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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES
(HANSARD)**

Wednesday 6 March 2024

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Financial Settlement for Scotland

1. Patricia Gibson (North Ayrshire and Arran) (SNP): What recent assessment he has made of the adequacy of the financial settlement for Scotland. [901745]

The Secretary of State for Scotland (Mr Alister Jack):

Last weekend Scotland once again showed the world that we can host fantastic sporting events, with the World Athletics Indoor Championships held in Glasgow. I offer my congratulations to everyone involved, and especially to medal winners Jemma Reekie from Ayrshire and Josh Kerr from Edinburgh, who was the first Scottish man to win a gold medal in those championships in over 30 years. I also congratulate the Scottish rugby team who, thanks to their recent victory over England, have now won the Calcutta cup four times in a row. It would have been five in a row, but covid got in the way. [Laughter.]

Contrary to what we hear from the Scottish National party, the Scottish Government are well-funded. This UK Government have provided a record block grant, averaging £41 billion a year, with an additional £2.4 billion across the last three fiscal events. Scotland also continues to benefit from the Barnett formula, under which the Scottish Government receive around 25% more funding per person than equivalent spending across the United Kingdom.

Patricia Gibson: Will the Secretary of State explain how his Government's £1,600 million cut to Scotland's capital budget over the next three years will impact the provision of infrastructure, including roads, hospitals, schools, new homes, digital connectivity, and the economic growth we need to escape the recession into which the Tories have dragged us?

Mr Jack: It is nice to see that the hon. Lady and her colleagues have turned up for work today, even if that is in defiance of the deputy Leader of the SNP, who thought they should not bother coming. Let me be clear on resource spending and the capital budget: the Scottish Government are able to divert their resource spending for capital infrastructure investments; and they can also borrow to enhance capital investments if they so choose.

Douglas Ross (Moray) (Con): The Secretary of State is correct that the block grant from the UK Conservative Government to Scotland is the highest it has ever been.

Despite that, just last week the SNP/Green Government pushed through their "tax and axe" budget in Scotland. Does my right hon. Friend agree that the nationalists have got the wrong priorities for Scotland by cutting services while increasing income tax rates for anyone earning more than £28,867?

Mr Jack: I agree with my hon. Friend, and I add further that the Scottish Government's six tax bands, as opposed to the UK Government's three tax bands, are really holding Scotland back.

Mr Speaker: I call the shadow Minister.

Michael Shanks (Rutherglen and Hamilton West) (Lab): While the SNP and the Tories argue about the financial settlement between the two Governments, they do agree on two things: first, that working people should pay the price of this economic mess, by raising tax to sky-high levels; and secondly, at least until today, that oil and gas giants earning record profits should not face a proper windfall tax, although it now seems as if the SNP might be the only people holding out on that position. Who does the Secretary of State support—the Scottish Tory leader who is standing up in Holyrood today attacking an extension of the windfall tax, or the Chancellor who we understand is about to announce exactly that?

Mr Jack: My position has always been clear: I believe that the energy profits levy on the excess profits caused by Putin's illegal war in Ukraine was the right thing for the Government to do, to give support to people in the cost of living crisis.

Mr Speaker: I call the SNP spokesperson.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It started so well, and I agree with the Secretary of State about the Calcutta cup—I was there to witness an historic occasion—and about the World Athletics Indoor Championships in Glasgow. I played rugby with Jemma Reekie's cousin for many years, and I send my congratulations to them. However, everything from that point on, from both sides of the House, has been absolute nonsense.

At a time when many Scots are struggling to pay their energy or shopping bills due to the rapid inflation that the Secretary of State's Government have presided over, and with inflation in the public sector running even higher, his Government have cut the Scottish Government's funding in real terms again. Commons Library research shows that the Scottish block grant will be at its lowest level of UK Government spending since the start of devolution. As the Secretary of State counts down the weeks to his departure, is he proud of his legacy?

Mr Jack: That is an easy one to answer, Mr Speaker, as I am very proud of my legacy. Rather like winning four Calcutta cups, I have won in court with the Scottish Government four times, and there are any number of things I would like to list for my legacy. Importantly, the Scottish Government receive a record block of £41 billion, and record Barnett consequential on top of that. Spending in Scotland is 25% higher per person than the UK average, so that equates to an extra £8.5 billion.

Gavin Newlands: I had no idea we should all just be very grateful for the largesse of the Secretary of State, but does that largesse extend to capital funding? Capital funding to the Scottish Parliament has not just been cut, but slashed by 10% on his watch. That money could have been used to invest in hospitals, schools and infrastructure, and it is about to be frittered away by the Chancellor on a sickening pre-election bribe that precisely no one will buy. Will he finally accept that it is his Government's "bust or bust" austerity that is driving public services to the edge, and does he support tax cuts at a time when even Tory voters know that increased public investment is required?

Mr Jack: This is nonsense. Austerity is not a thing under this Government—not a thing at all. *[Laughter.]* No, absolutely not. Departmental spending—this is the point that the SNP does not acknowledge—throughout this Parliament has grown by 3.2% on average. That is the simple truth.

International Relations

2. **Christine Jardine** (Edinburgh West) (LD): What discussions he has had with (a) the Scottish Government and (b) Cabinet colleagues on the Scottish Government's international relations policy. [901747]

The Secretary of State for Scotland (Mr Alister Jack): I have had frequent and recent discussions with the Foreign Secretary on the Scottish Government's international relations policy. Foreign affairs are reserved to the United Kingdom Government. We have been clear to the Scottish Government that they must respect that.

Christine Jardine: First, may I associate myself with the Secretary of State's comments about the Scottish victory in the Calcutta cup?

Does the right hon. Gentleman share my concern that these recent forays into international relations by the SNP are not only inappropriate, because it is a reserved matter, but potentially damaging, both to important relationships between Scotland's two Governments and, critically, to UK foreign policy at a time when international tensions are at a height we have not seen since the cold war?

Mr Jack: I agree with the hon. Lady. It is important that the United Kingdom Government speak with one voice and the United Kingdom is seen to speak with one voice on foreign affairs. I note that Angus Robertson has produced another independence document this week on foreign affairs and defence, and there is a lot of nonsense in there. The Scottish Government want to join the NATO nuclear alliance, but they want to get rid of the nuclear deterrent. They want to join the EU, but not the euro. They want to have a Scottish spy agency—some are referring to it as the sleekit service, with agents heading across Europe in their bulletproof motorhomes. It is all nonsense, and a complete waste of taxpayers' money.

Promoting Trade with Northern Ireland

3. **Mr Gregory Campbell** (East Londonderry) (DUP): Whether he has had recent discussions with Cabinet colleagues on promoting trade between Scotland and Northern Ireland. [901748]

The Secretary of State for Scotland (Mr Alister Jack): I am pleased to say that I have had discussions with the Secretary of State for Northern Ireland about maximising trade links, now that the Northern Ireland Executive have been restored. What is more, the UK Government have committed to establishing the East-West Council, which will identify opportunities for deepening connections between Northern Ireland and the rest of the United Kingdom, including the scope for extending the Northern Ireland investment zone benefits to Stranraer and Cairnryan.

Mr Campbell: Will the Minister ensure that business bodies in Scotland are fully aware of, for example, the new Intertrade UK body so that business can prosper between Northern Ireland and Scotland? Importantly, will he ensure that people can see the improvement in business trade flows between Scotland and Northern Ireland in six months' time, as compared with six months ago?

Mr Jack: As set out in the Command Paper, the UK Government are working to establish Intertrade UK, which will fulfil our pledge to grow the economy by ensuring that businesses large and small can make the most of the east-west trading opportunities. Implementing the Windsor framework and the Command Paper are the Government's priorities, and we will provide an update in close time.

Cost of Living

4. **Alex Cunningham** (Stockton North) (Lab): What recent discussions he has had with Cabinet colleagues on the cost of living in Scotland. [901749]

5. **Rachel Hopkins** (Luton South) (Lab): What recent discussions he has had with Cabinet colleagues on the cost of living in Scotland. [901750]

9. **Stephen Morgan** (Portsmouth South) (Lab): What recent discussions he has had with Cabinet colleagues on the cost of living in Scotland. [901754]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): We prioritised bringing inflation down, which is the key to reducing cost of living pressures. We delivered on the Prime Minister's promise by more than halving it. In addition, the UK Government supported households with a package worth £104 billion—or, on average, £3,700 per household across the United Kingdom, including in Scotland.

Alex Cunningham: Families in my homeland are reeling from the cost of living crisis, as both the Tory UK Government and the SNP Scottish Government have jointly loaded them with the highest tax burden in 70 years. Does the Minister agree that it is time both Governments stopped going round in circles, left the dance and cleared the floor for Labour Governments to sort out their sorry mess?

John Lamont: I do not agree with the hon. Gentleman's conclusions. Thanks to this Government, 2.4 million workers in Scotland benefited from £340 back in their pockets thanks to the national insurance cuts in January. However, I do agree with him in not agreeing with the SNP Government's approach to tax, making Scotland the highest-taxed part of the United Kingdom.

Rachel Hopkins: Scottish rail fares are set to rise by 8.7% next month. This eye-watering fare hike will hit Scots hard during a cost of living crisis and push Scotland's rail service into a spiral of decline. Does the Minister agree that we need affordable fares to help people through the cost of living crisis and encourage more people to travel by train?

John Lamont: I certainly agree that we should do all we can to encourage people to travel by train. The Scottish Government's approach to ScotRail might discourage that. I am happy to meet the hon. Member to discuss that further.

Stephen Morgan: Recent findings from the Trussell Trust have revealed that 32% of people claiming universal credit in Scotland have fallen into debt because they could not pay essential bills. Does the Minister agree that the people of Scotland and the people of Britain should not be made to pay for SNP and Tory failures?

John Lamont: In 2021-22, there were 1.7 million fewer people in absolute poverty after housing costs than there were in 2009-10, including 400,000 fewer children. This Government are certainly taking lots of action to address poverty, and particularly in-work poverty. But I agree that making Scotland the highest-taxed part of the UK does not help with that.

John Stevenson (Carlisle) (Con): Does the Minister agree that putting up taxes as the SNP is doing at present will do nothing to help with the cost of living? Does he further agree that if it continues on that trajectory, more and more Scots will want to leave and come to places such as Carlisle, where of course they will be very welcome?

John Lamont: Due to the SNP's tax rises in Scotland, anyone earning more than £28,867 will pay more income tax than those living in England. From my own experience representing a Borders constituency, I see increasing evidence of people choosing to live south of the border rather than in the high-tax Scottish jurisdiction. In my discussions with science, technology, engineering and maths businesses, I find that they are finding it increasingly difficult to recruit in Scotland because of the aggressive high-tax policies of the SNP.

Mr Speaker: I call the shadow Secretary of State.

Ian Murray (Edinburgh South) (Lab): Regardless of what the Chancellor announces today, we are in the highest tax-raising Parliament in history, which is a consequence of the Minister's Government's failure over 14 years. Ordinary hard-working Scots did not cause this economic crisis—the Government did—but they are being made to pay for it. There have been 25 Tory tax rises since the last election, and the average family is much worse off as a result. Does the Minister agree with the Institute for Fiscal Studies that even after today's Budget the overall tax burden on working people will still reach record levels?

John Lamont: Clearly, I will not speculate on what the Chancellor will announce shortly. I remind the hon. Gentleman that 2.4 million workers in Scotland have benefited from £340 going back into their pockets thanks to the changes to national insurance that have already been announced.

In relation to the hon. Member's wider points about the tax burden, we should not forget the huge interventions that the Government made to support workers, families, communities and businesses during the pandemic. As a consequence, we are having to repay that, but that saved jobs and many businesses from going under during the covid pandemic.

Ian Murray: Regardless of what the Chancellor says today, working people will still be paying a much higher tax burden at the end of this Parliament, and it will reach record levels. Shockingly, the tax burden in Scotland is even higher. Anyone in Scotland earning more than £29,000 a year will pay more income tax after the SNP voted for yet another tax rise on working people. That means we are in the absurd position in Scotland of the SNP raising taxes on nurses and teachers while opposing Labour's plan for an extended windfall tax on the oil and gas giants. We even hear that the leader of the Scottish Conservatives threatened to resign last night on potentially another U-turn from the Chancellor on the windfall tax. Does the Minister accept that the best thing to happen now would be for this circus to be brought for an end and for the Prime Minister to call the election?

John Lamont: As I said, I will not speculate on the contents of the Budget. But when the election comes, Scotland's voters will have a clear choice: a party who will stand up for Scotland's place in a strong United Kingdom, or the Scottish National party, who wants another referendum. I am unclear what the Labour party has to offer.

Farm-gate Prices

6. **Mr Alistair Carmichael (Orkney and Shetland) (LD):** Whether he has had recent discussions with Cabinet colleagues on farm-gate prices for farmers and crofters in Scotland. [901751]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): We want all farmers to get a fair price for their products. The Government have committed to tackling contractual unfairness in the agrifood supply chain. We will use the powers in the Agriculture Act 2020 whenever necessary. At the National Farmers Union conference, the Prime Minister announced that the UK Farm to Fork summit will be an annual event. That will help to strengthen joint working by Government and external partners to support a prosperous agrifood sector.

Mr Carmichael: The Minister should be aware that his colleagues in the Department for Environment, Food and Rural Affairs have recently concluded a consultation on contractual relationships in the fresh produce industry. At a time when 23% of dairy farmers doubt that they will continue in business into 2025, will he impress on his colleagues in DEFRA and the Department for Business and Trade that urgent action is needed in relation to that consultation?

John Lamont: As the son of a Borders farmer, I completely understand the invaluable work that farmers and crofters do to put food on tables across Scotland and the United Kingdom. This Government will continue to support the agriculture and food production sector.

Scotland Office Ministers regularly attend the inter-ministerial group for environment, food and rural affairs, along with representatives from the devolved Administrations. This group oversees how changes to price, supply and trade affect our markets. We will continue to take whatever action is necessary support that important sector.

Allegations of Impropriety in Public Life

7. Cat Smith (Lancaster and Fleetwood) (Lab): What assessment he has made of the potential implications of allegations of impropriety in public life for his Department's work on strengthening the Union. [901752]

The Secretary of State for Scotland (Mr Alister Jack): Our Union is strong. [*Interruption.*] Yes, it is. Scotland's contribution to our United Kingdom is beyond doubt, and this Government's commitment to Scotland is without question. From freeports and investment zones to the record block grant and £1.5 billion for the 12 city and region growth deals, we deliver for Scotland.

Cat Smith: SNP MPs have been disengaged from Westminster for years. Does the Secretary of State agree that it is a disgrace that its deputy leader has said that its MPs will not engage should the party win seats at the next general election? Does he also agree that Members elected to this House should turn up and do their job?

Mr Jack: I agree with the hon. Lady.

Sir David Davis (Haltemprice and Howden) (Con): Three years ago, on 16 March 2021, we had a debate in this House on precisely the subject of this question. At the time, I was concerned that Nicola Sturgeon's Government were covering up interference in the complaints process against the First Minister. Since then, in defiance of the Information Commissioner and of a court order, they have continued to cover up. Will the Cabinet Secretary look at whether the ministerial code and the civil service code have been broken?

Mr Jack: My right hon. Friend should write to the Cabinet Secretary and ask him to do that very thing.

Marine Energy Sector Support

8. Richard Graham (Gloucester) (Con): What recent discussions he has had with Cabinet colleagues on the adequacy of support for the marine energy sector in Scotland. [R] [901753]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): The Government are firmly committed to supporting Scotland's marine energy sector to grow. Around 80% of tidal stream contracts awarded through contracts for difference in the last two rounds will be deployed in Scotland. In addition, Horizon Europe selected two Scottish-based UK tidal stream developers to deliver projects in Orkney. They will lead construction on two £17 million projects, funded by the UK Government's financial guarantee.

Richard Graham: The Minister knows that successive Energy Ministers have hugely helped the development of the marine energy sector in Scotland, as elsewhere in the United Kingdom. Does my hon. Friend agree that there is an opportunity in the next round of the renewables auction to allow for wave technologies alongside tidal

stream technologies? Will he encourage the Scottish Government to speed up approvals of sites to get great green energy projects started as soon as possible in Scotland, as elsewhere?

John Lamont: I am grateful for that important question. The Government are undertaking analysis of the technology pipeline available for contracts for difference auction round 6 against our legal obligation to ensure that the auction round is competitive. We are considering the appropriate parameters for all technologies, including tidal stream and wave energy. The final parameters will be published in the budget notice this month, ahead of the auction round opening.

Dave Doogan (Angus) (SNP): The Seastar tidal farm off the coast of Orkney is set to be the largest tidal energy farm anywhere in the world, and it was supported by EU funding through the European Marine Energy Centre. This comes after Edinburgh University's report found that the UK Government could save hundreds of millions of pounds by bringing forward the development of tidal by years, if it worked more closely with its EU partners. It is clear that the EU's role in this in Europe and around Scotland is very important, so if Scotland is better together with anyone, is it not better together with the EU and its investment in tidal?

John Lamont: What a load of nonsense. Scotland is much better served by being part of the United Kingdom, and we will continue to support all renewable energy sectors, including tidal.

Cross-border NHS Provision: Waiting Times

10. Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): Whether he has had recent discussions with (a) Cabinet colleagues and (b) the Scottish Government on waiting times for cross-border NHS provision. [901755]

The Parliamentary Under-Secretary of State for Scotland (John Lamont): The Government recognise the invaluable job that all NHS workers do; I see that every day of the week in my constituency in the Scottish Borders. That is why the Secretary of State for Health and Social Care has written to the Scottish Government about working together to reduce patient waiting times. We continue to be open to exploring that further.

Jamie Stone: I have a lady constituent who suffers from a rare and dangerous condition called subglottic stenosis. Only one clinic has the expertise to treat the condition, and it is in London, yet our local health board is refusing to refer her. It says that it can offer another treatment, but it is thought to be less safe and possibly not very effective. What steps are the Government taking to ensure that patients, regardless of which side of the border they live on, get the best possible treatment?

John Lamont: I am regularly reminded, particularly as an MP for the Borders, of the need for healthcare to benefit people on either side of the border, particularly through cross-border working with the NHS. Local people in the Borders often get treatment faster and more easily because of that. Sadly, the hon. Member has highlighted a real problem with Scotland's NHS,

thanks to the mismanagement by the SNP Government in Edinburgh, particularly in rural health services. He has identified a very distressing case for his constituent and I am very happy to write to the Scottish Government, along with him, to raise the case with them.

Food Exports

11. **Theresa Villiers** (Chipping Barnet) (Con): What steps he is taking to promote Scotland's food exports. [901756]

The Secretary of State for Scotland (Mr Alister Jack): Scotland Office Ministers have banged the drum tirelessly to promote the Scottish food and drink industry overseas, including on trade missions in Europe, India, the United States of America and Vietnam. In Vietnam, sales of Scotch whisky have increased fourfold and are still growing. I was delighted to discuss what more can be done to improve trade links and market access with the Vietnamese Government during my recent visit.

Theresa Villiers: Scotland's farming and fish sector produces some of the finest produce in the world. Will the Secretary of State do all he can to promote the sale of Scottish smoked salmon abroad as a premium product known the world over?

Mr Jack: I think I heard "smoked salmon", but this is not just about smoked salmon. The most recent figures show that Scotland's world-leading food and drink sector accounted for 29% of all UK food and drink exports. To help the sector to continue to flourish, the Government have secured trade agreements with 71 non-EU countries and the EU. Total UK trade with those partners is worth £808 billion.

Jim Shannon (Strangford) (DUP): I thank the Minister for that answer. Scotland's food export—[*Interruption.*]

Mr Speaker: Order. Mr Cunningham, sit down!

Jim Shannon: Some of Scotland's food export companies have been prevented from trading with Northern Ireland. The InterTrade UK body has been set up as a result of discussions that have taken place. What are the Minister and his Department doing to ensure that the companies that have stopped trading with Northern Ireland are encouraged to start doing so again?

Mr Jack: In the UK Command Paper, we said that we are setting up the East-West Council, which will work to bring about the solutions.

Departure from the EU: Impact on Scotland

12. **Ian Blackford** (Ross, Skye and Lochaber) (SNP): What recent assessment he has made of the impact of the UK's departure from the EU on Scotland. [901757]

The Secretary of State for Scotland (Mr Alister Jack): The UK Government are working tirelessly to maximise opportunities following our departure from the European Union. Scotland continues to punch above its weight, both in exports of goods and services and in foreign direct investment, and I am delighted to be able to say that trade is now well above pre-Brexit levels.

Ian Blackford: Scotland has been hammered by Westminster's imposition of a hard Brexit, with the Scottish salmon industry alone suffering an additional £12 million of Brexit red tape costs. Across every sector of Scotland's economy, Brexit has added red tape costs, limited access to vital workers and limited markets. Is the Secretary of State proud of his legacy, which includes a deliberate and avoidable undermining of Scotland's economy?

Mr Jack: As the right hon. Gentleman will appreciate, our departure from the EU has allowed us to forge new relationships. Consequently, Scotland's exports are performing well—they are up by 13%.

David Duguid (Banff and Buchan) (Con): Will my right hon. Friend join me in welcoming the completion of fisheries negotiations with the Faroe Islands, which have resulted in 2,200 tonnes of fishing quota, mostly for the Scottish fleet? Does he agree that since the UK became an independent coastal state, the Scottish fleet and those who negotiate on its behalf, including SNP Scottish Government Ministers and their officials, have a far stronger voice in these annual negotiations than if the SNP had its way and we went back into the EU common fisheries policy?

Mr Jack: My hon. Friend is a great champion of the fishing industry, and I completely agree with him.

Mr Speaker: We now come to Prime Minister's questions. We are joined today in the Gallery by the Speaker of the Supreme Council of the Kyrgyz Republic.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [901830] **Charlotte Nichols** (Warrington North) (Lab): If he will list his official engagements for Wednesday 6 March.

The Prime Minister (Rishi Sunak): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, including listening to the Chancellor's Budget statement, I shall have further such meetings later today.

Charlotte Nichols: The UK used to be a world leader in psilocybin research but, despite the calls of the Home Affairs Committee, leading researchers, charities, veterans' organisations and the Royal College of Psychiatrists, we have shamefully fallen behind on breakthrough treatments for conditions such as post-traumatic stress disorder and depression, causing misery to millions of people in our country. Can the Prime Minister explain why this policy remains the responsibility of a Home Office that cannot give it the attention it deserves, and why it is okay that American, Canadian and Australian patients can access treatment that British patients cannot?

The Prime Minister: I completely sympathise and understand why people suffering from distressing conditions will want to seek the best possible treatment available, and I thank the hon. Lady for raising the issue. We are committed to ensuring that the UK is a world-leading

jurisdiction for pharmaceutical, clinical and other medical research, and we have asked the Advisory Council on the Misuse of Drugs to review barriers to legitimate medical research involving controlled drugs such as psilocybin. I am pleased to tell the hon. Lady that our response to the council's recommendations will be published as soon as possible.

Q3. [901832] Dr Kieran Mullan (Crewe and Nantwich) (Con): My constituency has a long and proud history of farming, with generations of the same families helping to feed our nation. Not since world war two have we been so aware of how important food security is to our national security, so will the Prime Minister update the House on what his Government are doing to support our fantastic farmers?

The Prime Minister: As I set out at the NFU conference just a couple of weeks ago, we will always back British farmers for continuing to produce fantastic food. We are accelerating that plan, with the largest package of grants ever. Indeed, one of the new schemes opens just today, supporting farmers with up to £125,000 towards the purchase of new equipment and technology. Our schemes in England are all about more choice, not less. Unlike Labour in Wales, we will never introduce top-down, arbitrary targets that damage farm incomes, damage our food security and take farmers back to square one.

Mr Speaker: I call the Leader of the Opposition.

Keir Starmer (Holborn and St Pancras) (Lab): Three years ago, Sarah Everard was walking home when she was abducted and murdered by a serving police officer who should have been trusted to keep her safe. As a father, I cannot imagine the pain her parents, her family and her friends are going through in this difficult anniversary week. Lady Angiolini's report exposes the appalling failure in police vetting and in misconduct processes, and I am very troubled by its conclusion that there is "nothing to stop another Couzens operating in plain sight".

How can that be the case, three years on from this horrendous crime?

The Prime Minister: Can I first say that I am sure all Members of the House will have been thinking about Sarah Everard in recent weeks? It was, as the right hon. and learned Gentleman said, an absolutely shocking case, and the abuse of power in particular was appalling. That is why we took action quickly to strengthen police vetting and strengthen the rules for rooting out officers who are not fit to serve, and conducted the largest ever screening of all serving officers and staff. We are now ensuring that any officer who has been charged with a crime will be suspended from duty automatically until their case is concluded, and we will thoroughly consider all the report's recommendations and respond in full.

Keir Starmer: The Prime Minister mentions vetting and I just want to press him on that, because serious failures in police vetting were raised in independent reports as long ago as 2012, 2019, 2022 and 2023. That is why Labour has been arguing for mandatory national vetting standards that would stop anybody with a history of domestic abuse or sexual offending being allowed to join the police in the first place. Why are mandatory national vetting standards not already in place?

The Prime Minister: It is vital for public confidence that those who are not fit to wear the badge are rooted out of the police and not able to join in the first place. That is why the College of Policing updated its statutory code on vetting, and that happened quickly. In addition, the policing inspectorate carried out a rapid inspection of all forces' progress against the previous findings and, in addition to that, an entire check against the national police database was carried out for all serving officers and staff.

Keir Starmer: I am obviously very familiar with codes in criminal justice systems, but—[*Interruption.*] This is too serious for that. There is a world of difference between a code and binding mandatory standards which do not have legal effect, and that should trouble Members across the House.

Couzens' history of sexual offending stretched back many years. On four occasions, despite allegations of indecent exposure, he was not sacked. We know that indecent exposure is a gateway to more horrific crimes, as was tragically shown to be the case not only in Sarah Everard's case but in that of Libby Squire, but it is not treated with the seriousness required. The Angiolini report recommends reviewing all indecent exposure allegations against serving officers in order to identify, investigate and remove those officers from service. Given the obvious urgency of this recommendation, can the Prime Minister give a categorical assurance that it will be implemented immediately?

The Prime Minister: The Home Secretary addressed this specifically when he made his statement. Indecent exposure, just like any other kind of sexually motivated crime, is abhorrent and we expect police chiefs to take it extremely seriously. We fully expect police chiefs to suspend an officer charged with any kind of sexually motivated crime. It is worth pointing out that, in addition to the new powers that the Home Secretary outlined about automatic suspension, chief constables have existing powers to suspend any officer in their force when allegations are made, and we fully expect them to use those powers.

Keir Starmer: I do think the recommendation that I referred to should be implemented urgently and I ask the Prime Minister to look again at that, because every day that goes past when it is not implemented carries risk for victims in these cases.

Sarah Everard's murder should have been a watershed moment for policing reform, for the criminal justice system and for violence against women and girls, but the sad reality is that victims of rape who have the courage and bravery to come forward have just a 2.4% chance of their perpetrator being caught and charged within the year. How does the Prime Minister expect women to have confidence in the criminal justice system when almost all rapists do not see the inside of a courtroom?

The Prime Minister: As we acknowledged a couple of years ago, of course we need to do more to improve rape outcomes in the criminal justice system, and the rape review action plan is showing considerable progress. We have already increased the average sentence for rape by a third since Labour was last in office—by the way, using a power that the Labour party voted against in this House. Thanks to our action plan, we have seen police referrals double and charges double, and last

year there was a 50% increase in rape convictions—and now rapists will serve every single day of their sentence behind bars.

The right hon. and learned Gentleman raises his time at the Crown Prosecution Service, but he has not acknowledged that, under his tenure, rape convictions actually dropped.

Keir Starmer: The Prime Minister knows that is going to be fact checked. He also knows that I support tough sentences. I really think that victims of violence against women and girls deserve better than this nonsense from the Prime Minister. It needs to be taken seriously. It is not a game.

We all want more victims to come forward, but we have to be honest that, unless things change, the criminal justice system will continue to fail them. That is why we are committed to introducing specialist rape and sexual offences teams in every force to give victims specialist support and confidence that their experience will be investigated properly. When will the Prime Minister commit to doing the same?

The Prime Minister: We have already implemented the rape review action plan. The Leader of the Opposition says that we need to take this seriously, and here are the things that we have done: we have ended the appalling digital strip search of victims' mobile phones; we have ensured that there is better use of pre-recorded cross examination; we have rolled out Operation Soteria, with incredible success, across all the nation's police forces; we have significantly increased the number of independent sexual and domestic violence and abuse advisers to up to 1,000; and there is more specialist training in all police forces for these prosecutions. That is the plan we have already put in place, and it is a plan that is working to ensure that we keep the women and girls of this country safe.

Keir Starmer: The problem is that the rosy picture the Prime Minister tries to paint of the current criminal justice system is completely at odds with the confidence that many women currently have in it. With the publication of the Angiolini report, the country deserves to know that we are doing all we can to make our country safe for women. That starts with what should be the most basic task: creating a safe workplace here in Westminster. At the moment, as everyone in this House knows, we are failing in that endeavour, and we all have a duty to change that. When will the Prime Minister make time for the vote on banning from Parliament those MPs who face allegations of sex offences?

The Prime Minister: It is absolutely right that we ensure our communities are safe for women and girls, which is why we passed the landmark Domestic Abuse Act 2021, why we set up a new 24/7 victim support line, why we quadrupled funding for victim support and why we are investing in practical things like CCTV and better streetlighting for safer communities up and down the country. Of course, there is always more we can do, but this Government have a strong track record on ensuring that women across this country feel safe.

Q4. [901833] Andrew Rosindell (Romford) (Con): I want the Prime Minister to know that the people of Romford are struggling with ever-increasing energy prices, yet providers are making huge profits that run into the

hundreds of millions. Does he agree that reductions in wholesale prices should be passed on to consumers and that standing charges should be brought down? Will the Government hold utility companies to account for their actions?

The Prime Minister: My hon. Friend is right to highlight the challenge that high energy bills have posed not just to his constituents in Romford but to constituents across the country. That is why we stepped in with a significant package of support that paid around half of a typical household energy bill when prices were at their highest.

I know my hon. Friend will join me in welcoming the fact that the energy price cap is set to fall by almost £250 in April, which will bring relief to many families, but we must hold companies to account. That is why we introduced the energy profits levy on the windfall profits caused by an unexpected increase in energy prices. We are going further to cut people's costs by cutting their taxes and putting more money into their family bank accounts.

Mr Speaker: I call the Scottish National party leader.

Stephen Flynn (Aberdeen South) (SNP): Much to my surprise, this morning it has been widely reported that the Conservative party in Scotland is absolutely furious that Westminster is about to tax Scotland's natural resources in order to pay for a tax cut in England. Is the Prime Minister in danger of turning his colleagues into nationalists?

The Prime Minister: Obviously, I would not comment on the Budget, but I will say that when I was in Scotland last week it was crystal clear that there has only ever been one party consistently standing up for the North sea energy industry, and it is the Scottish Conservatives.

Stephen Flynn: The Prime Minister knows that not to be the case. But there is a serious point to be made here: the Conservative party wants to use Scotland's natural resources to pay for tax cuts in England, and the Labour party wants to use Scotland's natural resources to pay for nuclear power stations in England—the cost of that is up to 100,000 jobs. Scotland's wealth, resources and jobs are all a game to Westminster. With the Tories on just 15% in the polls in Scotland now, will the Prime Minister do us all a favour and call a general election?

The Prime Minister: The hon. Gentleman claims to be supportive of the North sea energy industry, but why has he opposed all the measures that we have taken to protect those jobs in Scotland over the past couple of years? He talks about tax in Scotland and England. I gently point out to him that, thanks to the actions of the Chancellor and this UK Government, everyone in Scotland has received a significant tax cut from January this year. In contrast to the Chancellor's last Budget, the SNP's budget put taxes up for working Scots. Scotland is now the high-tax capital of the UK, but this Conservative Government are going to keep cutting taxes for hard-working Scots.

Q10. [901840] Sir David Davis (Haltemprice and Howden) (Con): The Government are rightly acting to compensate properly the Horizon victims who were highlighted by Alan Bates's legal challenge. However, there are thousands

more sub-postmasters across the country who were not prosecuted but faced financial penalties for bogus shortfalls, causing them enormous financial and personal distress. Does the Prime Minister agree that we should now be doing everything possible to do right by all the victims of a gross miscarriage of justice, clear their names and, at last, properly financial compensate them?

The Prime Minister: My right hon. Friend is absolutely right to highlight the appalling impact that this miscarriage of justice has had on people's mental health. As he acknowledged, our focus is on delivering justice for the postmasters, and that is why we will introduce legislation to overturn convictions and pave the way for the swift payment of compensation. I thank him for his long-standing campaign on mental health on this issue, and I assure him that the postal Minister is closely examining the issues he raises, is considering next steps and will keep my right hon. Friend closely informed.

Sir Jeffrey M. Donaldson (Lagan Valley) (DUP): The Prime Minister will be aware that the Government's proposals to deal with the legacy of our troubled past in Northern Ireland continue to be the subject of scrutiny, most recently in the High Court ruling in relation to compatibility with our human rights obligations. Many families of victims in Northern Ireland are deeply disappointed with the lack of co-operation by the Irish Government in relation to murders committed in their jurisdiction or from their jurisdiction. In relation to the Omagh bomb inquiry, for example, the Irish Government have declined to conduct a public inquiry on this worst atrocity in our troubled past, despite the courts urging them to do so. Will the Prime Minister continue to press the Irish Government on the need for them to make available facilities to enable the families of innocent victims, including in Omagh, to pursue justice for their loved ones?

The Prime Minister: I thank my right hon. Friend for his question on this important topic, which I know will be of great interest, not only to his constituents, but to many others across Northern Ireland. The Government have set forward their plans to deal with the legacy of the past and will continue to engage with everyone in Northern Ireland, whatever their views, to set out the best way forward. I can confirm to him that the Secretary of State for Northern Ireland has raised these specific issues directly with the Irish Government and will continue to do so. I, too, spoke to the Taoiseach about this very matter. We would hope to see further co-operation on Omagh and many other outstanding cases that involve Irish jurisdiction, because, like my right hon. Friend, I want to give families as much information as possible.

