stagnating living standards, and poor pay and conditions. Unfortunately, the Government continue to offer nothing to address those issues. They say they will follow the science. I may have taken my lab coat off, but I hope I have given some food for thought.

5.13 pm

**Jerome Mayhew** (Broadland) (Con): We are looking at a really deep recession, with unemployment almost certain to rise vertiginously over the coming months, with a particular impact on the younger workforce. I therefore wholeheartedly welcome the Chancellor's statement of measures to protect, support and create jobs. That is evidence, once again, that this Conservative Government are not just listening to the people but acting swiftly and dynamically to tackle the economic and social fallout from covid-19.

I also welcome the developing demonstration that this Government are really serious about reshaping the economy to achieve carbon net zero by 2050. We are on a journey of technological development to zero-emission energy and zero-emission land transport, and now is the time to tackle our buildings, which are responsible for 18% of all our emissions. Even with our increased appetite to “build, build, build”, 80% of all buildings likely to be standing in 2050 have already been built. The Chancellor's £3 billion insulation schemes are a fantastic start, and I look forward to the publishing of the buildings and heat strategy later this year to see how this policy can be further developed.

However, as the Chancellor made clear, our response to the current crisis cannot all be about spending. In the medium term, we need to put our public finances back on a sustainable footing. Baldly, it is likely that ways in which to raise revenue will not be far from the Chancellor's mind. Anticipating that, we should consider a carbon tax, together with a scheme for broader adjustment payments. Today, the full cost to the economy of carbon emissions is not included in the price of purchase, creating a false exchange. Put simply, when we buy something, we do not know what carbon cost we are responsible for. A carbon tax, adding that missing part of a transaction, would remedy the problem.

Such a tax would make the decision to take advantage of today's grants for insulation even more attractive, and, rather than costing the taxpayer, could raise significant sums for the Treasury. Its enormous benefits can be summarised as follows: creating an efficient exchange where all the costs of production are reflected in a decision to purchase; creating stronger and more profitable business cases for the new green tech businesses that we want our economy to pivot towards, without having to attempt that by expensive and inefficient Government projects and grants; providing a cash incentive to all of us to reduce our carbon-emitting purchases in favour of lower carbon alternatives, thereby assisting the achievement of our legal obligation to reduce carbon emissions to net zero by 2050; and, in addition to all those public goods, generating a very significant income source for the Treasury at a time when everyone else is calling for increased spending. If anything will get the attention of the Minister, I hope that last point will.

5.16 pm

**Gavin Newlands** (Paisley and Renfrewshire North) (SNP): In the last few weeks alone, my constituency has seen Rolls-Royce announce 700 redundancies, Menzies Aviation 160 and Swissport 321, all adding to the toll of expected job losses at British Airways, NCP, easyJet, Jet2, Flybe, BA CityFlyer, TUI, North Air and SSP. I would have included Ryanair in that list, but I am pleased to say that it has just reached an agreement with Unite on temporary pay cuts to stop the job cuts that had previously been announced. Well done to them and let that be a lesson to other airlines. Combined, Renfrewshire will see thousands of households employed in aviation and aerospace thrown into financial turmoil. Across Scotland and these islands, the total will very likely be into six figures. If it is not clear to the Government that aviation and its supply chain is in the middle of its biggest crisis ever, it should be now.

By May, the claimant count in my constituency had doubled in the space of two months and those newly unemployed people had the added stress of looking for a job in an employment market in its worst state since the second world war. I mentioned that I have no doubt the total will rise further. I say that because I see no urgency on the Treasury Benches to save the aviation and aerospace industries. In my Adjournment debate on Rolls-Royce redundancies, the Minister winding up, the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Stratford-on-Avon (Nadhim Zahawi), lauded the company for offering voluntary rather than compulsory redundancies. If that is the strategy, then God help us all. There are many constituencies like mine where airports play a pivotal role in the local economy, yet there has not been a cheep from Government about what support such areas will get to address the particular challenges our economies face. I hope the Chancellor and his colleagues at the Department for Business, Energy and Industrial Strategy can begin work urgently on a plan tailored to the communities hardest hit by the devastation to the aviation sector.

I hope they will also take a hard look at the reaction of aviation companies to their employees. We have seen British Airways threaten one third of their workers with the sack, while the other two thirds have been told that they too will face the sack if they do not sign up for lower wages and lesser terms and conditions. I hear that easyJet and other companies, such as Menzies Aviation, are now trying the same bullying tactics. Unlike in most of Europe, these practices are despicable but not illegal. Those workers deserve the same protections as their fellow workers elsewhere. I urge the Government to back my Employment (Dismissal and Re-employment) Bill to make such practices illegal and make sure the law has their back.

It is not just in aviation that coronavirus has wreaked havoc. Alexander Dennis, the biggest bus and coach manufacturer in the country, is a huge success story, but nobody is buying buses just now. Without action, hundreds of jobs are under threat across the industry—another disaster for the local and national economy. The changes in road infrastructure and support for active travel that we have seen in recent weeks mean that there is a window of opportunity for the UK Government to take the bold action required and kill two birds with one stone, accelerating the transition from older, more polluting

vehicles to Euro 6-compliant diesels and electric and hydrogen buses, and at the same time guaranteeing a future for manufacturers such as Alexander Dennis.

The Transport Secretary spoke last week about 4,000 buses. This is welcome, but completely lacking in the kind of ambition that we need now. A firm commitment from the Government to order at least 10,000 low and zero-emission buses would be a transformational policy, with the potential to be the biggest boost to public transport in generations, and it will help keep skilled jobs in this country in the long term. I urge the Chancellor to sit down with his colleagues in the Department for Transport to make that programme happen and support not just those jobs, but the accelerated transition to a net zero economy. The aviation sector, the bus industry, coach firms, aerospace and engineering—collectively, the UK transport industry is facing an unprecedented and catastrophic future if action is not taken, and taken soon.

5.20 pm

**Nickie Aiken** (Cities of London and Westminster) (Con): I begin by reiterating my support for the measures that the Government and the Treasury, in particular, have taken in response to this crisis, and none more so than today, with the financial statement. I know that the Chancellor and his ministerial team and officials have worked tirelessly and undertaken heroic efforts to protect millions of jobs.

Thousands of my constituents have benefited from the support available, whether those residents are supported by the job retention scheme or by the self-employed income support scheme. A number of my constituents who are self-employed have written to me asking for more help—particularly those who became self-employed in the last financial year—but businesses have also benefited from the grants, loans and relief that have been made available. I particularly welcomed in my constituency this week the amazing announcement of £1.5 billion for the arts. The west end theatres located in the Cities of London and Westminster and the national iconic venues, such as the Royal Albert Hall, the Royal Opera House and the Barbican Centre, will all now benefit, I believe for the whole nation.

The support offered to the theatres is absolutely necessary, but I am sure that Ministers are aware that the local economy also suffers with the theatres being closed. For every £1 spent in theatres, another £5 is spent in the local economy. The fact that theatres remain closed is a continuing issue for the hospitality sector, and the combination of a lack of office workers and a lack of tourism and international visitors in central London means that many businesses are sadly remaining closed. I am acutely aware of the issues in central London. While UK Hospitality suggests that nationally, 45% of restaurants and 53% of bars have opened, in central London only 23% of restaurants, 35% of bars and 10% of cafés have done so. Hotels are also particularly bearing the brunt at the moment, with only about 10% to 15% occupancy rates, and that is a real issue.

I hope that we remain clear that retail, bars, restaurants and hotels are facing issues of both supply and demand, and I therefore warmly welcome the Chancellor's announcement today on cutting VAT for the hospitality and tourism sectors from 20% to 5%, which is something that I know that UK Hospitality and the W1 hotels—the major hotels in my constituency—will particularly welcome. I look

forward to taking part in the “eat out to help out” scheme in August—an excellent, unique idea to help restaurants, and I say thank you to the Chancellor and his team for doing that.

Finally, I offer my constituency support for driving the economy back to its full strength. I will be working very closely with the City of London Corporation to demonstrate that London is seen as a resilient and environmentally and socially responsible financial centre for the future, no matter what the developing economic situation and, indeed, our relationship with the EU. The City will host a green finance summit in November 2020, which I know the Minister is aware of. I welcome that initiative and hope that it will meet with the support of the House.

The support offered by this Government has been second to none. I hope that it will not end but will continue to evolve as the situation becomes clearer, and I look forward to working with the Government to support residents and businesses in the Cities of London and Westminster.

5.24 pm

**Matt Western** (Warwick and Leamington) (Lab): It is a pleasure to follow the hon. Member for Cities of London and Westminster (Nickie Aiken), and I support her comments about the arts sector.

I am afraid that throughout this crisis, the Government have not really shown enough urgency in addressing the emergency. We saw that with the health crisis, and I am afraid we are now seeing it with the economic crisis. That is underlined by analysis done by the OECD, which shows that the UK will take the biggest hit of all developed countries—11.5%, far greater than in other nations except France and Italy.

The roll-call of job losses is sobering: Accenture 900, Arcadia 500, Airbus 1,700, Aston Martin 500, BA 12,000, Bentley £1,000. That is just the beginning. People's jobs, livelihoods, families and communities are all affected—no wonder consumer confidence has crashed.

I welcome the Government's kick-start scheme for young people, and the support for apprenticeships, but I wanted to hear more about an extension of furlough and the reassurance of its continuing—greater flexibility, and particularly support for the self-employed. I did not hear that today. I also welcome the support for the hospitality and construction sectors. The construction sector employs 750,000, I understand, but we heard nothing, and I was disappointed and surprised not to hear anything, of our manufacturing sector, particularly the automotive sector, which accounts for 820,000 jobs in the UK, 170,000 in direct manufacturing—highly skilled jobs, in a sector that helped us through the health crisis earlier this year. It is crucial. We have seen sales down 50% so far this year—30% down in June—whereas France is down 38% this year and up 1% in June.

The reason for that better performance is that France has put in place a greater stimulus package—or rather, a stimulus package—of £7.5 billion, an amount not dissimilar to that of other countries in Europe. Germany's is even greater. That must be seen against a backdrop of the support that they had in place for some time for electric vehicles and hybrids, including EV charge points, as has been mentioned. That point was recognised by the Committee on Climate Change, which has estimated that we need 29,000 rapid charging points in this country. We have 3,000 at present. France has four times as many.

Perhaps one of the most concerning aspects is that the Chancellor has perhaps not recognised the signal that that sends to the global industry.

The Chancellor also referred to fixed costs, and business rates have been mentioned widely this afternoon. Our business rates are 60% more than those in, say, France and other countries, which is a huge disadvantage to our businesses. Likewise, our energy costs are 68% higher than the European average, putting our businesses at a huge disadvantage in relation to our European neighbours. It is not just businesses that are affected; there are also costs to home owners and residents.

I do recognise and welcome the green recovery, but £2 billion compared with France's £14 billion or Germany's £36 billion is a pittance. I would have liked to see much more ambition in that sector. I would also have liked to see moneys for sectors such as our nurseries and money for our local authorities, which are hurting so greatly.

I welcome the support for young people, for the hospitality and construction sectors, but I wanted more for manufacturing; we need it. We need to safeguard all those high-quality, valuable jobs in sectors such as automotive. Confidence is low in this Government, but seriously, our public confidence in the economy needs restoring. Today was an opportunity to put the key in the ignition and get the economy motoring again. Instead, I am afraid that the Chancellor has stalled.

5.29 pm

**Caroline Nokes** (Romsey and Southampton North) (Con): It is a pleasure to contribute to this afternoon's debate. I pay tribute to the measures that the Chancellor announced. My right hon. Friend has worked incredibly hard to ensure that we get the economy moving again. I do not see an economy that is stalling; I see some real efforts to put drive behind it and make sure that we can come out of the pandemic in good shape.

However, we do need to build the economy for women as well as men; for young, as well as old; for those from all parts of the United Kingdom, all ethnicities and all religions. Surely part of levelling up means that we must make it better for absolutely everyone. If covid has taught us one thing, let it be that when we pull together, we can get real action and the strength of community that all of us have seen in our constituencies.

I absolutely welcome the news on apprenticeships, which are such a key part of making sure that young people get into their first job and develop a trade, and are able to progress in their lives. I absolutely endorse the measures that the Chancellor has announced. But this has to be about reaching across the age range and across the gender divide, so we need more to help those women who might come out of this pandemic in worse shape than they went into it. We need to help them retrain, upskill and find new parts of the economy that they can work in. I pay tribute to the Government's record. We went into the pandemic with female employment at a record high—higher than it had ever been in my lifetime—but we must not see that go backwards. We already know from the Institute for Fiscal Studies that women were more likely to be furloughed during covid and are more likely to be in parts of the economy that remain shut down.

It would be remiss of me, after a week of discussing this subject, if I did not draw the Minister's attention to the beauty industry, a sector that remains shut down.

[Caroline Nokes]

It employs 370,000 people, the vast majority of whom are women. They have asked me to point out, time and again, that they are the entrepreneurs. They are the women who have learnt a trade, built their own businesses and gone on to employ others. They have taken risks by renting premises, and in some instances they are still having to pay rent while those premises remain shut down. I do not speak just for beauticians; I speak for those practising complementary therapies, and for yoga instructors, dance instructors and those working in sectors that help our wellbeing, ones that we may well want to turn to when lockdown is finally relaxed in its entirety. I was cheered by the comments of my right hon. Friend the Prime Minister earlier today when he gave some indication that we might expect an announcement—we hope, fingers crossed—later this week. It is high time that these people were given something to work for—an opportunity to start building their client list back up and an opportunity to make appointments. If not, I respectfully ask the Minister that he make some representation asking for additional fiscal support for them, because they are really struggling and want some hope.

In the 45 seconds I have left, I wish to echo the comments of the hon. Member for Warwick and Leamington (Matt Western) on childcare. I lobbied Treasury Ministers before the statement to say that we needed help for that sector. I appreciate that the sector has had support from the 33 hours offer, but the sector goes into the relaxation of lockdown having to make social distancing changes in premises and possibly having to reduce the number of spaces that can be provided. That means women may well not be able to go back to work if they cannot find the childcare they need. With schools not open until September, this industry is close to crisis. I just leave that thought with the Economic Secretary.

**Madam Deputy Speaker (Dame Eleanor Laing):** After the next speaker, I will reduce the time limit to three minutes, but Emma Hardy has four minutes.

5.33 pm

**Emma Hardy** (Kingston upon Hull West and Hessle) (Lab): Thank you, Madam Deputy Speaker. It is a pleasure to follow the right hon. Member for Romsey and Southampton North (Caroline Nokes). I echo the speech she has just given and her comments on the need to support the beauty industry, for which she has been a fantastic advocate, working across the relevant all-party group. She has my full support on that.

I pay tribute to the people of Kingston upon Hull West and Hessle, who have made huge sacrifices during this pandemic. I want to thank all the key workers and everyone in the city for their kindness, commitment and compassion. I also wish to draw the Minister's attention to the Social Market Foundation report that put Hull as No. 1 in the top 10 areas that are severely impacted economically by covid-19. Households have already been struggling after a decade of cuts and austerity, and the number of UC claimants has already increased. Before we can talk of levelling up, we must protect what we already have.

The good news is that the Chancellor could use this as an opportunity to build back better, build back brighter and improve the lives of everyone across the

city and in Hessle, if he so chooses. We could seek to clamp down on poor working conditions and poor tax practices, and encourage businesses to hit environmental targets. Our city does not want charity; we want the help to help ourselves and fulfil our huge ambitions, including that of being the green energy capital of the UK. The alternative is yet another lost decade.

I will give the Minister a very short list—or a very long one, but in a short time—of areas in which he needs to consider investing. I start by inviting him and everyone to join in my love of the caravan industry. We are looking at 2,627 jobs in manufacturing. I am sure he is already fully aware that Hull is the caravan-building capital of the United Kingdom, and that 90% of static caravans are built in Hull and the East Riding. On this issue, I speak with cross-party support. The hon. Member for Beverley and Holderness (Graham Stuart), the right hon. Member for Haltemprice and Howden (Mr Davis), my hon. Friends the Members for Kingston upon Hull North (Dame Diana Johnson), and for Kingston upon Hull East (Karl Turner) and I speak with one voice when we ask for specific support for this industry. I heard what the Minister said about not extending furlough, but something else needs to happen. I accept that furloughing cannot go on forever, but as I tried to explain in my earlier intervention, we are talking about an additional four months. This industry will be booming again come springtime when people want their staycations and their caravan holidays. All it needs is help to get over the winter hump. I say to the Minister to please look at that again.

I was disappointed with the reply to the letter on Hull Trains. How can it be that we are looking at potentially losing our direct rail link from Hull down to London after only having it for 20 years through open access? This would not be happening in any other part of the country, and it is appalling that it has been considered for the City of Hull and the wider area, all because it happens to be open access and therefore cannot access the same support. I have here a letter that was written on 30 June to the Minister of State for Transport, the hon. Member for Daventry (Chris Heaton-Harris), the reply to which is extremely disappointing. If we want private-sector investments in our city then we need that direct rail route. We cannot end this crisis in a worse state than when we first started, so please look at that again.

Let me also mention beauty therapists, tattoo parlours, yoga studios and everyone else across the city. The Deep, which is the only aquamarine submarine aquarium in the United Kingdom—all are welcome to visit when it reopens—requires support as well. It provides specialist world-leading marine research. It needs additional support to get going. I also want to briefly mention Charles Cracknell and the forgotten young people whom he represents. Young people doing start-ups have been let down and have fallen through the gaps in the system.

I shall continue my list, I am sure, through written questions and letters to the Minister, and hopefully I shall receive some good responses.

5.37 pm

**Daisy Cooper** (St Albans) (LD): I shall use my three minutes to talk about three of the essentials in life: jobs, homes and pubs.

First—on jobs—before covid, the creative industries were worth £100 billion to our economy every year and were one of the fastest-growing sectors. Many of the



3 million who have been excluded from Government schemes are freelancers in the creative industries. The creative industries also lose out on £55 million every year because of how the apprenticeship levy is structured. It is too rigid and does not respond to this flexible, dynamic industry. I urge the Government to reform the apprenticeship levy, so that it supports the ecosystem of freelancers who serve the sector as a whole.

Secondly, on homes, I welcome the plan to start insulating them, but we must also make them safe. I say this as a member of the Fire Safety Bill Committee who has been looking line by line at the first piece of post-Grenfell legislation. We need a much higher level of ambition and funding to make homes not just warm but safe, and I encourage the Minister to look at creating some of the very first new jobs and apprenticeships in the fire safety sector, so that homes can be both warm and safe.

Thirdly, on pubs and restaurants, as the MP for St Albans I will never tire of saying that we have more pubs per square mile than anywhere else in the UK, and I will use every opportunity to remind the House of that. I welcome the VAT cut that has been announced today, but we also need to turbocharge the business rates review. We must level the playing field on VAT for the long term between the on-trade and the off-trade. I urge the Minister to keep an open mind on one-off, tailored, bespoke extensions of furlough where it is needed, because some of our pubs are being asked to renew leases for five or 10 years. They need to know that they have the Government support to make it through to next spring. Finally, I urge the Government to publish the long-overdue code of practice for the leased pub industry that has been promised.

5.39 pm

**Greg Smith** (Buckingham) (Con): It is a pleasure to follow the hon. Member for St Albans (Daisy Cooper). It is rare for a Conservative to agree with a Liberal Democrat on much, but I agree with her on pubs. Even before covid, too many of our pubs were shutting down, particularly in village communities and small towns, with the Bell at Bierton and the George and Dragon in Princes Risborough in my constituency being two examples. I hope that all our local pubs will take part in the “eat out to help out” scheme and that we will all encourage our constituents to use village pubs and town pubs, as well as local shops and businesses. Now that they have reopened, it is crunch time, and if we want them to have a prosperous future, it is vital that we all support them.

I very much welcome the announcements made by the Chancellor today. This is yet another set of unprecedented measures to support our economy, retaining jobs and creating new ones, while ensuring that there are opportunities for young people in particular to enter the workplace and learn the skills they need. It is vital that we get our economy moving again at speed and, as the Chancellor said, return our public finances to a sustainable footing. Jobs are critical to both those outcomes, for the financial security of individuals and families and the flow of revenue into the Treasury. As the Chancellor prepares for the autumn Budget, I urge him to ensure that we keep taxes low on both individuals and businesses, because no high-tax economy has ever successfully come out of a financial crisis.

I have one particular ask for my constituency. We are lucky to have two key hubs of technological innovators that are already creating the jobs of the future. They are part of the Aylesbury Vale enterprise zone, and the sites at Westcott and Silverstone Park are critical for our continued economic growth. It is because of their enterprise zone status that they have been so successful and instrumental in attracting inward investment, but that status is due to expire in March 2021. As businesses consider whether to invest, it would be life-changing for that enterprise zone status and tax relief period to be extended by at least a year, or perhaps through to 2024, to ensure that they can be part of the future prosperity of Buckinghamshire and the wider UK economy.

5.42 pm

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): We are undoubtedly in unprecedented and challenging times, and although today’s announcements by the Chancellor are welcome, they do not go anywhere near far enough. While the support provided through the Government’s furlough and other schemes has been welcome, there are still as many as 3 million people in the UK who are missing out on an income through no fault of their own and are being left behind by this Government, with many struggling to feed their families. In his statement, the Chancellor said to businesses, “if you stand by your workers, we will stand by you”, but he needs to stand by those who are excluded, such as new starters, freelancers and the self-employed people who have fallen through the gaps in the current schemes.

We also heard nothing from the Chancellor about what financial support he will offer to people who are asked to self-isolate as part of the test and trace procedures. For these schemes to work properly, people need to know that if they self-isolate, they will have proper, realistic sick pay or financial support to feed their families. There are businesses in my constituency and across the country that are suffering and may never recover if the financial support they need is not forthcoming. I urge the Government to commit themselves to revisiting the parameters of the schemes now, so that nobody affected will miss out during these most difficult times.

As my hon. Friend the Member for Rhondda (Chris Bryant) said, the floods caused by Storm Dennis in February caused millions of pounds of damage in his constituency and mine and across the country. The Prime Minister save me a commitment at PMQs on 26 February that funding would be “passported through” to Wales to assist in the rebuilding of infrastructure damaged by floods. The Welsh Government have worked with local authorities, including Merthyr Tydfil, Caerphilly and Rhondda Cynon Taf County Borough Council—the most affected areas—and others to gather evidence on the scale and cost of the damage. That has been submitted to the Treasury for a bid under the UK reserve, yet no answers have been forthcoming from the Treasury.

The floods were unprecedented, and our councils could never be expected to cover the costs without support. While the Welsh Government have stepped in, they have also been subjected to huge austerity cuts from the UK Government, so the support they can offer is limited. Can the Minister give an undertaking this afternoon to provide an update—either here today or in writing later—on when the UK Government will deliver on the Prime Minister’s commitment to support

[Gerald Jones]

Welsh communities? If the Union is to mean anything, the support must be forthcoming. The strength of our Union is highlighted when we support each other in times of need.

Time does not permit me to go into the next thing that I wanted to talk about, which was the shared prosperity fund, but I will say briefly that we have waited since 2018 for a consultation on how this fund is due to work and what share of it Wales will get. I urge the Minister to take note of that and ensure that we get clarity on the shared prosperity fund as soon as possible.

With only four seconds left, I ask the Minister to take note of those comments.

5.45 pm

**Richard Fuller** (North East Bedfordshire) (Con): It is a pleasure to follow the hon. Member for Merthyr Tydfil and Rhymney (Gerald Jones). In a debate whose title is about the economy, too much of it has seemed to be a game of Top Trumps where every fiscal measure announced by the Government is met by a demand for them to do more—too frequently without regard to whether that will help, and too frequently with little understanding of how to implement it in any case—so perhaps I can remind the House of two important things.

First, the growth of the economy relies on the private sector—its decisions, its actions, and the risk-taking by our private businesses and our private sector. The role of Government is to incite and encourage the private sector to act to preserve jobs. Secondly, I remind the House of the limits of Government in the economy. It is well accepted that the role of Government in public health is to mitigate public health risks, not to eliminate them entirely. Therefore, the Government should be on the front foot to reopen our economy at every possible opportunity.

We should also bear in mind the limits of Government in the capacity of international capital markets to accept borrowing. It might be of interest to hon. Members to know that the quantitative easing launched by Governments around the world so far this year is equivalent to \$6 trillion—equal to half the amount that was put into public markets between 2009 and 2018.

There is a limit to what Government can do in the economy in fairness to generations to come. We should not be in the role of passing on debts—enormous debts—to future generations to pay off. Furthermore, there is another limitation that we should all be aware of: the competence of politicians and the state in doing what they promise to do. Governments work essentially as a big beast with a big foot in a complex jungle. Sometimes, when they put their foot down, that footprint can have big impacts on the smallest businesses in our community.

In my constituency, small businesses are yearning to be open and yearning to grow again. I applaud the efforts of my right hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) in her campaign to open up beauty clinics and the beauty sector. That is something the Government should be doing as an absolute priority, and it would be welcomed in my constituency.

My constituency has many freelancers and company owner-directors. I say to my hon. Friend the Minister, who has done an absolutely fantastic job in responding to MPs from across the country, please, please, please bear in mind the impact of Government policies on freelancers, particularly in the entertainment and theatre sector, by coming up with a specific date on which the theatre and live entertainment sectors can reopen.

Finally, it is important that the Government move forward on their reforms to how they deliver what they say they are going to do.

5.48 pm

**Bim Afolami** (Hitchin and Harpenden) (Con): Like everybody in the House, I welcome the Chancellor's statement, and I think it is worth considering that we have a twofold economic problem here, which we will have to deal with over the next few months. The first difficulty is one of demand, as there is a chronic demand shortage. The Government have done their best to stoke and increase demand over the summer and autumn, and I think those measures will be successful, but there are other fundamental structural problems with the economy that this crisis has shown us.

One is accelerated technological change on the high street in retail, and in automation in the industrial sector. The second is skills. We talk about building infrastructure, building back better and a green recovery. None of those will matter—all the money from the Government will not deal with the problem—if we do not have people with the right skills who can do the work.

The third structural problem we have is within our financial sector, with companies not having sufficient equity, or rather having too much debt, so that when the crisis is behind us they will not be able to grow sufficiently fast. Again, that is a structural problem with the economy.

There are three things that the Government and the House should consider over the coming months. First, while the crisis is here, we should maintain a loose fiscal policy and loose monetary policy. That is very important, because there needs to be sufficient demand growth over a sustained period of time for businesses to expand with confidence and not think that it will be pulled away in a couple of months' time. For them to expand with confidence, there needs to be sufficiently loose monetary and fiscal policy. If they can do that, spending will grow robustly enough for there to be demand to create private sector jobs without subsidy from the public sector over the medium term.