Q12. [901842] **Jack Lopresti** (Filton and Bradley Stoke) (Con): Putin has put the Russian economy on a total war footing. He has increased military spending by 68% to 7.5% of GDP. He claimed this month that over 520,000 new jobs have been created in the arms industry, which now employs an estimated 3.5 million Russians. On my recent visits to Ukraine I have met Government Ministers and senior military figures who have expressed great frustration to me about the length of time it is taking to develop collaboration in building a defence manufacturing capability jointly with UK

defence companies in Ukraine. Will my right hon. Friend meet me to discuss how we can unblock the bureaucracy and, as our Ukrainian friends say, "build the arsenal of the free world together"?

The Prime Minister: I reassure my hon. Friend that we remain steadfast in our support for Ukraine and we will not allow Putin to achieve his aim of eradicating Ukrainian freedom and democracy. Our cross-Government taskforce is working diligently to support the armed forces of Ukraine and lead UK and Ukrainian defence industrial co-operation. I am pleased to say that in December last year, we conducted our first successful trade mission to Ukraine, alongside the UK defence industry. The Government and UK industry will continue to work hand in glove with our Ukrainian allies, seizing the opportunity for collaboration and bolstering our joint defence industries.

Q2. [901831] **Graham Stringer** (Blackley and Broughton) (Lab): Last week, the Institute for Public Policy Research published a paper, "State of the North 2024". That paper predicted that wealth inequalities, already too large between the north and the south-east, would increase to nearly £250,000 per head by the end of this decade. Does the Prime Minister accept that his levelling-up agenda has failed—or did he never want it to succeed?

The Prime Minister: On the contrary, inequality in our country has actually declined under this Conservative Government. When it comes to levelling up in the north, the north has received some of the highest amounts of per capita levelling-up funding of any region in the country. After the hon. Gentleman last popped up to ask me a question about our investment in the north, did he manage to get an answer about what exactly is the Labour party's position on HS2? I would still like to know, because we are taking that money and reinvesting every penny of it across the north in forms of transportation that people use every day, delivering benefits to communities more quickly, not just in his constituency but across the entire north. That has been warmly welcomed everywhere that I have been.

Sir David Evennett (Bexleyheath and Crayford) (Con): Does my right hon. Friend agree that the performance of the Labour party in voting down our Rwanda Bill in the House of Lords was a disgrace? It is only the Conservative Government and the Conservatives who have a plan for dealing with illegal immigration and the people smugglers. Action on illegal immigration is a top priority in my constituency, and Labour has no policy or plan on this at all.

The Prime Minister: My right hon. Friend makes an excellent point. He knows, as I know, that if we want fully to stop the boats, we need to have a working deterrent, so if someone comes here illegally, we must be able to remove them to a safe third country alternative. That is why the Rwanda scheme is so important, and why we are determined to see it through. Just in the past week, an independent report was published that talked about the Labour party's policies in this area. It made it crystal clear that Labour does not have a plan to stop the boats. In fact, its idea would see the UK accept hundreds of thousands more migrants.

Q5. [901834] Dame Angela Eagle (Wallasey) (Lab): Which part of his economic legacy is the Prime Minister most proud of? Is it presiding over the highest tax burden since the second world war, or is it delivering the slowest real wage growth since the Napoleonic war?

The Prime Minister: Saving 10 million jobs in the pandemic with the furlough scheme.

Mark Pritchard (The Wrekin) (Con): The Prime Minister will know that there is consensus across this House on the need to build new houses. Where that consensus breaks down is where those houses should be built. Does the Prime Minister agree with me that, wherever possible, new houses should be built on brownfield sites, not on green spaces, not on green fields, and certainly not on prime farmland?

The Prime Minister: My right hon. Friend is absolutely right: sustainable planning must be at the heart of our planning system. That is why we are committed to meeting the needs of communities by building homes in the right places and, as he says, making best use of brownfield land. We have made it clear that that is what the priority should be and we have put extra funding aside to unlock those sites. Our recent changes to the national planning policy framework provide clearer protection for the green belt, making it clear how future housing supply should be assessed. That is the clear difference between our two parties: the Conservatives will protect the green belt and Labour will concrete all over it.

Q6. [901835] Andrew Gwynne (Denton and Reddish) (Lab): In some jurisdictions, Ministers routinely publish their tax returns. The Prime Minister voluntarily published his UK tax return last year. Does he agree that Ministers of the Crown should publish their tax returns as a matter of course, and has he ever filed any returns in the USA that have not been published?

The Prime Minister: I do not think that would be proportionate or appropriate. [HON. MEMBERS: "Oh!"] No, I do not think it would be proportionate for all Ministers to publish their tax returns. In keeping with long-standing tradition, I voluntarily published my tax returns, as did the Chancellor. That is the right balance and I have been completely transparent about that as I have done it.

Chris Grayling (Epsom and Ewell) (Con): Last year, a number of us were on the first transatlantic flight powered by sustainable aviation fuel. This week, the International Airlines Group made its first major purchase of that fuel, but that fuel is coming from the United States and it is important that we have a SAF industry in this country. Will the Prime Minister tell the Treasury and the Department for Transport to accelerate the work that they are doing to put in place the right framework and the right support mechanisms to ensure that we have a SAF industry for our aviation sector for the future?

The Prime Minister: I thank my right hon. Friend for championing this cause, which is absolutely right, and reassure him that we are committed to ensuring that the SAF mandate is in place in 2025. That will require about 10% of jet fuel to be made from sustainable

feedstock by 2030. I am pleased to tell him that, to get there, we have provided £135 million to 13 different UK sustainable aviation fuel projects to kickstart our domestic industry and, importantly, as he also knows, we have committed to introducing a revenue certainty mechanism to support SAF production in the UK as soon as practically possible.

Q7. [901836] Samantha Dixon (City of Chester) (Lab): As our 2,000-year-old Roman walls are an important historic monument of world renown, will the Prime Minister join me in Chester to walk the walls and explore how the Government can support the upkeep of these important structures, which, unlike the Conservative party, are stable, solid and in no danger of imminent collapse?

Hon. Members: More!

The Prime Minister: I join the hon. Lady in paying tribute to the history of her local community. I am pleased that the city of Chester is benefiting from so much investment from the Conservative Government, so that it can maintain its local infrastructure.

Mr Louie French (Old Bexley and Sidcup) (Con): Five weeks ago, Conservative MPs from across south-east London and Kent wrote to Transport for London and the Labour Mayor of London to call on them to do the right thing following the botched implementation of a temporary 40 mph speed limit on the A20 near Sidcup, which has seen thousands of drivers unfairly issued with fines and points on their licence. It has left many drivers, including carers, emergency service workers and teachers, at risk of losing their licences and jobs, despite travelling less than 50 miles an hour in the zone. Does he agree that TfL, the Met police and Sadiq Khan must come clean about the number of fines, and cancel these issued points?

The Prime Minister: I thank my hon. Friend for the question. I understand the concerns that local drivers have over this ongoing TfL issue. Although, we are doing everything we can to back motorists across the country, it is disappointing that the Labour Mayor and, indeed, Labour-run Wales are hammering drivers at every opportunity, whether that is with temporary speed limits, blanket 20 mph zones, or the ultra low emission zone expansion. I will make sure my hon. Friend has a meeting with the responsible Minister to discuss his concerns.

Q8. [901837] Judith Cummins (Bradford South) (Lab): To strengthen current spiking legislation, forensic evidence is essential. The NHS does not have uniform policy for the screening of suspected victims of spiking at A&E. We can pass all the laws we want in this place, but to achieve justice that forensic evidence is vital. Will the Prime Minister commit to ensuring that hospital emergency departments have a statutory obligation to take forensic samples from these victims?

The Prime Minister: I agree with the hon. Lady that spiking is an appalling, violating crime, which seriously undermines public safety, particularly the safety of women and girls, and we want to ensure that the existing laws recognise the threat that spiking poses. That is why at

the end of last year we announced a raft of new measures to confront spiking and support victims, including changing the law to make it clear without any doubt that spiking is illegal, as well as other measures, such as an online reporting tool, investing in research and rapid testing kits, and training for bar staff. I will ensure that we look into the issue that she raises and write back to her.

Ben Bradley (Mansfield) (Con): This winter, there has been significant flood and storm damage to the infrastructure in and around my constituency of Mansfield, including our roads, drains, and flood infrastructure. It is among the highest concerns that residents raise with me on a regular basis. I am really grateful that from next

year in particular very significant infrastructure funding is coming our way, but what can my right hon. Friend do to help fix this for my constituents now?

The Prime Minister: I am pleased that in 2020 we announced that we would double our flood investment to a record £5.2 billion. In Nottinghamshire, since 2010 we have invested over £50 million to protect 15,000 properties. I know that currently there is a programme in Mansfield that is looking at surface water and drainage improvements, but I will ensure that I talk to the Chancellor, and that we have a strong economy to keep investing in local infrastructure in my hon. Friend's area. That is exactly what we are about to hear from my right hon. Friend in just a second.

Ways and Means

Financial Statement and Budget Report

Madam Deputy Speaker (Dame Eleanor Laing): Before I call the Chancellor of the Exchequer, I remind hon. Members that copies of the Budget resolutions will be available to them from the Vote Office in Members' Lobby and online at the end of the Chancellor's statement. I also remind hon. Members that interventions are not taken during the Chancellor's statement, or during the replies of the Leader of the Opposition and the spokesman for the Scottish National party. I hope that the hubbub on my right will die down, and some politeness will prevail before I call the Chancellor of the Exchequer.

12.32 pm

The Chancellor of the Exchequer (Jeremy Hunt): As we mourn the tragic loss of life in Israel and Gaza, the Prime Minister reminded us last week of the need to fight extremism and heal divisions, so I start today by remembering the Muslims who died in two world wars in the service of freedom and democracy. We need a memorial to honour them, so following representations from my right hon. Friend the Member for Bromsgrove (Sir Sajid Javid) and others, I have decided to allocate £1 million towards the cost of building one. Whatever your faith, colour or class, this country will never forget the sacrifices made for our future.

In recent times, the UK—and the UK economy—has dealt with a financial crisis, a pandemic and an energy shock caused by war in Europe, yet despite the most challenging economic headwinds in modern history, under Conservative Governments since 2010 growth has been higher than in every large European economy, unemployment has halved, absolute poverty has gone down, and there are 800 more people in jobs for every single day that we have been in office. *[Interruption.]* Of course, interest rates remain high as we bring down inflation, but because of the progress we have made, because we are delivering the Prime Minister's economic priorities, we can now help families not just with temporary cost of living support, but with permanent cuts in taxation. We do that to give much needed help in challenging times, and because Conservatives know that lower tax means higher growth, and higher growth means more opportunity, more prosperity and more funding for our precious public services. *[Interruption.]*

Madam Deputy Speaker: Order. The Chancellor has hardly said anything—*[Interruption.]* Order. You cannot get excited yet. Other people want to hear what the Chancellor has to say. It matters, so we will have a bit of good behaviour, please.

Jeremy Hunt: Thank you, Madam Deputy Speaker.

If we want that growth to lead to higher wages and higher living standards for every family in every corner of the country, it cannot come from unlimited migration; it can only come by building a high-wage, high-skill economy—not just higher GDP, but higher GDP per head.

That is the difference. The Labour party's plans would destroy jobs, reduce opportunities and risk family finances with spending that pushes up taxes. Instead of going

back to square one, the policies I announce today mean more investment, more jobs, better public services and lower taxes in a Budget for long-term growth.

I start with the updated forecasts from the Office for Budget Responsibility, for which I thank Richard Hughes and his team. First, inflation. When the Prime Minister and I came into office, it was 11%. The latest figures show—*[Interruption.]*

Madam Deputy Speaker: Order. This is not amusing any more. We need to hear what the Chancellor has to say. I can tell who is making the noise, and you simply will not get a chance to speak later. That is the end of it.

Jeremy Hunt: When the Prime Minister and I came into office, inflation was 11%, but the latest figures show it is now 4%—more than meeting our pledge last year to halve it. Today's forecasts from the OBR show it falling below the 2% target in just a few months' time, nearly a whole year earlier than forecast in the autumn statement.

That did not happen by accident. Whatever the pressures, and whatever the politics, a Conservative Government, working with the Bank of England, will always put sound money first. We also understand that tackling inflation, while necessary, is painful. It means higher interest rates and a period of lower growth, so we have given the average household £3,400 in cost of living support over the past two years. Doing so makes economic as well as moral sense. The OBR predicted real household disposable income per person would fall by 2% in the past year; instead, after that support, it is on track to rise by 0.8%.

Today, I take further steps to help families with cost of living pressures, starting with measures to help the poorest families. We have already abolished higher charges for electricity paid by those on prepayment meters, increased the local housing allowance and raised benefits by double the expected inflation. Today, I focus on those falling into debt. Nearly 1 million households on universal credit take out budgeting advance loans to pay for more expensive emergencies such as boiler repairs or help getting a job. To help make such loans more affordable, I have decided to increase the repayment period for new loans from 12 months to 24 months.

For some people—*[Interruption.]* I thought Labour Members cared about people on the lowest incomes, but trust them not to want to hear about debt. For some people the best way to resolve debt is through a debt relief order, but getting one costs £90, which can deter the very people who need them most, so, having listened carefully to representations from Citizens Advice, I today relieve pressure on around 40,000 families every year by abolishing that £90 charge completely.

Next, the household support fund. It was set up on a temporary basis and due to conclude at the end of this month. Having listened carefully to representations from the Joseph Rowntree Foundation, the Trussell Trust, the right hon. Member for East Ham (Sir Stephen Timms), my right hon. Friend the Member for Suffolk Coastal (Dr Coffey) and my hon. Friends the Members for Colchester (Will Quince) and for Ruislip, Northwood and Pinner (David Simmonds) among others, I have decided that, with the battle against inflation still not over, now is not the time to stop the targeted help that it offers. We will therefore continue it at current levels for another six months.

[Jeremy Hunt]

Next, I turn to a measure that will help businesses and households more broadly. In the autumn statement I froze alcohol duty until August of this year. Without any action today, it would have been due to rise by 3%. However, I have listened carefully to my right hon. Friends for Altrincham and Sale West (Sir Graham Brady) and for Vale of Glamorgan (Alun Cairns), and to my hon. Friend the Member for Moray (Douglas Ross), who is a formidable champion of the Scottish whisky industry. I also listened to Councillor John Tonks from Ash—a strong supporter of the wonderful Admiral pub—who pointed out the pressures facing the industry. Today, I have decided to extend the alcohol duty freeze until February 2025. That will benefit 38,000 pubs across the UK, on top of the £13,000 saving that a typical pub will get from the 75% business rates discount that I announced in the autumn. We value our hospitality industry. We are backing the great British pub.

Another cost that families and businesses worry about is fuel. The shadow Chancellor complained about the freeze on fuel duty. Labour has opposed it at every opportunity. The Labour Mayor of London wants to punish motorists even more with his ultra low emission zone plans. However, lots of families and sole traders depend on their car. If I did nothing, fuel duty would increase by 13% this month, so instead I have listened to my right hon. Friend the Member for Witham (Priti Patel), my hon. Friends for Stoke-on-Trent North (Jonathan Gullis) and for Dudley North (Marco Longhi) and others, as well as to *The Sun* newspaper's "Keep it Down" campaign. I have as a result decided to maintain the 5p cut and freeze fuel duty for another 12 months. That will save the average car driver £50 next year and bring total savings since the 5p cut was introduced to around £250. Taken together with the alcohol duty freeze, that decision also reduces headline inflation by 0.2 percentage points in 2024-25, allowing us to make faster progress towards the Bank of England's 2% target.

There can be no solid growth without solid finances. An economy based on sound money does not pass its bills to the next generation. When it comes to borrowing, some believe that there is a trade-off between compassion and fiscal responsibility. They are wrong. It is only because we responsibly reduced the deficit by 80% between 2010 and 2019 that we could provide £370 billion to help businesses and families in the pandemic. Labour opposed our plans to reduce the deficit every single step of the way, but, to be fair, they were consistent. In coalition, the Lib Dems supported controlling spending, but now they say that they would prop up a party that will turn on the spending taps. It is the difference between no plan and no principles—and I am delighted that, for once, the right hon. Member for Kingston and Surbiton (Ed Davey) is here to hear that.

Today, we say something different: there is nothing compassionate about running out of money. With the pandemic behind us, we must once again be responsible and build up our resilience to future shocks. That means bringing down borrowing so we can start to reduce our debt, and today's figures confirm that is happening. Ahead of my first autumn statement in 2022, the OBR forecast that headline debt would rise to above 100% of GDP. Today, it says that it will fall in

every year, to just 94% by 2028-29. According to the OBR, underlying debt—which excludes Bank of England debt—will be 91.7% in 2024-25, then 92.8%, 93.2% and 93.2%, before falling to 92.9% in 2028-29, with final year headroom against debt falling of £8.9 billion. Our underlying debt is therefore on track to fall as a share of GDP, meeting our fiscal rule, and we continue to have the second lowest level of Government debt in the G7, lower than that of Japan, France or the United States.

We also meet our second fiscal rule—for public sector borrowing to be below 3% of GDP—three years early. Borrowing falls from 4.2% of GDP in 2023-24 to 3.1%, then 2.7%, 2.3%, 1.6%, and 1.2% in 2028-29. By the end of the forecast, borrowing is at its lowest level of GDP since 2001. None of that, of course, would be possible if Labour implemented its pledge to decarbonise the grid five years early, by 2030; by its own calculations, that costs £28 billion a year to do. Last month, after flip-flopping for months, Labour said that it is not going to spend the £28 billion after all, but will somehow meet its pledge. "Somehow" can only mean one thing: tax rises on working families. Same old Labour!

Today, in contrast, a Conservative Government bring down taxes with borrowing broadly unchanged—in fact, borrowing is slightly lower than in the autumn statement. The fact that we are bringing borrowing down is of particular importance to one very special person: Sir Robert Stheeman is the outgoing chief executive of the Government's Debt Management Office, and after 20 years of exceptional public service, he is in the Gallery. Thank you, Sir Robert.

I now turn to growth. Just after I became Chancellor, the OBR expected GDP to fall by 1.4% in the following year; in fact it grew, albeit slowly. Now the OBR expects the economy to grow by 0.8% this year and 1.9% next year, which is 0.5% higher than its autumn forecast. After that, growth rises to 2.2%, 1.8%, and 1.7% in 2028. [Interruption.] Opposition Members do not want to hear this, but these are the facts. Since 2010, we have grown faster than Germany, France or Italy—the three largest European economies—and according to the International Monetary Fund, we will continue to grow faster than all three of them in the five years ahead. Surveys by Lloyds and Deloitte show that business confidence is returning. In other words, because we have turned the corner on inflation, we will soon turn the corner on growth.

Today's OBR forecasts also show that we have made good progress on the Prime Minister's three economic priorities. Compared to when the three pledges were made, inflation has halved, debt is falling in line with our fiscal rules, and growth is fully 1.5 percentage points higher than predicted. [Interruption.] Labour Members do not have a growth plan, so they might as well listen to ours. As growth returns, our plan is for economic growth, not growth sustained through migration, but growth that raises wages and living standards for families—not just higher GDP, but higher GDP per head. That means sticking to our plan, with a Budget for long-term growth: more investment, more jobs, better public services and lower taxes.

I start with investment. Economists say that stimulating investment is the most effective way to raise productivity, and therefore wages and living standards. Since 2010, we have been doing just that. Business—[Interruption.] Labour Members might want to listen to what I am

about to say, because business investment has risen from an average of 9.3% of GDP under Labour to 9.9% under the Conservatives. This year, it will be 10.6% of GDP. That is £30 billion more business investment than if it had continued at Labour levels, and it is still going up.

In the short period since the autumn statement, Nissan has announced that it will build two new electric car models in the UK. Microsoft and Google have announced data centres worth over £3 billion. Thanks to my right hon. Friend the Business Secretary, the global investment summit unlocked £30 billion of investment. In fact, since 2010, greenfield foreign direct investment has been higher here than anywhere else in Europe, and for the last three years the UK has had the third highest levels in the world after the United States and China—and we are not stopping there.

In the autumn statement, I announced that we would introduce permanent full expensing, a £10 billion tax cut for businesses that gives the UK the most attractive investment tax regime of any large European or G7 country. It was welcomed by over 200 business leaders, with the CBI saying it was a game changer and the single most transformational thing we could do to fire up the British economy. Today, I take further steps to boost investment. Having listened to calls from the CBI, Make UK and the British Chambers of Commerce, we will shortly publish draft legislation for full expensing to apply to leased assets, a change I intend to bring in as soon as it is affordable.

We will also help small businesses, which is something close to my heart. As well as the business rates support, and the work on prompt payments that I announced in the autumn, I will provide £200 million of funding to extend the recovery loan scheme as it transitions to the growth guarantee scheme, helping 11,000 small and medium-sized enterprises access the finance they need. Following representations from the Federation of Small Businesses, as well as my hon. Friends the Members for Loughborough (Jane Hunt), for Southend West (Anna Firth), and for Rother Valley (Alexander Stafford), I will reduce the administrative and financial impact of VAT by increasing the VAT registration threshold from £85,000 to £90,000 from 1 April—the first increase in seven years. That will bring tens of thousands of businesses out of paying VAT altogether, and encourage many more to invest and grow.

I now move to measures to address historical under-investment in our nations and regions. Since we started levelling up in 2019, two thirds of all new salaried jobs created have been outside London and the south-east. We have announced 13 investment zones and 12 freeports, which continue to attract investment—including recently, thanks to the efforts of Mayor Ben Houchen, from the Pneuma Group, which is investing £15 million into the Tees Valley investment zone.

Today, working with the Levelling-Up Secretary, I devolve further power to local leaders, who are best placed to promote growth in their areas. I can announce the north-east trailblazer devolution deal, which provides a package of support for the region potentially worth over £100 million. I will devolve powers to Buckinghamshire, Warwickshire and the most beautiful county in England, Surrey. I see the Leader of the Opposition smiling because, like me, he is a Surrey boy. I know he has been taking advice from Lord Mandelson, who yesterday

rather uncharitably said he needed to “shed a few pounds”. Ordinary families will shed more than a few pounds if that lot get in. If he wants to join me on my marathon training, he is most welcome.

Today, we continue to spread opportunity throughout the country by allocating £100 million of levelling-up funding to areas including High Peak, Dundee, Conwy, Erewash, Redditch and Coventry to support cultural projects in these communities. That is alongside support for capital projects across the country, including in Bingley. We are expanding the long-term plan for towns to 20 new places, including Darlington—home of the Treasury’s fantastic Darlington economic campus—Coleraine, Peterhead, Runcorn, Harlow, Eastbourne, Arbroath and Rhyl, providing each with £20 million of funding to invest in community regeneration over the next decade. We will provide £15 million in new funding to the West Midlands Combined Authority to support culture, heritage and investment projects, on the recommendation of our go-getting Mayor, Andy Street, and we will allocate £5 million to renovate hundreds of local village halls across England, so that they can remain at the heart of their communities.

Because this is a Conservative and Unionist Government, we will also set aside funding to support the Saxa Vord spaceport in Shetland and an agrifood launchpad in mid-Wales, and funding to support Northern Ireland’s businesses in expanding their global trade and investment opportunities. As a result of the decisions we take today, the Scottish Government will receive nearly £300 million in Barnett consequentials; there will be nearly £170 million for the Welsh Government and £100 million for the Northern Ireland Executive. *[Interruption.]* I do appreciate that a tax-cutting Budget is very uncomfortable for the biggest tax-raisers in the United Kingdom. We also want to level up opportunity across the generations, including by building more houses for young people, and we are on track to deliver over 1 million homes in this Parliament.

Last week, the Levelling-Up Secretary allocated £188 million to supporting projects in Sheffield, Blackpool and Liverpool. Today I go further, allocating £242 million of investment to Barking Riverside and Canary Wharf, which together will build nearly 8,000 houses; Canary Wharf will also be transformed into a new hub for life science companies. We are launching a new £20 million community-led housing scheme that will support local communities in delivering the developments that they want and need. I am pleased to announce the next steps for Cambridge to reach its potential as the world’s leading scientific powerhouse. I confirm that there will be a long-term funding settlement for the future development corporation in Cambridge at the next spending review; there will be over £10 million invested in the coming year to unlock delivery of crucial local transport and health infrastructure.

The final levelling-up measures I announce today support north Wales, of which I have many happy childhood memories. In Mold, following representations from my hon. Friend the Member for Vale of Clwyd (Dr Davies), we will help fund the renovation of Theatr Clywd. I can announce that this week, the Government have reached agreement on a £160 million deal with Hitachi to purchase the Wylfa site in Ynys Môn and the Oldbury site in south Gloucestershire. Ynys Môn has a vital role in delivering our nuclear ambitions, and no

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one should take more credit for today's announcement than my tireless, tenacious and turbocharged hon. Friend the Member for Ynys Môn (Virginia Crosbie). More investment by large businesses, more support for small businesses, promoting investment in our nations and regions—all part of a Budget for long-term growth that sticks to our plan to deliver more jobs, better public services and lower taxes.

I turn to one of the most powerful ways to attract investment: supporting our most innovative industries. Outside the US, we have the most respected universities, the biggest financial services sector and the largest tech ecosystem in Europe. We have double the artificial intelligence start-ups of anywhere else in Europe, double the venture capital investment, and a tech economy now double the size of Germany's and three times the size of France's. We are on track to become the world's next silicon valley.

In today's Budget for long-term growth, I take further steps to attract investment to our technology-related industries. I want our brilliant tech entrepreneurs to not just start here, but stay here, including when the time comes for a stock market listing, so we will build on the Edinburgh and Mansion House reforms to unlock more pension fund capital. We will give new powers to the Pensions Regulator and the Financial Conduct Authority to ensure better value from defined contribution schemes by judging performance on overall returns, not cost.

We will make sure that there are vehicles to make it easier for pension funds to invest in UK growth opportunities, so I am today publishing the names of the winners of the LIFTS—long-term investment for technology and science—competition. But I remain concerned that other markets, such as Australia, generate better returns for pension savers, with more effective investment strategies and more investment in high-quality domestic growth stocks. So I will introduce new requirements for defined-contribution and local government pension funds to disclose publicly their level of international and UK equity investments. I will then consider what further action should be taken if we are not on a positive trajectory towards international best practice.

I also want to create opportunities for a new generation of retail investors to engage with public markets, so we will proceed with a retail sale for part of the Government's remaining NatWest shares this summer, at the earliest opportunity, subject to supportive market conditions and value for money. We will continue to explore how savers could be allowed to take their pension pots with them when they change job. We will make it easier for people to save for the long term with a new British savings bond, delivered through National Savings and Investments, offering savers a guaranteed rate, fixed for three years.

Today, following calls from over 200 representatives of the City and our high-growth sectors, I will reform the ISA system to encourage more people to invest in UK assets. After a consultation on its implementation, I will introduce a brand-new British ISA, which will allow an additional £5,000 annual investment for investments in UK equity, with all the tax advantages of other ISAs. That will be on top of existing ISA allowances and will ensure that British savers can benefit from the growth of the most promising UK businesses, as well as supporting those businesses with the capital to expand.

I now turn to our other growth industries, starting with clean energy. We want nuclear to provide up to a quarter of our electricity by 2050. As part of that, I want the UK to lead the global race in developing cutting-edge nuclear technologies. I can therefore announce that Great British Nuclear will begin the next phase of the small modular reactor selection process, with companies now having until June to submit their initial tender responses. Our brilliant Secretary of State for Energy Security and Net Zero will also allocate up to £120 million more to the green industries growth accelerator, to build supply chains for new technology, ranging from offshore wind to carbon capture and storage. By January next year, as promised in the autumn statement, we will have a new, faster connections process to the grid up and running. In advanced manufacturing we have announced a further £270 million of investment into innovative new automotive and aerospace research and development projects, building the UK's capabilities in zero-emission vehicle and clean aviation technologies.

I now turn to our creative industries. We have become Europe's largest film and TV production centre, with Idris Elba, Keira Knightley and Orlando Bloom all filming their latest productions here. Studio space in the UK has doubled over the last three years and, at the current rate of expansion, next year we will be second only to Hollywood globally. In the autumn statement I committed to providing more tax relief for visual effects in film and high-end TV. I can today confirm that we will increase the rate of tax credit by 5%, and remove the 80% cap for visual effects costs in the audio-visual expenditure credit. Having worked closely with the Secretary of State for Culture, Media and Sport, and listened carefully to representations from companies such as Pinewood, Warner Bros. and Sky Studios, we will provide eligible film studios in England with a 40% relief on their gross business rates until 2034. Having heard representations from the British film industry, Pact, and indeed the Prime Minister, we will introduce a new tax credit for UK independent films with a budget of less than £15 million. For our creative industries more broadly, we will provide £26 million of funding to our pre-eminent theatre, the National Theatre, to upgrade its stages.

I particularly want to recognise the contribution of our creative industries and the tourism that comes from orchestras, museums, galleries and theatres. In the pandemic, we introduced higher 45% and 50% levels of tax relief, which were due to end in March 2025. They have been a lifeline for performing arts across the country. Today, in recognition of their vital importance to our national life, I can announce that I am making those tax reliefs permanent at 45% for touring and orchestral productions, and 40% for non-touring productions. Lord Lloyd Webber says that this will be a once-in-a-generation transformational change that will ensure Britain remains the global capital of creativity.

I suspect that the new theatre reliefs may be of particular interest to the shadow Chancellor, who seems to fancy her thespian skills when it comes to acting like a Tory. The trouble is that we all know how her show ends: higher taxes, like every Labour Government in history—[*Interruption.*] I am delighted that Labour Members are cheering the fact that Labour Governments always put up taxes. They are right!

I want to mention our life sciences sector, where we will support research by medical charities into diseases such as cancer, dementia and epilepsy with an additional £45 million, including £3 million for Cancer Research UK. But I have long believed that we should be manufacturing medicines as well as developing them, so I can today also announce a brand-new investment by one of our greatest life science companies, AstraZeneca, led by mon ami the irrepressible Sir Pascal Soriot. AstraZeneca made its covid vaccine available to developing countries at cost, as a result saving over 6 million lives. Today, because of the Government's support for the life sciences sector, it has announced plans to invest £650 million in the UK to expand its footprint on the Cambridge biomedical campus, and fund the building of a vaccine manufacturing hub in Speke in Liverpool. That is more investment and better jobs in every corner of the country in a long-term Budget for growth from a Conservative Government.

One of the biggest barriers to investment is businesses not being able to hire the staff they need. The economy today has around 900,000 vacancies. It would be easy to fill them with higher migration, but with over 10 million adults of working age who are not in work, that would be economically and morally wrong. Those who can work should work, and I have tackled that issue in every Budget and autumn statement I have delivered. A year ago, I abolished the pensions lifetime allowance, which had pushed doctors and others to take early retirement. Ask any doctor what they think about Labour's plans to bring it back and they will say, "Don't go back to square one." In the autumn, with the help of our superb Secretary of State for Work and Pensions, we announced the back to work plan, which will support 1 million adults with medical conditions and reduce the number of people assessed as not needing to work by two thirds.

A year ago, I also announced the biggest ever expansion of childcare—[*Interruption.*] Just listen. Extending the 30-hour free childcare offer to all children of working parents from nine months. [*Interruption.*] We have not had a childcare plan from Labour, so Opposition Members might want to listen to ours. Our plan will mean an extra 60,000 parents enter the workforce in the next four years—a tremendous achievement for the Education Secretary, who I think is doing an effing good job. Today, following representations from many people, including the CBI, I announce measures to support the childcare sector to make the new investments it now needs to make. I am guaranteeing the rates that will be paid to childcare providers to deliver our landmark offer for children over nine months old for the next two years. That is more people in work and more jobs, sticking to our plan in a long-term Budget for growth.

I now turn to public services. [*Interruption.*] I thought they were supposed to be interested in public services—[*Interruption.*] I can wait.

Madam Deputy Speaker (Dame Eleanor Laing): Order. A little bit of murmuring is normal, but I should not be able to hear what Members are saying over there. That is clearly out of order. Let us have some courtesy.

Jeremy Hunt: Thank you, Madam Deputy Speaker.

Good public services need a strong economy to pay for them, but a strong economy also needs good public services. In 2010, schools in the UK were behind Germany, France and Sweden in the OECD's PISA—programme

for international student assessment—education rankings for reading and maths. Now, after Conservative reforms, we are ahead of them. Burglaries and violent crime have halved in the last 14 years after we invested in 20,000 more police officers. Our armed forces remain the most professional and best-funded in Europe, with defence spending already more than 2% of GDP. We are providing more military support to Ukraine than nearly any other country, and our spending will rise to 2.5% as soon as economic conditions allow. The NHS is still recovering from the pandemic but has 42,000 more doctors and 71,000 more nurses than it did under Labour—that is 250 more doctors and 400 more nurses for every single month that we have been in office.

Resources matter, of course, which is why, despite all the economic shocks we have faced, overall spending on public services has gone up since 2010—in the case of the NHS, by more than a third in real terms. Although spending has continued to rise every year, public sector productivity still remains below pre-pandemic levels by nearly 6%. This demonstrates that the way to improve public services is not always more money or more people; we also need to run them more efficiently. We need a more productive state, not a bigger state.

In autumn 2022, I set day-to-day spending to increase by 1% a year in real terms over the next Parliament. Some say that is not enough and we should raise spending by more, and others say it is too much and we should cut it to improve efficiency—neither are right. It is not fair to ask taxpayers to pay for more when public service productivity has fallen; nor would it be wise to reduce that funding, given the pressures that public services face. So I am keeping the planned growth in day-to-day spending at 1% in real terms, but we are going to spend it better. [*Interruption.*] The Opposition do not have a plan for public services, as with everything else, so why not listen to ours?

Today I am announcing a landmark public sector productivity plan that restarts public service reform and changes the Treasury's traditional approach to public spending. I start with our biggest and most important public service: the NHS. One of my greatest privileges was to be Health Secretary. Thanks to the NHS, I have three gorgeous children, the oldest of whom has been patiently listening in the Gallery. The NHS is, rightly, the biggest reason most of us are proud to be British, but the systems that support its staff are often antiquated. Doctors, nurses and ward staff spend hours every day filling out forms when they could be looking after patients. [*Interruption.*]

Madam Deputy Speaker (Dame Eleanor Laing): Order. I do not like to interrupt the Chancellor, but Mr Streeting, you are too close to me to be shouting that loudly. If you want to shout that loudly, you should go away and sit up there. I apologise for interrupting the Chancellor.

Jeremy Hunt: When patients do not show up or one member of a team is ill, operating theatres are left empty despite long waiting lists. When we published the NHS long-term workforce plan, I asked the NHS to put together a plan to transform its efficiency and productivity. I wanted better care for patients, more job satisfaction for staff and better value for taxpayers. Making changes on the scale we need is not cheap. The investment needed to modernise NHS IT systems so they are as

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good as the best in the world costs £3.4 billion, but it helps unlock £35 billion of savings—ten times that amount—so in today's Budget for long-term growth, I have decided to fund the NHS productivity plan in full.

With that new investment, we will slash the 13 million hours lost by doctors and nurses every year to outdated IT systems. We will cut down and potentially halve form filling by doctors by using artificial intelligence. We will digitise operating theatre processes, allowing the same number of consultants to do an extra 200,000 operations a year. We will fund improvements to help doctors read MRI and CT scans more accurately and quickly, speeding up results for 130,000 patients every year and saving thousands of lives, something that I know would have delighted my brother Charlie, who I recently lost to cancer.

We will improve the NHS app so that it can be used to confirm and modify all appointments, reducing up to half a million missed appointments annually and improving patient choice. We will set up a new NHS staff app to make it easier to roster electronically and end the use of expensive off-framework agencies. As a result of this funding, all hospitals will use electronic patient records, making the NHS the largest digitally integrated healthcare system in the world. Today's announcement doubles the amount the NHS is investing on digital transformation over three years.

On top of this longer-term transformation, we will also help the NHS meet pressures in the coming year with an additional £2.5 billion. That will allow the NHS to continue its focus on reducing waiting times and brings the total increase in NHS funding since the start of the Parliament to 13% in real terms. The NHS was there for us in the pandemic, and today with nearly £6 billion of additional funding, a Conservative Government are there for the NHS.

The head of the NHS, Amanda Pritchard today said that this investment shows that

“the government continues to back the NHS”.

She said that, as a result of the investment, the NHS can commit to delivering 1.9% annual productivity growth over the next Parliament, more than double the average productivity growth in public services between 2010 and 2019.

But today is not just about the NHS. I want this groundbreaking agreement with the NHS to be a model for all our public services. Across education, the police, the courts and local government, I want to see more efficient, better-value and higher-quality public services, so today I can announce that in the next spending review, the Treasury will do things differently. We will prioritise proposals that deliver annual savings within five years equivalent to the total cost of the investment required, and today we make a start with some excellent proposals.

Violence reduction units and hotspot policing have prevented an estimated 136,000 knife crimes and other violent offences, as well as over 3,000 hospital admissions. Every crime costs money, so we will provide £75 million to roll that model out in England and Wales. Police officers waste around eight hours a week on unnecessary admin. With higher productivity, we could free the

equivalent of 20,000 police officers over a year. We will spend £230 million rolling out time-saving and money-saving technology that speeds up police response times by allowing people to report crimes by video call and, where appropriate, use drones as first responders.

Too many legal cases, particularly in family law, should never go to court, and it would cost us less if they did not, so we will spend £170 million to fund non-court resolution, reduce reoffending and digitise the court process. Too many children in care end up being looked after by unregistered providers that are much more expensive, so we will invest £165 million over the next four years to reduce that cost by increasing the capacity of the children's homes estate.

Special educational need provision can be excellent when outsourced to independent sector schools, but also expensive, so we will invest £105 million over the next four years to build 15 new special free schools to create additional high-quality places and increase choice for parents. We will also put in place a plan to realise the tens of billions of savings recommended in an excellent speech by the head of the National Audit Office.

The OBR says that a 5% increase in public sector productivity would be the equivalent of about £20 billion in extra funding. With these plans, we can deliver that and more. If we ensure that they are cash-releasing savings, as we are committed to doing, it will be possible to live with more constrained spending growth without cutting services valued by the public. So with the energy and drive of my talented Chief Secretary to the Treasury, we launch our public sector productivity plan in today's Budget for long-term growth: more investment, more jobs, better public services and—one more thing—lower taxes.

Keeping taxes down matters to Conservatives in a way that it never can for Labour. We believe that in a free society the money people earn does not belong to the Government; it belongs to them, and if we want to encourage hard work, we should let people keep as much of their own money as possible. Conservatives look around the world at economies in North America and Asia and notice that countries with lower taxes generally have higher growth. Economists argue about cause and correlation, but we know that lower-taxed economies have more energy, more dynamism and more innovation. We know that is Britain's future, too.

Before I explain how we will bring down taxes, I will start with some measures to make our system simpler and fairer. To discourage non-smokers from taking up vaping, we are today confirming the introduction of an excise duty on vaping products from October 2026 and publishing a consultation on its design. Because vapes can also play a positive role in helping people quit smoking, we will introduce a one-off increase in tobacco duty at the same time to maintain the financial incentive to choose vaping over smoking. I will make a one-off adjustment to rates of air passenger duty on non-economy flights only to account for high inflation in recent years, and I will provide HMRC with the resources it needs to ensure that everyone pays the tax they owe, leading to an increase in revenue collected of over £4.5 billion across the forecast period.

Next, I turn to property taxation. In recent months, following tenacious representation from my hon. Friends the Members for St Austell and Newquay (Steve Double), for North Devon (Selaine Saxby), for Cities of London

and Westminster (Nickie Aiken), for Torbay (Kevin Foster) and for Truro and Falmouth (Cherilyn Mackrory), I have been looking closely at our furnished holiday lettings tax regime. I am concerned that that regime is creating a distortion meaning that not enough properties are available for long-term rental by local people. So to make the tax system work better for local communities, I am going to abolish the furnished holiday lettings regime.

I have also been looking at the stamp duty relief for people who purchase more than one dwelling in a single transaction, known as multiple dwellings relief. I see the deputy leader of the Labour party, the right hon. Member for Ashton-under-Lyne (Angela Rayner), paying close attention, given her multiple dwellings—*[Interruption.]* She—*[Interruption.]*

Madam Deputy Speaker: Order. Too much excitement. We have not actually heard—because we cannot hear—what the Chancellor is trying to say. *[Interruption.]* Okay, I can hear who is shouting, and they will not get to speak later.

Jeremy Hunt: I am sorry to disappoint the right hon. Member, but multiple dwellings relief was not actually designed for her; it was intended—*[Interruption.]*. It was intended to support investment in the private rented sector, but an external evaluation found no strong evidence that it had done so, and that it was being regularly abused, so I am going to abolish it.

Finally, as part of our look at property taxation in this Budget, both the Treasury and the OBR have looked at the costs associated with our current levels of capital gains tax on property and concluded that if we reduced the higher 28% rate that exists for residential property, we would in fact increase revenues because there would be more transactions. For the first time in history, both the Treasury and the OBR have discovered their inner Laffer curve. So today I will reduce the higher rate of property capital gains tax from 28% to 24%—that really is for you, Angela. *[Laughter.]* I now—*[Interruption.]*

Madam Deputy Speaker: Order. I have had enough from Opposition Members and I am definitely not having it from Government Members.

Jeremy Hunt: I now turn to oil and gas. Unlike the Labour party, we want to encourage investment in the North sea, so we will retain generous investment allowances for the sector. Following representations from my hon. Friend the Member for Banff and Buchan (David Duguid), we will also legislate in the Finance Bill to abolish the energy profits levy should market prices fall to their historical norm for a sustained period of time. But because the increase in energy prices caused by the Ukraine war is expected to last longer, so too will the sector's windfall profits, so I will extend the sunset on the energy profits levy for an additional year to 2029, raising £1.5 billion.

Next, I turn to the taxes paid by those who are resident in the UK but not domiciled here for tax purposes. *[HON. MEMBERS: "Ah!"]* This is a category of people known as non-doms. Nigel Lawson wanted to end the non-dom regime in his great tax reforming Budget of 1988, which is where I suspect the Labour party got the idea from. I, too, have always believed that provided we protect the UK's attractiveness to international investors, those with the broadest shoulders should pay

their fair share. After looking at the issue over many months, I have concluded that we can indeed introduce a system that both is fairer and remains competitive with other countries, so the Government will abolish the current tax system for non-doms, get rid of the outdated concept of domicile—*[Interruption.]* I aim to please all parts of the House in all my Budgets. We will replace—*[Interruption.]*

Madam Deputy Speaker: Order. This is impossible. *[Interruption.]* Order. Could you please shout more quietly? *[Laughter.]*

Jeremy Hunt: We will replace the non-dom regime with a modern, simpler and fairer residency-based system. From April 2025, new arrivals to the UK will not be required to pay any tax on foreign income and gains for their first four years of UK residency: a more generous regime than at present, and one of the most attractive offers in Europe. But, after four years, those who continue to live in the UK will pay the same tax as other UK residents. Recognising the contribution of many of these individuals to our economy, we will put in place transitional arrangements for those benefiting from the current regime. That will include a two-year period in which individuals will be encouraged to bring wealth earned overseas to the UK, so it can be spent and invested here—a measure that will attract onshore an additional £15 billion of foreign income and generate more than £1 billion of extra tax.

Overall, abolishing non-dom status will raise £2.7 billion a year by the end of the forecast period. The Opposition planned to use that money for spending increases, but today a Conservative Government make a different choice. We use that revenue to help cut taxes on working families. Many of those families depend on child benefit, but the way that we treat child benefit in the tax system is confusing and unfair. It is a lifeline for many parents because it helps with the additional costs associated with having children. When it works, it is good for children, good for parents, and good for the economy because it helps people into work.

We currently withdraw child benefit when one parent earns over £50,000 a year. That means that two parents earning £49,000 a year receive the benefit in full, but a household earning a lot less than that does not if just one parent earns over £50,000. Today I set out plans to end that unfairness. Doing so requires significant reform to the tax system, including allowing HMRC to collect household-level information. We will therefore consult on moving the high-income child benefit charge to a household-based system, to be introduced by April 2026. But because that is not a quick fix, I make two changes today to make the current system fairer.

Following representations from my hon. Friends the Members for Penistone and Stocksbridge (Miriam Cates), for Carshalton and Wallington (Elliot Colburn), for Bassetlaw (Brendan Clarke-Smith) and for West Worcestershire (Harriett Baldwin), along with many others, I confirm that from this April, the high-income child benefit charge threshold will be raised from £50,000 to £60,000. We will raise the top of the taper at which it is withdrawn to £80,000. That means that no one earning under £60,000 will pay the charge, taking 170,000 families out of paying it altogether. Because of the higher taper and threshold, nearly half a million families with children will save an average of £1,300 next year. According to

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the OBR, this change will see an increase in hours among those already working to the equivalent of 10,000 more people entering the workforce. More investment, more jobs, better public services and lower tax.

There is one further set of changes that I want to make today. The way we tax people's income is particularly unfair. Those who get their income from having a job pay two types of tax: national insurance contributions and income tax. Those who get it from other sources pay only one. This double taxation of work is unfair. The result is a complicated system that penalises work instead of encouraging it. If we are to build a high-wage, high-skill economy not dependent on migration and to encourage people not in work to come back to work, we need a simpler, fairer tax system that makes work pay. That is why I cut national insurance contributions in the autumn. By reducing the penalty on work, the OBR said that that tax cut would lead to the equivalent of 94,000 more people in work. In other words, it would fill more than one in 10 vacancies throughout the economy. Lower taxes, more jobs and higher growth.

Today, because of the progress that we have made in bringing down inflation, because of the additional investment flowing into the economy, because we have a plan for better and more efficient public services, and because we have asked those with the broadest shoulders to pay a bit more—[*Interruption.*]

Madam Deputy Speaker: Order. Mr Perkins—[*Interruption.*] I can manage, thank you very much. I have heard you five times. I have let you get away with it, but that is enough. One more strike and you're out.

Jeremy Hunt: I know how hard it is for the Opposition to listen to arguments for lower taxes. That is the difference.

Because we have asked those with the broadest shoulders to pay a bit more, today I go further. From 6 April, employee national insurance will be cut by another 2p, from 10% to 8%, and self-employed national insurance will be cut from 8% to 6%. That means an additional £450 a year for the average employee, or £350 for someone who is self-employed. When combined with the autumn reductions, it means 27 million employees will get an average tax cut of £900 a year, and 2 million of the self-employed will get a tax cut averaging £650. Those changes will make our system simpler and fairer, and will grow our economy by rewarding work. The OBR says that, when combined with the autumn reduction, our national insurance cuts will mean the equivalent of 200,000 more people in work—filling one in five vacancies, and adding 0.4% to GDP and 0.4% to GDP per head.

This is the second fiscal event in which we have reduced employee and self-employed national insurance. We have cut it by one third in six months without increasing borrowing and without cutting spending on public services. That means that the average earner in the UK now has the lowest effective personal tax rate since 1975. Their effective taxes are now lower than in America, France, Germany or any G7 country. Because Conservatives believe that making work pay is of the most fundamental importance, and because we believe that the double taxation of work is unfair, our long-term ambition is to end this unfairness. When it is responsible, when it can be achieved without increasing borrowing

and when it can be delivered without compromising high-quality public services, we will continue to cut national insurance as we have done today, so that we truly make work pay.

We stick to our plan with a Budget for long-term growth. It delivers more investment, more jobs, better public services and lower taxes. However, dynamism in an economy does not come from Ministers in Whitehall but from the grit and determination of people who take risks, work hard and innovate—not Government policies but people power. It is to unleash people power that today we put this country back on a path to lower taxes: a plan to grow the economy versus no plan; a plan for better public services versus no plan; a plan to make work pay versus no plan. Growth up, jobs up and taxes down. I commend this statement to the House.

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 motions:—

(a) Stamp duty land tax (first-time buyers' relief: new leases acquired on bare trust) (motion no. 8);

(b) Stamp duty land tax (registered providers of social housing) (motion no. 9);

(c) Stamp duty land tax (purchases by public bodies) (motion no. 10);

(d) Value added tax (late payment interest and repayment interest) (motion no. 22).—(*Jeremy Hunt.*)

Madam Deputy Speaker (Dame Eleanor Laing): As many as are of that opinion say Aye—[HON. MEMBERS: "Aye!"] Of the contrary, No—[HON. MEMBERS: "No!"] [*Interruption.*] Order. Let me explain, for the clarification of the House, that the Question on the provisional collection of taxes is asked at this stage. All Members will have the opportunity, having heard the debate in detail, to vote on each of the motions on Tuesday 12 March, at the end of the Budget debate. I would hesitate to call a Division at this point, when the House and the world is awaiting the response from the Leader of the Opposition. [*Interruption.*]

I will put the Question again, and if it is very clear to me that there are more Ayes than Noes, I will take the decision on the voices. The Question is—

Sir Jacob Rees-Mogg (North East Somerset) (Con): On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: No, I do not need a point of order, thank you. We are in the middle of putting the Question. As many as are of that opinion say Aye—[HON. MEMBERS: "Aye!"] Of the contrary, No—[HON. MEMBERS: "No!"]

The House divided: Ayes 288, Noes 38.

Division No. 87]

[1.41 pm]

AYES

Afolami, Bim	Anderson, Stuart
Aiken, Nickie	Andrew, rh Stuart
Allan, Lucy (<i>Proxy vote cast by Mr Marcus Jones</i>)	Ansell, Caroline
	Argar, rh Edward

Atkins, rh Victoria
 Bacon, Gareth
 Bacon, Mr Richard
 Badenoch, rh Kemi
 Bailey, Shaun
 Baillie, Siobhan
 Baker, Duncan
 Baldwin, Harriett
 Barclay, rh Steve
 Baron, Mr John
 Baynes, Simon
 Beresford, Sir Paul
 Berry, rh Sir Jake
 Bhatti, Saqib
 Blackman, Bob
 Bottomley, Sir Peter
 Bowie, Andrew
 Bradley, Ben
 Bradley, rh Dame Karen
 Brady, rh Sir Graham
 Braverman, rh Suella
 Brereton, Jack
 Brine, Steve
 Bristow, Paul
 Britcliffe, Sara
 Browne, Anthony
 Buchan, Felicity
 Buckland, rh Sir Robert
 Burghart, Alex
 Butler, Rob
 Cameron, Dr Lisa
 Carter, Andy
 Cartlidge, James
 Cash, Sir William
 Cates, Miriam
 Caulfield, Maria
 Chalk, rh Alex
 Chishti, Rehman
 Chope, Sir Christopher
 Churchill, Jo
 Clarke, rh Sir Simon
 Clarke, Theo
 Clarke-Smith, Brendan
 Clarkson, Chris
 Cleverly, rh James
 Clifton-Brown, Sir Geoffrey
 Coffey, rh Dr Thérèse
 Collins, Damian
 Costa, Alberto
 Courts, Robert
 Coutinho, rh Claire
 Cox, rh Sir Geoffrey
 Crosbie, Virginia
 Crouch, Tracey
 Daly, James
 Davies, rh David T. C.
 Davies, Gareth
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davis, rh Sir David
 Davison, Dehenna
 Dinéage, Dame Caroline
 Djanogly, Mr Jonathan
 Docherty, Leo
 Donelan, rh Michelle
 Double, Steve
 Dowden, rh Oliver
 Doyle-Price, Dame Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duncan Smith, rh Sir Iain
 Dunne, rh Philip
 Eastwood, Mark
 Edwards, Ruth
 Ellis, rh Sir Michael
 Ellwood, rh Mr Tobias
 Elphicke, Mrs Natalie
 Evans, Dr Luke
 Evennett, rh Sir David
 Everitt, Ben
 Fabricant, Michael
 Farris, Laura
 Fell, Simon
 Firth, Anna
 Fletcher, Katherine
 Fletcher, Mark
 Fletcher, Nick
 Ford, rh Vicky
 Foster, Kevin
 Fox, rh Sir Liam
 Frazer, rh Lucy
 Freeman, George
 French, Mr Louie
 Fuller, Richard
 Ghani, Ms Nusrat
 Gibb, rh Nick
 Gibson, Peter
 Gideon, Jo
 Goodwill, rh Sir Robert
 Graham, Richard
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Grundy, James
 Gullis, Jonathan
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hands, rh Greg
 Harper, rh Mr Mark
 Harris, Rebecca
 Hart, Sally-Ann
 Hart, rh Simon
 Hayes, rh Sir John
 Heald, rh Sir Oliver
 Heapey, rh James
 Henderson, Gordon
 Henry, Darren
 Higginbotham, Antony
 Hinds, rh Damian
 Hoare, Simon
 Holden, rh Mr Richard
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holmes, Paul
 Howell, John (*Proxy vote cast
by Mr Marcus Jones*)
 Howell, Paul
 Hudson, Dr Neil
 Hughes, Eddie
 Hunt, Jane
 Hunt, rh Jeremy
 Hunt, Tom
 Jack, rh Mr Alister
 Javid, rh Sir Sajid
 Jayawardena, rh Mr Ranil
 Jenkin, Sir Bernard
 Jenkinson, Mark
 Johnson, Gareth
 Johnston, David
 Jones, Andrew
 Jones, Fay

Jones, rh Mr Marcus
 Jupp, Simon
 Kawczynski, Daniel
 Keegan, rh Gillian
 Knight, rh Sir Greg
 Kruger, Danny
 Lamont, John
 Latham, Mrs Pauline
 Leadsom, rh Dame Andrea
 Leigh, rh Sir Edward
 Levy, Ian
 Lewer, Andrew
 Lewis, rh Sir Julian
 Liddell-Grainger, Mr Ian
 Loder, Chris
 Longhi, Marco
 Lopez, Julia
 Lopresti, Jack
 Loughton, Tim
 Mackinlay, Craig (*Proxy vote
cast by John Redwood*)
 Mackrory, Cherilyn
 Maclean, Rachel
 Mak, Alan
 Malthouse, rh Kit
 Mangnall, Anthony
 Mann, Scott
 Marson, Julie
 May, rh Mrs Theresa
 Mayhew, Jerome
 Maynard, Paul
 McCartney, Jason
 McPartland, rh Stephen
 Menzies, Mark
 Mercer, rh Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Millar, Robin
 Miller, rh Dame Maria
 Milling, rh Dame Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Mohindra, Mr Gagan
 Moore, Robbie
 Mordaunt, rh Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morrissey, Joy
 Morton, rh Wendy
 Mullan, Dr Kieran
 Mumby-Croft, Holly
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, rh Dr Andrew
 Neill, Sir Robert
 Nici, Lia
 Nokes, rh Caroline
 Offord, Dr Matthew
 Opperman, Guy
 Patel, rh Priti
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Philp, rh Chris
 Pow, Rebecca
 Prentis, rh Victoria
 Pritchard, rh Mark
 Pursglove, Tom
 Quince, Will
 Raab, rh Dominic
 Randall, Tom
 Redwood, rh John
 Rees-Mogg, rh Sir Jacob
 Richards, Nicola
 Richardson, Angela
 Roberts, Mr Rob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rowley, Lee
 Russell, Dean
 Rutley, David
 Sambrook, Gary
 Saxby, Selaine
 Scully, Paul
 Selous, Andrew
 Sharma, rh Sir Alok
 Simmonds, David
 Smith, rh Chloe
 Smith, Greg
 Smith, rh Julian
 Solloway, Amanda
 Spencer, Dr Ben
 Spencer, rh Mark
 Stafford, Alexander
 Stephenson, rh Andrew
 Stevenson, Jane
 Stewart, Iain
 Stride, rh Mel
 Sturdy, Julian
 Sunak, rh Rishi
 Sunderland, James
 Swayne, rh Sir Desmond
 Syms, Sir Robert
 Thomas, Derek
 Throup, Maggie
 Tolhurst, rh Kelly
 Tomlinson, Justin
 Tomlinson, rh Michael
 Tracey, Craig
 Trevelyan, rh Anne-Marie
 Trott, rh Laura
 Tuckwell, Steve
 Tugendhat, rh Tom
 Vara, rh Shailesh
 Vickers, Martin
 Vickers, Matt
 Villiers, rh Theresa
 Walker, Sir Charles
 Walker, Mr Robin
 Warman, Matt
 Watling, Giles
 Webb, Suzanne
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, rh Craig (*Proxy
vote cast by Mr Marcus
Jones*)
 Whittingdale, rh Sir John
 Wiggin, Sir Bill
 Wild, James
 Williams, rh Craig
 Williamson, rh Sir Gavin
 Wood, Mike
 Wragg, Mr William
 Wright, rh Sir Jeremy
 Young, Jacob
 Zahawi, rh Nadhim
Tellers for the Ayes:
Aaron Bell and
Robert Largan

NOES

Black, Mhairi	Law, Chris
Blackford, rh Ian	Mc Nally, John
Bonnar, Steven	McDonald, Stewart Malcolm
Brown, Alan	McDonald, Stuart C.
Callaghan, Amy (<i>Proxy vote cast by Marion Fellows</i>)	McLaughlin, Anne (<i>Proxy vote cast by Marion Fellows</i>)
Chapman, Douglas	Nicolson, John (<i>Proxy vote cast by Marion Fellows</i>)
Cherry, Joanna	Oswald, Kirsten
Cowan, Ronnie	Qaisar, Ms Anum
Crawley, Angela (<i>Proxy vote cast by Owen Thompson</i>)	Saville Roberts, rh Liz
Day, Martyn	Sheppard, Tommy (<i>Proxy vote cast by Owen Thompson</i>)
Doogan, Dave	Smith, Alyn
Dorans, Allan (<i>Proxy vote cast by Marion Fellows</i>)	Thewliss, Alison
Edwards, Jonathan	Thompson, Owen
Fellows, Marion	Thomson, Richard
Flynn, Stephen	Whitford, Dr Philippa (<i>Proxy vote cast by Marion Fellows</i>)
Galloway, George	Wishart, Pete
Gibson, Patricia	
Grant, Peter	
Hanvey, Neale	
Hendry, Drew	
Hosie, rh Stewart	
Lake, Ben	

Tellers for the Noes:

Gavin Newlands and
Kirsty Blackman

Question accordingly agreed to.

Madam Deputy Speaker: We now come to the motion entitled Income Tax (Charge). It is on this motion that the debate will take place today and on succeeding days. The Questions on this motion and the remaining motions will be put at the end of the Budget debate on Tuesday 12 March.

Budget Resolutions

INCOME TAX (CHARGE)

Motion made, and Question proposed,

That income tax is charged for the tax year 2024-25.

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.—(*Jeremy Hunt.*)

Madam Deputy Speaker: I call the Leader of the Opposition.

1.55 pm

Keir Starmer (Holborn and St Pancras) (Lab): There we have it: the last desperate act of a party that has failed—Britain in recession, the national credit card maxed out and, despite the measures today, the highest tax burden for 70 years. This is the first Parliament since records began to see living standards fall, as confirmed by the Budget today. That is the Conservatives' record, and it is still their record—give with one hand and take even more with the other. Nothing they do between now and the election will change that.

Over 14 years, we have seen our fair share of delusion from the Conservative party: a Prime Minister who thinks the cost of living crisis is “starting to ease”, an Education Secretary who thinks concrete crumbling on our children deserves our gratitude, and a former Prime Minister who still believes that crashing the pound was the right path for Britain. Today, we have a new entry into this hall of infamy: the Chancellor, who breezes into this Chamber—in a recession—and tells the working people of this country that everything is on track. Crisis? What crisis? Or, as the captain of the Titanic and the former Prime Minister herself might have said, “Iceberg? What iceberg?” Smiling as the ship goes down, the Chuckle Brothers of decline dream of Santa Monica—or maybe just a quiet life in Surrey, with the Chancellor not having to self-fund his election—while the crew behind them scramble around for a GB News lifeboat.

If only it were not so serious. The story of this Parliament is devastatingly simple: a Conservative party stubbornly clinging to the failed ideas of the past, completely unable to generate the growth that working people need, and forced by that failure to ask them to pay more and more for less and less. As the desperation grows, the Conservatives torch not only their reputation for fiscal responsibility, but any notion that they can serve the country, not themselves—party first, country second, while working people pay the price.

Food prices are still 25% higher than they were two years ago. Rents are up by 10%. It will cost an extra £240 a month for a typical family remortgaging this year, because the Conservatives lost control of the economy. They sent interest rates through the roof, and they made working people pay. They should be under no illusion: that record is how the British people will judge today's cuts, because the whole country can see exactly what is happening here. They recognise a Tory con when they see it, just as they did in November—give with one hand and take even more with the other.

People have been living through this nonsense for 14 years. They know that the thresholds are still frozen, dragging more and more people into higher taxes. They know that a Tory stealth tax is coming their way in the

shape of their next council tax bill. The Levelling Up Secretary has told not just this House but every house in the country that he is coming for their council tax—give with one hand, Gove with the other.

Most insultingly of all, the British people know the only cause that gets this lot out of bed is trying to save their own skin. Take the desperate move, after years of resistance, to finally accept Labour's argument on the non-dom tax regime. Has there ever been a more obvious example of a Government who are totally bereft of ideas? If they are sincerely in support of that policy, the question they must answer is: why did they not do it earlier? Why did they not stand up to their friends, their funders and their family? If they had followed Labour's example, 3.8 million extra operations and 1.3 million dental emergency appointments would have taken place by now, and there would have been free breakfast clubs for nearly 4.5 million children. If instead this is just another short-term cynical political gimmick, honestly, what is the point? What is the point of a party that is out of touch, out of ideas and nearly out of road?

We saw this last year as well, when only Labour's policies on the cost of living made the difference. I say to those on the Conservative Benches who are now a little downbeat about another intellectual triumph for social democracy, I say, "Get used to it!" With this pair in charge, it will not be long before you are asked to defend the removal of private school tax relief as well. The harder they try with cynical games like that, the worse it will get for them, because the whole country can see exactly who they are. Fighting for themselves. Politics, not governing. Party first, country second.

Because we have campaigned to lower the tax burden on working people for the whole Parliament—and we will not stop now—we will support the cuts to national insurance. But I noticed that in 2022 when the Prime Minister was Chancellor, he made this promise:

"I can confirm that...in 2024, for the first time...the basic rate of income tax will be cut from 20p to 19p".—[*Official Report*, 23 March 2022; Vol. 711, c. 342.]

Having briefed all week that an income tax cut was coming, that promise is in tatters. Of course we support the fresh investment in our NHS, although I have to note that the Chancellor, when he was Health Secretary 10 years ago, promised to make the NHS paperless by 2018. I know the Prime Minister's fondness for Elon Musk extends to an enthusiastic embrace of his Community Notes on fact checking, so I will say this bit slowly: Labour supports the fuel duty freeze. That is our policy. I look forward to the Prime Minister's acknowledgement of that in the coming days. We ask the Chancellor to set out how he will ensure that the policy gets passed on to hard-pressed families at the pump.

For all the fanfare around the tax measures today, this straightforward story remains true: taxes at a 70-year high; the British people paying more for less; and an unprecedented hit to the living standards of working people. This is the first time the Government have gone backwards over a Parliament, and they were cheering that. The reason is equally simple: there is no plan for growth. How can there be? The Chancellor can say "long-term plan" all he likes, but—[*Interruption.*] Last year he announced 110 growth measures. He said that we had "turned a corner", but where are we now? Britain is in recession, with an economy smaller than

when the Prime Minister entered Downing Street—the textbook definition of decline. That is their record. After 14 years, who do they think feels better off?

Productivity is flat, mortgages are through the roof, house building is off a cliff, worklessness is rising and rising, homelessness has never been higher, crime goes virtually unpunished, children cannot see a dentist and there is sewage in our rivers. Billions and billions of taxpayers' money has been wasted, including £7 billion by the Prime Minister on covid fraud alone and £500 million on the Rwanda scheme that has achieved precisely nothing. I can keep going. We have a railway line that will never reach our great northern cities. In fact, it might not even reach central London. Billions upon billions for a white elephant without a trunk, while today we learn that taxpayers are picking up the bill for the Science Minister's libel. And all the time, one thing is growing: the waiting lists in our NHS, now standing at nearly 8 million.

The Government have had 14 years. They are running out of road. This is what decline looks like, and the complacency they have shown today takes your breath away. Britain deserves better than this. Britain deserves a real plan for growth; an end to 14 years of stagnation; wealth creation across the whole of the country; and higher living standards for working people. This is the mission we need, but yet again, what we got was the same tired old formula, the sticking plasters, the chopping and changing, and the party-first, country-second politics with no repudiation of the utterly discredited idea that economic growth is something that the few gift to the many.

Even then, the Chancellor's Back Benchers are owed an explanation. He says that Britain has grown more quickly than countries such as Germany over the last 14 years, but I am sure they will be shocked to learn that this is a statistical sleight of hand. When it comes to GDP per capita—the growth that makes the difference to the pockets of working people—the Government's record is much worse. Indeed, in per capita terms our economy has not grown since the first quarter of 2022—the longest period of stagnation Britain has seen since 1955. In fact, the Chancellor invited us to look at those figures. The Office for Budget Responsibility has said that GDP per capita will be 0.75% lower in 2028 than was forecast in November last year. That was the number he said we should watch: 0.75% lower in 2028. The Government can call this a technical recession, but there is nothing technical about working people living in recession for every second the Prime Minister has been in power. This is a Rishi recession.

If Conservative Members really want to know what hides in the Chancellor's spreadsheets, they will see that it is only the record levels of migration they have delivered that have prevented an even deeper decline. That is the record they must stand on at the election. While we on these Benches do not demean for a second the contribution that migrants make to a thriving economy, it is high time that the Government were honest with the British public about the role migration plays in their economic policy, because right now, in terms of growth, that is all they have. There is nothing else. No plan to get Britain building again with a reformed planning system. No ambition to invest in clean British power for cheaper bills and energy security. No inclination to

[Keir Starmer]

move away from insecure low-paid jobs and strengthen employment rights so that we can finally make work pay.

Where is the urgency on affordable housing? How can the Government look at Britain now and not see that as a massive priority? Never again will they be allowed to pose as the party of home ownership and aspiration, although I have to say, given the disaster that has befallen their childcare plans, perhaps that is for the best. The cost of childcare is a huge challenge for millions. Parents need the Chancellor to deliver on his promise. It seems that he has been taking lessons on marketing from the Willy Wonka Experience in Glasgow: all is not as it seems. With just over three weeks to go, he has to come clean, because up and down the country parents need to know: will they get their entitlement in April, or is this just another of the Government's reckless promises on governing? Headlines over delivery. Promises without plans. Policies that unravel at the first contact with reality. The lesson is crystal clear that those who broke our economy cannot be trusted to repair it. The Tory credit rating is zero. It is time for change with Labour.

That is what today's Budget should have been about: a last chance for the Government to show that they understand the economic reality of our volatile world, that global supply chains can be weaponised by tyrants like Putin, that a sticking-plaster approach to public investment will cost Britain more in the long run, and that trickle-down nonsense means that working people pay the price. It could even have been a moment of contrition, a reflection on their fiscal recklessness or perhaps an apology for the ridiculous chaos that they have inflicted on businesses, communities and investors in this country. And yet there is still no stable industrial strategy, still no national wealth fund to crowd in private investment, still no urgency on speeding up critical infrastructure projects and no recognition that they have left in tatters our standing as a country that always keeps its promises.

And if they do not like that accusation, they should look no further than the grotesque spectacle of the Government ducking their responsibility to the victims of the infected blood and Horizon scandals.

"This is one of the greatest miscarriages of justice in our nation's history."—[*Official Report*, 10 January 2024; Vol. 743, c. 288.]

Those were the Prime Minister's words just two months ago. Today, justice has been kicked beyond the general election. Britain can see exactly who they are, and the reality is that there is no path to economic stability and no way to a calmer, less chaotic politics with the Conservative party in power, because chaos is now their worldview.

It is a mindset that sees Britain's problems as opportunities that the Conservative party can exploit, whether, like the Chancellor, it is out of desperation because they cannot solve them, or whether, like the right hon. and learned Member for Fareham (Suella Braverman) and the right hon. Member for South West Norfolk (Elizabeth Truss), it is because they have no intention of solving them. For a party this weak and divided, the end result is always the same: a vicious

downward spiral with chaos feeding off decline and decline feeding off chaos, while working people pay the price.

The British people know that this will not stop. Five more years and it will only get worse. There will be no change of direction without a change of Government, and that leaves Britain as a nation in limbo, unable to shake off the Tory chaos that dragged us into recession, loaded the tax burden on to the backs of working people and maxed out the nation's credit card.

Britain deserves a Government who are ready to take tough decisions, to give our public services an immediate cash injection, to stick to fiscal rules without complaint, to fight for the living standards of working people and to deliver a sustainable plan for growth. We say to the Chancellor and the Prime Minister that it is time to break the habit of 14 years, to stop the dithering, the delay and the uncertainty, and to confirm 2 May as the date of the next general election, because Britain deserves better and Labour is ready. [Interruption.]