The second thing we can do is adapt our financial system to make sure we can get more equity into businesses and reduce the debt burden. I have proposed certain things in work I have done. The Chancellor referred earlier to my work "Unlocking Britain", which discussed how we can recapitalise the SME sector. Something like that needs to happen within our financial system so that we can reduce the debt burden for companies to give them equity so that they can grow.

The third thing, which connects with skills directly, is that we need to improve the ability of labour—people—and capital—money—to move from sectors and companies that are declining into those that are growing and have the potential to power forward our recovery. Those are the measures that the Government need to consider in the months to come.

5.51 pm

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): I add my voice to those who have pled for more attention and assistance to be given to freelancers. As the hon. Member for North East Bedfordshire (Richard Fuller) said, they are one of the most significant remaining pieces of the uncared-for sectors in our economy, which requires urgent attention.

Earlier, I welcomed the cut in VAT for the visitor economy. It is disappointing that it is only for six months at the moment. I do not wish to appear ungrateful for that, but the opportunity we have with those six months is that we will have substantial data to know what the effect is. When I was in the Cabinet, we cut the rate of spirits duty by 2p. Despite the Treasury predictions that that would bring in a much lower take for the Treasury, in fact the cutting of the duty brought more revenue at the end of the day. Studies in the past—I confess that I can occasionally be sceptical of studies of this sort—would claim that the take from the visitor economy would be greater with a lower rate of VAT. We will now have the data against which we can measure those claims, and I hope that work will be done in the Treasury.

It seems that the debate is passing on to the next phase, about how we reopen and re-grow our economy. That is difficult in every part of the country, but none more so than the highlands and islands. We need a return to having an economic development force within the highlands and islands with the same vision and purpose that the Highlands and Islands development board had when it was set up by the Wilson Government in 1965. It had access to Government and all the opportunities that could come from the force of the public sector, but added to that, it had the force, vision and experience of business. That was more or less what we got with its successor body, Highlands and Islands Enterprise, but the current Highlands and Islands Enterprise is a sorry shadow of what it used to be.

That issue has been an increasing problem for businesses and economic growth in the highlands and islands for years now, and this is the moment when we have to say, “Enough is enough.” Within the highlands and islands, we need a significant body that has clout and access to Government and can bring the resource of the public sector, but spend it in the way that business and the private sector know is necessary. Without change of that sort, from here and from Edinburgh, we will miss the opportunity to regrow the highlands economy in the way that we know is necessary.

5.54 pm

**Richard Drax** (South Dorset) (Con): It is a pleasure to take part in the debate. I pay tribute to my hon. Friend the Member for North East Bedfordshire (Richard Fuller), who spoke with such common sense. In the short time that I have, I will concentrate on the self-employed, the financial world and all the businessmen and women who risk everything to create the wealth and prosperity that we need.

I repeat from Dorset business to the Front Benches and the Treasury: thank you very much indeed for all the furlough scheme and the announcements made today. The thanks I receive is unanimous—despite what we may hear in other quarters, not least the media.

People are extremely grateful for the thousands of jobs in South Dorset that are being saved and for the millions of jobs that are being saved around the country.

Today’s announcement is especially good news for the young, who face threats from this covid in getting into work—my own children included, of course, who are facing the same problem. I welcome that announcement, and the announcement for the hospitality sector, which in South Dorset in particular has been hit hard, because we rely so much on tourism and hospitality to make the economy go round. I will also touch briefly on taxation and the private sector, our armed forces if I have time, and Dorset Council and police if I have a little more time.

Never, in my view, has there been a better opportunity radically to overhaul the taxation system in this country. It is outdated, punitive and bureaucratic. I welcome the announcements made today on VAT and stamp duty. That is a start, but let us get rid of them altogether. Let us go much further—capital gains tax, inheritance tax. Look where our poll rating went when, if I recall correctly, George Osborne raised the threshold to £1 million. It is people’s money, and we have no right to take money off people unfairly.

The economy will only work if we allow the entrepreneurs, the businessmen and women, the financial sector, the self-employed and everyone else that my hon. Friend the Member for North East Bedfordshire mentioned to generate the wealth that we need. From the Opposition Benches, it is the classic old “Let’s tax them and tax them.” They simply do not understand, and never ever will, that all those risking their homes, their livelihoods and their families generate the wealth that this country needs to generate in turn the wealth, prosperity and jobs that pay for public services.

**Chris Loder** (West Dorset) (Con): Does my hon. Friend agree that in constituencies such as mine, where 97% of businesses are micro and small, such businesses should absolutely be at the forefront of what we do?

**Richard Drax**: I entirely concur with my hon. Friend and neighbour in West Dorset—I welcome him to his place.

I have time quickly to mention the armed services. The covid crisis has shown how professional, dedicated and truly treasured the armed services are—in addition, of course, to all those who work in the NHS, to whom I pay equal tribute. We must never forget that the armed services need to be funded properly, and in my view 2% of GDP is not enough; we need 3% or 4%. I urge the Treasury to keep fighting on behalf of those who serve us with such distinction.

On Dorset Council and police, both face huge extra costs because of covid and the hundreds of thousands who descended on our beaches and coves over recent weekends. Dorset Council estimates that it is spending about £50 million a month on covid provision. It has done an outstanding job, and I pay tribute to Dorset Council and to Dorset police for the selfless way in which people have worked over many hours and many weekends for no extra pay. I thank them all.

I will end by saying, we locked the country down once, and I recommend to the Treasury that we never, ever do it again.

5.59 pm

**Rachel Hopkins** (Luton South) (Lab): Today's statement on the economy is a clear opportunity to confront some of the vulnerabilities that covid-19 is exploiting, including rising unemployment and the ever-present climate emergency. Without greater and targeted intervention, both those intertwined crises will exacerbate class inequalities and severely damage living standards.

After borrowing "Jobs, jobs, jobs", the Government's latest strapline is "Build, build, build", but that is not enough. We also need to "Make, make, make", with a hands-on, interventionist approach to manufacturing to stimulate growth in our communities. We need bold, innovative solutions to reinvigorate a greener job market.

Two predominant sectors in my constituency of Luton South are aviation and automotive, and they would both benefit dramatically from a targeted economic strategy that roots a green recovery in our communities to ensure that local people reap the rewards of growth in their area. A 21st-century industrial strategy requires an end to economic short-termism and a greater focus on the creation of quality, unionised green jobs.

I am a member of Unite the Union, whose recent report "Manufacturing Matters" evidences the need for strategic state investment to reinvigorate the UK's manufacturing base and create new sustainable employment and education opportunities in our communities. In Luton, this could be represented by additional support for Vauxhall to help its transition towards the manufacture of electric vehicles. Such an approach is not radical; the French Government have already adopted a similar strategy.

Green economic growth must be built into inclusive local economies. Anchor institutions must drive the green transition. Local authorities must be empowered to construct green local infrastructure, including clean local transport systems and electric vehicle charging points. This would create skilled green jobs fit for the 21st century.

The Government have a unique window of opportunity to accelerate a green transition in the aviation sector. A targeted economic package would protect thousands of jobs and stimulate a sectorial transition towards net zero. Commitments attached to economic support could include strict time-bound decarbonisation expectations and obligations to adopt cleaner fuels and low-emission technologies. A green aviation package would save jobs in Luton during the pandemic while creating a thriving, sustainable job market for future generations.

The UK needs an economic strategy that directly lifts people out of economic insecurity, gives them secure, quality jobs and protects our climate for future generations. This will be achieved only through a state-driven industrial strategy; the market will not deliver it. I urge the Government to put people and their living standards first.

6.1 pm

**Chris Stephens** (Glasgow South West) (SNP): I see the Economic Secretary to the Treasury in his place; I thank him for his correspondence in relation to the credit union sector. Credit unions are a very important part of financial life these days and I hope he will say something about them in his closing remarks.

The parts of today's package that will help people to go into the hospitality sector and restaurants and buy meals is all fine and well, but we must also acknowledge that far too many people across these islands cannot afford food—they cannot afford to eat—and if it were not for the charitable sector rising up during this pandemic and providing food and meals for many people, there would have been an explosion in the use of food banks. I hope the Minister will also say something about the support that the charitable sector will receive, because it is an important part of what needs to be addressed.

On the Department for Work and Pensions package, I am still hoping we will get an answer today on the increase in the number of work coaches. The Department for Work and Pensions has said that it needs 30,000 additional staff to process universal credit claims and make sure that people are paid on time, so I would like to know if the announcement on work coaches refers to new staff or staff from somewhere else being redeployed. We need to know that and to know genuinely what the package is. We also need to know what training there is going to be for any new work coaches.

I have a real fear and concern that conditionality has been brought back too early, and that is a mistake by the Government. I hope I am wrong, but I think that reintroducing conditionality and the prospect of people being sanctioned from 1 July, as announced by the Department for Work and Pensions, was the wrong move to make.

I join the others from all parties who have mentioned the excluded. I mention in particular my constituent Stephanie Milne, who has written to me. She paid tax for 21 years through pay-as-you-earn and is now self-employed. We must remember that there are people who have been forced to be self-employed. There are people on zero-hours contracts who are not getting any of the support packages that are available. I have a real concern about that; it is the wrong decision.

Lastly, I have received a letter today from David Fulton, the Unite convenor at Thales, impressing on me and the Government how much support is required for the aerospace sector, which is an important sector not just for my constituents but across these islands.

6.4 pm

**Laura Trott** (Sevenoaks) (Con): It is an honour to follow the hon. Member for Glasgow South West (Chris Stephens).

There is much to discuss about the resilience of the economy, the demand-led recovery and the need for consumption. Today, however, I will focus my remarks on women and what else we need to do to safeguard their jobs during this period.

There is no doubt that Government intervention has saved women's jobs during this crisis. We know that women are disproportionately likely to work in the hospitality sector. We know that parents have been more likely to be furloughed, and mothers more likely than fathers. So it is Government action in this area that has really helped women safeguard their jobs, and what we saw this morning was that that help will continue.

The job retention bonus scheme will be incredibly important to make sure that women's jobs continue in the aftermath of this crisis. The VAT cap for the tourism and hospitality sector as well as the "eat out to help out" scheme will disproportionately help women. That is

very important and has been overlooked in the narrative we have had to date, so this support will also be very important.

What else do we need to do to make sure that women come out of this crisis in a strong position? First, we need schools to go back in September, and I am so pleased that the Government have pledged that that must be the case. It must, however, be full-time; we must make sure that all children are going back five days a week, to ensure that mothers and fathers can responsibly go back to work with a commitment that they know cannot be reneged on.

We must also look at whether, in future local lockdowns, we do actually close schools. The evidence is that children are less likely to get the disease and less likely to spread it, so there is a question in my mind, because of the economic recovery, as to whether we need to close schools when we do the local lockdown.

The other point I briefly want to make is about flexibility. The flexibility we have shown during this period has been a lifeline for women and women's jobs, and I know that many want to see that continue. The model of local hubs, which would enable people to go in and out in a more flexible manner—and which I hope we can pilot in Sevenoaks—will be very important and will help to remodel our economy for the long term.

So I welcome what was announced this morning. It will be hugely beneficial for women in the workforce, and I think we need to ensure that we get schools back and a more flexible economy going forward.

6.7 pm

**Munira Wilson** (Twickenham) (LD): Although many of the measures announced today are welcome and will help create jobs down the track, there are millions of small businesses and self-employed individuals whose livelihoods are going under today, and these entrepreneurs are the growth drivers of our economy. Today's statement was a missed opportunity to plug the gaps in the Chancellor's coronavirus support schemes. The Minister knows very well who these 3 million excluded are. With over 11,000 self-employed in my constituency, I have been inundated with messages from those left out in the cold—heart-breaking stories of ordinary, hard-working people who help to keep our economy and our society ticking, such as the single mother of a child with special needs who decided to switch to being self-employed just last year so she could better support her son.

Many of these self-employed individuals and small businesses are in the sectors that will be among the last to recover from this crisis: creative industries, including arts and entertainment; travel; and events companies. Many businesses have inexplicably been asked to remain closed while pubs and others are open. They have already been mentioned today: beauticians in our high streets; complementary therapists; elite gymnastics clubs, such as the Richmond Gymnastics Association; and swimming pools, such as the open-air Hampton pool in my constituency. Not only are these businesses and establishments important to the local economy and at risk of going bust; they also have an important role to play in promoting health and wellbeing.

I want briefly to comment on two sectors. The arts fund announced earlier this week was very welcome, if long overdue and late for many, but it fails to support the highly skilled individuals who make the UK's world-

leading industry what it is: the freelance cameramen and women, make-up artists, costume makers and sound engineers. We cannot afford to lose these skills and small businesses from our economy, and they need support now. Importantly, the arts fund must trickle down to local venues, which are central to our local economies, such as the Landmark Arts Centre, Hampton Hill Theatre and The Exchange in my constituency.

The travel industry will take a long time to recover. Locally, I have a number of small independent tour operators and AITO, the Association of Independent Tour Operators, representing 120 members, which employs 4,000 people across the UK. They are not looking for a bail-out. They need a temporary change to the package travel regulations, as many other European countries have done, where Governments endorse refund credit notes.