Madam Deputy Speaker (Dame Eleanor Laing): I will not demand silence now, as this is the moment for cheering.

I call the Chair of the Treasury Committee.

2.13 pm

Harriett Baldwin (West Worcestershire) (Con): I know it has not been long since the autumn statement, but we have heard today that the Leader of the Opposition has no plan. It has not been very long since the last forecast from the Office for Budget Responsibility, so it is interesting to read today that, in the just over 100 days since its last forecast, there has been a lot of change for the better in the UK economy. In particular, the OBR is expecting a better inflation outturn than it had expected just over three months ago. It is expecting and has noted the sharper fall in the interest rates that we all pay on the national mortgage, and it has said that it expects the British people's living standards to recover more quickly than it previously forecast. That is information that we can all welcome.

There will be a range of views across the Chamber on the role of the Office for Budget Responsibility. We all know, of course, that all forecasts are likely to be wrong. The Treasury Committee will scrutinise the Office for Budget Responsibility next Tuesday morning, and we look forward to asking questions about its assumptions. My view is that it is a bit like that quote of Sir Winston Churchill about democracy being the worst form of government except for all the others that have been tried: although all economic forecasts are likely to be wrong in some way, and the Office for Budget Responsibility's forecasts are often not the most accurate, they are a lot better than the alternatives of either the Treasury marking its own homework or having a Budget with no forecast from the Office for Budget Responsibility. I think the OBR's forecasts reassure the markets on which we are so dependent for our borrowing.

There has obviously been good progress on inflation since the peak of over 11% after Putin's evil invasion of Ukraine, and it is vital that all of today's Budget measures are seen through the lens of inflation, because we do not want anything that could prevent that progress towards the 2% that the Bank of England expects by the middle of this year.

The Chancellor told us that he was looking through that lens in announcing today's measures, which contain a range of things that will really help, including continuing the 5p off fuel duty at the pumps for another year, which will be very helpful to drivers in West Worcestershire and elsewhere in the country. The freeze on alcohol duty will be welcomed in pubs in West Worcestershire and across the country. The public sector productivity plan is crucial to ensuring that we get value for money from our public services.

On the second economic objective of growth, we can all welcome the fact that employment growth has been so strong. The economy has created more than 800 jobs a day over the past 14 years. We have seen steps taken in previous fiscal events to grow the size of the UK's productive economy. Now that we are at full employment, productivity becomes incredibly important, because it helps to sustain non-inflationary growth.

To stimulate all-important investment in the economy, last year's big announcement of full expensing was made permanent in the autumn statement. Today, we have heard that full expensing will be extended to leased assets. The BBC fact check noted that when the measure was first announced, it was expected that the economy would benefit greatly. The Chancellor said that its impact on the economy would be huge, and the Office for Budget Responsibility said that it would increase business investment by 3% a year. The policy came into force on 1 April, and in fact business investment for the whole of last year was 6.1% higher than in 2022.

Today we heard about further welcome steps to increase business investment and other investment in the UK economy—tax reliefs for some creative industries, British individual savings accounts to encourage more long-term investment in our economy, the back-to-work plan, the childcare plan, and many other measures that will unlock growth.

Caroline Lucas (Brighton, Pavilion) (Green): Is the Chancellor, and indeed the hon. Lady, being a little complacent about investment? Although it is true that business investment is higher than it was in 2010, our business investment is still the lowest in the G7 and among the lowest in the OECD. Why did we not see more public investment from the Chancellor today? We know that public investment will crowd in private investment, so why have we not seen much bolder and more ambitious work on investment? That is what the economy is crying out for.

Harriett Baldwin: We heard the Chancellor talk about how strong the growth in UK investment has been. We heard about additional investment in the productivity of our national health service and, crucially, about measures that will increase the attractiveness of investing in some of the fastest growing sectors of the economy.

George Freeman (Mid Norfolk) (Con): Does my hon. Friend agree that it is extraordinary that the hon. Member for Brighton, Pavilion (Caroline Lucas), representing the Green party, did not welcome the £270 million for advanced manufacturing in clean aviation and clean vehicles, and the £120 million for clean tech manufacturing? That is the UK investing in the technology of clean growth, is it not?

Harriett Baldwin: It is indeed, and I am glad that my hon. Friend welcomes that, even if it was not welcomed by the representative of the Green party.

Vicky Ford (Chelmsford) (Con): I want to take my hon. Friend back to what she said about investment in childcare. I remind her that this week brings International Women's Day, and the cost of childcare is such an important issue for so many mums in this country. Of course, it was the Conservatives who rolled out 30 hours of free childcare, and who are rolling out free childcare for two-year-olds and nine-month-olds. We absolutely must welcome that additional investment in childcare, and indeed the investment in families through support for child benefit, which will help mums get into well-paid jobs.

Harriett Baldwin: I wholeheartedly endorse what my right hon. Friend said. She is right to highlight the importance of investment in childcare in helping female employment growth, which has been remarkably strong in the past 14 years. I am confident that the measures announced will allow us to make further progress with the increasingly non-inflationary growth capacity of the UK economy.

Other measures announced today will help on the growth front. Cutting national insurance is also a smart way to help growth. It not only puts more money in working people's pockets—27 million people across this country will see an extra £900 a year in their bank account—but will make work more attractive. We have heard from the Office for Budget Responsibility that cutting national insurance has the biggest marginal impact on bringing people back into work; the figure from the last cut was 94,000. It will be interesting to see whether the OBR continues to expect this to have a significant impact. It is a really smart way to cut taxes for working people—and the measure is UK-wide, so the effect will be felt in Scotland as well.

I turn to the issue of debt falling. We can see that the bond markets have stabilised, and OBR numbers confirm progress on debt. I draw the House's attention to a report that our Committee recently published on the Bank of England and its quantitative tightening. It is selling £100 billion of gilts into the market this year, and it has acknowledged that that increases the cost to the Exchequer of borrowing by between a tenth and a quarter of a percentage point. Our Committee wanted to flag up the impact that that could have, and to send a message to the independent Bank of England about some of the ways in which quantitative tightening has an impact on the real economy. As a cross-party Committee, we were obviously never going to agree on the level or scope of taxes, but one thing we have unanimity—

Ian Blackford (Ross, Skye and Lochaber) (SNP) *rose*—

Harriett Baldwin: Does the right hon. Gentleman wish to intervene on the fact that the rate of tax is higher in Scotland?

Ian Blackford: I wish to raise a point about quantitative easing, which the hon. Lady mentioned. Obviously, there will be a very significant supply of gilts in the coming period, which will have an impact on yields. That will influence what the Bank of England does on the interest rate cycle, and crucially, it will make it difficult to see any material growth in the money supply, particularly in M4, in the coming period. That will have an impact on growth, given where we are.

Harriett Baldwin: I am sorry that the right hon. Gentleman did not acknowledge that income tax is higher in Scotland, but he makes a good point about quantitative tightening and its impact on the real economy. It is potentially a factor that can have a real impact, and our Committee will watch it closely.

As I was saying, as a cross-party Committee, we were never going to agree on the level and scope of taxes, but we do agree that the tax system is too complicated. We have a very complicated tax system in this country, and well over 1,000 different tax reliefs. Despite the abolition of the Office of Tax Simplification, there have been some major tax simplifications under this Chancellor. We have heard about the way in which he eliminated, in the autumn statement, the national insurance class; about how he has simplified the lifetime allowance for pensions; and, today, about how he has started to tackle some of the perverse cliff edges, high marginal tax rates and disincentives to work in the tax system. By raising the VAT threshold, he has helped small businesses, which might otherwise have held back because they did not want to go through that threshold. On universal credit, we have done so much over the years to reduce high marginal tax rates and disincentives.

It was great to hear the Chancellor really focus today on addressing the high-income child benefit charge. When we introduced it—I voted for it at the time—£50,000 a year was a high rate of income. With the progress on higher incomes, the median income has increased from about £22,000 in those days to about £35,000 now. These days, £50,000 is not more than about 40% over the median income. It was right for the Chancellor to recognise that today in his Budget statement. He has made the taper that much less of a disincentive to taking on work above that income level. Of course, I would have loved him to have done even more, but I am very grateful for all that he has done.

Let me come to a rapid close by saying that it is clear that the Conservatives have a plan. It is clear that there is a plan to get inflation down; to increase the growth rate and the growth capacity of the UK economy, without sparking inflation again; and to get debt falling. I think we can all see that the plan is working. We should stick to that plan and not go back to square one.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): Order. Before I call the spokesman for the Scottish National party, it might be helpful for hon. Members to know that I hope to be able to manage the debate, certainly at the beginning, without a formal time limit. If everybody speaks for about six to seven minutes, we will manage without a formal time limit. If they do not, we will set one. It will begin by being about seven minutes, but will reduce as the day goes on. I call Drew Hendry.

2.27 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): Traditionally, at this point I would thank the Chancellor for advance sight of his redacted statement, but having seen the statement, I realise that I was given an entirely different redacted document. Not to worry, as we have seen all the details in the press over the past day or so. Seeing the unredacted words would be nice, but it is not essential for this response.

I thank the Chancellor for his courtesy in staying in the Chamber, unlike some of his colleagues, to listen to the words of the third party. That does not happen all the time, but it is very good practice for those who might well be in the third party after the next election.

The Chancellor said that his autumn statement was a “statement for growth”, but what have we seen since then? Growth has gone down; it is has grown into recession. Today, the OBR says:

“Having steadily declined since early 2022, real GDP per person is forecast to trough at 1¼ per cent below its pre-pandemic peak in the first half of 2024.”

So that was not a statement for growth, and this is not a Budget for growth.

I start by welcoming some of the measures that the Chancellor has announced today. He at least addressed the non-dom status, which is a positive move forward, although he gave them the softest possible landing. He announced changes to child benefit that are very good. We must give credit to Paul Lewis for his campaigning on that issue. He tweeted today, as other members of the press have done, that he was tipped off by the Chancellor that the change was coming. The move on lifetime ISAs is welcome. The R&D support for the aerospace industry, although it is the smallest possible step that could have been taken, is welcome, as is any further investment in life sciences.

The Chancellor set a lot of store on productivity today—he is going to solve everything with productivity. Yet if we look back over the past 14 years, and indeed before that, we see that the UK has been exceptionally poor on productivity. The figures on productivity have not budged at all. *[Interruption.]* The Chancellor is saying, “What about Scotland?” He should look at the figures for Scotland over the past 14 years and then we can have that debate.

The Chancellor said that vacancies would be easy to fill through immigration, but his party, joined by the Labour party and now the Lib Dems, imposed Brexit and stopped free movement. Of course it would have been easy to fill vacancies with skilled people who want to do the jobs we have, including vital jobs in tourism, hospitality, the national health service, the care service and across many other sectors, if that possibility had not been taken away by decisions made in this place.

Economists who are looking at his national insurance cuts have said that the gains will be cancelled out, as they were last time, by the freeze on thresholds. There is very little for people on low incomes, and zero for 17.8 million people on less than £12,750 a year, so there is not a lot of sense in that measure. He boasted that he had taken over as Chancellor when inflation was at 11%, but we must remember that the Tory Government were in charge when inflation was at that level. The problem with inflation is their child. They also suggest that 4% is somehow a triumph, but 4% inflation means prices still go up. Let us face it, this is a last-ditch, tone-deaf approach to desperately try to recover in the polls. It is the embodiment of putting the Tory party before the people.

Where are the real measures that would have a real impact on the cost of living, which is what people need the most direct help with? For those living in fear of

their energy bills, who are being told, once again, that their direct debits are increasing, slicing more off their take-home pay, none of this is more than cold comfort. For those staring in disbelief as they realise that their shopping bills are more than 25% higher than they were a couple of years ago, this will stick in their throats. For those trussed to their new, much higher mortgages and rents directly because of reckless decisions made in this place, the walls are closing in.

On public services, the Chancellor has failed people again. Paul Johnson of the Institute for Fiscal Studies has noted that the Chancellor would have to explain how public services, which are already on their knees, could possibly take more cuts. Let us not forget the £19 billion he slashed from public spending in the autumn statement. The IFS continued:

“The economic case for tax cuts is weak. The public finances remain in a poor position.”

The Chancellor today promoted a further £20 billion cut, according to the IFS. Public services have been left struggling after 14 years of underfunding, economic chaos and blunder, from mini-Budgets to Brexit, colossal wastes of hundreds of billions of pounds, fraud and cronyism. Public finances are now so pared to the bone that we can see the marrow. Is it any wonder that a growing number of English councils, whether run by the Tories, Labour or the Lib Dems, are now effectively bankrupt?

People in Scotland needed a Budget that delivered funding that would allow investment for our public services, including real investment in the NHS, that supports families with the cost of living, and that properly invests in green energy, not another austerity Chancellor taking an even bigger axe to investment than his predecessors.

When it comes to the election in Scotland, those people will have their say and make their choice. There is a clear choice between that and the SNP's calls to invest in public services, the economy and our communities, in our town and city centres, in our manufacturing future and our rural areas, in our tourism industry, in our food and drink sector, and in the priorities and values they hold dear. Those will be the major dividing lines at the general election.

The Scottish Government are committed to protecting people from some of the worst Westminster policies and are making a real difference to the lives of people in Scotland, despite their limited powers. The Prime Minister may be under the impression that the cost of living crisis is easing, but that assessment will be a slap in the face for households across Scotland that are still facing the consequences of over a decade of Tory cuts and mismanagement of the economy. People will see straight through attempts by the Chancellor to make up for falling living standards, underfunded public services and wage stagnation with these poorly timed national insurance cuts, which will not improve overall standards of living for most households.

Leaving aside the Chancellor's failure to deal with fiscal drag, which wipes out much of the benefit of the NI cuts, the vast inequality in benefits for the better-off and the geographical impact that means London benefits much more than anywhere else, he cannot escape the fact that the Government have now imposed the highest tax burden since the end of the second world war.

I want to tackle the issues of tax in Scotland. Our progressive moves in Scotland mean that not only do the majority of people pay less tax, but they also pay far lower council tax than in England. They are supported with free prescriptions, do not have to pay tuition fees and get the game-changing Scottish child payment and more. That is about doing what is right: investing in our people, not leaving them high and dry.

While the Tories cut public funding in England, the Scottish Government's progressive approach to income tax has raised significant revenue to invest in public services in Scotland. The Scottish Government's tax regime means that, on average, households in the lower half of the income distribution are £400 a year better off than they would be in the rest of the UK. Around 58% of households are better off under the Scottish tax and social security system than they would be in the rest of the UK. Taking a different, progressive course on income tax in Scotland means that the Scottish Fiscal Commission estimates that in 2024-25 the Scottish Government will have around £1.5 billion of additional revenues, compared to if they had followed UK Government tax policies.

The Scottish Government continue to reaffirm their social contract with the Scottish people, with people across Scotland reaping the benefits through free prescriptions, free university tuition, free school meals, free bus travel for under-22s and free dental care until 26, as well as publicly owned rail services, free childcare for two, three and four-year-olds, and seven additional welfare payments, including the revolutionary Scottish child payment.

Before I move on to other economic matters, the Chancellor mentioned freezing tax on Scotch whisky. As in the autumn statement, we say that is not enough. That industry is massive for Scotland. Scotch whisky is a massive export for both Scotland and the UK, yet it is still taxed at around 70%. We needed a cut in that tax today so that the industry could deliver its potential. The fact that that was not addressed in the Budget is a shame on the Government.

Austerity is an ever-decreasing circle. It is fiscal madness to pursue the same policies that have been failing so obviously for many years, yet none of the other parties can bear to face the truth: for an economy to grow, it needs proper investment; for public services to deliver, to free up the potential of our people, they need to be supported, not asset stripped and starved of resources.

The Chancellor mentioned £2.5 billion for digitisation of the NHS in order to get those so-called productivity gains. I wonder how much of that will go to private companies once the dust settles. He should have boosted NHS spending by £15 billion—to improve healthcare after the UK Government imposed real-terms cuts this year. He should have funded NHS pay properly so that it matched that of Scotland, where there have been no NHS strikes, and caught up with previous cuts. Where was the announcement on settling with the victims of the contaminated blood scandal? Missing!

Moving on to the economy, the Chancellor should have turbocharged investment in green energy, by investing at least £28 billion per year to compete in the global green energy goldrush and to secure sustained economic growth. Where else is the serious high-return growth supposed to come from? We have not heard it mentioned here today. We do not know where it is. That £28 billion is needed. Labour advisers have told the Labour party

[Drew Hendry]

that that £28 billion is needed. Everybody knows that that £28 billion a year is needed, yet no one in the Labour party is willing to make the investment that is needed to protect it. This is the abandonment of the just transition. [Interruption.] We are hearing chuntering from the Labour Front Benchers. [Interruption.] Oh dear, imagine picking up on that one. Their big U-turn, their big abandonment of the just transition—[Interruption.] Well, it is a pretty big U-turn. I know that it is one of many, but it is also pretty big.

The fact that Labour Members are rattled shows how much they feel this. This abandonment of the just transition and the fantastic opportunity that it promises, by both the Tories and those in the shadows of the Labour party, is reckless and stupid. Not only will it be felt economically, but it ignores the desperate need to act on climate change. The failure to invest in this will hold Scotland back from reaching our green energy ambitions and will leave households vulnerable to future energy crises.

The Chancellor must finally match the level of ambition that we are seeing in other countries. The Government have been shown by the European Union, and by the United States with its Inflation Reduction Act 2022, that this issue needs to be taken seriously, yet they are sitting on their hands.

Scotland can be at the forefront of the green energy revolution thanks to our incredible natural resources in onshore and offshore wind, and in wave, tidal and hydro power. But with Labour and the Tories intent on pulling the rug from under industry's feet, we risk seeing yet another generation of energy potential wasted by Westminster. The Chancellor must commit to investing properly in renewables and must decouple the price of gas from the price of electricity. We cannot ensure a just transition from oil and gas—for the people and communities who rely on them—if we squeeze the life out of the sector overnight.

We know that households across Scotland have been badly hit by the energy crisis, and that proper investment in renewables can reduce the bills for households. Citizens Advice Scotland has revealed that, in the past four years, it has seen the number of people requesting advice and support with energy bills increase by 14 times. Labour Members are again chuntering from a sedentary position, saying that I am going on for too long. I take that as a sign that they are not comfortable with what I am saying.

Lucy Powell (Manchester Central) (Lab/Co-op): I am just bored by it.

Drew Hendry: They are bored by the just transition! They are bored by the cost of energy that people have to pay. They are bored by all these things.

Hon. Members: Bored, bored!

Madam Deputy Speaker (Dame Eleanor Laing): Order. I was about to ask for order so that the hon. Gentleman could be heard, but I think that the noise is coming from immediately behind him. [Interruption.] The hon. Member for Coatbridge, Chryston and Bellshill (Steven Bonnar) must not shout at me. He can shout at other people, but not at me.

Drew Hendry: Thank you, Madam Deputy Speaker. I can make more progress if I am not interrupted, so I do appreciate your advice on that.

Talking about advice, I want to return to Citizens Advice Scotland. It revealed that, in the past four years, it has seen the number of people requesting advice and support on energy bills increase by 14 times. That is a shocking increase. Proper investment in green energy can make sure that people in Scotland never have to face an energy crisis of this scale again.

As I have said, the Chancellor could have helped families with the cost of living by scrapping grossly unfair and unequal energy bill standing charges and using a £12 billion wealth tax to fund a £400 annual energy discount for households; reintroducing mortgage interest tax relief; capping supermarket food prices; and matching the Scottish child payment UK-wide. He could have boosted UK finances, but he chose not to do so. He could have introduced the long-overdue essentials guarantee while scrapping callous policies such as the two-child limit and the benefit cap. One of the most game-changing things he could have done is to finally give up on the failed experiment that has been Brexit, rejoin the EU single market and deliver economic growth.

The Chancellor must help businesses and introduce measures to support the tourism and hospitality industries. We know that businesses have faced a very challenging period with covid, Brexit and the increased costs from all sides, making life more difficult for people across Scotland. That is why the SNP is calling on the Chancellor to reduce the rate of VAT for the tourism and hospitality sector—it is not too late for him to do that; reinstate VAT-free shopping for international visitors; and implement VAT-free streets to support struggling town centres and high streets. If nothing is done to halt their decline and they continue to be ignored, as they have been for too long, communities will suffer and far more tax will be lost in the longer term than it would cost to provide them with some support.

The Government could choose to construct mini enterprise zones, working with devolved Governments and local authorities to agree on which sectors and areas are most in need of support. These sectors could benefit from reductions in VAT or from no VAT at all if the need is great enough. That could be tied to businesses agreeing to pay the real living wage. The chief executive of Marks & Spencer yesterday described operating under the current Government as

“like running up a downwards escalator with a rucksack on your back.”

If the Government can roll out freeports, then why not freeports for people? They could reduce alcohol duty for whisky and other spirits to support Scotland's thriving whisky sector that adds £7.1 billion to the UK economy. Businesses in Scotland can no longer afford to be held back by the UK's low-growth economy. The Chancellor should bring in measures to support businesses that have been left paying the price for the UK Government's disastrous Brexit. It is clear that the SNP is the only party committed to rejoining the EU and giving Scottish businesses the chance to access goods and talent from our 27 closest neighbours.

The Scottish Government are committed to protecting the people of Scotland from some of the worst Westminster policies and are making a real difference to the lives of people in Scotland, despite their limited powers. The

cut to the Scottish Government's capital budget and financial transactions have meant that they have had to take some difficult decisions in this year's budget, but they are still committed to delivering for the people of Scotland. The SNP fully support the £3.3 billion package the UK Government have delivered for Northern Ireland, and urge the Chancellor to make similar funding available—in line with the Barnett formula—to help the Scottish Government deal with the budget pressures they face.

The Scottish Government are freezing council tax—except in Tory, Liberal Democrat and some Labour councils where those councils think that people should pay more. The Scottish Government are also lifting 100,000 children out of poverty with measures such as the Scottish child payment; providing child winter heating payments to help mitigate additional heating costs for households with the most severely disabled children; providing free school meals to all children in years 1 to 5 and to all eligible children throughout the school; providing all babies in Scotland with the essentials needed for the first six months of a child's life through the baby box; introducing 1,140 hours of funded early learning and childcare to all three and four-year-olds and eligible two-year-olds; and making bus travel free for 2 million people in Scotland, including all children and young people under the age of 22, eligible disabled people, and anyone aged 60 or over.

That is just a snapshot of some of the landmark policies that the Scottish Government have brought in, and all of them have been achieved against the backdrop of limited powers and being tied to a Westminster system that, as we have seen from today's Budget, continues to do nothing for the people of Scotland.

Madam Deputy Speaker (Dame Rosie Winterton): Just to emphasise what the Chairman of Ways and Means said, it would be helpful if colleagues confined their remarks to about six minutes, so that we can get everybody in with equal time.

I call the Father of the House.

2.50 pm

Sir Peter Bottomley (Worthing West) (Con): It is interesting to follow the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry). I was waiting to hear how the experiment with higher taxation is going. I invite the SNP to publish the figures showing how many of the top 10 philanthropists in Scotland five years ago are still paying tax in Scotland, and how the top 10 individual taxpayers in Scotland five years ago are doing now. *[Interruption.]* It is an example. SNP Members do not like having questions put to them, but there we are.

When the Leader of the Opposition started speaking, it sounded to begin with as though it was his Health spokesman who was speaking. I also reflected on the journey of the Leader of the Opposition over the last few years. In 2017 and 2019—within the memory of the House—he wanted his right hon. Friend the Member for Islington North (Jeremy Corbyn) to be Prime Minister. When there was a vacancy to succeed the right hon. Member for Islington North as the leader of the Labour party, the candidate who was closest to him was the person who is now the Leader of the Opposition. His journey over the last couple of years in changing his views, or his approach, is quite significant.

I think people can believe that the Labour party wants to change. For example, in the other Worthing constituency—I represent two thirds of the town—none of the local councillors was judged suitable to be put on the shortlist for selection as the parliamentary candidate. That shows central power in the hands of the Leader of the Opposition and his national executive. I think most people will have found that surprising. Had I been one of the Labour councillors told I could not apply, I would have been pretty upset.

The reaction I have received from my constituents to the financial statement and the Budget has come down to one particular point. Someone said, "Could there please be a change on the level of pension pot that requires financial advice?" When it was introduced in 2015, the level was £30,000. My constituent, who has a pension pot of £32,500, has been quoted £7,000 for advice on how to realise that relatively small pension pot. I ask Treasury Ministers to consider whether in the Finance Bill they could lift that figure to £40,000 or £50,000, so that people who want to gather up a small part of their defined-benefit pension can use it.

The second reaction that I had from a constituent was that, since Labour took control of Worthing Borough Council, two thirds of the reserves have gone within two years. People are worrying whether the council can remain solvent. If that is a test of what Labour might do in government, it is a pretty good reason to follow the Chancellor and the Prime Minister, and to re-elect us so that we can go on trying to raise the levels of productivity and growth, reform and develop public services, and get more people into work, with higher tax revenues and preferably lower rates of tax.

The Chancellor announced changes to the penalties on child benefit. I go back far enough to remember when most of the value of child benefit came in the child tax allowance. Children cannot work. If I had a dependent pensioner in my household, an income would come with them. Any family who have a child under working age ought to be able to get that kind of support, so that over a family's lifecycle they receive support when they need it and pay back in when they are more able to work. I hope that we can move to a stage where the child benefit penalty goes completely. There is no philosophical or economic justification for it. It was an error, and I hope that I voted against it when it came in.

Mr Kevan Jones (North Durham) (Lab): You didn't.

Sir Peter Bottomley: I probably did, you know. I am that sort of person.

There are many things on the environmental side that I will not go into due to the limitations on time. I hope that the proposed district heating scheme, which the Government want to be one of their flagship projects, supported by local authorities, can go ahead. There is a problem with the cost of lane rental to put hot pipes under our roads, but we need to give serious attention to how we get major investment so that nearly all our homes come off burning hydrocarbons, whether it is gas or the like, and get on to solar heating or heat pumps—either air or ground source heating. That will require major effort, especially for residential leasehold properties.

The Chancellor announced more money for more free schools. I hope that one of them will be the special educational needs and disabilities school proposed in

[Sir Peter Bottomley]

Worthing, on the new Durrington estate. Nearly one child in five in West Sussex has some kind of statement or need. They deserve specialist support. It is good for them, and good for the other children. I hope that we will get an announcement on that very soon. Having said that, I welcome the Government's plans. Those who say that Labour would take us back to square one are exactly right.

2.55 pm

Dame Angela Eagle (Wallasey) (Lab): This was a Budget entirely focused on the electoral prospects of the Conservative party, not the needs of the country or our people. The Chancellor decided that his only chance to get his party through the election was to trumpet so-called tax cuts, but the tax burden is actually going up. He has made an incredible series of assumptions about departmental spending up to five years in the future, and then blown all the money that he saved by making those assumptions on pre-election giveaways. It was obvious from the moment he sat down last November that this early Budget would contain more so-called cuts to personal taxes, albeit against a background of rising taxes. As the OBR confirms in paragraph 1.21 on page 12 of its report, taxes will rise as a percentage of GDP all the way up to 2028-29.

The Chancellor said that he was seeking tax cuts before the OBR had even produced its current forecasts. He said it before the UK's economic situation deteriorated, leaving our economy in a technical recession and wiping out his expected fiscal headroom, and he hinted at tax cuts before it emerged that our economy is now smaller than when the Prime Minister first walked into Downing Street. In recent days, we have observed the Chancellor and Prime Minister engaged in an unedifying, increasingly frantic search for tax rises and future spending cuts to top up the kitty for personal tax giveaways. They have come up with a vape tax and changes to non-dom status that were proposed by Labour and long ridiculed by the Chancellor himself. Perhaps a Minister will indicate whether those who no longer have non-dom status will pay inheritance tax. We have also had changes to the tax treatment of the holiday lets regime.

While the Conservative party cheered the tax cuts sleight of hand, let us bear in mind some facts. Despite all the Chancellor's smoke and mirrors, the tax burden at the end of this Parliament will be higher than it has been since the second world war, yet our public services are crumbling around us, with one in 10 local authorities on the verge of bankruptcy, and our infrastructure and public realm falling apart. The cost of living crisis persists, with the UK's real wage growth the slowest it has been since the Napoleonic wars. No wonder we have a flatlining economy.

The freeze to income tax and national insurance thresholds is due to raise £44 billion in the next five years, as millions of people are dragged into higher-rate tax. The personal tax cuts that the Chancellor is brandishing today are, in other words, completely drowned out by the other huge increases in tax—and the Chancellor and his predecessor have announced even more. The Chancellor has claimed that it is his moral duty to cut taxes, but in reality he has put them up, and just hopes that nobody will notice.

Caroline Lucas: The hon. Lady is making a powerful case for the need for investment in public services, but in that context, I wonder why the Labour party appears to be supporting the freezing of fuel duty. We know that the cost of freezing fuel duty since 2010 is a staggering £90 billion and that climate emissions since 2010 are 7% higher than they would have been had that policy not been in effect. Precisely because she wants more money to go into public services, can she explain why Labour is supporting this extraordinary policy?

Dame Angela Eagle: I think that the costing of the policy in the forecast ought to be more honest and it should be taken out of the scorecard if it is not to be put into effect.

Taxes are still higher than they have been since the second world war, and the Government have continued to fritter billions on fraud and waste. Only today, we learned that taxpayers have had to pick up the bill for the legal costs of the Secretary of State for Science, Innovation and Technology and for the damages in a libel case. How much has that debacle cost us?

First, the Conservatives gave us the catastrophic mini-Budget with its unfunded tax cuts, which spooked the markets and sent mortgage costs and rents soaring for millions; and now the current Chancellor has decided to fund his election giveaways with the fiscal fiction of huge cuts in planned departmental spending scheduled to last the whole of the next Parliament. There are no detailed plans for how those cuts in spending can be safely delivered, because we are not to have a spending review. Today, the Chancellor confirmed that there will not be a spending review until after the next general election. He pencilled in a so-called increase of nearly 1% for departmental budget spending, but has not compensated for higher than expected inflation or population growth, or any extra cost pressures.

Mr Kevan Jones: Departmental spending is not just flatlining at 1%; if my hon. Friend looks at capital on page 27 of the Red Book, she will see that most Departments are staying still or, in some cases—such as the Home Office, Education and Defence—having their budgets cut by 2024-25.

Dame Angela Eagle: My right hon. Friend must be able to read my mind, because that was exactly the point I was coming on to make: in real terms, there are cuts of up to 18% in unprotected Departments, going all the way through to the end of the next Parliament. That has been described by David Gauke, the Tory ex-Treasury Minister as the height of “fiscal irresponsibility”.

The legacy of this Government is burgeoning Government debt, up from 64.7% of GDP when Labour left office in 2010 to 95% now. The Chancellor will barely meet his own self-imposed fiscal rules by the tiniest of margins. Meanwhile, his neglect means that NHS waiting lists have soared, with 7.8 million treatments outstanding, and despite publishing 11 plans for growth since 2010, the trend growth rate is down from 2.3% in the 2000s to 0.8% this year. There is no regional plan, no working industrial strategy and no sign of levelling up—regional disparities are widening, not closing—and GDP is now £400 billion less than expected from the 2010 OBR growth rate forecast. Wages have stagnated,

and the Government have delivered deepening levels of poverty, caused by low wages and real-terms benefits cuts, which have reduced the incomes of the poorest 20% and seen the number of people relying on food banks go from 60,000 to nearly 3 million. We have seen the last desperate throw of the dice from a failing, discredited Government, who have long since run out of ideas and are finally running out of road.

3.2 pm

John Redwood (Wokingham) (Con): I have declared my business interests in the Register of Members' Financial Interests.

I am pleased that the Chancellor started by reminding the nation that, under Conservative leadership, Governments since 2010 have presided over the creation of 800 new jobs every day, every week, every month and every year, and have halved unemployment. The scourge of worklessness, which was inherited, has been banished. We now have the less worrying problem that we cannot get enough people to fill all the jobs, rather than the other way around of not having enough jobs for the people.

I am pleased that the Chancellor reminded the House that, in growth, we have outperformed all the major European nations, although I am sure he would agree with me that that is a feeble target to set ourselves; we are now free to do so much better. The question we need to ask is: why has the United States of America outperformed Europe so comprehensively for so long, and what can we learn?

The first thing we can learn from the United States is a better system of economic policy guidance and control. The requirements on the Federal Reserve Board, the US central bank, are a balanced mandate: not just 2% inflation, which is a necessary target that we share, but the promotion of growth and of growth in employment, so the board understands the trade-offs and can adjust policy accordingly. As our way of steering the economy, I would love us to get rid of fanciful, made-up figures by the OBR for five years' time, which are always wrong, and to have two main aims: that 2% inflation target binding not merely on the Bank but on the whole Government, because Government have a big impact on prices and wages; and a 2% growth rate target, or a considerably higher growth rate than European countries have been achieving in the past decade. That is achievable if we take the right actions.

To do that, we need the Bank of England to work in sympathy with the Government's policy. I remind the House that there is a dual mandate on the bond portfolio, the so-called APF or asset purchase facility. The Bank of England, having bought far too many bonds at ridiculously high prices on very low yields and run a very loose policy that gave us inflation, has now lurched too far the other way and is running too tight a policy, selling far too many bonds at much lower prices—prices it deliberately lowered in the market—and saddling us with losses. The Budget documents confirm that the accumulated losses paid so far, which taxpayers and the Treasury have to pay, amount to £49 billion since the thing flipped over in 2022. The last figure I saw was £34 billion, year to date—unaffordable and unnecessary, quite the wrong policy, meaning that we have less growth and a far bigger bill.

I am glad that the Government have decided to major on productivity in general, and in particular on public sector productivity. Some months ago, I stumbled across a well-concealed Office for National Statistics figure saying that in the three years since covid, we had lost 7.5% productivity in our public services. I did a quick back-of-the-envelope calculation, and that is roughly £30 billion, which means that it costs £30 billion more today to produce the same level and range of public service as it did before covid, as well as the many tens of billions more on top of that we had to pay because of all the inflation. It was a £30 billion hit.

The Government now more or less agree. The Chancellor has costed the loss in his figures at 6% rather than 7.5%, but he has said that he wants to eliminate a 5% productivity shortfall out of the 6%, and he costs that at £20 billion, which is exactly the same as my £30 billion for 7.5%. That is felicitous indeed. The issue is, how will they go about doing that?

I hear that the scheme for the NHS is elaborate expenditure on wide-ranging centralised computerisation—good luck with that—but I would not rely on that alone for my productivity package for the public services. We do not actually need new investment to get ourselves back to the productivity level we were at in 2019. We do not need to use all today's wonderful artificial intelligence; we just need to use what we already had, which we had in 2019. It is about management, personnel and giving the personnel the right tasks. We have seen a huge increase in managerial and administrative positions, but far from managing things better, they are being managed less well.

We had a shocking case in the press recently, where an awful lot of managers were presiding over a prison that had gone wrong. They were not able to do the more important day-by-day things that were needed in order to resolve the problem. If we look at the huge expansion in the civil service and other public administration during the covid period, we will see a big increase not only in numbers, but in those who have been promoted up the grades for whatever reason. We need enough people for someone to supervise, however, and we do not need all supervisors, because they are often too posh to do the work. We need to manage things better, and that is the productivity challenge before us.

I also urge the Government to abolish UK Government Investments. It is a very expensive body that has a completely dreadful track record. It presided over the Post Office and did nothing to deal with the sub-postmasters; it presided over £1.4 billion-worth of accumulated losses, bankrupting the corporation; and it presides over Network Rail, and the whole rail industry, Network rail and High Speed 2 are absorbing £33 billion of public money this year. I do not think we are getting value for money for that.

My time is up. I urge the Government to redouble efforts on productivity, to understand that it is mainly about whom we hire and what we ask them to do, and to get rid of UKGI, and I ask Ministers to take responsibility for the dreadfully badly performing nationalised industries.

3.9 pm

Ed Davey (Kingston and Surbiton) (LD): What we heard from the Chancellor was a Budget that reeks of desperation and deceit from a Government who know that they have lost the trust of the British people. It is a bottom-of-the-barrel Budget, with nothing to make

[Ed Davey]

families truly better off after the catastrophic fall in living standards under the Conservatives, and no plan for long-term economic growth, no real extra support for the NHS and our public services, and no end in sight for the years of unfair tax hikes—just a last ditch attempt from the Conservative party to cling on to power.

People have had enough of this Government's empty promises. What they want is a general election to get this out-of-touch Government out of Downing Street. They are sick and tired of a Government who promised in last year's Budget to grow the economy only to plunge it into recession, who promised to bring down NHS waiting lists only to let them continue to go up and up, and who promised to cut tax but have instead hit families with years of unfair stealth tax rises.

Never before have I seen a Government deliver weaker public services, higher taxes and zero growth all at the same time, and all in the middle of a cost of living crisis. I fear that, by designing his economic policy to give a short-term sugar rush to Conservative Back Benchers, the Chancellor is condemning millions of families to high mortgage rates for much, much longer. The House need not take my word for it; just look at the OBR, which forecast mortgage rates staying at 4% or more for the next five years at least. That is a disaster for homeowners across the United Kingdom.

Let us look at taxes. The Chancellor seems desperate to convince people that he is letting them keep more of their own money, but he is fooling no one. Everyone can see his supposed tax cut for what it really is: a badly executed conjuring trick, giving with one hand but taking away twice as much with the other. Since last April, a typical household has already paid £1,500 extra because of his stealth tax on income tax thresholds. That is money that they are simply not going to get back. Even after today's announcements, that same family will pay an additional £366 in tax next year because the Chancellor has frozen their tax-free allowance. On top of that, they have soaring mortgage payments, food prices and energy bills to worry about. This tax cut had already been wiped out by the time the ink dried on the Chancellor's speech.

People were also looking for investment in our public services, especially our NHS. Across our country, I see more and more frustration that nothing seems to work anymore under this Government. People cannot get a hospital appointment in time, they cannot see their GP in time, and they cannot get an ambulance on time. In Hampshire, the local NHS is so stretched that there is a proposal to close the A&E at the Royal Hampshire County Hospital. In Manchester, Stepping Hill Hospital has had an entire out-patient ward closed for months because it is unsafe for patients and staff. In south London, St Helier Hospital has been left to crumble, with no sign of the investment promised by the Government, and A&E and maternity services are at risk of closure. When the Chancellor makes cruel cuts to vital services, it does not just affect numbers on a spreadsheet; it affects people's lives. Either he does not get that, or he just does not care.

Mr Kevan Jones: I hear what the right hon. Gentleman says about investment, but from 2010 to 2015 he was part of the coalition that savagely cut services in the

north-east, including expenditure in local government and health. The consequences are now having to be addressed because that austerity has continued. Does he take any responsibility for his role in our crumbling infrastructure?

Ed Davey: First, I say quite gently to the right hon. Gentleman that the spending plans proposed by the Labour party going into the 2010 election were worse than what actually happened. Moreover, when in government, we fought the Conservatives on maintaining education spending, which we did maintain. They then cut it after 2015.

Let us look now at the economy. Perhaps the most out-of-touch claim by the Chancellor is that the economy is "turning a corner." The only corner the economy is turning under this Government is from stagnation to recession. They have left our economy smaller than it was in 2022, when the Prime Minister took office. The best growth rate they have achieved in the past three quarters of 2023 is 0%. GDP per capita—people's share in our country's wealth—has been falling for nearly two years in a row. That is the longest stretch on record, and it has left the average household £1,500 poorer. There is worse to come. Nearly 5 million mortgage holders will soon see their repayments skyrocket by an average of £240 a month because of the high interest rates.

That is the Government's real track record: a recession made in Downing Street with no hint of a chance to turn things around. The Chancellor could have stood up today and given people a fair deal. He could have cancelled the unfair tax hike that he has planned for April, and raised the tax-free personal allowance. He could have properly funded the NHS, to bring down waiting lists and let more people return to work, helping to grow our economy. He could have championed unpaid carers and raised the carer's allowance. He could have supported people with the cost of living and those struggling with their mortgage payments by reversing his tax cuts for the big banks. He could have presented a serious plan for economic growth by launching an industrial strategy, reforming business rates and standing up for our small businesses. Instead, he went for one last roll of the dice in a desperate attempt to cling on to power.

I think people have already made up their minds. The Government must do the right thing and call a general election right now before they do even more damage to our wonderful country.

3.16 pm

Sir David Evennett (Bexleyheath and Crayford) (Con): I obviously heard a different Budget from the one heard by the right hon. Member for Kingston and Surbiton (Ed Davey). I think that a lot in this Budget is very good and to be commended.

As someone who read economics at the London School of Economics many years ago, I understand and appreciate the economy and the challenges that my right hon. Friend the Chancellor had to confront. I welcome his announcements today, as well as the sensible and measured approach that he has taken. I commend him for his performance and his proposals. I will concentrate on a few key issues that are vital for my constituents.

Our country and the whole world have experienced unprecedented difficulties in recent years owing to matters out of our control: the covid-19 pandemic and the wars

in Ukraine and the middle east. We are suffering the consequences, so it remains as important as ever to practise fiscal responsibility. As we continue to see the results of the Conservative Government's efforts to bring inflation under control, grow the economy and reduce debt, I believe that our country is looking towards a better future.

I was at the Department for Education when the right hon. Member for Kingston and Surbiton was in the coalition Government. I would ask him to re-look at the record in relation to some of what he said.

Inflation has fallen from over 11% to 4%, the economy is now performing better than forecast, wages are increasing and we are seeing mortgage rates come down. As we heard from the Chancellor, our economy has outperformed those of European neighbours, and the OBR forecasts that we will meet our fiscal rule to have debt falling as a share of the economy. That is all positive news, and the measures in the Budget will enhance it, which is welcome. I very much look forward to seeing the benefits of today's announcements for my Bexleyheath and Crayford constituents. High inflation is a bad thing for everybody; it affects and causes problems for individuals, businesses and communities everywhere. I was rather sorry that neither the Leader of the Opposition nor the SNP spokesperson could even praise the fact that inflation has fallen to 4%, which is a real achievement.

We will again cut taxes for 27 million working people from next month by cutting the main rate of employee national insurance contributions by 2p in the pound. Together with the cut announced at the autumn statement, that equates to a tax cut of over £900 for the average worker—that is really good news. Personally, I have always disliked national insurance: as the Chancellor said, it is an unfair double tax on work. Therefore, what he is doing through this Budget is creating a fairer system. It is the best way to incentivise work, which is something we have to do: we have to get more of the people who are not working active and into the labour force. In my opinion, that is the way to drive growth and get a fairer, simpler and more understandable tax system, which I think we would all welcome.

From April, a full-time national living wage worker's take-home pay will be 35% greater in real terms than in 2010, due to the successive increases in the national living wage and the tax cuts we have delivered. I particularly welcome my right hon. Friend the Chancellor's commitment to supporting parents; I have long campaigned for a change in the system to end the unfairness caused to single-income families by the high income child benefit charge. Families are the foundation of our society: we value them, and we need to support them as much as we possibly can. Almost half a million families will benefit from the increase in the threshold for the high income child benefit charge, with some 170,000 families no longer having to pay that charge. It is also right that we look to end the unfairness faced by single-earner families by moving towards a household system by April 2026. Many of my constituents have raised that issue in the past; I have raised it with this Chancellor and previous ones, so we are delighted that he has listened, taken it on board and acted. I commend him for that.

As my constituency and Bexley borough does not have an underground, people are dependent on either Southeastern—a mixed blessing, as it has been somewhat problematic; my right hon. Friend the Member for Witham (Priti Patel) is nodding in my direction—or

their car. Maintaining the cut in fuel duty and freezing rates for the 14th consecutive year is, therefore, to be commended, as is the freeze on alcohol duty, which many of my Conservative colleagues have campaigned for vigorously and with justification. Every time I visit two of the excellent pubs in my constituency, the Penny Farthing, a micropub in Crayford, and the Kings Arms in Bexleyheath—I assure you that I do not do so too often, Madam Deputy Speaker—they are campaigning for a freeze. It is good news for everyone in the alcohol industry and for those who drink in our pubs. Pubs are social hubs in our area, offering good publicans and good company; unfortunately, we are too busy working to be able to go in too often. I know that those publicans will welcome these measures when they notice them on the news later.

The other thing I was particularly interested in was the new British ISA, which provides an extra £5,000 tax-free allowance. I see that Madam Deputy Speaker is nodding to indicate that I must stop, but I welcome that additional tax relief for savers and the increase in the VAT registration threshold for small businesses. There is so much in the Budget that is good—so much that will make a difference to our economy and our country—and I welcome it.

3.23 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The context in which I speak to today's Budget is one of chaos and instability, following 14 years of Conservative failure on the economy. This Budget has not changed the dial; the reality is that people will still be worse off after the last 14 years. Sky's Ed Conway has shared a graph that he says

"the Chancellor didn't want to talk about",

which shows that after the Budget, the UK tax burden will still be heading up to the highest level since the aftermath of the second world war. This is not a turning point: household mortgage costs are up, prices are still rising, and the tax burden is at a 70-year high. The Chancellor likes to speak of stability, but he seems to forget that he comes from the same party that gave us the former Prime Minister, the right hon. Member for South West Norfolk (Elizabeth Truss)—who was beaten by a lettuce—and her disastrous mini-Budget, with its impact on our national debt, our businesses, our local council finances and our family finances. Those consequences are still playing out, and will be for years to come.

What Britain needs, first and foremost, is a serious plan for growth. We should be in no doubt that our low-growth, high-tax economy is the endgame of 14 years of Conservatism: the result of the hollowing out of our public sphere, the stripping back of businesses' potential and the levelling down of hope. Official figures show that people are worse off at the end of this Parliament than they were at the start. The consumer prices index's average hourly pay for residents of Feltham and Heston has fallen by 6% since 2019, when it was around £17 in today's prices, and has fallen by 20% since 2010. The number of small businesses in Feltham and Heston has been falling for the past two years running, and is now lower than it was in 2019. Some 40% of children are in relative poverty after housing costs, and it is no surprise that the average family will be £1,200 worse off under the Conservatives' tax plan, given the 25 Tory tax rises since the last election.

[Seema Malhotra]

But it does not have to be this way—that is the point, is it not? There is an alternative to the choices that the Conservatives are making, which have left people in Britain worse off while friends and donors do well out of that VIP fast lane. Labour has a plan for growth—growth that leads to businesses thriving, stronger public services, more money in ordinary people's pockets, good and secure jobs, and an end to people and businesses paying more and getting less. It is a plan for stability and growth that commands national and international confidence and makes Britain the best place to invest and to start and grow a business, where we become leaders in the green economy of the future, creating opportunity for all.

Under Labour, we will have stable and competent political leadership and stable and competent stewardship of the economy, and we will see the strengthening of our economic institutions, such as the Bank of England, the OBR and our new industrial strategy council. How we do politics and how we govern really matters, but under the Tories, business investment has been lagging for years. Today's Budget brings more sticking-plaster politics, but nothing on support for the co-operative sector and growth.

Let me say a few words about skills, because we cannot grow our economy without investing in our people. The biggest opportunity we have for inclusion, productivity, economic growth and the competitiveness of our nations is a strategy for human talent. A few years ago, a Boston Consulting Group report highlighted how human capital is under intense pressure worldwide, as powerful forces—globalisation, demographic and regional shifts, and digitisation—gain momentum. As such, nation states need a national plan, but this Budget comes on the back of years of failure and gives no answers to the skills challenges that we face.

New official data from September shows worrying trends since 2017, when the last survey was done. The proportion of employers with a skills shortage vacancy has gone up from 6% to 10%; the proportion of the workforce with a skills gap, where an employee is judged by their employer to lack full proficiency, has gone up from 4.4% to 5.7%; and the proportion of employers that have provided training for their staff has fallen from 66% to 60%. Meanwhile, the number of apprenticeship starts has plummeted under the Tories by over 200,000 since 2017, with more than £3 billion of the apprenticeship levy unspent since 2019.

I recently visited South and City College Birmingham with our superb West Midlands mayoral candidate, Richard Parker. Apprenticeship starts in the west midlands have fallen by over 30% since 2010. Small business engagement with apprenticeships has dropped by a staggering 49% since 2016, which we must change. This decline has not been an equal one. In 2015, more apprenticeships were started by learners in the bottom 40% of the income distribution; now they are started by those in the top 40%.

The Chancellor rightly talked about the productivity challenge, with some improvement coming from digitisation and artificial intelligence, but over half of secondary schools in the UK were not even offering a computer science GCSE in 2021, and the number of 14 to 19-year-old

students taking technical, IT or computing qualifications has fallen by a third since 2015. To tackle our productivity, we need a plan for our young people.

Under a Labour Government, Britain's skills plans will be led by a new national skills taskforce, Skills England. That will go alongside our industrial strategy, and bring together businesses, training providers and unions to meet the skills needs of the next decade across all our regions. We will recruit over 1,000 new careers advisers for our schools and colleges, and deliver two weeks of work experience for every young person, so that young people know the pathways that are available to them.

We will better support our further education sector to meet local skills needs, where local skills improvement plans demand it, by putting in place new technical excellence colleges. We will transform the apprenticeship levy to bring more flexibility. Up to 50% of the levy will be spent more flexibly, on courses, which is what Tesco, the Co-op, the British Retail Consortium, techUK, City & Guilds, the British Chambers of Commerce, Superdrug, the Chartered Institute of Personnel and Development and many others have called for.

Britain needs a change, and only our changed Labour party will deliver it, with our costed plan for all our policies, which will drive the change that we need in our economy, our NHS, our public services and our communities. The Government are out of ideas and out of time. More than anything, this Budget has shown that what my constituents need, what our economy needs, and what our country needs is a Labour Government.

3.30 pm

Priti Patel (Witham) (Con): As a former Treasury Minister, I want to thank the Chancellor, but also other Treasury Ministers and Government Departments, because I know how hard it is to put a Budget together and the number of representations that are made. I must thank the Chancellor for the due consideration—that is a polite way to put it—that he has given to the representations that I have consistently made about supply-side reforms and lower taxes. He knows exactly what case I make on fiscal drag, in particular. I also thank him for delivering greater efficiencies in Government.

The Chancellor has put forward a clear plan for the economy, made targeted tax cuts, which I will come to in a moment, and provided support for businesses, and for efficiencies across the board, including in the public sector. On days like today, we never get the benefit of a discussion of the ins and outs of the Red Book and the OBR—I give the assurance that we would all love that, if we had much more time—but we must all recognise that our economy faces fundamental challenges that the Budget has sought to address.

The Chancellor understands that he is walking a tightrope, and that we should also tackle some of the big issues to do with the size of the state and public spending. When we look at the rate of public spending growth, we see that it has constantly exceeded the rate of inflation and economic growth. Public spending is now in excess of £1.2 trillion per year, which is approximately 44% of GDP. I am old enough to remember that back in 1997, public spending was around 35% to 36% of GDP. What a contrast that is. There are consequences to sustaining high levels of public spending.

Tax receipts have risen to over £1.1 trillion, and we know what that means for delivering a balance on taxation. I maintain that the situation is very burdensome. We have to get tax rates down. However, I very much pay tribute to the Chancellor for listening to comments about efficiencies. He spoke today about a public sector productivity plan. The details will be fundamental, and really important to hear.

I was really pleased to hear that the Chancellor is looking at cash savings in public spending across the economy, but will also grow aspects of Government spending—for example, there will be an expansion in violence reduction units. Pilots across certain Government Departments have worked well, and we now have to look at how we get better delivery from public spending, and how that can drive real outcomes in Government. I have spoken to the Chief Secretary to the Treasury about that in recent months, and I am pleased there are concrete proposals that will take us in the right direction, but of course we have a long way to go.

I come to the subject of people keeping more of what they earn, which is clearly a fundamental Conservative principle. This is where national insurance contributions come back into play. I have seen the numbers, and clearly we could move in the direction of lower rates of national insurance. Yet again, we have seen those rates go down, and the debate when the Bill comes forward will be very interesting. Back in the autumn, I was here when only about three people spoke in favour of national insurance coming down and in support of the legislation on that; we want much more support for this measure next week.

It is important that we get the balance right when it comes to incentivising work. Getting national insurance down is fundamental, but we must tackle fiscal drag, and the number of people who get caught up in higher rates of taxation. The figures given last autumn would bring 4 million more people into higher rates of tax by 2029. We will go through the OBR and see what the measures mean this time round, but the issue is still significant, and we know that more work is required in this area. It will be interesting to see whether the Government will bring national insurance down again in successive future autumn statements.

I welcome the decision to maintain the 5p reduction in fuel duty, and we have already heard what that means for working households. I have made representations on that issue, and will continue to do so. Fiscal events are huge for business taxation, and I welcome today's announcements on increasing the registration threshold, freezing alcohol duty, tourism and lowering corporation tax, which I have spoken about many times. We are now tied into OECD rates of minimum corporation tax, and my views on that are known. I want greater changes, so that businesses can benefit from our Brexit freedoms.

I would like to speak about many issues today, but broadly speaking, the direction of travel is important. I heard Opposition Members speaking about local government finance; I welcome the announcement of £5 million that will be made available, through the levelling up fund, for cultural projects, as that will come to my area and to Maldon. Important measures have been announced today. It is a tough time, but the Chancellor has announced a plan. We must stick with that plan and make sure that it delivers for working families.

3.36 pm

Stewart Hosie (Dundee East) (SNP): In his statement, the Chancellor mentioned “not just higher GDP, but higher GDP per head.” There is just one slight snag: figures published today for GDP growth per capita from 2024 to 2027 are lower for every year than figures published only a year ago, so we are talking about not higher GDP per head, but lower GDP per head. I use that as an example; we hear the rhetoric and hyperbole of the Budget statement, but it rarely stands any scrutiny when one reads the Budget documentation. The Government can claim that they will meet both their fiscal targets at the end of a five-year rolling forecast period—indeed, every Government could say they will meet their targets at the end of a five-year rolling forecast period—but it is what happens in between those points that is important.

The Government told us a year ago that net debt would fall as a share of GDP in 2024-25, and that net borrowing would fall below 3% of GDP in 2025-26. However, by the autumn statement, only five months ago, we were told that debt would not fall until 2025-26, a year later—and they still forecast that the deficit would fall below 3% of GDP in the same year. We were also told in spring that GDP growth would exceed 2% in two of the next five years, and that productivity would sit between 1% and 1.3% every year across 2024 to 2027. By November, growth was not forecast to exceed 2% in any of the forecast years, and the productivity growth forecast was down for every single year. Today, the Chancellor announced that while the Government would still meet their primary debt target in 2025-26, the percentage of debt to GDP would be higher than it was only five months ago, so debt is not really falling; at best, it is stagnating. GDP growth would still not exceed 2% in any year to 2028, and that is important. That is another half-decade in which GDP growth will not even reach historical trend growth rates. That is absolutely shameful.

The figure for productivity per hour—a metric that the Government like—is lower cumulatively over today's new forecast period than the figure was that they announced last November. The Chancellor said this was a Budget for growth, productivity and long-term investment, but debt is not really falling as a share of GDP. The deficit is not getting smaller—it is actually getting worse, compared with the forecast last year—and productivity growth, that perennial problem that we all recognise exists, is cumulatively lower over the entire forecast period than the Government announced last November.

The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake): Does the right hon. Gentleman agree that we have to increase growth? We all agree that we have to get all parts of the United Kingdom growing. If he looks at the figures from the Library, he will see that from 2011 to 2021, England grew cumulatively by 14.9%, Wales by 13.7%, and Scotland by 7.2%. Does he agree that the Scottish Government need to do more to stimulate growth in Scotland?

Stewart Hosie: I agree that we need growth across the piece. One of the tools to facilitate growth is tax credits, and I am sure the Minister recognises that tax credits are a function of corporation tax. If he is serious about encouraging growth in Scotland, the Government should devolve business taxation powers and power over the associated tax credits; we would then see how we got on.

[*Stewart Hosie*]

Whatever was said at the start of the statement about growth and productivity, and despite the hyperbole, the big introduction and all the fanfare, this Budget delivers neither of those things, as evidenced by the numbers that the Government have published today.

3.42 pm

Andrew Rosindell (Romford) (Con): May I commend my right hon. Friend the Chancellor on his Budget statement today? He is, I believe, slowly but surely getting Britain's economy back on the right track. However, we have much work to do. The United Kingdom has no business being a high-tax, low-growth and low-aspiration nation. That is not the Britain I recognise.

The people of Romford are feeling the pinch. The overall burden of tax is higher than it has been since the second world war. Council tax is rising in the London Borough of Havering yet again. Public services are not even meeting basic expectations, and local government is struggling to remain solvent. The cost of living is hitting my constituents hard in the pocket, with energy prices rocketing and the daily cost of food and essential shopping rising to unprecedented levels. Inflation remains acute, yet there is little economic growth. Financial prudence may be an important Conservative attribute—it is certainly absent from those on the Opposition Benches—but there is nothing less Conservative than a record high tax burden. We can and must do much better.

Hard-working families in Romford want lower taxes, higher economic growth and good public services. Those three aims can be achieved only if we adopt a robust, free enterprise agenda, reduce the size of the state at every level, and give the British people the incentive to work harder, be more productive and maximise our nation's potential for economic growth. My Essex constituents are entrepreneurs, market traders, small businessmen, shopkeepers and City workers. They do not want an economic policy of managed decline, but one of heightened ambition and raised expectations. That is why I welcome many of the Chancellor's tax announcements today.

The additional 2% cut to national insurance contributions means that the Conservative Government have delivered a £900 annual tax cut for the average worker. The extended cut to fuel duty will also help hard-working people mitigate the costs of the Mayor of London, who has imposed so many extra costs on my constituents. Child benefit reforms will help millions of hard-working families. The reforms to stamp duty and the reduction in capital gains will help millions of property owners. Nevertheless, the Chancellor has repeatedly recalled over recent days how the nations with the most economic growth, whether they be in North America or Asia, are those with even lower taxes. I encourage him to further emulate those countries' success in the years to come. Low taxes will put money back in the pockets of the British people, leading to higher growth and more resources for public services.

My right hon. Friend the Chancellor clearly shares that outlook, with his announcements today of tax cuts, investment and reform to boost productivity in the public sector. However, I encourage him to go much further. We should follow in the footsteps of the Thatcher-Lawson Budget that led to unprecedented economic

prosperity in the 1980s and 1990s. We can and must succeed, but Britain has to be much bolder if we are to reap the benefits by becoming a low-tax, high-growth economy once again.

But tax cuts and investment alone will not be enough. We need to adopt a radical plan to free our economy from the needless bureaucracy that is holding Britain back. The benefits of becoming a sovereign nation once again following Brexit give our nation exciting opportunities that we must seize to maximise our ability to generate the growth and prosperity that we so desperately need. Margaret Thatcher showed the world how it could be done 40 years ago, rescuing Britain from the perilous situation she inherited following decades of a failed post-war socialist consensus.

Today, we live in a post-pandemic world, but if we are to recover from the consequences of lockdowns, a radical approach is required to jump-start our economy and unshackle ourselves from red tape, over-regulation and Government waste. Britain today is over-governed, so reducing the size and role of the state must be an imperative for our Conservative Government. Regulation and public sector spending do not grow the economy, put cash into people's pockets or improve public services. It is the small businessmen and shopkeepers in towns like Romford, along with our entrepreneurs and market traders, who will generate economic prosperity for the future.

I am disappointed that the unfairness in the local authority funding formula has not been addressed. Councils up and down the country, including my borough of Havering, are facing acute financial pressures. The funding formula is unfair and outdated, and it is discriminatory against boroughs such as Havering in outer London and Essex as it fails to address differences in demographics. Most importantly, it leaves hard-working, tax-paying Britons without the services they need and deserve. That, too, requires ambitious reform.

Ambition is key. Lower taxes, higher growth, reform and deregulation—exploiting all the advantages of Brexit—investment and reform of the public sector are the way forward for Britain. Our Government have been right to tread a prudent path back to economic growth, but now is the time to be bold and fearless in the pursuit of the greater ambitions we have for the British people.

3.49 pm

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): It is quite surreal to follow the hon. Member for Romford (Andrew Rosindell). Like him, I believe in small business, but small business growth will not solve the problems in the public sector, which has been squeezed during 14 years of this Tory Government until the pips squeak. However good it is, small business will not refill council coffers and ensure basic social services and special educational needs in schools. Small business will not solve the NHS waiting lists or bring schools off their knees.

This Government and the Government of the austerity years have caused all those problems, and crashed the economy in September 2022, leaving families and businesses crushed. Those who survived the pandemic have faced real hardship since. This is a Budget of a desperate Government—another slew of promises that will not be delivered on. That is what we focus on in the Public

Accounts Committee: delivery. We look at optimistic, sometimes well-intentioned promises that fail because there is no plan for delivery.

In my own borough we see such poverty. Earlier today, in Prime Minister's questions, the Prime Minister said that equality has increased and inequality has reduced under his Government. Not in my borough, as 48% of children in Hackney—nearly one in two—live in poverty after housing costs are taken into account. Even in inner London, we are the 22nd most deprived local authority in England. There is real, day-to-day poverty. I invite anyone to join me on my doorstep surgeries and see the reality.

Let me tell the House a story about that reality. I could choose many constituents, but I visited a particular lady just a few weeks ago, who lives in a two-bedroom council flat with her husband and four daughters. The flat is only marginally bigger than my office in this building, and only a bit smaller than a Committee Room. Three of her daughters share a very small bedroom with bunk beds. The toddler shares with her parents. The bathroom and kitchen are so tiny that two people at a time hardly fit. They share one living space.

Government failures over housing and Brexit mean that children are leaving London. For my constituent, that means that the local school is closing because rolls are dropping. The cost of housing means that they have no prospect of moving anywhere else, because of the shortage of properties in the social rented sector, where more than 8,000 households are on the waiting list. According to the most recent verified figures, only 671 homes became available during 2021-22, compared with more than 1,200 in 2016-17. Both of those figures are outstripped by demand.

The cost of housing means that many people are being shipped out to temporary homes, ripped from their schools, churches, mosques and communities. That means that my constituent's local school is closing, as are others. On top of the overcrowding, her four daughters need to move schools. They are a working family who want to do well, but they have little opportunity. Down the road is the product of the Government's free school policy: a school with 25 pupils per class. Members who know how schools funding works will know that that school will never be financially sustainable, because schools are funded on 30, 60 or 90 pupils per class. The trust that has taken it over from the one that failed is struggling with the finances. A brand-new building has been built, but it is unsustainable, while other schools are closing thanks to Government policies.

The housing costs across my borough are absolutely wretched. So many people are renting privately but unaffordably. More people rent socially than privately, but they live in overcrowded conditions. An average two-bed rent is just under £2,000 a month. There are 30% fewer privately rented properties available now on Rightmove compared with before the pandemic, and no properties available to those on low incomes at local housing allowance rates. This is the real, day-to-day impact of Government policy. So many people are housed outside the borough.

Chris Grayling (Epsom and Ewell) (Con): Forgive me if I misunderstand how our system of government works, but social housing in the hon. Lady's constituency is the responsibility of the Labour Mayor of London, is it not?

Dame Meg Hillier: I do not have time to explain, but no; it is the responsibility of the council. Many properties were sold off under right to buy, which means that fewer properties are available. People like my constituent are living cheek by jowl with people in private rented accommodation, often sold to cash buyers if it is above seven storeys, who pay private rents at the rate that I mentioned. The differential is extraordinary, and it means that no one can move from one to the other. The social rented housing that is so desperately needed because of the cost of buying or renting private housing is not available.

Under this Mayor and the previous Mayor, my borough has been building council housing for social rent, as have many housing association partners, but because there is no Government subsidy, every time they build a social rent they pretty much have to build another to sell at market rate in order to cross-subsidise. That is a quick lesson in social housing economics. That shows the detachment, because people in this Chamber do not realise the reality of life for so many in London.

Let us look at the real human impacts. There are 3,777 children in temporary accommodation in Hackney—enough to fill eight primary schools, and equivalent to 1% of the borough's population. Those children want to live in London but cannot afford to do so. Not only that, but they are being passed from pillar to post, from temporary accommodation to temporary accommodation, and moving school regularly. This is a squeeze on opportunity.

For those at the higher end who might be able to get on to the housing ladder, the lifetime ISA is an opportunity missed in the Budget because it provides support only for a property purchase of up to £450,000 nationally. That rate is higher in London, but even that does not cover the cost, given that, typically, a brand-new two-bedroom property costs £750,000. Who is able to afford that?

On public spending, the Chancellor merrily talked about reductions in spending in most Departments. I have not had time to go through the Red Book in detail, but we see a huge drop. The Home Office budget alone is going down significantly, which is a concern considering all the challenges in policing, immigration and other security issues that it has to deal with, and we could look at education, too. All those budgets are reducing.

There are big nasties out there in every Department that will cost money for whoever is in power. There is the civil nuclear decommissioning and rebuilding of our nuclear power stations, the nuclear enterprise and the costs of decommissioning nuclear submarines. We have not even decommissioned one of those—the first will be done in 2026—and that is becoming an urgent crisis.

There are 700,000 pupils in crumbling schools. These are just some issues where input is needed. On the schools budget, the Department for Education wanted £4 billion a year to build the new schools that were necessary, but it was granted £2.7 billion. We have already seen its capital budget reducing.

The Chancellor talked about public sector productivity and reform. The Public Accounts Committee, which I am proud to chair, examines that endlessly, and too often we see optimistic plans that do not deliver, as I said. He is already spending what he is promising to

[*Dame Meg Hillier*]

deliver on that. Let me tell hon. Members that this takes a long time. We need reform and digital transformation, but we cannot deliver those changes and budget savings overnight. We need a long-term approach—slow politics, if you like—where both sides of the House, whoever is in government, agree that some things just have to happen and should not be at the whim of a Government who are on their last desperate stages to try to prove that they have something to offer the British public.

Wera Hobhouse (Bath) (LD): The hon. Lady is making an excellent speech about all the things that were not in the Budget. Does she agree that the biggest missed opportunity is not investing in the green transition?

Dame Meg Hillier: There are so many missed opportunities. The child benefit issue was a mess of this Government's making. They have now broken the independent taxation rule and that is a problem.

This Government have broken Britain. My constituents are worse off than they were 14 years ago, and worse still, they have no hope. We need to see a Government who will deliver hope, opportunity, housing and school improvements, and cut waiting lists. We need to mend broken Britain; we need a general election and a Labour Government now.

3.57 pm

John Stevenson (Carlisle) (Con): A single Budget rarely, in itself, makes a substantial difference or is remembered. However, a Budget that is part of a story and a sense of direction is important and can help to continue a narrative and build a vision. In my view, this Budget is one such occasion: a clear vision of where we want to go, particularly with regard to tax and growth. Last autumn, the Chancellor started this sense of purpose and set out a direction: first, supporting business with full expensing; and secondly, supporting those in work with a 2% reduction in national insurance.

This Budget continues that direction of travel and I fully support it. A further 2p reduction in national insurance will be welcomed, including by all those in work. It is the equivalent, as has been said, of £900 per annum, and there is the help for the self-employed. If I was to make one suggestion to my party as it continues this narrative, looking to its manifesto and a commitment at the next election, it would be to reduce national insurance further, and ultimately to abolish it. I fully agree with the Chancellor that simplifying the tax system, especially for those who are in work, should be a priority.

Some of the other Budget measures include the freeze on fuel duty, helping all motorists; the alcohol tax freeze; the expansion of childcare; and further support for business, with the VAT threshold rising and full expensing extended to leasing. Of course, there is also public sector support, with 40,000 new doctors, 71,000 additional nurses and 20,000 new police officers, which demonstrates our commitment to public services.

However, Budgets cannot be seen in isolation, and there are plenty of other things going on. Unemployment remains historically low, which benefits families and individuals up and down the country. The living wage will rise by 11%—in real terms, 25% higher than it was

in 2010. Inflation is at 4% and will fall further. It will probably be well below 2% by the summer, which will allow interest rates to start to fall. It is not all about work; pensions will rise by around 8%. That is a benefit of the triple lock, which has taken more than 200,000 pensioners out of poverty.

However, the ultimate goal is growth in the economy. We have fared better than many of our European partners, but clearly we want to see growth right across all regions of the United Kingdom. To achieve that, we need the correct ingredients at both the national and local levels. Investment, skills, lower taxes and less regulation all lead to higher productivity and, therefore, a wealthier society.