In the short term, these sectors can be enabled to kick-start the recovery now. In the longer term, the Chancellor has talked a good game on green jobs, but his announcement today does not go nearly far enough. We need an ambitious green recovery package that seeks to insulate every home in the next 10 years and massively expand renewable energy and new air quality standards. That is why it is also time that the Government put the final nail in the coffin of any plans to build a third runway at Heathrow.

6.10 pm

**Robbie Moore** (Keighley) (Con): The Prime Minister and the Chancellor have cast their net wide and far to protect as many businesses and individuals as possible through this covid crisis. Many across Keighley and Ilkley have benefited through the business grants, the furloughing scheme, the business rates holiday, bounce back loans, tax deferrals and much more. I welcome that, and may I use this opportunity to reiterate the words of one of my constituents? Sue Watson Wood, who I saw in Ilkley only last weekend when she reopened her hair salon, Vanilla, told me that the Chancellor's support provided her with comfort that all would be okay. She specifically asked me to pass on her thanks, so to the Chancellor, on behalf of Sue and many other hard-working businesses across my constituency—thank you.

Tough times require bold interventions, with fiscal policies that drive positive consumer behaviour, and I welcome the Chancellor's announcements today. I want to see businesses across Keighley, Ilkley, Silsden and the Worth valley thrive, and I want jobs to be protected. The job retention bonus scheme and the temporary cut in VAT for the tourism and hospitality sectors are most welcome. I am sure that the additional boost through the "eat out to help out" scheme will certainly help.

There is no stronger advocate of Keighley than I. We have some fantastic manufacturing, technology and engineering businesses, passionate people who are proud of what we in Keighley have to offer, and young people who just want to crack on and thrive in life. Of course, challenging times lie ahead, but with the Chancellor's announcements today on supporting businesses to take on trainees and provide apprenticeships, and the introduction of the kick-start scheme, all of this will help.

Of course, I look forward to developing our allocation of up to £25 million from this Conservative Government to invest in Keighley through our towns fund project,

[Robbie Moore]

focusing on urban regeneration, improving digital and physical connectivity and, perhaps most importantly, improving skills, innovation and collaboration between the education and business sectors. The great thing is that, under good stewardship, we can use these public funds wisely to kick-start, crystallise and galvanise private sector inward investment into our town. Now is the time to level up, and, through good projects, we can use good infrastructure schemes to create jobs, jobs and jobs.

I welcome this Government's agenda and their economic strategy to bring places such as Keighley, which for far too long have sat in the shadows of Bradford and Leeds, back into the light. I use this platform, and I will of course continue to use it, to keep banging the drum for Keighley, Ilkley, Silsden and the Worth valley and to say to businesses, individuals and investors who want to come to my patch—we are open for business.

6.13 pm

**Zarah Sultana** (Coventry South) (Lab): Shortly before the coronavirus pandemic hit, I visited the home of one my constituents. She had issues with her flat. When it rained heavily, water came flooding through her roof. Mould was growing on the walls and it was causing breathing problems. She was desperate for help. Members from across this House will hear similar things every single day because, before this crisis hit, our economy was failing working people: 14 million people in poverty, including 4 million children.

Key workers, from shop assistants to delivery drivers and refuse collectors to hospital porters, are on poverty pay. They kept our country running through this crisis, but this country has not been running for them, because while working people have faced a decade of public service cuts, stagnating wages and rising rents, the super-rich and big businesses have enjoyed a decade of tax cuts and corporate giveaways. Their wealth has soared while the majority have suffered. This was the economy before coronavirus hit—rigged, unfair and unsustainable, and charging us towards climate catastrophe, with the Government on course to miss their carbon neutral target by 49 years. We cannot go back to that: it is broken, it is rotten and it has failed.

But the Government are not trying to take us forward; they are trying to take us back to that, with announcements that are nowhere near enough to match the scale of the challenges we face. Three million people are still excluded from Government employment support, unemployment is predicted to reach levels not seen since the 1980s, and Coventry and the west midlands are hit particularly hard. Now is the time to rise to the challenges we face, with ambition that matches their scale, to bring about lasting change, rewiring the economy so that it works for all, and with a focus on advancing the wellbeing of people, not endlessly chasing GDP figures.

It is with a bold, green new deal that we can build that economy: building green industries and not just preventing redundancies, but creating 1 million good, new, well-paid, unionised jobs; investing in green public transport and making it free to help working people and to cut emissions; embarking on an ambitious plan to insulate millions of homes across the country, cutting bills and carbon; and exploring a four-day working week, with no loss of income for working people, stopping job losses by sharing

out work. Polling shows that even Conservative voters think that that should be considered. While we do that, we need to take on the billionaires, dismantle the fossil fuel industry, tax the super-rich, and crack down on the tax dodgers.

Now is the time for bold ideas and bold actions. It is time to build a new economy where our resources are geared to meet the needs of the people, not to make profits for the rich.

6.16 pm

**Chris Loder** (West Dorset) (Con): Today, the Chancellor has put forward another excellent set of measures to help the UK, and no more so than in West Dorset, where 97% of our businesses are small or micro-sized. We need urgent attention to our connectivity, with 1.42 megabits per second broadband speed compared with 200 megabits per second here in London, and single railway lines across the county with a three-hourly rail frequency. Our economy in West Dorset could have its sprinting potential thoroughly unleashed, not only by the measures the Chancellor has announced today but by further infrastructure investment.

The current wave of remote working presents an enormous opportunity for West Dorset. It has shown that business and commerce do not have to revolve around London, or, indeed, other cities. People can be even more productive from their kitchen table in West Dorset than in urban office blocks. Why have conditioned and recirculated air from the polluted cities when you can breathe the fresh air of West Dorset? If sustained, this shift in working habits can be the catalyst in levelling up the rural and coastal communities of this nation, creating many well-paid opportunities for local people—but we need fast and reliable broadband that is accessible at home and at work.

Local enterprise partnerships should be coming into their own at this point, but from my experience in West Dorset, LEPs vary in their capability to deliver any economic benefits through infrastructure investment. May I therefore urge the Minister, perhaps along with his colleagues in the Ministry of Housing, Communities and Local Government, please to review the LEPs' deliverability against their remit and, where necessary, drive the radical reform required to deliver the Government's agenda?

I welcome the Chancellor's announcements on stamp duty. However, rural economies are not well served by building the of enormous new housing developments like the one planned for the outskirts of Dorchester. These developments quash the economic potential of building modest numbers of new houses in our villages, which is what will ensure the future of our local schools, shops, pubs, garages and parish churches.

The economic damage inflicted by coronavirus is indeed tragic, but it now presents us with the opportunity to build back better—to stimulate the economy and to address rural isolation, social deprivation and the issues that have challenged our rural and coastal communities for many decades.

6.19 pm

**Wendy Chamberlain** (North East Fife) (LD): The delivery mechanism for the furlough and self-employment schemes has been responsive to where the support is needed across the whole of the United Kingdom. I am

not happy with the way relations between the Government and the devolved nations have often fractured during the crisis, but no matter how one looks at it, each nation and region of the UK has benefited from the financial pooling of resources.

As a Liberal Democrat, I am very much in favour of devolution and the Scottish Parliament, but if all the furlough and universal credit decisions went across the desk of the Scottish Cabinet Secretary, we would get only a Barnett share—Scotland would get only 8.6% of English furlough money, even if demand were greater in Scotland. The other benefit is the speed of response. There has been no waiting for Barnett consequential to be calculated and no delay while it is worked out how best to deliver the support.

I ask the Government to publish a breakdown of the amount of money that has been paid directly by the UK Government to people and businesses in Scotland. Making those figures visible will help to inform all Members of this House and those in Holyrood when we debate the merits of the United Kingdom.

Having praised the UK Government for a rapid response, I will now talk about things that have been anything but quick. I must express my disappointment at the time the Treasury has taken to respond to cases that I have raised on behalf of constituents. To give one example, back in early April I was contacted by a new starter at a small business in Auchtermuchty. His contract started on 29 February, which meant he was ineligible for furlough. As such, he faced having no income and no support. He is one of the excluded that the new APPG chaired by my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) is looking to support.

On 14 April, I wrote to the Chancellor to raise the specific details of my constituent's case. I heard nothing back until two months later, when I was sent a "Dear colleague" letter that had already been sent to me in lieu of a specific reply. After chasing up twice, I received a further unsatisfactory response from the Government today during the Chancellor's statement.

It is MPs who people go to when there is nowhere else to turn. Frequently, that is when people have tried to navigate the often bureaucratic and complex structures of Government agencies and heard nothing in response. I am particularly conscious that we are approaching a six-week recess, during which the furlough scheme will continue to taper off. The Chancellor described this earlier today as a "difficult moment". This is not a difficult moment, but a difficult few months. The recently announced job losses are clearly just the start.

So yes, swift support from the Government is important, but for those who cannot access support and for those who get in touch with us as Members of Parliament, we need to be in a position to relay those difficulties and problems back to Ministers, and to hear back from them in turn. I hope that the Government can offer some reassurance on this matter.

6.22 pm

**Suzanne Webb** (Stourbridge) (Con): I will keep this short and sweet, Mr Deputy Speaker, as time is precious and you do not need me to reiterate what we know is a bold and decisive plan—a plan for jobs; a plan with people and their livelihoods at its heart.

The Chancellor has yet again acted with a keen eye to preserving employment and our fiscal and economic capacity. As we recover from covid-19, the No. 1 priority of the Government has always been to protect jobs. Just as the virus scythed through society and did not articulate who it was going for, any economic impact will cut deep swathes. It will not discriminate; it will cut across us all. What we must remember is that this time it is not an endogenous shock triggered by huge imbalances; it is not man-made, as it has been in the past by Labour Governments. This is a slowdown necessitated by covid-19 and we have seen decisive action by this Government, who for the last few months have given us stabilisers to protect our livelihoods and who now recognise that we need to get the economy back into a higher gear.

My No. 1 priority as the MP for Stourbridge has always been to protect jobs. As a youth in the early '80s, I saw the impact of unemployment on young people. That, combined with my strong belief in the nobility of work, means that I am over the moon about the Chancellor's kick-start scheme, which will give 16 to 24-year-old youths the best possible chance.

I make an unabashed plug to get nail bars and beauty salons open. They are often run by people who have been on traineeships themselves and who now run their own businesses, proving that traineeships work—they are capitalists at their finest and of the future. Please, let us get them open.

This Government are giving us the tools to enable, facilitate and empower us all. The virus is not of our making, but we must make the best of it. We must be transformational and dig deep in the spirit of entrepreneurship. If you cannot sell it, online is your new high street and your new export opportunity. This is about being entrepreneurial, about foraging for opportunities, and of course about jobs, jobs, jobs. This has been at the heart of my recovery plan for Stourbridge. I also welcome the joint announcement today from Andy Street and the Department for Work and Pensions that youth hubs will be set up, helping to join up local employment and training services and to ensure that they are targeting young people. This builds on the already great work being done by our jobcentres across the west midlands.

The Government's support throughout the crisis has been decisive, and it will be a major factor in how we will come out of this period. It is clear from the actions that the Government have taken that they are not a Government who leave people behind. They are a Government who put people and their livelihoods at their very heart. However, this will depend on our shared responsibility to contain the virus and, of course, on whether a vaccine—

**Mr Deputy Speaker (Mr Nigel Evans):** Order. We have to move on.

6.25 pm

**Caroline Lucas** (Brighton, Pavilion) (Green): Three minutes, so just three short points.

First, I want to add my voice to all those urging the Government to plug the gaps in the self-employed support scheme. In Brighton, this is a massive issue, particularly in the creative and arts sector. Of course we welcome the funding package that was announced earlier in the week, but we need to fund the people who work in that

[Caroline Lucas]

sector, not just the bricks and mortar and the infrastructure, so I ask the Government: please listen to all those people on both sides of the House who want to see those gaps plugged and also please take a sectoral approach to the furlough scheme so that it can be maintained in those sectors that cannot yet safely open.

Secondly, the statement as a whole was, sadly, far too much about propping up the housing market, ignoring renters and creating low-paid jobs. It is about consumption at any cost and it is doing far too little on climate and nature.

Thirdly, the so-called green recovery is a drop in the ocean of what is needed. Yesterday, the New Economics Foundation released a new report, which showed that by investing £8.6 billion a year in whole-house retrofit, we could create more than half a million jobs, reduce household emissions by more than 20% and cut affected household bills by £418, all within the remainder of this Parliament. That is what an energy efficiency programme worthy of the moment would look like.

It is a similar story for nature. There is some recognition of the challenge, but a complete failure to grasp the scale required. The £40 million for nature-restoration jobs might sound good, but let us compare that with the last 10 years of cuts to our nature agencies. It is a sticking plaster that will not arrest the decline of our natural world. In 2009, the core funding grant to Natural England was £212 million; 10 years later, it was just £60 million. That is £150 million less for nature protection each and every year, which is more than three times the total allocated to the green jobs challenge fund today. The sums announced are so out of step with the challenges we face that some are even questioning their lawfulness. The Prime Minister and the Chancellor will no doubt have received Plan B's letter before action.

Any progress is still dwarfed by public money for fossil fuels. We cannot put out a fire with one hand while still pouring petrol on it with the other, yet that is what the Government are doing, through the £27 billion road building schemes, the blank cheque bail-outs to airlines and the public money funnelled into fossil fuel projects overseas. It is time to draw a line in the sand. The Government should commit that not one penny more of public money will be spent on propping up the fossil fuel economy and fuelling the climate emergency.