I give the local example of my constituency of Carlisle, which is extremely well placed to grow significantly through national and local support. There is more than half a billion pounds-worth of investment in place, progressing now or about to be undertaken. That is transformational investment: digital investment for a modern economy; a £220 million improvement to the link road, which will improve connectivity locally and right across the region; a railway station undergoing refurbishment, which will bring it into the modern age and make it the region's gateway to everywhere; a university that will be located in the city centre, helping to regenerate the city centre and grow the local economy, as well as creating the skills of tomorrow; and a medical school, opening in 2025, which will improve the health economy. As for the talk about housing, I always tell people to remember that we do not have a national housing market. The market is regional, and we still have affordable housing in Carlisle, which is an attractive place in which to live and work. On the back of that, we have a garden village with 10,000 new homes, which will allow the city to expand in an appropriate way.

In my view, Carlisle demonstrates success at the local level: investment, skills development, better connectivity, low unemployment and room for growth. That is levelling up in action. The Budget is part of the equation that can help to achieve and support growth in Carlisle and across the country. I support it because it sets out that we are going in the right direction for both our country and, of course, my city of Carlisle.

4.2 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): This was a Budget for job preservation—the preservation of the jobs of Conservative MPs in marginal seats. It is the epitome of short-termism and sticking-plaster politics. It was not what Britain needed, and I am afraid it may not be enough for the Conservatives to get themselves re-elected.

There are five areas on which I will briefly touch on behalf of the people I represent in Plymouth. The first is housing. I was disappointed that there was not more on housing to help people get on to the property ladder, especially in areas of acute housing stress. In the far south-west, there is real pressure on house prices, both for rent and for sale. The area has been decimated and hollowed out by second homes and Airbnbs. Although I welcome the changes to the furnished holiday lets regime, they will not deal with the scourge of second homes, which are hollowing out our communities and leaving them empty for much of the year.

Plymouth has a housing crisis, which is compounded by the fact that the rural and coastal communities around us are experiencing an even deeper housing crisis, with a lack of affordable housing. I would have liked to have seen more in the Budget to support councils such as Plymouth City Council, which wants to build, build, build. I want to see more density in our city centre, and I hope the Government can support councils such as Plymouth City Council—a Labour-run council—with a plan to build greater density and thousands of more homes next to transport hubs, places of work and our vibrant city centre. I want to see more from the Government, but there was not enough in the Budget.

The second area is nurseries. I welcome the possibly transformative change that a Government focus on childcare could bring about. Helping people back into the world of work is really significant, but I worry that not enough preparation has been done to get it right. In only a few weeks' time, the new policy will be implemented, but there has not been enough effort on skills, on recruitment, on retention or on the viability of nurseries, especially small nurseries in poor communities. We are only weeks away, and I really hoped the Chancellor would have supported those nurseries that want to expand their provision but cannot afford to do so. That is especially true in communities such as mine where parents cannot afford the compulsory top-ups to give their kids a place in nursery care. That is simply not good enough.

Thirdly, on the Keyham bomb, Members will have seen the incredible efforts made over the past few weeks by our armed forces, the police, Plymouth City Council and others to support the community after the discovery of a world war two bomb. I want to thank everyone who put their life on the line, especially the Royal Navy and Army bomb disposal squads.

The incident highlighted a particular Treasury problem, however: the existence of an insurance loophole that insurers can use—and have used when a bomb was discovered in Exeter a few years ago—to claim that policies are not valid due to an “act of war”. That war was 80 years ago, and I would like to invite the Government to speak to me and my right hon. Friend the Member for Exeter (Mr Bradshaw) about how we can sunset that provision to ensure that anyone who buys an insurance policy for their household or their business knows that they are insured if the worst happens, because let's face it, there are still thousands of undiscovered world war two bombs out there.

Fourthly, I want to see more support for care leavers. I think this matters to all of us in this House. There are opportunities to support care leavers which, frankly, do not cost much money, particularly getting their first home after they leave care on their 18th birthday. A national rental deposit guarantee scheme and a national rent guarantor scheme would fundamentally transform the life chances of young people leaving care, because they do not have access to a bank of mum and dad or someone to guarantee their rent in their first home in the private sector. Working with Barnardo's, we estimate that this will cost £30 million to set up. That is a lot of money but in the big scheme of things, £30 million to change the life chances of all those thousands of young people in care would be money well spent and I would like to see the Government look at that.

Finally, I would like to see a greater fair share for the far south-west. Whichever Government sit on those Benches after the next election, they will be formed of MPs from the south-west of England, and I would like to see the regional variations in spending addressed. In Plymouth, we get above-average spending in one area of Government spending and one area alone, and that is defence. We have the largest naval base in western Europe in the constituency I represent, and I am proud to stand up for our armed forces, but on health, education, skills, transport and housing, we are below average. There is no reason why any child in Plymouth should be worth less than the national average, and we need more fairness in our system to let them achieve their true potential.

This is a pre-election Budget and I think the public will see through it. It is not the long-term plan that we were looking for. Mortgage payments are higher, the weekly shop is more expensive, food bank use is up, inequality is up, the tax burden is the highest in 70 years and our economy is in recession. This is giving with one hand and taking with the other. One thing is clear: it is time for a general election, and I look forward to the Prime Minister putting out his lectern—without the logo on—in the next two weeks and letting the people decide who they want to be in power. It is time for a fresh start.

4.8 pm

Chris Grayling (Epsom and Ewell) (Con): It is a pleasure to follow the hon. Member for Plymouth, Sutton and Devonport (Luke Pollard), and I echo what he said about the emergency services. They did an extraordinary job removing that bomb in what could have been a horrible situation. However, I have listened to what the Opposition are saying and I have listened in vain for an actual plan. Instead, we seemed to be hearing a whole series of shopping-list items with no sense at all of the economic reality of the moment.

The economic reality is very straightforward. Over the past four years, we have dealt with the biggest public health crisis in a century, the biggest security crisis in Europe for 75 years and an international resurgence of inflation and rising interest rates, and still we have an economy that is doing far better than the Opposition said it would. We have an economy that still has some of the lowest levels of unemployment for decades, that is turning a corner, that is forecast to grow and that is attracting investment. We are No. 3 in the world for attracting inward investment. We have heard today about AstraZeneca's plans in Cambridge and on Merseyside. Those are good-news stories, and they are happening because this country remains a good place to do business and a place that attracts international organisations to base themselves here.

None the less, we are a country like those in the whole of the western world. Other European countries face the same challenges, and the answers are not simple or straightforward. I have listened to the Opposition, and they seem to be suggesting that there is a magic solution and that the world would be fine if they somehow transformed themselves into the Government of the day. Well, I can assure them that, in the unlikely event of that happening, they would face all the same issues. The difference is that they would get the solutions wrong. Instead of bringing down taxes and taking steps to

[Chris Grayling]

drive investment, as the Chancellor did in the autumn statement, they would do the opposite. They would put up taxes, put up public spending and stifle our economy, which is why they do not offer a solution for the future. It is why, actually, a Labour Government would be profoundly damaging to this country.

We need to remember that, back in 2010, we inherited 2.7 million unemployed people and rising, including 1 million unemployed young people. Here we are, 14 years later, with historically low levels of unemployment. Yes, there are challenges in the labour market—I will talk a little about those—but, of all the economic challenges that a nation can face, I have always believed that unemployment is the worst, because unemployment creates real human misery. The fact that we do not have the level of unemployment that we inherited 14 years ago is a huge plus for this country.

The reality is that we need to return to some of the principles that we put in place back in 2010, because we have too many people outside the workforce and too many people on long-term sickness benefits. At that time, we had some very proactive programmes to help those people back into work, and I think we need to recapture that in the aftermath of the pandemic.

One thing that is not a solution is a system without sanctions, as the Opposition propose. Ultimately, those who can work should not be sitting at home on benefits. Even the vast majority of those on sickness benefits have the potential to return to work, perhaps to do something different from what they did before. With the right help and support, they can get to a better place. Nobody benefits from sitting at home on benefits for the rest of their life. It destroys lives and destroys health.

If there is no stick to go with the carrot, we will achieve far less than we should. The idea that an alternative is providing support without consequences for those who do not take it is simply nonsense. We have to get back to a proactive carrot-and-stick approach. The welfare state is a ladder that people should climb; it is not a place in which they should live.

I am sorry to see that we are putting up taxes on air passengers, albeit in the higher classes. This will ultimately drive traffic out of the United Kingdom. People will interchange on the continent or in Dublin, because it is cheaper. I hope that the measures will be temporary, and I do not want to see further measures that drive down the UK sector's competitiveness.

At the same time, I am very pleased to see the investment in helping the development of sustainable aviation fuels. The Chancellor's announcement earlier this week is welcome and necessary because, as I said at Prime Minister's questions, this is an essential area for the aviation sector, which can take serious steps towards net zero only if it transforms the fuels it uses. Both for long-haul flights and in the immediate future, sustainable synthetic aviation fuels are the only way in which it can take such steps towards net zero.

I do not want to see a situation in which our industry buys all of its fuel from other countries. As I said earlier, the United States is currently the source of sustainable fuels for UK airlines, which might be fine right now, but we have to take quick steps to ensure that

we have an industry in this country. That requires, over the coming months, the Department for Transport and the Treasury to work together to accelerate the process of setting out plans for the SAF mandate and a price support mechanism so that, immediately after the election, whoever is in power can put the plans in place straightaway. That is essential for the future of the industry in this country—and it is not just about aviation; it is about jobs in parts of the country that need jobs.

I hope the Treasury will put its foot on the gas to make sure that sustainable fuels happen quickly. I hope the Department for Work and Pensions will be bold in stepping up its support, as well as stepping up the consequences for the long-term unemployed who refuse to accept that support. In difficult circumstances, I think those in the Treasury have produced a pretty good, balanced Budget, for which I commend them.

4.14 pm

Julian Knight (Solihull) (Ind): I am conscious of time, Madam Deputy Speaker, so I will not be giving way in this short speech. As someone who passionately believes in a free market and a small state, I find the national debt figures in this Budget truly appalling. Let us be clear: we have gone from a position where our national debt figure was 37% just prior to the financial crisis to one where it is close to 100% today. That is a two and a half times increase, most of which has come on a Conservative majority Government's watch—of all things! There have been tribulations, but there have also been huge missteps since 2010. That means that we have seen an increase in national debt equivalent to that of the first two years of the second world war, when we were fighting for our very lives against the Nazis; no one can say that anything in this period remotely approaches that. In the 1960s and 1970s, Governments of the day had an excuse: they were still recovering from the economic dislocation of the second world war. We have no excuse for this appalling financial mismanagement, apart from our indolence and lack of political will.

What has gone wrong? I would set a lot of the blame at the door of George Osborne and the public school, dyed-in-the-wool establishment clique who run the modern-day Conservative party. In 2010 and 2015, we had huge opportunities to reset the relationship between the state, the individual and businesses, which are the only means of growing the tax base in this economy. So-called “austerity” was nothing more than a reduced increase in government expenditure. Government should have been made slimmer and fitter, and supply-side economics should have been the core of everything we did. Instead, we had George Osborne talking about parking the tanks on Labour's lawn—if we look at the Ipsos polling, we must ask: how has that worked out?

The second reason we are in the state we are in is that we have failed to grasp the opportunities of Brexit. It should have been an opportunity to deregulate en masse, to make our economy fitter and stronger and to out-compete the Europeans. Instead, our very first move post-Brexit was to impose VAT on tourists, which has been devastatingly counterproductive. It is just an example of the way in which we have failed on Brexit. We have lost and we have shown absolutely no will to grasp those opportunities. If we are going to support Brexit, we have to do it properly. That is the only way to have done it, if we believed in it; we have failed in our will.

As a nation, as the borrowing figures show—this is in addition to the fiscal and monetary policy—we are addicted to debt and printing money in order to not face the hard choices, which could be golden opportunities. As a result, this country's finances are more vulnerable than they have ever been. We are no longer part of the European financial ecosystem—we are alone. All we are doing is borrowing more and paying ourselves more, for producing less. Unless the supply side is properly tackled by a bold Government, I can see this nation being back at the door of the International Monetary Fund, just like it was in 1976. Saying that we are not as bad as the Italians is a joke. This Budget was supposed to be, “Do or die”, but from looking at the documents and the wider polling, we see that it is more, “Not do and then, unfortunately, we die”. The crying shame is that at least Blair had to work for his landslide.

Finally, I reflect on my last words in this place before I chose to recuse myself voluntarily. They were:

“frankly...I have had enough.”—[*Official Report*, 5 December 2022; Vol. 724, c. 57.]

I have been speaking to the British people on the doorsteps and talking to my constituents, and I am sorry to say that that is precisely the verdict that will be delivered on the Government in the very near future.

4.18 pm

Sir David Davis (Haltemprice and Howden) (Con): It is rather sad to follow that speech from the hon. Gentleman. I remind him that a one-in-75-year financial crisis, a one-in-a-century health crisis and a one-in-75-year international crisis in Europe, all contributed dramatically to the problems he outlined. Although I may be on the same side as him when dealing with the public school tendency in my party, I do not blame them.

Sir Jacob Rees-Mogg (North East Somerset) (Con): On that point, will my right hon. Friend give way?

Sir David Davis: Of course, absolutely. Every opposition has its day.

Sir Jacob Rees-Mogg: I would just like to say that we are not all that bad.

Sir David Davis: I might return to that shortly.

The truth is, as my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) said, the Chancellor has done a skilful job in dealing with an extraordinarily difficult backdrop. I think there are more things he could do—I will talk about that in a second—although much of that is down to the structure of Government decision making, rather than his fault. For example, as the Leader of the Opposition said, we are dealing with a world in which Putin has weaponised supply chains and destroyed the economic basis of our anti-inflation policy that has worked for the previous 10 years.

I understand the Chancellor's caution and his desire to retain the confidence of the markets. Against that, it is remarkable that he has taken £20 billion out of national insurance, at about £900 a head for 27 million people and for another 2 million self-employed people. Frankly, people are underestimating the success the Government have had with inflation reduction and employment. For most of my time in this House, the idea of 800 new jobs a day, every day, for an entire

Government's tenure, would be extraordinary—that certainly did not happen under the previous Labour Government—so we have quite a lot to be happy about.

That said, if I had my way, I would not have gone for national insurance; I would have reduced income tax. Why? A lot of assertions have been made in the public domain, probably in relation to the Treasury, that national insurance is less inflationary than income tax. That is bogus nonsense. The only argument to support that is that cutting national insurance will pull tens of thousands more people into the employment pool, but so will cutting income tax. Because income tax applies to people above the age of 65, cutting it would also keep highly skilled and capable people, who we do not want to retire, in the workforce. I would have preferred an income tax cut rather than a national insurance cut, but that is what we have got and it is probably much better than we would have got from the Opposition.

While I am talking about income tax, I want to make one point en passant. At every Budget, I have raised the question of IR35, which is oppressive on small businesses and the self-employed. It drives people out of the country; the Public Accounts Committee is looking into that issue and I hope it will come up with a conclusion some time soon. I will keep at the Government to deal with IR35 and the related issue of the loan charge. Frankly, His Majesty's Revenue and Customs is behaving in a barbaric manner, reminiscent of the Post Office, so I will continue to raise that issue.

I want to raise a number of structural matters. My right hon. Friend the Member for Wokingham (John Redwood) made the point I was going to make about the Bank of England. The current structure of the Bank of England, its guidelines and its rules, are flawed in a big way. They handicap the way Government can operate on fiscal policy and on inflation. We need to address that and my right hon. Friend made a good point about that.

There is also the issue of the OBR. George Osborne created the circumstance under which the OBR almost sets the guidelines and the fiscal rules for the Government. The Government are then terrified of what the markets will do if they do not follow the OBR's attitude. I understand the Prime Minister has a picture of Nigel Lawson in his study. He ought to read Lawson, because Lawson's view on economic forecasts of any sort was that they are pseudo-technical nonsense. He did not believe in forecasts and we would do well to learn from him. The whole British establishment is suffering from a collective delusion about the amount of authority that rests with OBR forecasts—in fact, with all Government forecasts.

Let me give the House an example. The Bank of England's forecasts failed to predict the worst inflation crisis in modern times. In 2022, the OBR's UK borrowing forecast was more than £100 billion—I repeat £100 billion—off the mark. Last year, the Office for National Statistics—not in forecasting, but just in measuring—announced revisions that added £50 billion to the size of the British economy. Panmure Gordon turned round and said that it had completely rewritten the story of post-covid Britain, which it had. A new report on the OBR has suggested that, since 2010, the combined total of the OBR's errors in growth forecasts aggregates to over £500 billion, and its errors in forecasting public sector debt accumulate to more than £600 billion: this is the mechanism that Chancellors are using to

[*Sir David Davis*]

decide how much tax they can afford to cut. To remind people, the fiscal rule is that there should be a reduction in the percentage in 2029—that is the difference between two guesses. It is not a rational way to run an economy.

Chris Grayling: I was particularly struck by the change to capital gains tax and the reference to the Laffer curve. Does my right hon. Friend agree that it is disappointing that the OBR in particular still does not appear to look at dynamic impacts of tax changes in a way that is essential for the future?

Madam Deputy Speaker (Dame Rosie Winterton): Order. Interventions are absolutely marvellous, but can those who have already spoken be conscious that we are trying to get everybody in with equal time? My advice remains six minutes per speaker. Sir David Davis will notice that he is already slightly over that.

Sir David Davis: I have one last thing to say, as I will cut what I was going to say about productivity.

One rule that used to apply in this House was something called a general amendment arrangement, which came after the Budget. That disappeared in 2017, which means that we cannot change the Budget except in a very, very narrow way—this probably should be a point of order rather than part of a speech. I plead with Members on the Front Bench to ask the Chancellor whether we can have a general amendment arrangement at the end of this Budget.

4.26 pm

Sammy Wilson (East Antrim) (DUP): Having heard some of the speeches from Conservative Members, I suspect that, although they have given some welcome to this Budget, there is a great deal of disquiet about it. I am sure they were all hoping that the Chancellor would come out with a Conservative Budget that gave them a banner under which they could march towards a general election. Instead, we have what can only be described as an “Old Mother Hubbard” Budget. Although the Chancellor would have loved to have thrown bones to the electorate—nice juicy bones that they could bite on—so they would be happy to vote Conservative at the next election, in effect, the cupboard is bare. The cupboard is bare not because of the mismanagement of previous Governments, but because of the mismanagement of this Government, who have been in power for 14 years, from costly lockdowns that were badly thought out and whose economic consequences were never considered, to the ongoing billions being spent on net zero in the belief that, somehow or other, we can alter the world’s climate, to the failure to take up the opportunities of Brexit and the staggering tax burden under which the economy is now stumbling and failing to grow. All that is the result of decisions that were made by the Government, and this Budget is a manifestation of the consequences of that.

At first sight, it seems that perhaps there is much good in the Budget—the reduction in national insurance, for example—until we remember that the figures in the Red Book and the figures from the OBR show that the impact of that is wiped out by the stealth tax, which is imposed on the UK population as a result of not moving tax thresholds.

The VAT threshold lift for small businesses from £85,000 to £90,000 does not even begin to take into consideration inflation over the period in which the limit has been in place. Had inflation been accounted for, the child benefit threshold would have been lifted from £50,000 not to £60,000, but to £62,500, so stealth taxes are still being imposed, even though they are presented as improvements. I welcome the fact that some small businesses will be lifted out of VAT, that people will pay less in national insurance contributions, and that squeezed, middle-income families will have additional money, which will hopefully encourage them to go into work, but once the headline is stripped away, one sees that the Budget is not quite as generous, and the bones are not quite as juicy, as the Chancellor would have us believe.

I will mention a couple of things relating to Northern Ireland. I welcome the Barnett consequential for Northern Ireland, and the fact that the towns fund has been extended to Coleraine. I will be interested to see how the global trade arrangements will help firms in my part of the United Kingdom to expand their export potential. The renewed Stormont Assembly, however, faces underlying difficulties. Past Assemblies can be criticised for not having taken tough decisions; successive Sinn Féin Ministers in the Department of Finance—we have had three of them—did not even bring forward a budget that could be agreed, and allowed spending to get out of control. However, the Treasury accepts that the funding formula that applies to Northern Ireland differs from the formula that applies to Scotland and Wales, which has led to a huge fiscal gap. I do not believe that one part of the United Kingdom should be treated differently in that way. It is disappointing that that was not addressed in the Budget.

I welcome the fact that we have not had an increase in fuel duty. As Northern Ireland is much more rural, and more reliant on lorries to bring goods in and out, a fuel duty increase would have added significantly to costs and to inflation. The Government make policy announcements, and talk in the Budget about new capital allowances, but when His Majesty’s Revenue and Customs implements them, they sometimes do not work as intended; the Chancellor should look at that. In the last Budget, research and development allowances were given. Hundreds of firms have been turned down for those allowances, on the basis that they did not comply with the criteria, or whatever. One wonders whether the Treasury takes a different view from the Government: “Let’s not lose too much revenue. Let’s make the process much more difficult.”

As a result of bad management, there has been little room for manoeuvre. Whether we are to have another Conservative Government or a Labour Government, the great concern is that the Budget stores up huge problems for the future: costs that will explode, and unresolved issues to do with compensation that will still have to be paid.

4.33 pm

Sir Jacob Rees-Mogg (North East Somerset) (Con): It is a pleasure to follow the right hon. Member for East Antrim (Sammy Wilson), and particularly my right hon. Friend the Member for Haltemprice and Howden (Sir David Davis), who made an important speech, particularly as regards the OBR. It was telling that the

Chancellor started his speech by pointing out, at least inadvertently—it was not a deliberate attack—how many things the OBR has got wrong. That is a real problem for policymaking, because we treat the forecasts as if they were holy writ, authoritative and right. We make decisions on comparatively small amounts, assuming that the forecasts are fundamentally right, and that everything will add up—but of course it does not.

Let us look at the increase from £85,000 to £90,000 in the VAT threshold. That is an absolutely splendid and fundamentally good policy. It makes life easier for small businesses, is thoroughly welcome, and costs £150 million, or 0.01% of a Budget of £1.216 trillion. The cost is utterly trivial, yet the Government do not go further, saying that they cannot afford to. Of course they can. That amount is a rounding error, when we consider the total of what the Government do.

Unfortunately, that is the problem with the whole approach. As far as it goes, it is perfectly good. The economic circumstances have been tricky, and we spent £400 billion on support during covid, which was the right thing to do; but rather than nickel and diming, as is happening, we need to look at the fundamentals of our tax and spend policy. That £1.216 trillion is 44.5% of GDP that we are spending. That is too much. It is more than the country can afford; that is the starting point. It means that we are taxing too much.

A report in *The Daily Telegraph* states that we will not quite reach the figure for tax as a percentage of GDP that we did in 1948. We will just swerve having our highest level of tax in the post-war period, but that figure shows that we are spending too much. We need to get spending under control, so it was a pity that the Chancellor stuck with the 1% real-terms increase in public expenditure. We should be making public expenditure flat in real terms, and we need to recognise that the best way to afford public expenditure is through economic growth.

A matter for rejoicing—I know that the people in North East Somerset will be delighted, and the Chancellor mentioned this—is that at least the OBR and the Treasury have been willing to look at a particular tax to see if cutting it makes things better: the tax cut from 28% to 24% on property. I own property—I refer to my entry in the Register of Members' Financial Interests—so the change may be beneficial to me, but moreover it shows that Laffer works when even the Treasury and the OBR come round to thinking about it.

Where else could that be done? The hon. Member for Solihull (Julian Knight) mentioned the tourist tax. It is the easiest tax for the Government to have got rid of. We know—all the evidence is there—that it costs the economy and the Treasury money, yet the Treasury ploughs ahead with the obstinate view that a tax rate produces a set amount of tax, which we know to be false. Go back to 1979, when 98% tax rates raised much less money than 40% tax rates ultimately did. That is why I am not at all keen on the attack on non-doms.

The OBR forecast expects 350,000 immigrants, net, to come to this country every year up to 2028-29. That is built into its forecasts. We need to get control of that. On the one hand, we need to get control of people coming in and undercutting the British workforce, lowering wages in areas such as social care. On the other hand, we want as many billionaires as are willing to come, because they are small in number yet contribute very

largely to the economy. Attacking them, and making things harder for them, might be a means of stealing the Labour party's clothes, but it is not good economic policy.

Sir David Davis: Doubly so, because post Brexit, other countries—France in particular—have actively set out to drag those billionaires into their country.

Sir Jacob Rees-Mogg: France, Italy and Portugal, our oldest ally. Yes, absolutely, other countries are competing for the very rich, who will go to those countries, rather than coming here.

I am also not in favour of the extra tax on oil companies. We need more oil and gas. One of the reasons why our productivity has been low and our economy stagnant, compared with the United States, is our much higher energy prices. We need to wean ourselves from the green ideology, which is making us cold and poor, and is one of the biggest factors to undermine economic growth in the past 15 years. We should not be attacking the oil companies; we should be welcoming and encouraging them.

The time limit is very tight, but there is good news that Members will like: time on the Finance Bill is unlimited, so I look forward to resuming my comments on Second Reading.

4.39 pm

Dame Diana Johnson (Kingston upon Hull North) (Lab): The House will be surprised to know that I will talk about not billionaires, but ordinary people in my constituency of Kingston upon Hull North, for whom this Budget provides very little.

The Budget also provides very little investment, which we desperately need in Hull and the Humber. It exposes the reality of what levelling up actually means for the north as we come to the end of this Parliament. It is trifling; it is not transformative. The Chancellor mentioned Canary Wharf. That is not an area in need of levelling up. The Hull and East Riding devolution deal comes with headline-catching funding of £400 million, but it is spread over 30 years. That is £13.3 million a year shared between two councils. That comes nowhere near reversing Hull's loss of £111 million a year since 2010. That stands in direct contrast to the Government's economic transformation and integration deal with Rwanda, which comes with at least £370 million over five years—an average of £74 million a year—for levelling up in Rwanda.

I will focus mainly on what is not in the Budget: any compensation for the infected blood victims. That is despite the fact that 118 Members of Parliament from 10 parties wrote to the Chancellor last week, asking him to make an announcement on the allocation of funding for those people, and it comes after this House defeated the Government in December by voting to set up a compensation body through the Victims and Prisoners Bill.

Catherine West (Hornsey and Wood Green) (Lab): I congratulate my right hon. Friend on her excellent work on the contaminated blood scandal on behalf of all our constituents. Does she agree that it is heartbreaking for children to have watched their parents go through this?

Dame Diana Johnson: My hon. Friend, who has also campaigned on the issue over the years, makes a good point; I will come to that.

Ministers received the final recommendations on compensation from Sir Brian Langstaff in April 2023. They also received the framework compensation document from Sir Robert Francis in April 2022, which allowed them to prepare for compensation to be paid. However, today there is not even an allocation for further interim payments to alleviate the immediate suffering of parents who have lost children, and children who have lost parents. Let me give the House an example of what that looks like. Sam Rushby, whose entire family—mum, dad and three-month-old baby sister—all died of AIDS by the time he was three, has received no compensation, and would benefit from the interim payments that Sir Brian Langstaff has recommended that the Government pay.

Paragraph 3.45 of the OBR document confirms that it has not been able to take into account plans for compensation for contaminated blood victims, as no money has been identified by the Treasury for that compensation. The OBR seems to have missed the point that Sir Brian has already made his final recommendations on compensation, and the Government do not need to wait until May to decide what to do next.

The Chancellor's views have evolved over time. On 21 June 2019, Ann Dorricott, the widow of the Chancellor's late constituent Mike Dorricott, who died because of the infected blood scandal, said in evidence to the inquiry that her husband was told in February 2014 by the Chancellor: "Don't worry about this, we'll sort it." On 27 July 2022, the Chancellor told the infected blood inquiry that it could be seen as a "huge failing of democracy" that victims had waited so long for justice. After the first interim report from the infected blood inquiry, which set out that the Government should pay interim payments, the current Chancellor wrote to the Government on 3 August 2022, with two fellow former Health Secretaries, stating:

"The victims and their families deserve nothing other than the complete and immediate acceptance of Sir Brian's recommendation. To refuse to do so would simply continue the injustice thus far handed out by the state to a group of innocent victims condemned to years of suffering and neglect.

Any delay to such payments, for instance by arguing that we need to wait for the inquiry to finish, for a new Prime Minister, or for Parliament to return, will sadly almost certainly see more of the victims die before they see justice."

By the time the Chancellor appeared at the public inquiry on 28 July 2023, his views had changed. He then said:

"It is a very uncomfortable thing for me to say but I can't ignore the economic and fiscal context because, in the end, you know, the country only has the money that it has",

and that

"I can't give you a sense as to the timescales."

To play politics with victims of the infected blood scandal is, frankly, unforgivable. Those infected and affected are not responsible for the economic state of this country, and the Government have already accepted the moral case for paying compensation. The approach that Ministers are taking is tin-eared, with no allocation in this Budget for compensation. They tell us that they are working at pace, but they are not meeting with any of those infected or affected, or taking soundings from any of the campaign groups. They are hiring experts to

advise them and refusing to give the names of those people, and decisions are being taken behind closed doors. This is not the way to treat people who have suffered and been dismissed and ignored for decades. The way this Government are behaving is shameful.

4.46 pm

Suella Braverman (Fareham) (Con): I rise to welcome many elements of today's Budget, notably the cut to the main rate of employees' national insurance from 10% to 8%; the changes to the high-income child benefit charge, which will help half a million families; and the raising of the VAT threshold for small businesses from £85,000 to £90,000. Speaking on behalf of many small and medium-sized businesses in Fareham, I know that they will warmly welcome that change.

However, the real test for us today is to ask ourselves whether the measures that have been announced will turn the tide. Will they turn the tide on the highest tax burden in 70 years, since world war two? Will they turn the tide on our prospects of galvanising the British economy and stimulating growth after a decade of sluggish productivity? Will they turn the tide and send the message to British taxpayers that we, the Conservatives, are the party of low tax and on their side? Those are the real questions that we need to ask ourselves, honestly and with dispassionate fairness, because if we are not honest with ourselves, we have no one else to blame if we hand the keys of power to the Labour party.

I want the British people to know what that will mean for them. A Labour Government will mean tax rises to fund £28 billion-worth of uncoded promises—Opposition colleagues are shaking their heads, but it is true. A Labour Government will mean undoing Brexit and aligning the UK more closely with the European Union, and opening our borders to potentially unlimited numbers of people from the EU. Just as night follows day, a Labour Government would also—as every Labour Government in our history have done—leave this country with more unemployment and more job losses than when they entered government. That is something I do not want to see, and I am incredibly proud that since 2010 this Conservative Government have created 800 jobs a day. That jobs miracle is something that Conservative Members can all be proud of. It will bring huge prosperity and wellbeing to millions of people across the country.

Our approach as Conservatives must be one of responsible management of the public finances. Yes, we want to cut taxes, because that is the way to stimulate growth and then reinvest more tax revenue in delivering first-class public services. I am very proud of our track record on public service delivery over the past decade: whether it is the increased numbers of doctors and nurses, the phenomenal improvement in our literacy and numeracy rates in English schools, or 20,000 new police officers, I am proud of many of the outcomes that we have produced thanks to our commitment to our vital public services.

Just in my local area, Fareham Community Hospital has seen an increase of new services—from a new chemotherapy unit to same-day access to a GP service and a regional renal dialysis centre, all in the last few years—and there has been a £58 million investment in a new accident and emergency department at our local Queen Alexandra Hospital.

To be fair to the Government, things have been incredibly tough and challenging over the last few years. Needless to say, we paid the wages of millions of people to, in effect, stay at home. I am very proud of the furlough scheme, but I do think that we all need to reflect—again, dispassionately and fairly—on the decisions we made during the pandemic. My own view, with the benefit of hindsight—I am not absolving myself of any responsibility because I sat in Cabinet at the time of these decisions—was that we actually did spend too much, we did lock down too soon and too hard, and we did shut schools in a way that was harmful rather than helpful. In the event of a similar pandemic, I hope that we do not make the same mistakes again. I do not blame anyone—it was a time of unprecedented fear and uncertainty—but I think we have to learn the lessons, so that in the event of something similar happening we do not repeat those decisions. I think we overreached, overspent and overcompensated for what could have been handled in a less damaging way for the economy and for the British people in the medium term.

Returning to the Budget, if we are serious about putting the British taxpayer first, personal taxes are a good place to start, which is why I welcome the changes to national insurance. However, I agree with my right hon. Friend the Member for Haltemprice and Howden (Sir David Davis), as my preference would have been a 2p cut off the basic rate of income tax, an increase in the personal allowance and raising the income tax thresholds to properly fix a tax regime that has, I am sad to say, become a disincentive to work and endeavour in too many cases. A cut of 2p off the basic rate and an increase in the personal allowance—say from £12,500, where it currently stands, to £20,000, or even to £15,000 or £16,000—would have helped poorer households and lifted about 20% of all taxpayers out of tax altogether. Cutting income tax rather than national insurance would help a broader range of taxpayer, including workers, savers and pensioners.

Let me say a word about pensioners. Yes, they have the benefit of the triple lock, but it is fair to say that since 2010 the income tax bill of the retired has increased by hundreds of pounds—some estimates put it at £400. The value of the triple lock has actually been depleted because of the fixed thresholds in income tax and, in particular, the personal allowance. I do regret that income tax was not chosen as the tax to cut over national insurance, because pensioners have lost out as a result.

I think those thresholds need to be raised to tackle the invidious problem of fiscal drag. We have seen too many workers—millions, in fact—on low or middle-level salaries being dragged into higher tax brackets in a way that was never intended. Nurses, teachers and police officers are paying a 40% rate of income tax, which was never the plan, because the frozen thresholds have not been raised in line with inflation. It has been proved that that is a disincentive to promotion and to working longer hours, and it is a reason why many more people are choosing to take early retirement or to work less. That is a drag and has an adverse impact of our tax system. I think this was a missed opportunity, and I hope the Prime Minister remembers the promise he made during his leadership campaign that he would plan to cut the basic rate of income tax eventually in this Parliament.

How do we actually pay for some of these tax changes? I agree with my right hon. Friend the Member for North East Somerset (Sir Jacob Rees-Mogg) that we really have to start questioning the validity of the forecasts and the assessments made by the OBR. One way that savings could be made is in looking at net migration and overall levels of legal migration. I am very pleased that the OBR seems to have shifted away from its orthodox view, which has traditionally been that more people coming into the country, largely on low wages, is necessarily a net benefit for the economy. Just last month, David Miles of the OBR attenuated that view by saying that, no, we cannot assume there to be fiscal benefits from increased migration. There have been assessments that the UK has paid £24 billion since 2020 to cover the costs of non-working migrants, and the IFS has confirmed that non-EU net migration has had a net fiscal cost overall. Getting net migration down is key to saving costs.