Yesterday, I presented the Decarbonisation and Economic Strategy Bill. It was put together by the hon. Member for Norwich South (Clive Lewis) and myself, and it is the first ever attempt in the UK to legislate for a green new deal. If the Government are struggling to grasp what a commensurate response to our challenges looks like, I invite them to take a look at the work that has already been done. It is, some might say, oven ready.

6.28 pm

**Stephen Flynn** (Aberdeen South) (SNP): I rise to take part in this debate in frustration, because at the start of March I highlighted in the Chamber during the Budget debate the fact that the oil price had collapsed and that the Government needed to provide support. Obviously, we then went into lockdown and the price collapsed even further. I raised concerns in the only way possible at that time, by writing directly to Ministers on numerous occasions, and I enjoined my colleagues, my hon. Friends

the Members for Aberdeen North (Kirsty Blackman), for Gordon (Richard Thomson) and for Angus (Dave Doogan), to do likewise. I have raised the issue at every possible occasion in the public domain. I raised it in the Public Bill Committee during the passage of the Finance Bill and I raised it in this Chamber last week and again earlier today, yet still there is not a word from the Chancellor in respect of an oil and gas sector deal. I cannot describe how frustrating that is in a manner that would not get me into a lot of trouble with you, Mr Deputy Speaker.

The reality is that the sector has put £365 billion-worth of income into the Treasury. This is not just about protecting the jobs of the individuals in the sector at this moment in time; it is about what comes next. It is about being able to reach net zero. It is about being able to create a sustainable energy future for Aberdeen and for Scotland, be that through the hydrogen backbone across Europe, through an energy transition zone, or through the Acorn project on carbon capture and underground storage. So much could be announced, but to date the Government have continued to sit silent. The consequence of that has been job loss after job loss after job loss, and it is my constituents who are having to face that harsh reality.

On top of the challenges in hospitality and tourism, and all the other challenges that everyone else has in their constituencies, the challenge facing Aberdeen because of the downturn in the oil price is huge. It is time for this Government to step up to the plate. I am fed up with asking them to deliver. What I am asking them to deliver on is their own manifesto commitment, nothing more, nothing less. They need to step up to the plate and do it now. If they do not, they need only look at the polls from Scotland to see that the tide is turning. The people of Scotland's eyes have been readily opened to how shambolic this UK Government are, and if they continue to ignore our needs we will respond accordingly.

6.31 pm

**Jack Breerton** (Stoke-on-Trent South) (Con): Businesses in my constituency are overwhelmingly grateful for the excellent support put in place by the Chancellor and this Government. We must recover as soon as possible, because under the pre-pandemic conditions we were moving forward, not least in Stoke-on-Trent, which was on the up after decades of slow decline. Local manufacturers are only too eager to create the high-skilled, high-paid jobs our communities need. I am particularly pleased by measures announced today by the Chancellor to support young people into employment, apprenticeships and training. I know that this Government are committed to levelling up, and Stoke-on-Trent is an area that absolutely embodies that agenda. More to improve bus services, help for our high streets and a town deal would be particularly welcome.

I am delighted that my proposals to reopen Meir station have got backing in Government, but rather than take each funding project in turn, I have a general point to make. I offer this helpful insight as I am passionate about levelling up and about getting the maximum economic return by releasing the greatest unrealised potential. Too often there has been something like a 25% local contribution rule, which makes it pointless to bid, because we could never afford it, so funding schemes that were supposed to help places such



as Stoke-on-Trent will instead go to places that can afford to pay. These areas have the means to make schemes shovel-ready, whereas many of the local areas we seek to level up have had to prioritise resources elsewhere long ago. I ask the Government to look carefully at how we can help make schemes shovel-ready in places such as Stoke-on-Trent.

North Staffordshire is one of the largest conurbations, at the heart of the country, plugged into a world of interconnectivity. Thanks to the support of Government and the city council, as I speak LilaConnect is laying a new full-fibre network in Stoke-on-Trent, providing direct fibre to homes and businesses that is more advanced than that anywhere else, promising up to 1,000 megabits per second. If we get it right, no city is keener to build, build, build than Stoke-on-Trent. Prior to covid, property prices were rising healthily and developers have told me that demand was high. However, low property values have often caused viability constraints locally. We have plenty of brownfield land ripe for development, but the cost of remediating the sites is often prohibitive. It has been necessary for Government to step in to stimulate those more challenging sites and work with the local city council.

Advanced manufacturing, digital and logistics are all strengths in Stoke-on-Trent and they will be key sectors in our new economic future, removing the hurdles and unlocking the potential that has been constrained for far too long. The more skilled, better-paid jobs we create locally, the more houses we can sustain and the greater the national contribution we can make. We just need a helping hand from national Government to give us a really good start.

6.34 pm

**Nick Smith** (Blaenau Gwent) (Lab): This pandemic is hitting Blaenau Gwent hard. Its shockwaves are shaking our south Wales valleys now. An entire shopping centre is under threat. A logistics centre that supplies the drinks industry is facing redundancies. Our small-town high streets are under big pressures. Care workers are under the cosh. These heroes have put their lives on the line to look after our loved ones, but now some of them are seeing their hours cut, and others are losing their jobs completely. The whispers and rumours of redundancies are back, and while things are so uncertain, this will keep on happening.

The valleys have seen this before. People in my constituency remember the 1980s, when pit and steel closures hugely impacted our communities. We know how important early investment is during tough times. In 2018, the Government promised to launch the shared prosperity fund, but we are still waiting for it. That pot of money could help Blaenau Gwent to rebuild following this period of uncertainty. It could help to revive our economy, which is facing the threats of these dark times. It would build vital infrastructure, giving us the good-quality roads and the rail tracks that we need. We have waited too long for this fund. The Government need to step up and give us this detail as a matter of urgency.

We also need to invest in young people. Dubbed “generation covid”, they are facing the toughest job market in decades. The kick-start scheme is to be welcomed. At first sight, it resembles Labour’s successful future jobs fund, and I am glad that it is being revived. In Ebbw Vale in my constituency, Cyber College Cymru offers

young people future-proof training in this growing sector. The project links up with major employers, helping young people to gain the work experience they need to get into the jobs market. It is a shining example that should be replicated across the whole country. Young people need these opportunities straight away. Neither they nor our economy can afford to wait. Blaenau Gwent and its young people need a helping hand now—let’s get on with it.

6.37 pm

**Julie Marson** (Hertford and Stortford) (Con): Right now, the FTSE 100 is stacked with establishment companies that will rally once the covid crisis eventually subsides, but it will not be those industries that provide the high-growth success stories of the next 10 or 20 years. The highest growth will come from fledgling, disruptive sectors just entering their growth phases now or not even yet created. The development of our highly successful start-up ecosystem, which houses the world-leading sectors of tomorrow, such as FinTech, green energy and automation, will be essential to our long-term global competitiveness and prosperity. I would love to see an extension of the Government’s existing commitment to support those industries, at the pre-seed, seed and series A levels.

When the Government introduced the growth accelerator programme in 2012, I do not imagine that even they imagined how successful it would be. The 18,000 businesses that participated in the scheme achieved growth that was, on average, four times faster than that of a typical small and medium-sized enterprise, and the programme added at least £1 billion to the British economy. I hope that the Government will consider a scheme like this as they evaluate where our future growth lies and what initiatives will best suit the long-term needs of our country. Back in 2012, this £200 million programme delivered a return on investment of at least 700%. Amended for today and focused on specific high-growth, high-opportunity sectors, with provisions made for regional business, the ROI could be even higher, and it could create even more jobs than it did before.

We have already seen the potential that can emerge when we diverge from London—for example, through the innovation corridor, which runs through my constituency of Hertford and Stortford. We can build on this success. As we look to long-term growth opportunities, I hope the Government will build on their brilliant work by investing in skills clusters across the UK, to drive public and private investment in left-behind regions.

The Chancellor and the Treasury team today have been hugely bold, and I enthusiastically applaud them. During this crisis, the heroes of our country have been our doctors, nurses, carers and key workers. In the recovery stage and beyond, it will be the businessmen and women driving growth for their companies and helping the economy back to health. Our job in this place will be to provide the platform for this next set of heroes to carry our economy forward.

6.39 pm

**Rob Butler** (Aylesbury) (Con): We are here to talk about the economy, and the economy means numbers. In Aylesbury, 14,500 jobs have been protected by the Government’s furlough scheme and almost 5,000 local people have benefited from the self-employed income

[Rob Butler]

support scheme. That is good news. However, there are worrying numbers, too. Not everyone has been able to access Government help and jobs have already been lost. The unadjusted claimant count in Aylesbury in May was two and a half times higher than in March, and in the 18 to 24-year-old age group the rate of increase in unemployment was even greater. That is why the kick-start scheme announced today by the Chancellor will be extremely welcome in my constituency, as will his entire plan for jobs, jobs, jobs.

Behind the numbers are the names: the people who have continued to work throughout the coronavirus crisis to help to keep the local economy on its feet and prepare it for the future. People like Diana Fawcett, the town centre manager, who has inspired and assisted the market stall holders and independent traders, many of whom have benefited from the bounce back loan scheme. The people who have continued to invest, ready for the return of a more normal life. People like Karman and Greig at the Harrow pub, who served takeaways so they could afford to redecorate and draw in new customers, and who will now benefit from the VAT cut on hospitality and “eat out to help out”. Or Ben Moulton, who has seen a gap in the night-time economy and converted a clothes shop into a restaurant with Buckinghamshire’s first roof terrace bar. Or councillors Bill Chapple and Steve Bowles and the teams they lead at Aylesbury Garden Town, which promises to be smart, sustainable, accessible and inclusive. Or students at Aylesbury’s university technical college, who will be the next generation of apprentices bringing much needed vocational skills to construction and computing.

There is a theme underlying those numbers and names: a theme of resilience and readiness for the economic challenges ahead. Thousands of houses are planned locally which will contribute to the Prime Minister’s ambition to build back greener, with an eco-friendly approach to help answer the concerns of the passionate campaigners from last week’s “The Time Is Now” mass lobby. The local plan already embraces the change heralded by the new planning regulations announced last week, which will transform our town centres into community hubs where people want to live, work, visit and invest.

To make all that a reality requires, yes, infrastructure funding from central Government to get our traffic flowing and ensure we have the schools and the health centres we need for our fast-growing population, but our economy is not just about money. For our future success we need a spirit of entrepreneurship in which risk-takers are rewarded. We need bold thinkers with imagination about what our towns are for. In Aylesbury, we have them. In Aylesbury, we stand ready to be at the forefront of initiatives to build a new economy.

**Mr Deputy Speaker (Mr Nigel Evans):** Until 6.44 pm, Jim Shannon.

6.42 pm

**Jim Shannon** (Strangford) (DUP): Three points made very quickly.

First, I want to plug the charity Kidney Research UK. I understand the Government have set aside some £750 million for charities, but the likes of Kidney Research UK and Cancer Research UK do clinical research. They have not been able to fundraise and so have not

been able to get any money to continue their clinical research. Without that clinical research, we will not have new medications, or new ways of saving lives and making lives better, so I am very mindful of that.

Secondly, on aerospace, there will be a meeting tomorrow with some of my people, where Magellan Aerospace will be answering questions about job losses.

Thirdly, in the last 25 seconds or so I want to make a point about Northern Ireland. Northern Ireland has lower rates and a highly skilled labour force. It is a perfect place for investment. I say to everyone in this House that if they have a company that wants to invest, come to Northern Ireland. Invest Northern Ireland and the Northern Ireland Assembly are there to help. We need the Government to do their wee bit as well. In the last five seconds, I will just say this to the Government: “Do your best for Northern Ireland.”

6.44 pm

**Bridget Phillipson** (Houghton and Sunderland South) (Lab): I think we can recognise from all the contributions today that the pandemic is the biggest crisis we have faced in our lifetime. My hon. Friend the Member for Bristol South (Karin Smyth) talked about the need for the health of our country and our economy to be taken together, as well as about the contribution of women to our economy. That was a point also picked up by the right hon. Member for Romsey and Southampton North (Caroline Nokes), the Chair of the Women and Equalities Committee.

My hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) drew our attention to the fact that Government measures are having a real impact on the north-east of England and called for infrastructure investment in our region, to which I am naturally and understandably sympathetic. My hon. Friend the Member for Sheffield, Hallam (Olivia Blake) drew our attention to the incredibly challenging situation facing our universities. We also heard from my hon. Friends the Members for Warwick and Leamington (Matt Western), for Luton South (Rachel Hopkins) and for Coventry South (Zarah Sultana) on the need to secure a green transition. My hon. Friends the Members for Luton South and for Warwick and Leamington talked about the need to invest in electric vehicles and the charging infrastructure, and to see greater support for the automotive sector and manufacturing.

My hon. Friend the Member for Kingston upon Hull West and Hessle (Emma Hardy), who is a doughty champion of the caravan industry, drew our attention repeatedly to the need for Ministers to respond to the challenges facing that sector and to do more to support business through this crisis. My hon. Friends the Members for Merthyr Tydfil and Rhymney (Gerald Jones) and for Blaenau Gwent (Nick Smith) drew our attention to the fact that the shared prosperity fund is vital and that we urgently need clarity from Ministers on this issue. My hon. Friend the Member for Merthyr Tydfil and Rhymney also rightly drew our attention to the positive action being taken by the Labour Government in Wales.