I would have liked to have seen many other areas included, such as cutting public spending, which has been mentioned already. Overall, this Budget has some welcome elements, but it also represents something of a missed opportunity to properly send a message that we are on the side of the British taxpayer, that we will lower taxes, and that we will galvanise the economy to produce growth.

4.55 pm

Judith Cummins (Bradford South) (Lab): Year after year, I have risen in this Chamber as the Government watered down their commitments on levelling up, transport and living standards, and now it seems there is nothing much left to water down. Every year I have called for urgent action to prevent the collapse of our national health service, and now the Prime Minister admits that his plans have failed. The Government profess that they stand for law and order, but systematic cuts have seen confidence in our justice system plummet. Just as poverty peaks during this Government's cost of living crisis, they have created months of uncertainty over the household support fund for vital services such as foodbanks.

Today's Budget reaches the pinnacle of 14 years of cynical short-termism under this Government. From levelling up to healthcare, the Budget fails to deliver for the people of Bradford South. Last week, the Prime Minister went on a so-called levelling up tour, claiming that:

"levelling up is about providing people with better opportunities to work, travel and feel proud of where they live."

In 14 years, what opportunities have this Government given to people in Bradford South? Network North is a shell of the broken promise that was once proudly hailed as Northern Powerhouse Rail. In Bradford, rather than being offered new high-speed rail lines and enhanced connectivity, we are told to celebrate the announcement of a new platform at Bradford Forster Square. That is not the ambitious and transformative Northern Powerhouse Rail that was promised no less than 60 times by this Government. Despite all the talk, Bradford South has not seen a penny from the levelling-up fund. The opportunity to level up this country has been squandered.

With the Government having betrayed the north with their failed levelling-up agenda, what has become of the self-professed party of law and order? The Prime Minister continues to argue that the Government's plan to make

[*Judith Cummins*]

our streets safer is working. Recent reports show that across half the country not a single break-in case was solved—that is no convictions in half the country. Let me be clear: that speaks to the systematic underfunding of our police. The Conservatives are failing on a basic requirement of government to protect our homes. The police should be fighting crime, not fighting for funding.

If our streets are less safe, what are the Government doing for the national health service? More than 34,000 people across Bradford are now on NHS waiting lists for treatment, and the Prime Minister has admitted that he has failed on his pledge to cut waiting lists. The NHS is crying out for funding, but today's Budget does next to nothing. Just two weeks ago, I visited a Yorkshire Ambulance Service station in Bradford South. I spoke to the mechanics who work miracles on an old fleet, keeping ambulances on the road for up to 10 years and far beyond their recommended lifespan. Fixing those ambulances is not always possible, and it often leads to skilled paramedic crews being stranded and unable to do their job of saving lives. The ambulance service is crying out for increased capital investment, but new ambulances, just like the 40 new hospitals, are an illusion under this Government. We need a healthcare service that is fit for the future and will care for everyone from the cradle to the grave. Today's Budget will do little to help the NHS.

Over 14 years this Government have presided over persistent decline. Just think about what Labour achieved when we were last in government: the shortest waiting times in history; crime down by a third; the cancer guarantee; half a million children taken out of poverty; the national minimum wage; the winter fuel allowance; record results in schools; and peace in Northern Ireland. That was a record that Britain could be proud of; that was Britain under a Labour Government.

4.59 pm

Sir Robert Syms (Poole) (Con): In six minutes, it is difficult to put all the good things about this Budget in my speech, but I will try. I will start with the context. We faced the worst public health pandemic for 100 years. We took that on, and made some difficult decisions, because Boris Johnson wanted to save frail people from dying. We sometimes forget how scary and difficult it was dealing with that pandemic. I admit that I was somewhat sceptical of lockdown, and voted against it 16 times, but we cannot impugn the Government's motives—they were trying to save lives—certainly in the first year, when we did not quite know with what we were dealing. An awful lot of the additional money was funded to keep businesses afloat, some of which have gone on for generations, and to keep people in employment through furlough. What we see today is fairly full employment in this country, and a lot of that is down to the fact that the Government invested money in people when there was a national emergency.

A lot of the problems for the Government over the past year or two are therefore the consequences of lockdown, its cost and the implications of that for public services with people working from home and so on. The first thing I would say is that things are starting to normalise, in the sense that we are getting a falling deficit, national debt is likely to fall and growth is likely to pick up over the next two or three years. As a result

of that, for the second fiscal event in a row the Government have been able to cut taxation for 27 million people who are in work. That is to try to improve the incentives for those in work, and that is to be welcomed.

However, the Chancellor had a balance to maintain, because the most important thing is not just to cut tax, but to get interest rates coming down. Inflation is likely to be 2% in the next month or two, and that affords the Bank of England the opportunity to cut rates. Some people in the City think that will probably be on three or four occasions as we go into the summer. If we end up in a situation where we have inflation at 2% or 2.5% and pay increases of 5% or 6%, and we have tax reductions through national insurance and falling interest rates, inevitably the standard of living of many people in this country will go up. That means that people will have more money to spend and the economy should be able to grow. There is a plan, and it is working. I do not think single Budgets make much difference, but it does make a difference when we have a fiscal policy set out over two or three fiscal events and Budgets that want to take things in a particular direction.

I admit I am a bit of an OBR sceptic. Black holes tend to disappear and then arrive. Often it produces figures that are wrong, but on the whole, having a body to give an independent view reassures markets. I am a bit of a Bank of England sceptic, too. The comments of my right hon. Friends the Members for Wokingham (John Redwood) and for Haltemprice and Howden (Sir David Davis) are right: we need to look at the Bank of England's remit. Growth should be in there, as well as inflation. An interesting thing is that we still pretend that the Bank of England is independent. The reality is that because of that, we do not give it precise advice on what it should do with the overhang from quantitative easing.

My right hon. Friend the Member for Wokingham made the important point that we have lost £40 billion or £50 billion on bonds that the Bank of England bought to get us through covid, and that is largely about timing. If we sell bonds when interest rates are falling, we get better bond prices, and if we sell when interest rates are rising, we get worse bond prices. The tax cuts in this Budget on national insurance are worth about £10 billion. The Bank of England, by mis-timing the selling of bonds it bought in quantitative easing, has so far wasted five times that. If one thinks of a world in which we had not had to pick up that bill and we had delayed getting rid of some of the bonds accumulated with quantitative easing to a time when interest rates were falling, the tax reductions we could have introduced today would have been far more ambitious.

I hope that as interest rates fall, the losses will fall from selling bonds and quantitative easing, and we will get into a better fiscal position. I am sure there is room for another fiscal statement before the next general election. If there is, I look forward to further tax cuts as we go ahead.

5.4 pm

Cat Smith (Lancaster and Fleetwood) (Lab): I hope it is not news to anybody in the Chamber that the public's trust in politics and politicians feels very low right now. Many people have been telling me that they do not feel their voices are heard in politics. So, ahead of the spring Budget, I did a piece of work in my constituency,

surveying my constituents and going to meetings of pensioners and groups of young people to ask them what their economic priorities are, and I have matched them against what we have heard in the Budget. I thank all the village newsletters and local papers that carried my survey, which means I have a detailed idea of what my constituents are concerned about.

If we listened to Ministers' crowing over falling inflation in recent months, we would be forgiven for thinking that the cost of living crisis was over, but the 11% high in inflation was because of the decisions made by the Government and that mini-Budget. Responses to my survey from my constituents make it abundantly clear that the cost of living crisis is not over. In the hundreds of replies I received, more than 80% told me they are worse off than they were five years ago, so the message to the Chancellor must be that the cost of living crisis is not over but very much real, and people are really struggling right now.

High energy costs were the most frequently mentioned issue in the survey and have particularly affected elderly and disabled constituents I was told chilling stories by constituents about the steps they have taken to reduce their energy bills. Some have told me that they have turned off their hot water and heating completely, even on the coldest of days, due to the increased prices.

Other costs commonly mentioned were food prices and mortgages. My constituent Steven from Lancaster bought his first home last summer, but the mini-Budget and the spike in mortgage rates means that he is paying hundreds of pounds more out of his wages every single month. That is money he would like to spend on dental treatment—his NHS dentist closed—but he cannot. It is money that he needs to spend on his massively increased energy bills, but he cannot. That is a really good example of the problems faced by so many constituents in different circumstances.

Common themes that popped up time and again were pensioners struggling to make ends meet, people dependent on support from their parents or other family members to pay the bills each month, and people telling me they were just about managing but really struggling to meet one-off costs such as the car or the washing machine breaking down. As one constituent put it:

"We are not living; we are existing".

I want better for my constituents, and I want better for the country.

A YouGov poll commissioned by the Joseph Rowntree Foundation found that three quarters of Brits are worried about the current levels of funding for public services. That was very much reflected in the concerns raised by my constituents. No one will be surprised to learn that most concern was reserved for the NHS, with longer waiting lists and the poor availability of NHS dentists coming up time and again. However, constituents also raised funding for schools, roads and public transport, and the local authorities who are really struggling to deliver those public services on the ground in my constituency. I pay tribute to all my local councils—Lancaster, Wyre and Lancashire—which are run by a variety of different political combinations but all facing incredibly difficult financial settlements.

There is real fear about the impact that reckless tax cuts could have on public services across Lancashire, coming on top of more than a decade of Tory austerity. In the survey, one constituent said:

"Tax cuts will not save our impoverished public services".

I could not say it more clearly than that.

My constituents are also concerned about the levels of inequality we see across the UK. There is the idea that energy companies do not pay their fair share, and yet when constituents get their energy bills, they really struggle to meet them. One summed it up:

"Reducing taxes for the better off as a pre-election booster does nothing to help ordinary people with soaring food and heating bills."

I can already see emails coming into my inbox from pensioners who are unhappy that the changes to national insurance do not benefit pensioners, who are really struggling. While the triple lock goes some way, it does not compensate for the rising cost of living and inflation spiralling out of control.

Janet from Pilling was desperately hoping to hear something from the Chancellor about redress for victims of sodium valproate. Both her sons live with lifelong disabilities having been harmed by the drug. She had held out hope, given that from his previous role as Chair of the Health and Social Care Committee, the Chancellor knows the heartache and financial cost paid by those victims. She is disappointed that there has not been an announcement today regarding redress, particularly because, as I understand it, the Government have had an early copy of the report on the subject by the patient safety commissioner for England for several months. I urge the Ministers on Treasury Bench to respond at speed to that excellent report and to do the deeds to match the Chancellor's words on this matter.

On redress, I associate myself with the comments of my right hon. Friend the Member for Kingston upon Hull North (Dame Diana Johnson) on infected blood. I also want to raise the matter of the justice needed for victims of the Horizon Post Office scandal.

I have been contacted by many constituents who work in the hospitality sector, including Liz, who runs the fantastic Cafe Dolce in Lancaster. She highlighted the difficulties that many business face because of rising costs. She wanted tailored support for the hospitality sector, but I fear she will be disappointed with today's offerings.

Are we better off now than we were 14 years ago? The resounding view from my constituency is absolutely not. Taxes are still rising, prices are still going up in the shops and mortgage rates are higher, and nothing that the Chancellor said today changes that. It is time for change. It is time for a general election.

5.10 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a pleasure to speak in today's debate. I strongly welcome the measures announced in the Budget. We heard about increasing investment and growth. I am pleased that the Treasury Committee will scrutinise the OBR and the Chancellor next week. It is important that we consider the Bank of England's policy on selling gilts, which my hon. Friend the Member for Poole (Sir Robert Syms) referred to, and the impact for the OBR and the room that it gives. I recommend that hon. Members look at Ed Conway, the Sky journalist, for more on that. I am sure that will open their eyes in many ways.

I enjoyed the measures on investment in life sciences. The Speke factory in Liverpool is getting a massive boost, which will have a welcome impact on jobs. The

[*Dr Thérèse Coffey*]

Budget responded to SMEs by adding leasing to full expensing. The ongoing activity of the Department of Business and Trade and all of Government shows that Britain is open for business.

I welcome the measures on pensions. When I was working in the DWP with my hon. Friend the Member for Hexham (Guy Opperman), who was then Pensions Minister, we were concerned about the poor returns for defined contribution savers. I welcome the progress in that regard that has been set out today. The British ISA is a brilliant idea, and I look forward potentially to investing in one myself.

The overall outcome of the Budget is to make work pay. National insurance is a tax levied on weekly income. The current threshold is £242 a week, which is equivalent to just over 23 hours a week at the current national living wage. In Suffolk Coastal we have a lot of seasonal workers. The national insurance cut will be welcome to them, because during the summer months, when there is an increase in the hospitality sector, employers are often looking for more employees. Combined with the cut that is already applied to people's pay packets, the average saving is £900 per person, which is significant.

Those on lower incomes should bear in mind that when the Prime Minister was Chancellor, he cut the universal credit taper rate to 50%. That provided a significant boost to make sure that work pays. I welcome some of the sensible changes to help with that. The fact that 800 jobs a day have been created since we came into power in 2010 is truly astonishing and shows how important it is to get people into work and keep them in work. My right hon. Friend the Work and Pensions Secretary will continue to work on that, particularly considering the impact of covid.

I also welcome the assurances on childcare. I have a new nursery opening on 2 April in Leiston in my constituency called Spring, in response to the Government's support. I wish Daisy Plumridge well.

Another aspect that my constituency will particularly welcome is the abolition of the furnished holiday lettings tax regime, as visitors are an important part of our economy. Too often, the measure has become a way to, in effect, subsidise people buying second homes, with the extra income from letting the property out for part of the year. It is wise that we have considered the matter. There have been a few things along the way, but I think this significant change will ensure that we have professional landlords who think about families and the longer term.

I expect Suffolk will welcome the tax relief extended to Freeport East. I recently visited Felixstowe port alongside the new Maritime Minister, the noble Lord Davies of Gower.

A number of pubs in my constituency and, indeed, the brilliant Adnams Brewery will welcome the freeze in alcohol duty.

I hope that more of my village halls will take advantage of the £5 million fund investment. The extra £75 million in section 4.24 of the Red Book for internal drainage boards will provide a useful boost to the important work done by local farmers. Also in the Red Book, I am pleased to see reference to the consultation that we launched in March 2023 on tax relief relating to those entering environmental land management schemes. It has

been the case that people only get agricultural tax relief from generation to generation on land that is actually farmed. That is an unnecessary barrier and I welcome the change that will come into effect from April next year. The support for tenancies is also important for our countryside.

To deliver efficient, economic and effective outcomes for users of public services, it is important that the Government get the public sector productivity plan right. I am thinking of the NHS, in particular. In my short time as Secretary of State for Health and Social Care, we started to look at why there were so many agency workers. The NHS, as many on the ground in hospitals and other parts of it will know, can be an exceptionally inflexible employer. It is no surprise that quite a lot of people turn to being bank staff or go to agencies. I hope that the plan is not just about doing an economic exercise; this is about culture and leadership in our hospitals. The variable performance around the country, which we have made much more transparent, shows the changes that good leadership can make. That is often driven by culture, as well as high expectations, and is to be welcomed. I say to those on the Front Bench that that it can be too easy to be a locum exclusively.

I look forward to voting for these measures. This is a Budget for growth and to make work pay, and I look forward to its being supported by the House.

5.17 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): Today is very much a missed opportunity. Much has been said by colleagues, particularly on the Government Benches, about levels of debt and tax, but the fundamental issue, going back to the financial crisis in 2008-09, has been a failure to deliver sustainable economic growth. We heard much from the Chancellor today about growth and productivity, but when we dive into the detail, it simply does not add up.

As my right hon. Friend the Member for Dundee East (Stewart Hosie) said, the starting point is GDP per capita. In many respects, the starting point for today's debate should be what has been happening over the past couple of years. If we take the period since March 2022, GDP per capita has fallen by as much as 1.5%. Indeed, the OBR tells us that household incomes will not get back to the pre-pandemic level until 2025. The harsh reality for all our constituents is that they are poorer.

We have heard all the brouhaha today about cutting tax, and we have had some criticism of the OBR, but we need a set of forecasts on which to base the decisions that we take. According to the OBR forecast for the next five-year period, the average GDP growth per annum is one and two-thirds per cent.—the same level as it forecast last November. For all the changes that have taken place, there is zero movement on the needle on expectation of economic growth.

I hope that we have a more detailed discussion on these matters. Members have touched on the issue of growth and, I would say, the issue of productive potential in the UK. Let us have a debate about where that productive potential is and how we grow the economy, because, quite simply, I do not see that in what the Government have come forward with today.

These things are based on the OBR book, as has been talked about, but let us look at the detail. The headroom that the Government have is—let us be honest—limited

and is based on an assumption that the fuel price escalator takes place every year from now. Well, it has not taken place since 2011. In that sense, what the Government have told us today about their headroom is an absolute fantasy.

Tax as a percentage of GDP is going to hit 37.1% at the end of the forecast period. We hear many Tory MPs say that tax is coming down. No, it is not; all that is happening is that some of the tax increases are being ameliorated. Fiscal drag has been much talked about, but the forecast is that the fiscal drag from the failure to increase tax bands will result in a £40 billion tax take, so let us have some honesty about what is going on. Where is the plan for growth? Where is the plan for an industrial strategy? I am glad that my colleagues in the Scottish Government are taking this issue seriously—we will have an industrial council.

Much has been said about Labour's plans—now backtracked on—for £28 billion of green investment, but we need to recognise the scale of the opportunity to decarbonise the economy and create jobs. Let me take the example of green energy in Scotland. We can increase our green energy output fivefold and create up to 235,000 jobs. If we do not do that, other countries will make that investment and benefit from the opportunities in green energy. We need to grasp those opportunities and ensure that we can transition the economy. We need to ensure that we are creating the circumstances whereby people want to come and invest here.

Let me turn to public spending. Again, in real terms, public spending per capita over the next few years will be flat. Of course, that comes after many years of constraint on our public services. Taking into account the investment going into the ringfenced areas, notably the NHS, between now and 2028 the real-terms decline in public spending will be 2.3%. What is 2.3%? It is about £20 billion. We often hear people say that austerity has not happened. My goodness! Look at our constituents and the cuts that are taking place. Look at local authorities in England and the challenges they face. The Government are taking out £20 billion over the next few years. What is taking place is absolutely shocking. *[Interruption.]* I hear somebody chuntering from a sedentary position about Scotland, but at least we have tried to ameliorate some of the effects of the cuts. We have invested in the child payment to drive people out of poverty.

The harsh reality of this Budget is that there is no hope for people in Scotland. It is more of the same: low growth, no increase in productivity, no vision and no investment in the green economy. I say to voters in Scotland that, come the general election—bring it on!—they will have a choice: a Government in Scotland who have a focus on investing in an industrial strategy for delivering the new green jobs for the next generation; or more of the same from broken Britain and more pressure on public services. That is the choice that people in Scotland will face on the back of this Budget.

5.23 pm

Sir Edward Leigh (Gainsborough) (Con): The Chancellor, in his excellent speech, mentioned that he would unleash £100 million-worth of levelling up. Hon. Members may guess the subject to which I will briefly allude, which I constantly mention in this House. There is a bit of levelling up in Lincolnshire, worth £300 million, which is the levelling up that we were hoping to achieve at

RAF Scampton, the most iconic RAF base in the country. That levelling up would involve using a 10,000-foot runway and superb heritage buildings that were the home of the Dambusters and the Red Arrows, so I appeal once again to the Government to listen to me. I have been begging them for the last year to agree to a compromise on this. I see one of my Lincolnshire colleagues on the Front Bench, the Exchequer Secretary to the Treasury, my hon. Friend the Member for Grantham and Stamford (Gareth Davies), and I am sure that he has a certain amount of influence on his fellow members of the Government. I hope that the Government will listen to what I have been saying for the last six months, which is that we should compromise by taking some migrants on a small part of the base and unleashing the rest of the base for levelling up. That is what Lincolnshire needs more than ever: it needs more jobs and more growth, and I hope that this is a Budget for that.

This is a debate about the Budget, not about illegal migration, but this whole saga of putting up more and more people in hotels or in military bases must end. We have to get the Rwanda Bill through Parliament, we have to have a proper deterrent and we have to stop these people who are making a joke of our border control, but the far more serious problem than illegal migration is legal migration. When I entered the House 40 years ago, net legal migration was running at about 17,000 a year. Twenty years later, it was 185,000 a year, and now it is over 600,000. That puts a massive strain on the economy.

The fixation on importing cheap labour is immoral and unpatriotic. We cannot undermine our own workers by letting in people and paying them lower than average wages. There is a single thing that the Chancellor could do, and that would be to end all the shortage schemes and simply insist that if someone wants to come and work in the UK, they would have to earn the UK national average wage of roughly £33,000 as a minimum. Not only does such an influx of people drain our economy, displacing investment in domestic skilled work; it also puts an immense strain on public services, with more British citizens than ever, including the least advantaged, struggling to get GP appointments and secure school places for their children.

We must deal with net legal migration. It is the single biggest problem facing our Government and we have to act on it. We know that we are importing all these people because we are not paying enough to our NHS or care staff. We therefore have to import people from all over the world, but there are 9.3 million people of working age in the UK who are claiming benefits, and that statistic is set to rise remorselessly. Productivity rates are decreasing and they are projected to fall further in the coming years. We have to address this fundamental weakness of the British economy: we are not paying proper wages to our people; we have too many people of working age on benefits; and we are importing too many people from the rest of the world.

On the broader case, I have been listening to what my colleagues have said and I would have preferred a cut in income tax to a cut in national insurance. That would have been much more dynamic, and people understand it. Also, many people do not pay national insurance, including savers and people of pension age. There is no point in keeping the triple lock if we are dragging more and more pensioners—not rich pensioners—into paying tax and sometimes into a higher rate of tax. I would

[Sir Edward Leigh]

have preferred a cut in income tax rather than national insurance but I understand where the Chancellor is coming from on that.

I want to say a word about the Office for Budget Responsibility. I cannot understand why we seem to have outsourced so much of our economic management from the Chancellor of the Exchequer to the OBR and the Bank of England. People say, “Look what happened when we did not listen to the OBR in the ‘disastrous’ mini-Budget”, but the reason that that Budget went wrong was not that we did not listen enough to the OBR’s forecasts—which are often wrong—but that there were too many unfunded tax cuts. As a nation, we have to become a dynamic, low-tax, low-regulation economy. That is the only way forward for a Conservative Government. I am very dubious about these OBR forecasts.

Generally, we should not put too much faith in opinion polls, which are simply a test of opinion. What will matter in the coming general election is that people have a choice. We accept that we are paying too much tax, we accept that we have been hit unbelievably badly by lockdowns, the pandemic and the war in Ukraine, and we accept that people are regulated too much, but when my constituents go to vote—in May, November or whenever—I will ask them, “Do you want to pay even more tax? Do you want even more regulation, and even more migration to this country?” The answer is a resounding no, so speaking for myself, I shall be voting Conservative.

5.30 pm

Catherine West (Hornsey and Wood Green) (Lab): It is a pleasure to follow the right hon. Member for Gainsborough (Sir Edward Leigh), and to hear about all the challenges in his constituency.

There is nothing more important than giving children the best start in life. I first went into local politics through the Sure Start movement. Many of the women I volunteered with back then are now senior in early years provision, and it is a wonderful thing when we get it right. Last Sunday, in an interview on the BBC’s “Sunday with Laura Kuenssberg”, the Chancellor said that he could not guarantee that working parents of two-year-olds would get their promised 15 hours of free childcare. It is simply not good enough to see yet another broken Government promise. The Chancellor announced the free hours this time last year—a whole year ago—and they have still not been delivered.

My constituent Gillian has two young children, and she found out in January that her local nursery was closing down due to a lack of staff. She wrote to me:

“We were informed of this yesterday afternoon, I immediately stopped what I was doing, and started calling nurseries and childminders in the area. I must have called 25 childminders, none of which have availability.”

Imagine her panic when she knew that she would either have to give up her job, move house, move in with her parents or work part time. Parents are already hard pressed, whether it is because their mortgage has gone up, their private rent has gone up by 20% overnight in the past 12 months, or they are waiting for a social home to become available. Families in Hornsey and Wood Green are facing extreme pressure.

What good are free hours if families cannot find a nursery that is still open? The free hours need to be properly funded, yet so many early years settings have closed. As I heard from Councillor Brabazon, who runs children’s services in Haringey borough, many childminders have left the sector due to a lack of support from the Government. How will the Chancellor provide parents with more free hours if nurseries cannot recruit or retain staff? How will he prevent nurseries in my constituency from closing down? Will he guarantee that every eligible child will get their free hours in April, or will he move the goalposts again, and move the date to September 2024, or perhaps September 2025? Delivery seems to have an ever-moving boundary. He continues to move the goalposts. At this rate, children will be in secondary school before they have adequate childcare provision.

As well as the need for affordable and accessible childcare, there is the problem that thousands of children live in unsuitable temporary accommodation, including hotels, due to the Government’s abysmal housing policy. This is not a new problem, and it has been bothering many Members. The Government’s refusal to scrap section 21 and build social and affordable homes has contributed to the mess. There have never been more children in poor-quality, temporary accommodation, which is causing desperation for so many. In some cases, as the press have reported in the past week, children are dying in temporary accommodation.

London boroughs are now spending £90 million a month on temporary accommodation, according to London Councils, and more than 175,000 Londoners are homeless and living in temporary accommodation, including 85,000 children. On average, there is at least one homeless child in every London classroom. It is an absolute disgrace that we are spending so much money on temporary accommodation—it is mainly housing benefit—when that money could have been turned into the bricks and mortar of new homes.

Up and down the country, families are fed up with the Government’s broken promises and incompetence. This Budget will do naught to fix it. Only Labour has a plan to break down the barriers and provide children with the best chance in life. We need an end to the Tories’ sticking-plasters, and an end to Rishi’s recession. We need a general election and a Labour Government.

5.35 pm

Paul Bristow (Peterborough) (Con): I rise to welcome this Budget—a low-tax Budget focused on increasing productivity in our public services. By goodness, do we need it.

Yesterday, I had dinner with an old friend who had spent quite some time out of the UK. We were talking about what he felt life was like in the UK now, and he said that he felt that society was becoming “infantilised”. When I asked him what he meant, he talked about the ever-increasing intrusion of the state and other bodies into the lives of ordinary people. When I asked him for an example, he decided, curiously, to talk about the railways. He had got a train the other day and he was told on several occasions to mind the gap, to contact the British Transport police if he saw something suspicious, to ensure that he had the correct ticket for his fare, and to “See it. Say it. Sorted.” He was told that on loop about 20 times. One might think, “Why is he talking about these safety announcements? Surely they make sense.”

But it was not as if my friend was about to leap into the gap, or pick up strange packages. It was not as if he was planning to evade his fare. The British state, or the institution in question, seemed to want to tell that individual about the dangers constantly. We are over-regulated, over-taxed, over-governed and over-leveraged, both at state level and individually. Thank goodness we have a Budget that will try to address some of those problems.

We desperately need a low-tax economy and productivity in our public services. There is no clearer example of the over-burdensome, intrusive and nannying element of the state than Peterborough City Council. Its administration would rather axe lollipop ladies, one of the only physical manifestations of the city council left on our streets, than tackle inefficiency in its back office, or look to make savings through productivity. It would also rather demolish, or at least close, three bridges—we can count them—over a local beauty spot known as Cuckoo's Hollow, thus in effect cutting off hundreds of people from shops, and preventing them from going about their business. Many of those people are disabled, many have mobility issues and many are elderly. The council would rather do that on spurious health and safety grounds than take a common-sense approach and repair each bridge individually, one at a time. Instead, the council would rather close them overnight and not tell a single soul about it. More people have walked on the surface of the moon in the past 70 years than have been placed in any sort of danger by these bridges. But that shows the sort of council we have.

Our council would also rather fence off a local open space called Werrington fields, because it has some sort of concern about safeguarding. It would rather close a swimming pool—the regional pool in Peterborough, where I learned to swim—because, again, it has taken an over-cautious approach, in response to a survey; it has taken the worst-case scenario as being the letter of the law. The council would rather close it than make do and mend.

We have a planning system that treats people who want to build a small granny annexe, or a small addition to their house, as though they wanted to build St Paul's cathedral or the Taj Mahal next to their house, rather than something that would obviously benefit the local economy and that individual family. We need to accelerate supply-side reforms to planning, and to get Peterborough and this country building.

We need to take a more mature approach to politics, and to how we talk about the economy and public spending. I am incredibly proud of the investment—hundreds of millions of pounds—I have managed to secure for future infrastructure in my city of Peterborough. We have not had our fair share over many years. However, we talk about spending commitments as if the amount we spend is itself the goal, but what we really want is outcomes. We say, “We are spending more than ever before on x, y and z,” but spending is not the goal. The outcome—what we get for our buck—is the goal, along with productivity. That is the sort of change we need to see. I was incredibly pleased to hear that point made very clearly in the Chancellor's excellent speech.

Nowhere does the productivity challenge embed itself more than in our national health service, so I was pleased to hear about the public sector productivity plan. There are three things we might think about to increase the productivity of our NHS. First, the consultants, clinicians,

nurses, doctors and people we pay to care for patients must operate at the top of their licences. I was disappointed to hear disparaging comments from the Opposition about the Prime Minister's views on physician associates. We want more physician associates in our national health service, so that consultants, doctors and nurses can do what they need to do and operate at the top of their licences.

Secondly, we need to streamline ranking and grades in our NHS to ensure that people can move from one element of the service to another more easily. That will increase productivity and job satisfaction. Finally, organisations such as the National Institute for Health and Care Excellence and programmes such as “Getting it right first time” tell us what works and how to do the best for patients, but the NHS does not adopt that advice at pace or at scale. We need to follow that advice to increase productivity in our NHS. I hope that the public sector productivity plan addresses some of those issues.

If we continue with the infantilisation of our society, where will it end? It will end with the Labour party, one of the two great political parties in our democracy, mandating a policy that tells people that teachers are there to brush children's teeth. Where does the responsibility of the state end, and that of parents begin? If we are mandating teachers to brush children's teeth in schools, we have a long way to go to create an independent and non-infantilised adult population in this country.

Several hon. Members rose—

Mr Deputy Speaker (Mr Nigel Evans): I am grateful to Members for sticking to six or seven minutes, as Dame Rosie suggested. We do not want to impose a formal time limit if we can get away with not doing so, but the informal time limit would mean that everyone got in, and had roughly equal time.

5.42 pm

Gareth Thomas (Harrow West) (Lab/Co-op): It is a pleasure to follow the hon. Member for Peterborough (Paul Bristow). I am afraid that this Budget will make little positive difference to his constituents or mine, or to the country at large. The cuts in national insurance announced today will not compensate for the interest rate rises my constituents have had to suffer, or for the plans announced by Conservatives in Harrow Council to push up council tax by some 16% in the coming years. The OBR confirmed today that living standards will stay below those of 2019 for at least another two years, meaning less money in my constituents' pockets, in family budgets, and for our high streets.

The Budget will do little to reverse the sustained under-investment in public services in Harrow or across the country. Every school in my constituency now has less funding in real terms than in 2010. On average, schools in my constituency have seen a reduction in real terms since 2010 of almost £900 per pupil. In real terms, more than £12 million has been cut from school budgets since 2010 in Harrow West. The four high schools in my constituency have been hit particularly hard, seeing real-terms funding cuts of between £900 and almost £1,900 per pupil, and the primary schools have seen cuts in their spending power of between £200,000 and almost £600,000, compared with 2010. The excellent Pinner Park Primary School, which I was lucky enough to attend, has seen a real-terms cut per pupil of £880 since 2010, and a loss of almost £740,000 in spending power.

[Gareth Thomas]

Many schools in my constituency, and indeed across the country, face huge problems recruiting and retaining teachers and other staff. In my constituency that is due in no small part to London's housing crisis. I have always wanted to see the inner London allowance for teachers extended to outer London, to help deal with the recruitment crisis in my constituency and other parts of outer London. There was nothing in the Budget to deliver the level of investment that schools in my constituency deserve.

On special needs funding, although I welcome the small announcement that the Chancellor made today, Ministers still do not appear to have grasped the scale of need. In Harrow, which has traditionally been poorly supported by Conservatives—and whose problems have now been exacerbated by a poor Conservative Administration—just 29% of education, health and care plans were issued to support young people with significant special educational needs within 20 weeks, which is lower than rates in Barnet, Hillingdon and Brent.

Conservative Ministers have three times rejected bids for funding from Harrow Council for another urgently needed special needs school, for 290 extra places. That shortage of locally provided, appropriate special educational needs and disabilities places is forcing the use of expensive private school places, causing transport costs to rocket and causing parents of SEND children the ever-present worry that their child's place will be taken away, or that they will have to settle for a placement that is not fully appropriate. It is also placing heavier pressures on mainstream schools, which are not getting sufficient extra funding to ensure that some of their SEND pupils are properly supported.

Parents of children with special educational needs are telling me that the council locally—I know that this is mirrored nationally—does not have the resources or staff to complete those education, health and care plans in good time. The parents of one young person in my constituency, awaiting a second occupational therapy assessment in order to complete an EHCP that was started in June last year, have just received a letter to say that OT assessments will be delayed again because the service is running at a reduced level.

Support for children with special educational needs is in crisis, and this Budget is not offering the investment necessary to bring new hope to the thousands of families who have been let down by the Government's failure to invest over the past decade in Britain's next generation.

The NHS in Harrow is on its knees. Nationally, one in every seven people in England is on an NHS waiting list, which is more than ever before. That means they are putting their lives on hold, having to manage in pain and discomfort for months. For far too long, trying to get an appointment to see a GP in Harrow has been a struggle for too many people.

In a sign of the scale of the crisis in access to primary care, I understand that a new system for urgent GP appointments is being forced on all GP surgeries across north-west London. No consultation on that plan has happened up until now and independent medical advice suggests serious concerns about patient safety flowing from it. It would have been far better had the underfunding of the NHS not led to the closures of 8 am to 8 pm walk-in urgent care centres in my constituency. They eased the pressure on GP surgeries and, crucially, on accident and emergency services.

One major NHS reform that would make an immediate difference locally is for an investment in a 50% expansion in intensive care beds at Northwick Park Hospital, which serves my constituency—from a 24-bed unit at the moment to 36 beds. That would help to ease the huge daily pressure on A&E in what is the busiest hospital in London for blue-light ambulance visits. I make no criticism of the staff there; they are doing an impressive job. Sadly, though, this is a Budget that will see further cuts in the support available from the NHS, and a lack of investment in our schools, too. I hope that, even at this late stage, Ministers will find a way to begin to put that damage right.