The British public have the expectation, quite rightly, that politicians will be working responsibly to overcome this crisis. That is why we have supported the Government where possible and remain committed to working constructively to find solutions to the challenges that we face. We do acknowledge that some of the steps

taken by the Government earlier in the crisis, such as the job retention scheme and the self-employment income support scheme, were the right thing to do. We called for those measures and we were proud to support them. When we criticise—when we offer constructive criticism—it is because we know that, for Britain to succeed, the Government have to do better. Our priorities are those of the British people: protecting health and protecting the economy.

We know that we are facing a sharp and deep downturn and that the UK faces one of the largest hits to output in all industrialised countries. We also know the impact that this crisis has had on working families and on communities that have paid the price of Tory government since 2010. I am talking about the poorest families who have seen their earnings plummet and household debt rise and the parts of the country, such as the area that I represent, that have been neglected by Governments since 2010 and are projected to face greater unemployment and competition for jobs in the coming months. There are 17 jobseekers for every single vacancy, and that is before we see additional unemployment. The young and the low paid, who are far more likely to work in sectors that have been shut down, face the toughest job market in a generation, and women, particularly mothers, are more likely to have quit or lost their jobs or been furloughed since the start of the lockdown. We can all recognise the disproportionate impact that this crisis has had on black, Asian and minority ethnic women who have been hit even harder. That is why, for weeks, we have been calling for a back-to-work Budget that supports those at the sharp end of this crisis, so that we can build a fair recovery, one of which we can all be proud.

Already, the Chancellor's counterparts around the world have laid out broad and ambitious packages to boost their economies and support vital sectors in facing the challenges that are yet to come. As usual, since the crisis, Ministers have been slow off the mark. They have had plenty of time to plan for a sustainable green recovery that benefits communities up and down our country. Labour called for many of the measures that were announced today and, as a constructive Opposition, we welcome them, but no one can ignore the major blind spots in this statement. It is part of a running trend. Throughout the crisis, the Government have consistently been too slow, putting off the tough calls. That has made lockdown longer and the economic harm greater. It is why we must get our response right now. We need Britain to move on from the crisis, not be scarred by it for generations.

We have set out tests for what we expected from the Government today: a back-to-work Budget that focused on retaining jobs, sustaining jobs and supporting new jobs. For weeks, we have been calling for an effective scheme that ensures that people are able to find decent work, even in the challenging labour market ahead. That is why we called on Ministers to learn from the example of Labour's future jobs fund, which supported hundreds of thousands of young people into training and employment opportunities. We are glad that the Government have finally heeded our call for such a programme, but the fund does not address the scale of the youth unemployment challenge. More than 400,000 young people were already out of work pre-crisis, and a further 800,000 are set to enter the labour market.

There is one specific point on the detail that I hope the Minister can address: will companies be able to use kick-start funding to support apprenticeships? I hope he will be able to answer that question when he responds. Welcome as it is for younger workers who will benefit, it does not address the concerns of many workers, especially older workers, whose jobs are now at risk and who face a very uncertain economic future.

A plan on job creation should have moved in lockstep with our commitment to tackling the climate emergency, but again, Ministers have fallen short. The recent Committee on Climate Change report laid bare how badly the UK is falling behind, and with this package, we continue to do so. The French Government have promised €15 billion for a green recovery. The German Government—€40 billion. The UK Government—£3 billion so far. Tackling the climate emergency should have been at the heart of the Government's economic response. Decisive action to drive towards net zero goes hand in hand with job creation, providing upskilling, training and new opportunities, yet the Government's approach in this area is sadly lacking.

While we have heard a great deal today about supporting job creation, which is urgent and vital, the Government's No. 1 goal must also be to prevent people from becoming unemployed in the first place. We have seen a wave of job losses right across a number of sectors, including retail, food service, aerospace and hospitality in the last week alone, with every job lost a tragedy. We know that unemployment does lasting damage not just to individuals, their livelihoods and families, but to whole communities, and the best way to keep unemployment down is to keep people in work.

That is why the Chancellor should have abandoned his one-size-fits-all wind-down of the furlough. We want British business back on its feet, but the Government's failure to adopt a strategic approach will hamper this. We should have had a more targeted strategy that addressed the fact that some sectors that are not at full capacity should not be treated in the same way as those that are. We need ongoing, targeted support. This is not about picking winners. It is about protecting those who have lost through no fault of their own, and the job retention bonus scheme risks a transfer of money into the hands of companies that would have brought their staff back anyway.

We have been too slow into lockdown, too slow on PPE and too slow on testing, and it is failures on public health that risk a repeat of the local lockdown we have seen in Leicester. Such further occurrences will be a hammer blow to businesses that are just scraping by. We have said we will be a constructive Opposition, and part of that is making the Government aware of where this response is falling short. This crisis has highlighted the chronic underfunding of our public services, where our older citizens have been denied the care that they need and precarious low-paid work is the norm for too many people. But out of this crisis, there is a chance to build a better country.

6.52 pm

**The Economic Secretary to the Treasury (John Glen):**

It is a privilege to close this debate on behalf of the Government, and I thank hon. Members across the House for their varied and considered contributions, which I will reflect on in a few moments.

[John Glen]

At the outset of this crisis, the Government introduced a £160 billion package of measures to protect jobs, incomes and businesses from the harm and disruption caused by covid-19. Thanks to the action that we took, millions of jobs and livelihoods have been safeguarded through the worst months of the pandemic. Most importantly, our frontline services have received the money that they need to tackle this virus head-on and to support the most vulnerable in our society, but we have always been clear, as the Chancellor reiterated today, that we are ready to take further action as the circumstances develop.

Throughout this crisis, we have listened to hon. Members across the House, just as we have listened to businesses and those working in public services. That is why we announced the bounce back loan scheme in response to some of the challenges with the CBIL scheme to help the very smallest firms and sole traders who might not otherwise have been able to access the finance that they needed. It is why we announced that both the coronavirus job retention scheme and the self-employment income support scheme would be extended into the autumn; it is worth remembering that we still have three and a half months to go on those schemes. It is why my right hon. Friend the Secretary of State for Digital, Culture, Media and Sport came to this House on Monday to announce a bespoke package of support for theatres, museums and our hard-hit creative industries. For me, as former Arts Minister, it is great to see the National Gallery leading the way by opening today.

Today marks a new phase in our new economic response as we look to the future and to our recovery with a plan for jobs. It is a plan that will build on the success of our job retention scheme by rewarding and incentivising employers to keep previously furloughed staff in work through the autumn and into the new year by paying them a job retention bonus.

**Karin Smyth:** Will the Minister give way?

**John Glen:** I will not, given the time.

It is a plan that puts young people front and centre, with a kick-start scheme that will pay employers to create quality jobs for 16 to 24-year-olds at risk of long-term unemployment, alongside new funding for apprenticeships, traineeships and sector-based work academies. We shall be issuing guidance very shortly on how those schemes will interact with the extra support that we are putting into jobcentres. It also means that we shall invest in infrastructure, decarbonisation, and maintenance projects that will serve the needs of communities across the country, while creating jobs and apprenticeships here and now.

Through our collective efforts, coronavirus has been brought under control in this country, but it has not disappeared completely. Even as our economy reopens, many businesses and families will continue to face significant challenges. The Chancellor made it clear today that the Government are not driven by ideology; we are guided by the simple desire to do what is right. For that reason, we will continue to take significant steps to support the economy in the weeks ahead. We will, for example, inject new certainty and confidence into the housing market by increasing the stamp duty threshold to £500,000

for first-time buyers. That recognises the additional expenditure in the economy derived from a house purchase, and, we anticipate, will have a significant effect.

Few sectors have been harder hit, though, than retail, hospitality and entertainment, so, from next Wednesday, VAT on food, accommodation and attractions will be cut from 20% to 5%. I welcome the positive comments from Members across the House for that measure. Through the month of August, everyone in the country will be entitled to a Government-funded discount of 50% in restaurants, pubs and cafés, from Monday to Wednesday. The “eat out to help out” discount is the first of its kind in this country, and proof that the Government will leave no stone unturned in our efforts to protect people’s jobs and livelihoods.

I shall now mention some of the themes of this afternoon’s debate. My hon. Friends the Members for Stoke-on-Trent South (Jack Brereton), for High Peak (Robert Lorgan) and for Keighley (Robbie Moore) emphasised the need for investment in local infrastructure and levelling up, and that means investing now to prevent long-term damage to the economy and support the private sector. That is why the Government have brought forward the shovel-ready projects.

On the theme of sustainable public finances and recapitalisation, my right hon. Friends the Members for Wokingham (John Redwood) and for Chipping Barnet (Theresa Villiers) and my hon. Friend the Member for North East Bedfordshire (Richard Fuller) recognised the challenges ahead with respect to the third phase that the Chancellor referred to today, and we shall be responding in the Budget later this year. My hon. Friend the Member for North East Bedfordshire raised a particularly important point about the need to encourage the private sector to generate the jobs ahead.

My neighbour, my right hon. Friend the Member for Romsey and Southampton North (Caroline Nokes), made a passionate speech, referring to the need to address urgently the challenges faced by the beauty industry. She also mentioned the disproportionate impact on women, people from the BAME community and the disabled, and we shall be responding to the excellent report that her Committee, the Women and Equalities Committee, produced in the spring.

There was a moment of synergy between my hon. Friends the Members for Buckingham (Greg Smith) and for St Albans (Daisy Cooper) as they backed the “eat out to help out” campaign, and my hon. Friend the Member for South Dorset (Richard Drax) emphasised his commitment to that in terms of support for pubs.

There were also references to the need for resilience in our local authorities, who have received £3.7 billion in new grant funding. We will work closely with local authorities as we move into the next stage.

**Nick Smith:** Will the right hon. Gentleman give way?

**John Glen:** I am afraid that I will not give way because of the amount of time I have left.

I wanted to respond to the point raised by the hon. Member for North East Fife (Wendy Chamberlain)—who is not in her place—on the Treasury’s responsiveness to her constituents’ correspondence. We have had a volume increase of eight times over this crisis, but we will be working very carefully to improve our responsiveness.

Over the past few months, our economy has endured unprecedented levels of disruption and uncertainty. People and businesses have experienced considerable hardship and worry, and many will continue to do so for some time yet. However, over the past few months we have seen the best of our economy. We have seen banks and building societies providing support with mortgage holidays. The hon. Member for Glasgow South West (Chris Stephens) mentioned the important role of credit unions; we will be working closely with them as we move to the next stage.

Businesses large and small have turned over their production lines to the manufacture of ventilators, PPE and antibacterial sanitiser, and supermarkets, chemists, couriers and utility companies have also assisted; but we now need to move forward. As the Chancellor has unveiled a plan to protect, create and support jobs, everyone in this country has the opportunity for a fresh start. The task is not yet done. It will take time, and there will be more to come from the Government in the Budget and spending review in the autumn.

7 pm

*Motion lapsed (Standing Order No. 9(3)).*

## Business without Debate

### BUSINESS OF THE HOUSE (9 JULY)

*Ordered,*

That, at the sitting on Thursday 9 July, notwithstanding the provisions of Standing Order No. 55(1) (Questions on voting of estimates, etc.) relating to the moment of interruption, the Speaker shall put the Questions on all the motions in the name of Jesse Norman in the same order as they would fall to be put under paragraph (6) of Standing Order No. 54 immediately upon the conclusion of the debate relating to the spending of the Ministry of Housing, Communities and Local Government.—(*Tom Pursglove.*)

### PETITION

#### Merger of Department for International Development and Foreign and Commonwealth Office

7.1 pm

**David Linden** (Glasgow East) (SNP): I rise to present a position opposing the abolition of the Department for International Development.

Since 1997, DFID has been a stand-alone Department and, working with its international partners, has been a leader in international development in times of global crisis. Just one example of DFID support overseas is the Compassion project in Togo, which has been transformative for the lives of many women and children in that country.

The petition states:

The Petition of the residents of the constituency of Glasgow East,

Declares that the proposed merger of the Department for International Development with the Foreign and Commonwealth Office is a retrograde step that will diminish the UK's respect as a global leader on international development; further declares that the merger is the first clear step in a change of policy, which will inevitably see UK aid explicitly linked to trade rather than being based on need.

The petitioners therefore request that the House of Commons urge the Government to immediately abandon proposals to merge the Department for International Development with the Foreign and Commonwealth Office.

And the petitioners remain, etc.

[P002587]

**Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): On a point of order, Mr Deputy Speaker. I know that I am not the only Member who has written to Ministers in the past few months about serious matters yet had responses from quite junior civil servants. Although I respect all civil servants, when I write to a senior Minister on a serious matter of policy—not an individual matter—I expect a response from the Minister. Are you, Mr Deputy Speaker, prepared to give me guidance on how we can make sure that this practice is nipped in the bud?

**Mr Deputy Speaker (Mr Nigel Evans):** The Speaker has made it absolutely clear that he expects all Back-Bench questions to Ministers not only to be answered but to be answered promptly, and I am sure that those on the Treasury Bench will make absolutely certain that Ministers are made aware of that rule.

## Free Travel for Under-18s: London

*Motion made, and Question proposed,* That this House do now adjourn.—(*Tom Pursglove.*)

7.2 pm

**Ruth Cadbury** (Brentford and Isleworth) (Lab): It is good to see my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier) in her place, and it is a particular pleasure to see the Minister in her place and to be joined by colleagues who are concerned, like me, about the issue of children and young people's travel in London.

I sought this debate to try to understand the Government's decision to require Transport for London to suspend free travel for under-18s on London's buses and trams. The removal of free travel for under-18s will impact hardest on London's most disadvantaged young people. It is technically complex to implement and will lead to low levels of demand reduction, which is the proposal's purported aim. I shall briefly summarise where I think we are with the issue, and will then welcome clarification from the Minister on the latest position.

When the Government agreed in May to provide emergency funding to TfL—as they did to so many public services whose income streams have been decimated by the pandemic—they set a number of conditions, one of which was for TfL to suspend free travel for under-18s. The funding agreement states that the reason behind the condition was

“to optimise the use of the available safe transport capacity”—in other words, to manage demand, especially during the morning peak.

I understand that despite many weeks of discussion between Government officials and TfL, the specific condition was raised directly with London's deputy Mayor for transport, Heidi Alexander, only on the day the deal was agreed, 14 May. It came out of the blue without any prior assessment of its impact on London's children or the cost and complexity of implementing it. It was the only deal that the Government offered; the Mayor of London had no choice but to accept it to keep the tubes and buses running, and if he had not, he would have been forced to issue a statutory section 114 notice—the declaration stating that TfL is no longer able to work to a balanced budget. Because the condition was imposed at the last minute, there was no time for TfL's officers to assess the significant impact and the supposed benefit.

**Ms Karen Buck** (Westminster North) (Lab): My local authority, Westminster, has told me that it estimates that between 5,000 and 9,000 children in our borough alone are affected by this issue. Importantly, it says that, given the categories of children who are eligible for assistance—children who are under eight years old, living more than two miles away, on free school meals, with disabilities and so forth—all the children who currently use public transport to get to school could be eligible. Does my hon. Friend think that the Government have thought this one through?

**Ruth Cadbury**: I believe that they have not. They certainly did not discuss the implications because it came, as I said, out of the blue. It is good to know that local authorities are assessing the impact.

London is the UK's most congested city, with the lowest levels of car ownership and the greatest numbers of families living in poverty. Free travel for under-18s was introduced by a Labour Mayor, and since 2006 subsequent Mayors, including the current Prime Minister, have retained the policy.

**Munira Wilson** (Twickenham) (LD): I thank the hon. Lady for securing this very important debate. I am particularly concerned about the impact that this will have on students who go to further education colleges. I have Richmond upon Thames College in my own constituency. We know that a quarter of college students are on free school meals, so does she agree that the policy is hitting hardest the most needy who are trying to educate themselves?

**Ruth Cadbury**: I absolutely agree with my neighbour's point. My son went to Richmond upon Thames College, and many students journey from far too far away to be able to cycle. As she so rightly says, the proposal hits the poorest hardest—the very families that need all the help they can get to ensure that their children can achieve and prosper. It is those families who are doing worst in the covid crisis. According to the Child Poverty Action Group, 700,000 children in London are estimated to be growing up in poverty.

**Andy Slaughter** (Hammersmith) (Lab): I congratulate my hon. Friend on securing the debate. Does she agree that black, Asian and minority ethnic children are particularly affected? Almost 60% of them benefit from the scheme at the moment. That is particularly important given the effect on BAME communities of the covid-19 pandemic generally.

**Ruth Cadbury**: My hon. Friend is absolutely right: 60% of children in London schools are BAME, and of course we know that those communities are affected the most.

Josh Brown-Smith, who is a 14-year-old student and adviser to the young mayor of Lewisham, put it better than I could when he said:

“Taking away Zipcards effectively means that young people can't get around the capital. It's going to impact parents and it's going to be a financial strain on my mother and others across the capital. Some families won't be able to afford it—I know I won't be able to afford it.”

The petition that Josh started has now reached more than 170,000 signatures.

**Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): I thank my hon. Friend for securing this vital debate. Does she agree, further to the point made by the hon. Member for Twickenham (Munira Wilson), that this is effectively a tax on education? Many parents will already have chosen schools and have their children in secondary schools or colleges on the basis of free travel. They will either be forced to pull out or have to pay for it. This is a really significant issue for our young people.

**Ruth Cadbury**: One fifth of London's secondary school children travel across borough boundaries and many travel long distances to go to the school of their choice, or even the only school that they could get into, because school places are at a premium in London, as we know, with the rising population and the gap in creating sufficient school places quickly enough.

A mother from Hounslow said that “it’s hard to find money to put on an oyster card. I know it’s not free—someone has to pay—but the Zip Oyster card for kids did help.”

**Helen Hayes** (Dulwich and West Norwood) (Lab): The cost that we are talking about for a family with three children in secondary school is £45 a week. Does my hon. Friend share my concern about how families that have faced furloughing or lost employment, and may already be on low incomes during this covid-19 crisis, could possibly be expected to meet that additional weekly cost?

**Ruth Cadbury:** Absolutely. We keep hearing in this House how universal credit and the other benefits just do not keep up with the real cost of living in London. My hon. Friend is absolutely right.

We have covered the inequality issues, but the decision is also technically complex and costly to administer. As I say, 30% of young Londoners are entitled under national regulations to free travel anyway, and so will continue to have that right. That includes those on free school meals or other benefits, and those with special educational needs and so on. But there is currently no system in place in London for working out which children qualify. Indeed, any such system would be more complex than any other in England, with seven fare zones and over a fifth of children crossing borough boundaries to get to school. Will the home council administer the scheme, or the one where the school is based, or will TfL or the schools administer it? We do not know.

**Sarah Olney** (Richmond Park) (LD): The hon. Lady mentions that many children will have to travel quite a distance to school. Does she share my concern that those distances will now be completed by car journeys, particularly in the outer boroughs such as ours, instead of bus journeys? That takes us backwards in our quest to reduce car journeys and emissions in the capital.

**Ruth Cadbury:** I absolutely agree with my other honourable neighbour. She is absolutely right, because while London has the lowest car ownership in the UK, it does not take a lot of additional cars on the road to create extra congestion. That would send all the wrong messages and be completely contrary to the messages the Government are trying to bring in about alternative travel.

The Government expect this new system to be agreed and up and running in a matter of weeks when staff are already under huge pressure. I do not believe the Government have considered the logistics, and with no precedent for changing the concessions, there is also no way of knowing how many under-18s would still pay to use public transport. TfL expects a demand reduction of only 1% to 2% in the morning peak if these proposals were to be implemented from September, reaching only 5% by January, so the proposal is not even going to achieve the Government’s aim of reducing demand significantly.

TfL is willing and able to work with local authorities and schools on a range of measures to address demand, such as staggering start times, capping numbers on buses, and encouraging walking and cycling where possible

for those who live near school, whereas this proposal, which might hit the already disadvantaged hardest, might reduce demand during the morning rush hour by only 1% to 2%.

The Minister might say that children should cycle, but even when new segregated cycle routes are in place, I challenge her to find many 2-mile to 5-mile home-to-school journeys that can be done by an 11-year-old, wholly on segregated cycle paths, including crossing major junctions or on quiet streets like those in Hackney. Many boroughs are not implementing these schemes anyway. Kensington and Chelsea seems somewhat reluctant.

Furthermore, many low-income families do not own a bike, many homes have nowhere safe to store a bike, and not everyone lives in a place where it is safe to walk to school. Those walking longer distances are at risk from those preying on vulnerable children. One mother said to me that the advantage of the bus is the CCTV, so the groomers and the robbers do not tend to use them. Many London children travel long distances to school, beyond the reach of the bike.

**Meg Hillier:** I thank my hon. Friend for being generous in giving way again. One of the benefits of this project when it was introduced was that it got whole generations of young people to realise that public transport was there and was useable. It got them in the habit. Does she not think there is another detrimental impact? It is a nice idea that everyone is going to hop on a bike instead of going by car, but it is not likely to happen.

**Ruth Cadbury:** My hon. Friend is absolutely right. To quote the brilliant Josh from Lewisham again, public transport is a lifeline for so many of our young people.

So far, the Transport Secretary, in his responses on the issue to this House and to the Transport Committee, has paid lip service to the need to reduce demand, but seems to take delight in criticising TfL’s finances—what he claims is the Mayor’s mismanagement of them—and suggests that taxpayers elsewhere in the UK are unduly subsidising London. However, the previous Mayor of London, who is now the Prime Minister, agreed to phase out TfL’s direct operating grant. This left London as one of the only major cities in the world, and the only capital in Europe, not to receive direct Government funding for running day-to-day transport services. As a result, fares and commercial revenues have been forming just over 80% of TfL’s income. Before covid struck, TfL’s finances were in a strong place, but clearly, when tube ridership plummeted by 95%, it was simply not feasible for TfL to recuperate that income on its own. Hence it needs support.

Perhaps the imposed condition and the way it has been handled is an attempt to curb the Mayor’s powers, contrary to the Government’s professed support for devolution of powers to cities and regions. I hope not. The Government should let the London Mayor lead, and let TfL get on with the job it does so expertly every day—managing demand, providing safe journeys for children and young people, and keeping London moving. Children and young people in Greater London, including my constituents, should not be the accidental victims of this apparent power tussle between the Government and the Mayor of London.

**Bambos Charalambous** (Enfield, Southgate) (Lab): Have the Government made any impact assessment of these ill-thought-out measures, particularly the impact on the poor and disadvantaged young people?

**Ruth Cadbury:** If the Government have done an impact assessment on this, I do not believe that they have yet shared it with TfL, the Deputy Mayor or the Mayor of London.

I would like to pose some questions to the Minister. Why did the Government wait until the eleventh hour to confirm emergency support for TfL to keep London running through the pandemic, when other sectors equally affected were given support more quickly and with fewer strings attached? Why was that condition to remove free travel from London's children and young people crowbarred into the emergency funding agreement at the very last minute? What is the demand reduction in per cent. that the Government expect to see from the change to concessions? Do not TfL's recently introduced maximum passenger limits on buses deal with the potential overcrowding problem? Who will pay for the additional administrative burden? When does the Minister expect the system to be operational? What discussions have the Government had with local authorities, schools and colleges about the proposal? Is the proposal being consulted on, so that students, parents and schools can make their views known? Has an equalities impact assessment been done? If so, will either of those be made public? Or is it a done deal—no discussion, take it or leave it?

7.16 pm

**The Parliamentary Under-Secretary of State for Transport (Rachel Maclean):** I congratulate the hon. Member for Brentford and Isleworth (Ruth Cadbury) on securing this end-of-day debate on what is an important issue. It gives me a welcome opportunity to set out the policy and detail behind the generous support package agreed and given to Transport for London.

The covid-19 pandemic has given rise to an unprecedented health and public safety emergency. The Government continue to work to ensure that public transport is safe in these unprecedented times, and that the capacity is there for key workers and those who need to use public transport to support the critical restart of the economy. We can all agree that the transport network has a key role to play in supporting a safe and sustainable recovery for London.

A £1.6 billion extraordinary funding and financing agreement was first announced on 15 May. It was agreed to enable TfL to continue to operate services. The agreement contained a series of measures to manage demand and facilitate safe travel, including the temporary suspension of free travel for under-18s on buses. That was agreed by the Government, the Mayor of London and the Deputy Mayor for Transport. I make the point that these demand reduction measures were agreed by the Mayor of London. I quote from one of his public broadcasts on the matter:

“What we don't want is children and their parents and carers using public transport during rush hour, leading to social interaction leading to the virus spreading.”

**Meg Hillier:** The Minister quotes the Mayor of London. I wonder whether she can tell me the date on which he made that comment about children not travelling on buses?

**Rachel Maclean:** I thank the hon. Lady for her question. I will certainly write to her with that information.

Before the covid-19 crisis, around a third of journeys between 8 and 9 am were made by young people travelling to school. However, according to TfL, the average journey to school in London is less than one kilometre. The temporary suspension of free travel for under-18s is one way to manage demand for buses during the morning peak, and it is necessary to ensure that capacity is available to those who need it, including some schoolchildren, given reduced capacity as a result of social distancing measures.

I assure the hon. Member for Brentford and Isleworth that the Department continues to work closely with TfL on how that temporary suspension will be operationalised, while ensuring—this is a very important point—that any child eligible for free home-to-school travel under the Education Act 1996 will still receive it. The Department—to answer her question directly—is completing an equality impact assessment that will consider whether there are further categories of children who should receive free transport. Those children about whom hon. Members have rightly expressed concerns, will receive free travel and this work is still continuing.

I can confirm, in answer to the hon. Lady's questions, that the cost of the temporary suspension will not fall on London boroughs. In addition, the Department for Transport is working closely with TfL and the Department for Education to look at a whole range of other measures to help to manage demand for bus travel to and from school. That includes considering staggered start times, using coaches and promoting active travel. For those schoolchildren who no longer have access to free bus travel, I emphasise the opportunity that that presents to promote and encourage use of active travel modes and to maximise the benefits of the Government's record £2 billion investment in walking and cycling.

**Meg Hillier:** In my constituency, sadly, we have a problem with gangs, and a parent has written to me saying that she does not want her son to be another statistic. She chose a school on a safe bus route to make sure he was safe. Switching to what the Minister describes as active travel, which I would normally support, is not as simple as she describes, and I hope she will recognise that.

**Rachel Maclean:** I thank the hon. Lady for her point. All these matters are being considered in the work that is going on while this policy is being operationalised by TfL and the Department for Transport.

Walking and cycling will play a vital role in ensuring that pupils are able to attend classes safely and on time. While we do appreciate some of the challenges that have been identified, it is the Government's preferred approach that pupils should walk and cycle wherever possible.

**Sarah Olney:** Would the Minister concede that it is not just the educational opportunities that we are concerned about in the scrapping of free travel? Our young people are also being denied access to a vast array of sporting, cultural and social opportunities and the opportunity to build confidence and independence in being able to travel around without their parents.

**Rachel Maclean:** I thank the hon. Lady for her point, but the £1.6 billion bail-out for Transport for London was a temporary measure in response to the covid



pandemic. Of course it is right that taxpayers across the country subsidise London travel because of its importance to the economy, but is it right that taxpayers across the rest of the country should be paying for measures that are not available in their own areas?

**Helen Hayes:** Will the Minister give way?

**Rachel Maclean:** No, I will not give way, because I need to finish, and I have given way multiple times.

According to Transport for London, the average journey to school is less than 1 kilometre and can be walked in 10 minutes or cycled in even less time. Transport for London is creating extra space for walking and cycling as part of its Streetspace for London programme, while encouraging school leaders to work with local councils to create “school streets”. Those schemes temporarily close roads to traffic at school gates during drop-off and pick-up time, making school entrances safer and more welcoming to people on foot and bikes.

Furthermore, we should be building on Transport for London’s excellent community projects such as STARS, which works with more than 1,500 schools, nurseries and colleges across London to inspire young Londoners

to travel sustainably, actively, responsibly and safely by championing walking, scooting and cycling. The majority of primary school trips are already walked or cycled, and there is the potential for thousands more journeys to school for pupils of all ages to be made by—

**Helen Hayes:** Will the Minister give way?

**Rachel Maclean:** With respect, I cannot give way because I have some material to get through, and I wish to place on record my responses to the questions that have been raised by Members.

Finally, I would like to assure the hon. Member for Brentford and Isleworth that the Department is working closely with Transport for London on the response to covid-19, to ensure consistent messaging and guidance for public transport users. The Department is in daily contact with TfL to understand the levels of service that TfL is operating and to plan for increasing demand for public transport as the economy reopens.

*Question put and agreed to.*

7.24 pm

*House adjourned.*



# Written Statements

Wednesday 8 July 2020

## HEALTH AND SOCIAL CARE

### Independent Medicines and Medical Devices Safety Review

**The Minister for Patient Safety, Mental Health and Suicide Prevention (Ms Nadine Dorries):** I am today informing the House of the publication of the report of the Independent Medicines and Medical Devices Safety Review, chaired by Baroness Cumberlege.

I would like to thank Baroness Cumberlege for her dedication to listening to the experiences of patients and their families. She has acted with compassion and thoroughness and gone to great lengths to ensure that those who have felt unheard have had a voice. She has also been diligent in looking across the system at possible improvements.

The Government also thank those very same patients and their families who have contributed their time and energy to the review. We know that in some cases it has been a physical and psychological challenge to attend the meetings that the review set up.

The review was commissioned by the Government in February 2018 and its terms of reference required it to explore how the health system responds when patients and their families raise concerns about the safety of treatments.

While the review has progressed, the Government and the NHS have already taken a number of steps that are relevant to the issues the review raises. However, there is always more we can do more to make the NHS systems more responsive to peoples' concerns when they are first raised.

It is imperative for the sake of patients that we now give the recommendations from this independent review the full consideration they deserve.

I can assure you that patient safety remains a key priority for the Government and we are committed to the NHS being the safest healthcare system in the world.

I will give an oral statement in Parliament.

A copy of the report will be placed in the Libraries of both Houses.

[HCWS347]

## HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

### Park Homes

**The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Luke Hall):** I am today publishing the Government response to our consultation "Mobile Homes—a fit and proper person test for park home sites". I am placing copies of the response in the Libraries of both Houses, and it will also be available on gov.uk.

As part of our ongoing commitment to improving protections for park home residents, the Government undertook a two-part review of park homes legislation in 2017. In the response published on 22 October 2018, we committed to introduce the fit and proper person test, subject to a technical consultation. This consultation was undertaken between 25 July and 17 September 2019 and received 370 responses, the majority of which were highly supportive.

The purpose of the test is to improve the management of park home and other residential caravan sites. By introducing an assessment that the person responsible for managing the site is suitable to do so and of good character, this will help target and remove the worst offenders from the sector. The test will be an important tool for local authority enforcement and marks an important milestone in my Department's work to protect residents of park homes and other residential caravan sites, who are often elderly and vulnerable, from unscrupulous site owners.

I am today laying the required regulations bringing the test into effect. They will mandate that

each local authority must set up and maintain a register of people who are fit and proper to manage a park home site in their area. A site owner, or an appointed manager, must appear on the local authority register in order to manage a site;

when an applicant applies for registration, a local authority must consider, among other details, the applicant's criminal record and details of all sites in which the applicant has an equitable interest; and

if convicted of any offences under the regulations the site owner would face an unlimited fine. Offences include operating a site without being on the local authority register, breaching the conditions attached to an entry on the register, and providing false information in an application.

The regulations will be subject to the affirmative resolution procedure so will require the approval of both Houses.

The Government are dedicated to improving protections for park home residents and these regulations are an important step towards delivering on that commitment.

[HCWS348]



# Petition

Wednesday 8 July 2020

## OBSERVATIONS

### CABINET OFFICE

#### Conduct of Mr Dominic Cummings during the COVID-19 pandemic

*The Petition of residents of the United Kingdom,*

Declares that the Prime Minister's Chief Advisor, Mr Dominic Cummings, driving 260 miles to Durham during lockdown for childcare reasons when he and his wife were displaying symptoms of COVID-19, acted against the UK Government advice to "Stay at Home, Protect the NHS, Save Lives"; further notes that driving a 60-mile round trip to Barnard Castle to test if his eyesight was suitable for driving was potentially dangerous to himself, his family and other road users, and also breached the "Stay at Home" message; further declares that the support from the Prime Minister and other senior members of the Cabinet for Mr Cummings' actions weaken the efforts for public compliance with the stay at home and social distancing requirements; and further notes that the whole episode has upset many people who have abided by the rules and guidance, missing out on the chance to say goodbye to loved ones, not being able to see new-born members of their families, and missing family contact during the COVID-19 pandemic.

The petitioners therefore request that the House of Commons urges the Government to conduct an inquiry into the conduct and justification of the Prime Minister's Chief Advisor and that he be requested to consider his position; further to instruct all special advisers to adhere to the same rules as other members of the public.

And the petitioners remain etc.—[Presented by Patricia Gibson, *Official Report*, 10 June 2020; Vol. 677, c. 362.]

[P002572]

Petitions in the same terms were presented by the hon. Member for Kilmarnock and Loudoun Alan Brown [P002573]; the hon. Member for Glasgow East David Linden [P002574] and the hon. Member for Paisley and Renfrewshire North Gavin Newlands [P002579].

*Observations from The Minister of State, Cabinet Office (Chloe Smith):*

The Government greatly appreciate the sacrifices being made every day by families fighting the spread of covid-19.

On 24 May, the Prime Minister explained that Mr Cummings had given him a full account of his actions and the reasons for his decisions, which Mr Cummings then set out publicly on 25 May. Mr Cummings explained that he believed he acted appropriately because of the need to care for his young child and protect his family at a time when his home in London had become a target for abuse. The Prime Minister accepted Mr Cummings' explanation of his conduct and stated that

"reasonable people may disagree about some of the decisions that he took, but I don't think reasonable people can disagree about what was going through his head at the time and the motivations for those decisions."

Durham constabulary has made clear it is not taking any further action against Mr Cummings and that by locating himself at his father's premises he did not breach the regulations. The Prime Minister has said he believes Mr Cummings behaved reasonably and he considers the matter closed.

It is now time for the country to move on and focus on tackling the coronavirus pandemic together and in doing so, we all must stay alert, to control the virus and save lives.



# Ministerial Corrections

Wednesday 8 July 2020

## WORK AND PENSIONS

### Women: State Pension Uplift

*The following is an extract from Questions to the Secretary of State for Work and Pensions on 29 June 2020.*

**Nick Smith:** Informed commentators say that more than 100,000 women will be impacted by this error. Many will be old women and more likely to be living in poverty. To put this right, will the Minister agree to an investigation into this issue? Will he look again at the rules on backdating to ensure that those women are treated fairly in the future?

**Guy Opperman:** I note the hon. Gentleman's comments, and we invite anyone who thinks that they have failed to claim a state pension increase that they are eligible for to contact the Department through the Pension Service helpline. **Alternatively, Pension Wise can assist.**

**Jack Dromey** (Birmingham, Erdington) (Lab) [V]: Case after case is being uncovered of retired women being underpaid on their pension. To this day, many do not know about the Department's mistake, and some have tragically died before learning of it. This must be properly investigated. Crucially, those women deserve justice. When will the Department work out how many women have been affected, and who they are? Will it bring forward a plan to contact them so that the women who built Britain get the justice in retirement that they deserve?

**Guy Opperman:** As the hon. Gentleman is aware, this dates from March 2008, when married women receiving a low-level state pension based on their national insurance record should have had their entitlement reviewed when their husband reached state pension age. The Department for Work and Pensions is looking into the matter, and we invite any individual who feels that they are affected to claim a state pension increase by contacting the Pension Service helpline **or Pension Wise.**

*[Official Report, 29 June 2020, Vol. 678, c. 15.]*

*Letter of correction from the Under-Secretary of State for Work and Pensions, the hon. Member for Hexham (Guy Opperman):*

An error has been identified in the answers I gave to the hon. Members for Blaenau Gwent (Nick Smith) and for Birmingham, Erdington (Jack Dromey).

The correct answers should have been:

**Guy Opperman:** I note the hon. Gentleman's comments, and we invite anyone who thinks that they have failed to claim a state pension increase that they are eligible for to contact the Department through the Pension Service helpline.

**Guy Opperman:** As the hon. Gentleman is aware, this dates from March 2008, when married women receiving a low-level state pension based on their national insurance record should have had their entitlement reviewed when their husband reached state pension age. The Department for Work and Pensions is looking into the matter, and we invite any individual who feels that they are affected to claim a state pension increase by contacting the Pension Service helpline.

## HOME DEPARTMENT

### Fire Safety Bill

*The following is an extract from proceedings on the Fire Safety Bill on 25 June 2020.*

**Kit Malthouse:** Such hazards are assessed using the housing health and safety rating system, the HHSRS. Structural collapse, failing elements and fire safety hazards are assessed using that tool.

*[Official Report, Fire Safety Public Bill Committee, 25 June 2020, c. 37.]*

*Letter of correction from the Minister for Crime and Policing, the hon. Member for North West Hampshire (Kit Malthouse):*

An error has been identified in the response I gave to the Committee.

The correct response should have been:

**Kit Malthouse:** Such hazards are assessed using the housing health and safety rating system, the HHSRS. Structural collapse, **falling** elements and fire safety hazards are assessed using that tool.





# ORAL ANSWERS

Wednesday 8 July 2020

	<i>Col. No.</i>		<i>Col. No.</i>
<b>PRIME MINISTER</b> .....	962	<b>WALES—continued</b>	
Engagements .....	962	Covid-19 Outbreak .....	953
<b>WALES</b> .....	953	Covid-19: Tourism Industry .....	954
Covid-19: Economic Recovery .....	958	Covid-19: Welsh Businesses .....	961
Covid-19: Employment Levels .....	961	Flooding .....	962
		UK-EU Trade Negotiations .....	959

# WRITTEN STATEMENTS

Wednesday 8 July 2020

	<i>Col. No.</i>		<i>Col. No.</i>
<b>HEALTH AND SOCIAL CARE</b> .....	35WS	<b>HOUSING, COMMUNITIES AND LOCAL GOVERNMENT</b> .....	36WS
Independent Medicines and Medical Devices Safety Review .....	35WS	Park Homes .....	36WS

# PETITIONS

Wednesday 8 July 2020

	<i>Col. No.</i>	<i>Col. No.</i>
<b>CABINET OFFICE</b> .....	5P	
Conduct of Mr Dominic Cummings during the COVID-19 pandemic .....	5P	

# MINISTERIAL CORRECTIONS

Wednesday 8 July 2020

	<i>Col. No.</i>		<i>Col. No.</i>
<b>HOME DEPARTMENT</b> .....	4MC	<b>WORK AND PENSIONS</b> .....	3MC
Fire Safety Bill .....	4MC	Women: State Pension Uplift .....	3MC

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**not later than  
Wednesday 15 July 2020**

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## CONTENTS

Wednesday 8 July 2020

**Oral Answers to Questions [Col. 953] [see index inside back page]**

*Secretary of State for Wales*  
*Prime Minister*

**Economic Update [Col. 973]**

*Statement—(Rishi Sunak)*

**Provisional Collection of Taxes [Col. 1016]**

*Motion—(Rishi Sunak)—agreed to*

**Pregnancy and Maternity (Redundancy Protection) [Col. 1018]**

*Motion for leave to bring in Bill—(Mrs Miller)—agreed to*  
*Bill presented, and read the First time*

**The Economy [Col. 1021]**

*General debate*

**Petition [Col. 1085]**

**Free Travel for Under-18s: London [Col. 1087]**

*Debate on motion for Adjournment*

**Written Statements [Col. 35WS]**

**Petitions [Col. 5P]**

*Observations*

**Ministerial Corrections [Col. 3MC]**

**Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]**

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