5.49 pm

Mr Tobias Ellwood (Bournemouth East) (Con): We are on day one of the four days in which the House will debate the Chancellor's Budget statement, but within minutes of the Chancellor sitting down we heard Opposition parties roll out their headline soundbites, such as "Look where we are after 14 years of Tory rule." I suspect we will hear a lot of that in the lead-up to the next general election, which is fast approaching, in the hope that the wider geopolitical context in which we have had to govern is completely glossed over. That simply trivialises the importance of this debate, so let us do it justice, and appreciate what has actually happened over the past 14 years.

We have had to endure the largest global pandemic since 1920. It cost more than £400 billion to protect our economy and vaccinate the nation. We continue to endure the worst war in Europe since 1945, which is impacting both the continent's security and its economy, with global oil prices having increased by 11%, UK wholesale gas prices having risen by 40%, and food prices having spiked following Ukraine's grain export disruption. That is the monetary and fiscal backdrop—the challenging context—that we find ourselves facing today. It sits behind the cost of living crisis, with double-digit inflation, and has led to the unprecedented but necessary colossal state intervention that we are now slowly moving away from.

Look at the situation that we inherited 14 years ago: UK debt was rising, the deficit was about £150 billion a year, and unemployment was higher than in 1997. Labour would rightly point out that it had to endure the global financial crisis that hit Britain hard, but that underscores my point about the context of the global economic headwinds that we have had to face. Of course I would like to see more money to further ease the burden on households, tackle the waiting lists, and upgrade our defence posture, but the reality is that the Conservatives have had to manage the UK economy through the toughest of circumstances, during which time there have been successes that should be acknowledged, including investment in our schools, the roll-out of free schools and academies, our jump in the international league tables, and the roll-out of the pupil premium and free school meals.

Our welfare structures are far simpler, fairer and better targeted, with transformative free childcare as well. National insurance contributions have now been cut to 8%—a tax cut for 29 million people. On the green economy, our agenda is world-beating: the fastest decarbonisation of any major economy, and the first to legislate for a net zero target. We hear today that there

will be further steps as we invest in the modular nuclear reactor programme. Thanks to the tax breaks and investment incentives, we have the third-largest tech sector in the world, behind the United States and China. We are global leaders in pharmaceuticals, life sciences, quantum computing, artificial intelligence and aerospace, as well as fintech and financial services, backed up by some of the best universities in the world.

Crime is falling. Police numbers are now rising. Violence reduction units to tackle knife crime, which I have been campaigning for with the Chancellor, are now being rolled out, including in my constituency of Bournemouth. A new generation of hospitals are being built, with upgrades to existing hospitals, such as we are seeing in Bournemouth. There are 42,000 more doctors and 72,000 more nurses. The levelling-up programmes are transforming communities up and down the country, including Bournemouth's seafront, and we are on target to build 1 million new homes in this Parliament.

On defence and security, we have expanded our surface fleet with two carriers. We have upgraded our Air Force and our continuous at-sea deterrence programme. We formed the National Security Council as well as the National Cyber Security Centre, and signed up to AUKUS. We have hosted G7 summits and the NATO summit, and have played a lead role in Ukraine, as well as defending safe maritime passage in the Red sea.

So please do not say that it has been 14 wasted years. That is an insult to the British people. It has been challenging, absolutely, and not without frustration—I can say that at first hand—but had Labour been in office without benefit of hindsight, would it have fared so much better than us? Bear in mind that the right hon. Member for Islington North (Jeremy Corbyn)—he is in his place—would have been at the helm for some time. He would certainly have taken Britain in a very different direction. I think he would acknowledge that.

Jeremy Corbyn (Islington North) (Ind): Will the right hon. Gentleman give way?

Mr Ellwood: I did mention the right hon. Gentleman, so I will give way.

Jeremy Corbyn: Yes, it would have been a very different direction. There would not be the levels of poverty, homelessness and inequality that we see in this country today.

Mr Ellwood: I gave the right hon. Gentleman the opportunity to put his words on the record. I look forward to hearing what he has to say.

Here is the rub: it is not likely to get any easier in Britain. Global storm clouds are gathering again. Our world is becoming more contested and more fragmented. We face evermore testing times ahead, with increased threats to our international rules-based order. The question is, who is best placed to strengthen our economy, to navigate us through further global shocks and to lead the country? With inflation now falling—heading towards 2%—wages rising, business confidence returning, education standards improving and the UK growing faster than most of the other members of the G7, this is clearly a Budget for growth, which we should all support.

5.55 pm

Kim Leadbeater (Batley and Spen) (Lab): It is a pleasure to follow the right hon. Member for Bournemouth East (Mr Ellwood). I am glad that things are going so well in his constituency; I wish it were the same in Batley and Spen.

Today's Budget was an opportunity to get Britain back on track, to unlock our great potential and to begin the important work of getting Britain's future back. Sadly, however, this Budget failed to address the deep-rooted economic challenges that we face, and the Government have to accept some responsibility for that, in particular for the chaos of the past five years, when we have seen five different Chancellors. Such political instability is damaging, to businesses, families and communities.

To be fair to the current Chancellor, he has the unenviable task of trying to tell people that everything is going to be okay, when for many people that is just not how they feel. Many people are struggling to make ends meet. People who work full time are having to use food banks and, everywhere they look, things are just not working, whether that is the buses or the trains, getting support for their children with special educational needs or with their mental health, or accessing a doctor or dentist.

So many people in my Yorkshire constituency tell me that they feel significantly worse off than they did 14 years ago. If I mention levelling up, they often simply laugh. I hear of the daily sacrifices that people make, the hard work people put in, but the feeling is that this hard work and sacrifice is just not paying off. They see a Prime Minister who has implemented 25 tax rises since 2019 alone, giving us the biggest income tax burden for decades. They know and feel that this economy is just not working for them.

People want to see and feel real change, but I know that they will be sorely disappointed to hear this Budget that will not even scratch the surface of the challenges they face. Like people across the country, families in Batley and Spen have faced a tough couple of years. The disastrous mini-Budget of 2022 saw their mortgage repayments and their weekly outgoings, including the cost of their food shop, spiral out of control. One family I spoke to recently, where both parents work full time, have to find an extra £350 a month for their mortgage. The national insurance cut will simply not cover that, meaning that they will have to sacrifice paying for precious family activities or will not be able to pay for their kids to go on school trips.

That is the reality for many people, as a result of the political choices of this Government, who remain intent on blaming everything and everyone else for their mess. The Government cannot pretend that the Conservatives' mini-Budget was anything other than an economic disaster, for which we are all now paying the price. Ministers may celebrate that inflation just about halved last year, but the reality for families in Batley and Spen is that food prices went up by 7% last year and are still rising today, while our economy has now dipped into recession. Regularly in this place, we rightly pay tribute to the dedicated volunteers who give up their time to run our increasing number of food banks, but it is not acceptable that over the past decade we have somehow managed to normalise their existence, as though food banks are something to be proud of.

[Kim Leadbeater]

It is not just families that are feeling the pinch; small businesses in the towns and villages I represent are finding it incredibly tough. I recently met local landlords and landladies who face increased overheads, which they simply cannot pass on to customers and consumers who have their own cost of living pressures. Some local pubs have already closed, and more are under threat.

I will turn now to the pressures on local authorities, about which we have seen much in the news over recent days. Kirklees Council has lost over £1 billion of funding since 2010, and is facing unprecedented financial pressure. The Government must take responsibility. Indeed, if the Conservatives had kept Labour's funding formula, Kirklees would currently be in surplus. Instead, like many other councils, Kirklees is having to make cuts worth almost £50 million just to balance the books, so once it has fulfilled its statutory obligations on education, refuse collection and social care, it faces the impossible dilemma of choosing which leisure centres, libraries, town halls, mental health services or registry offices to close. The impact on my constituents is devastating. Luckily, we have managed to save Batley sports and tennis centre, but the battle for Cleckheaton town hall and other vital local services continues.

The Budget should have ring-fenced money for sports and leisure facilities, libraries and town halls. Those things are not nice-to-haves; they are essential parts of our community infrastructure, and we need them to keep the population fit and healthy, reducing long-term pressure on the NHS. They are the key to happy, healthy and well-connected communities.

More broadly, local government funding needs fundamental reform. The current funding formula is not fit for purpose and means that local councils face either extreme hardship or potential bankruptcy, no matter which party controls them. Local government is often the most direct interaction that people have with politics, and it carries a huge burden in ensuring that local services work for residents. Failing to fund those services properly is causing a backlog of issues that we will eventually have to pay for anyway. The current situation is unsustainable and does not make economic sense, so I ask the Chancellor and the Levelling Up Secretary to urgently reform the funding formulas to ensure that adequate funding reaches the areas that need it most for basic services, which are the glue that bind our communities together.

The Budget was a missed opportunity to begin the work of rebuilding Britain, reforming our communities and unleashing our potential to get our future back. After years of financial and economic pain, it was an opportunity to reset and get our economy working for our communities again. Instead, all we got were a few tweaks, a couple of gimmicks and a few shiny announcements designed to distract from the flatlining economy, which is the fundamental issue impacting people daily across the country, including in Batley and Spennings. I sincerely hope that the shadow Chancellor, my right hon. Friend the Member for Leeds West (Rachel Reeves), will be delivering the next Budget in a few short months, to deliver the change that we so desperately need to get Britain back on track, rebuild the relationship with our local authorities, and get our economy working once again for families across the country.

6.2 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to follow the hon. Member for Batley and Spennings (Kim Leadbeater).

The test that I was going to give the Budget before I heard it was: "How does this help my constituents, particularly those who are still struggling the most with the cost of living crisis?" In fact, I think that was the priority for the Chancellor. We have seen inflation start to come back down to where we want it to be, interest rates have come back down from their peak, and the economy is probably performing slightly better than we had feared—although not as well as we might have hoped—so I was certainly hoping that he would not take any risks that might destabilise that position and would focus on what he could do for those who most need support. That is pretty much roughly what we saw: a steady-as-she-goes Budget that focused on those issues.

I certainly welcome measures such as the time extension for paying back universal credit advances and the extension of the household support fund, which are good ways of targeting funds at those who will need them most over the next six months. Clearly, the single biggest decision was the extra 2p off national insurance. That decision will help people to keep more of what they earn, make work pay and improve household finances, so I strongly welcome it. Like many, I would have preferred a change to income tax such as raising the personal tax allowance, which would have helped those earning the least quicker than a percentage change, but this is not a time to be picky. It is an expensive measure, but it is a welcome one that will really help people, and we should not ask for perfection.

In many a Budget speech, I have asked: "Can we have a sense of direction for what we are trying to do?" I welcome the increase of the VAT threshold to £90,000 after a long pause, but it would be helped if we pegged it to something. Are we trying to give a self-employed person a median income after incurred costs but without their being in the VAT regime? Is that what we are trying to do? Is that where we should try to peg the threshold? Otherwise, we are just plucking random numbers out of the air occasionally. It would be better to have the right starting position and to index it every year to give some predictability.

Having asked for that sense of direction, we actually have one on national insurance. It appears to be the Chancellor's view that double-taxing income through two different taxes is the wrong thing to do, and he seems to want to phase out national insurance when we can afford it. That is a welcome sense of direction, but if he really thinks double-taxing is the wrong thing to do, he could stop it more quickly by abolishing national insurance, putting more on income tax and just having one tax. The revenue we would get from taxing more passive income at a slightly higher rate would probably pay for a lower rate on earnings, so we would not have to make it literally 28%—we could probably get away with a slightly lower rate in that situation. If we are being radical and that is the direction we want to go in, the Chancellor could perhaps look at dusting off the old exercises on whether we really need those two taxes to be separate.

If we really believe that it is wrong to tax work higher than other forms of income, it seems slightly incongruous on the same day to reduce the capital gains tax rate on

the sale of second properties. That shows how hard it is to have simplistic views, because we finally have a dynamic assessment that shows that if we lower the rate, we get more activity and more revenue. It would seem rather perverse to reject that and want to have a principle that gives us less money, so I think I welcome that change, even though it looks slightly inconsistent on the face of it.

I will use my last couple of minutes to welcome a couple of other small things. The fuel duty freeze is hugely welcomed by my constituents, who rely on their cars quite significantly. I also welcome the alcohol freezes, which are largely welcome in trying to help the hospitality trade.

I have called for the abolition of the non-dom tax regime in about the past three Budgets, so I welcome the fact that the Chancellor has done so. I was expecting a little fudge this time—perhaps he would reduce the number of years that a person could claim it from 15 to 10, or increase the amount they have to pay to access that regime—but announcing a complete reform of how we tax temporary residents and non-residents is absolutely the right thing to do. Our regime is completely out of date. Resident, non-resident, ordinarily resident, settled, habitually resident, domiciled, non-domiciled—I do not think anybody understands what on earth all those things mean. Having one modern regime, where everybody who is a long-standing resident pays the same taxes, is absolutely right.

It is fair to say that if somebody comes here temporarily to run a business or start one, or on an exchange with an employer, we do not really want the hassle of working out their whole worldwide situation, because by the time we work it out, they will have left anyway. Having a short-term exemption and then a much clearer, more modern regime that provides certainty and fairness is the right way to go, and much more defensible than the historic regime, which depends on where a person's father was born. How on earth could we defend that in the modern day? I welcome the fact that the Chancellor has grasped that nettle in a proper, coherent way, and I look forward to seeing the final detail of those changes when the consultation takes place.

In a similar vein, I welcome the reforms to the child benefit charge. I thought that when the Chancellor said that two people earning £50,000 would be exempt, he was hinting that he thought £100,000 was the right place to set the household income level, but he did not actually say that. I look forward to the consultation establishing where we think the long-term correct position is; I think £100,000 would be a fair place to put it.

Overall, I welcome a Budget that is probably about the best that could be done, given that our deficit in the next financial year is £87 billion. For those who think we could be spending more or taxing less, I ask them how big a deficit we can really be running, and for those who think that relying on five-year forecasts is a bit risky, I would say that I sense that relying on the one-year forecast would get us a very different Budget. I think the Chancellor has found the right balance and that we are going in the right direction, and I look forward to supporting the Budget resolutions next week.

6.8 pm

Jeremy Corbyn (Islington North) (Ind): I ask the House one question: how can it be right that, in the sixth richest country in the world, more than 4 million

of our children are living in poverty, and the richest 10% of households earn or receive an income over 10 times that of the poorest 10%? In my borough, in which some extremely wealthy people live, one in four people live in poverty, making us the sixth most deprived borough in London—in other words, there are 26 other boroughs that are less deprived. Some 19,000 people in my borough experience high levels of food insecurity. I am delighted that the Mayor of London has pledged free school meals across the whole of the city, even though my borough has been providing them since 2010. It is a huge step forward. We have a very high rate of child poverty, with 47.5% of our children living in poverty. This Budget could have done so much to reduce levels of child poverty and improve the livelihood of some of the poorest people in the country, which is why I intervened on the right hon. Member for Bournemouth East (Mr Ellwood) in the way I did.

We have what I think is an immoral and disgraceful two-child policy on benefit levels in this country, which means that children in large families lose out. Large families are already often poor because they are large, and they are then made even poorer by the discrimination against the third, fourth or even fifth child in the family. It would not be madly expensive to end that policy, and it would take 250,000 children out of poverty. It would cost £1.3 billion. The Chancellor announced that the non-dom abolition, which I agree with, would free up more money for tax cuts in the future, but that could have been used to end the two-child policy, in a very neat synchronisation of two policy changes. The Chancellor could also have looked at page 63 of the OBR report, which tells us that there are now estimated to be £156 billion-worth of uncollected taxes in this country. That is more than double what it was five years ago, and the figure is getting worse and worse.

It seems that in this Budget the Chancellor was more interested in appealing to a small number of people with some degree of tax cuts through lowering national insurance, but I ask this question: is it fiscally responsible to plunge more families or more people into desperate poverty than at present? A quarter of a million people in this country are homeless, and more than 1 million households are on social housing waiting lists. Most young people have no chance whatsoever of being able to rent somewhere of their own, because rents are simply too expensive, and they have to share. They cannot even think about buying anywhere, and they have almost no chance of getting on a council waiting list, unless they have either large numbers of children, or quite complex medical conditions or stress levels.

We have a housing emergency—we see that emergency every day when we come to this building and see homeless people on the streets of London begging. Those numbers are increasing as time goes on. As my hon. Friend the Member for Hornsey and Wood Green (Catherine West) pointed out, the amount of money we are spending through public expenditure on housing benefit to subsidise very expensive private rented accommodation is part of a catch-up every year. The local housing allowance rises a bit, the landlords raise the rent a bit more and the public have to pay this exorbitant level of rent. Why on earth can we not have rent controls—private sector rent controls—which are pretty normal across most European cities and, indeed, in parts of the United States?

[Jeremy Corbyn]

In my borough, we have 15,000 households on the waiting list for social housing. The only way forward to deal with the housing crisis is not to pledge to build millions of homes, as the Government are doing, but actually to pledge to build council housing at secure and affordable rents to guarantee decent-quality housing for people. This country did that, under both parties, in the two decades after the second world war, and then we had the Thatcherite idea of selling off social housing, which was very nice for those who were able to buy it very cheaply at the time, but every other generation since then has paid the price of that policy. I ask the Government: why do they not give priority to the housing needs of the majority of the population and those in desperate need, recognising the effect on child poverty, the effect of underachievement in school and the effects on society as a whole of the very poor-quality housing so many people live in?

The underfunding of local government has enormous implications. When the Government say they are very pleased that Britain is an attractive place for arts and culture, that is wonderful and I absolutely agree. I want us to be an attractive place for art, entertainment and culture, but if they cut local government expenditure, the art centres get underfunded, the performing arts suffer and the whole cultural scene suffers as a result, as does so much else.

I know you are concerned about the time, Mr Deputy Speaker, so I will conclude with a letter that the leader and deputy leader of my local authority in Islington, Kaya Comer-Schwartz and Diarmaid Ward, wrote to the local paper in a plea to the Chancellor before the Budget. They made several points. First, they called for more realistic local government funding so that they did not have to cut services or reduce them in some way. They are doing that, and they have lost £300 million due to central Government underfunding. They asked for rates to build much needed new council homes. The council has done well on building on land that it owns, but it cannot afford to buy anywhere else, or it must build a mixed development with less council housing than we could have. They also asked for full flexibility about how the money could be spent. We need much more responsibility put on to local governments to spend the money as they see fit, and that will help with the housing issue.

Finally, while the Chancellor said a great deal about the NHS, he did not mention social care at any point in his speech. For many, social care is a crisis, with many families devastated by its cost. Many women have to give up their jobs, careers and hopes because they must care for elderly relatives or those with profound disabilities. We can do so much better in this country than we are doing. This Budget is not welcome at all. It is a huge missed opportunity.

6.16 pm

Kevin Foster (Torbay) (Con): It will come as no surprise to the right hon. Member for Islington North (Jeremy Corbyn) that while it is a pleasure to follow him, I do not agree with many of his suggestions. I do agree, however, that housing is one of the defining issues, and while I might not agree with his proposed solutions, it is certainly something we need to address.

It is worth looking at this country's economic picture in context. During this Parliament we have had a once-in-a-century pandemic and the return of war between nations in Europe for the first time since 1945, with the resulting price shocks sent through the world economy. We must look at the context we are operating in—rarely mentioned in speeches from Labour Members. When we look at the achievements, we see the stunning figure of 800 new jobs created a day, and lower unemployment. Previously, when we have seen big economic shocks people have ended up unemployed, with all the impacts that brings for them and their family. Let us look at the figures published yesterday by the Department for Work and Pensions regarding how economic inactivity rates in the UK are lower than those in the USA, France, Italy and South Korea. Indeed, they are lower than the G7 and the EU average. That is real people being kept in jobs, and if we had not had the interventions during the pandemic that we are now having to pay for, it might have been a very different picture.

It is worth seeing today's Budget, not least the changes in national insurance, which are probably its largest part, in the context of the autumn statement. On average, a £450 tax cut for those in work in January, is now followed by another reduction. As someone who wants lower taxes and for people to keep more of the benefits of their hard work, I was encouraged by some of the comments from the Dispatch Box about that issue, and about the fact that those in work pay a higher tax rate on their income than those who get their income in other ways, although it will be no surprise to those on the Treasury Bench that I will also mention tax allowances, particularly the thresholds for the basic rate of income tax. All those in employment will benefit from national insurance rates being reduced, but in future we must consider particularly those who have saved for a small retirement annuity on top of the state pension. The effects of the triple lock have seen the state pension rise to protect people against some of the impacts we have seen with things such as price rises, so how will that be considered going forward?

It would be remiss of me not to mention a couple of things that I was fairly pleased to see, the first of which is the rise in the VAT threshold. We see the impact of that clearly in Torbay, in the guesthouse that closes when it approaches the threshold or the restaurant that put online what day it will open based on its estimate of when it will hit the threshold through the trading year. Having that threshold raised means instant growth for the hospitality sector in the bay.

It is welcome to hear the tax relief on performing arts and theatres being made permanent. I notice that the Ambassador Theatre Group, which owns one of the largest theatres in Torbay, the Princess, welcomes that measure. The alcohol duty freeze was also welcome. Torbay has more than its share of hospitality venues that will benefit from and welcome that change. Alongside that, the fuel duty freeze helps families with their budgets.

The change on short-term lets taxation is welcome. Airbnb-style accommodation has offered choice in the tourism and accommodation market, but we certainly do not need to be offering tax breaks to encourage that further, particularly when we are seeing what were family homes for rent over a long period being converted into holiday accommodation. The Chancellor is right to respond to the calls that have been made to end that

tax relief. It is not particularly needed. If we are to give support to the hospitality sector, it is better done via targeted business rates reductions or by raising the threshold, which would support all small businesses, not just small businesses of a particular type in the sector.

I see this Budget in the context of the large support being offered to Torbay's regeneration. More than £100 million has been made available by the Government to support schemes ranging from the Paignton Picture House's revival, to the Torquay Pavilion, to the regeneration of the town centre.

Mindful of the guidance from the Chair on the length of speeches, I will end on planning. It is not about looking to concrete over the green belt or other areas, but the need to reshape our town centres for the future. In many ways, we need to have the type of reshaping of our town centres in the digital age that we had in the late 1940s and early 1950s for the mass motoring age, when our towns and cities had to move away from mostly having horses and carts on the street to having motor vehicles. Now, town centres need to reshape. The process takes too long. Even schemes with wide public support and Government funding behind them can take months to get through the planning process. We need to look again at that issue to stimulate growth and greater prosperity.

Overall, I like the direction of the Budget, which will make a positive difference in Torbay. It looks to lower taxes as we can, and sets out a clear difference between ourselves, who want to give people the opportunity to keep more of what they earn and to aspire for themselves and their family, and a Labour party that is without a plan.

6.22 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to follow the hon. Member for Torbay (Kevin Foster). His constituency is a tourist destination, much like York. The hospitality and tourism sector certainly faces its challenges, and I look forward to studying the proposals from Government.

This clearly is the last Budget of this Parliament and, after today, this Government. They have had 14 years, and the Tories are leaving the country with record debt, public services on their knees and households floundering with the cost of living, high rents and mortgages, utility, food and fuel bills up. Rather than repairing the economy, which is now in recession, the Chancellor has forgotten how his predecessor crashed the economy and left the nation's pensions hours away from collapse, and how it will take a generation to recover. Households are now £870 worse off under the Prime Minister's tax plans.

The Government are extending the household support fund—I have long campaigned for that—but by just six months, when so many families in our constituencies are hanging by a thread. As a rich country, Britain should not need such measures, but when many people have so much, we see how entrenched inequality is. The very safety net that should keep people safe has been slashed, and people are falling through it. Nearly 4 million people are living in absolute destitution, with 1 million on universal credit requiring budgeting advances, as the Chancellor said. We hear what the Joseph Rowntree Foundation is saying. Its research shows that social security is simply not enough for the essentials; it needs to be paid at a rate of at least £120 a week for a single person or

£200 for a couple. Scope has said that disabled people fare even worse and need an additional £12 a week to keep themselves afloat. Of course, the cap put in place so that people get support for only two children means that children are left in poverty, too. It should be scrapped.

There was nothing for local government, and that will be ringing in the ears of councillors up and down the land. The Local Government Association says that one in five councils are facing bankruptcy. Since 2015, the City of York Council has seen a 53% real-terms cut in its settlement. National Government are stripping local government.

Where is the housing we need, not least the social housing? Why are people still waiting to see an NHS doctor or dentist? Why are people left languishing on the wards of our hospitals? It is because they cannot get social care because people are not paid enough to do that job. Crime is up, the justice system is dysfunctional, our schools are squeezing their budgets and our youth services have more or less disappeared—cut by 87% in York.

The Government have squandered 14 years. The consequences of running the economy poorly are stark, as I turn to the world's poorest. We think about those right now in Darfur and in Gaza, where there is no food, no medicine and no hope. Failed economics means that overseas development aid has been slashed and people are left hungry and sick. That is why we cannot afford this Government.

Do not get me wrong—some people are doing incredibly well. They have profited from dodgy personal protective equipment contracts and dodged tax altogether. Now that the Prime Minister is planning his exit from Parliament—and, no doubt, Britain as well—he is reforming the non-dom status from which he has personally benefited. After 14 years of virtually no productivity and bouts of recession and economic volatility, with working people's heard-earned taxes gambled and burned, the Budget has proven that the Government have failed to put people above party.

It will be tough for Labour—our inheritance has been squandered—but we will stabilise, invest in and reform the economy. We must do so, rebuilding with fundamental Labour values that determine economic competence and stability and address the scourge of inequality. We will invest in future industries and jobs, innovations, entrepreneurs, and science and technology, not least on climate mitigation, with Great British Energy decarbonising the grid. We will double onshore wind, triple solar power and quadruple offshore wind, bringing down energy bills for the benefit of all.

I was greatly disappointed that York and North Yorkshire's green new deal did not get a mention. It has the opportunity to create 4,000 green-collar jobs. BioYorkshire will be a game changer for our region and for the climate. We need to ensure that we elect David Skaith as Labour's first Mayor for York and North Yorkshire, because he will bring that project to life.

As we reform, we need to bring about change. We need to build the houses that the next generation need and this generation are desperately crying out for. We need to retrofit millions more homes to secure green homes for the future.

There are a few things from today's announcement that I welcome, including the funding for the National Railway Museum as it expands as the world's largest

[*Rachael Maskell*]

rail museum. I encourage hon. Members to come and visit as it opens its new doors. I welcome the changes to taxation on short-term holiday lets following my campaign and private Member's Bill to stop landlords flipping their homes, but reforms that would ensure the housing we need have not come forward. I am disappointed that the Government will give grandfathering rights to existing properties, meaning that 2,000 family homes in York will not be returned, or have the opportunity of being returned, to families who desperately need them.

I am interested in what the Government had to say about the £3.4 billion investment in the NHS following the Health and Social Care Committee's report on digital transformation. I look forward to scrutinising the plans.

As we celebrate International Women's Week, I must highlight that women are always losers under Tory Budgets. With childcare costs rising and social care collapsing, the burden falls on women. We need to see change. Our first Chancellor in the new Government will be a woman, and I encourage her to introduce gender budgeting, in which every decision is stress-tested to ensure that it levels women with men. Fiscal policies, political choices and administrative procedures must address gender inequality, so that the economic output of women is recognised and equality is achieved, and we get better economic stability, better growth and greater productivity gains. That is working elsewhere, and I want it introduced in the next Parliament.

Today, there will be headlines; tomorrow, reality will hit. We will not forget these last 14 years. With the general election on the horizon, and the prospect of an economic reset under Labour, we must move forward with Labour's values, which we have held for 124 years, and use our common purpose for the common good.

6.30 pm

Mrs Natalie Elphicke (Dover) (Con): I am delighted to follow the hon. Member for York Central (*Rachael Maskell*), who so often speaks with such passion on issues of poverty. I have very much enjoyed my visits over the years to the National Railway Museum. I will certainly take up her invitation to visit it in its renewed state in due course.

There is much to welcome in today's Budget: taxes cut for working people, both the employed and the self-employed; progress on tackling inflation, which makes such a difference to everyday living costs; and the fuel duty provisions, which are so important to areas such as Dover and Deal, and so different from the tax on motorists by Labour's London Mayor. The household support fund provides opportunities and support in Dover and Deal and across Kent to so many people, and I welcome the extension. The increase in the VAT threshold for small businesses to £90,000 is important. A number of local businesses have been in contact with me about that. I know that it will be important to hospitality businesses in our area. Finally, the focus on better healthcare outcomes and the investment are both welcome.

However, this could and should have been a Budget for housing. That opportunity has been missed. There has been a misanalysis by the Treasury of the fundamental

importance of housing to achieving other objectives to do with wellbeing, health, educational opportunities, and the creation of savings and individual wealth over a lifetime. Not having the housing that is needed has caused a 23% increase in bed and breakfast housing, a 12% increase in the number of children in temporary accommodation, and a huge number of under-40s who are struggling to get on the housing ladder while paying record levels of rent. All that costs the taxpayer money; temporary accommodation costs councils £1.7 billion.

The Budget increases the housing benefit budget to £36 billion in 2024-25. It is throwing good money after bad to continuously spend on high-expenditure private rented housing, instead of spending on affordable and social housing, as should and could have been done in this Budget. That matters because England has fewer available homes for its population than any comparable developed nation, the lowest rate of available properties per population of all OECD countries, the oldest housing stock, and one of the highest proportions of substandard and inadequate housing.

Housing could and should have been a priority for this Budget. A Budget for housing could have accelerated the delivery of 100,000 affordable homes over the next 18 to 24 months. It could have provided a much needed boost to GDP of £15 billion to £17 billion per 100,000 new homes delivered. The Chancellor spoke today about inward investment; the value of house building to GDP underlines what an important industry it is. We could have seen an opening up of pensions to help first-time buyers get on the housing ladder while still saving for their pensions over the long term. That would transform home ownership opportunities for the under-40s, and put home ownership back within reach of working people aged 30 or under. There is so much more besides, but this has been a missed opportunity on housing.

I will raise two issues in the detailed Budget papers. First, there is the provision for a stamp duty land tax exemption for social housing. The papers state that that is available only for housing subject to public subsidy, but a large amount—indeed, the majority—of additional affordable housing is provided through section 106 and other planning requirements, and is not the recipient of public subsidy. That is the expectation of Homes England and the Greater London Authority. Will the Minister relook at the SDLT provisions to ensure that they reflect both a level playing field for all registered housing providers in the sector and the realities of the housing market?

Secondly, unleashing pension fund investment has been a long-term goal in the housing industries. Tremendous progress has been made in that area in recent years, yet so much more can be done. Will the Minister consider making housing part of the essential infrastructure provided for under the new unlocking of pension funds, and consider how the new UK ISA can be better used to help people get on the housing ladder?

Housing and house building are fundamental to the success of our country, the wellbeing of our nation and the prosperity of individuals, and they are therefore important to us all. I regret that that has not been properly reflected in the Budget, but I hope that I can meet the Minister to continue these discussions, and to see what can be done with the money available to build the homes that our country so desperately needs.

6.36 pm

Mr Kevan Jones (North Durham) (Lab): In his Budget statement, the Chancellor said: “In recent times...the UK economy...has dealt with a financial crisis, a pandemic and an energy shock caused by war in Europe”. Like Government Members today, he conveniently airbrushed out of history two of the Conservative Government’s self-inflicted wounds. One of them is Brexit; page 38 of the OBR’s report states that trade with Europe is down 15%, costing the economy 4%, and that the long-term effects will not be known for 15 years.

The other issue airbrushed conveniently out of history—I am surprised that the Chancellor forgot this, because it is how he got his job in the first place—was the mini-Budget by the right hon. Member for South West Norfolk (Elizabeth Truss). We are still paying for that through people’s mortgages. Although she has gone off to pastures new, surrounded by an audience of conspiracy theorists and right-wing extremists, the core of what she argued is still on display. It is about a small state, and a society in which the Government will not invest in our public services. We have had 14 years of that. In the north-east, real-terms median wages are 7% below what they were in 2008. In my constituency, 24.7% of children live in relative poverty. It is absolutely disgraceful and makes me angry that in the sixth most prosperous country in the world, life expectancy in County Durham has been going down in the last 10 years, while suicide rates are at a record high in the north-east. That has not happened by accident.

The Government made a great pledge to have more police officers on the beat, but we have 135 fewer than in 2010, even with the recent increases and extra expense. As for the joke of levelling up, which is the equivalent of pork barrel politics at its worst, it is not joined up across the country, but mainly focuses on the distribution of capital sums to places where the party in power can get political capital out of it. We have had one successful bid in County Durham, which happened to be in Bishop Auckland. It has got us half a bypass. Today, the Chancellor announced that there will be a new £100 million devolution deal for the north-east. In the last 14 years, Durham County Council alone has had to cut £260 million from its budget. Every single council in the north-east has lost upwards of 30% of its budget, so the money will not replace what has been lost.

We see from today’s Budget and the Red Book that there is stagnation, or even cuts, in every single non-mainline Department. For example, the budget for defence—both capital and revenue—goes down next year. In education, the budget flatlines. The 1% increase that the Chancellor announced today is basically a cut to our public services. That is not an accident; it is a fact of life, and it is because the Chancellor and the Prime Minister are so scared of the right-wing faction of their party. It is about squeezing the state and making sure that the Conservatives give away tax cuts, even though they have created their own problems through their wasteful economic mismanagement over the last 14 years. It will lead to dire cuts.

I feel strongly about local government, because it is quite clear that councils will fall over. The Government say that councils are falling over because they are being wasteful, and because some of them have done some very dodgy things in property, even though they were encouraged to by the Government during their time in power. People ask why 6% of Durham County Council’s

budget is now spent on looked-after children and older people’s care. It is because austerity resulted in cuts in children’s services and the closure of Sure Start centres. It does not take a genius to work out that if we take away support for families, we get more children coming into the care system. That puts huge pressure on budgets; at the same time, the Government are offloading their responsibilities on to local council tax payers.

Let me finish by raising two issues that I feel very strongly about. The Budget is about kicking the can down the road, and frankly, the Government are a disgrace. Many people will know that I have been involved in the campaign to get justice for sub-postmasters for many years. I give credit to the Under-Secretary of State for Business and Trade, the hon. Member for Thirsk and Malton (Kevin Hollinrake), who has been a very good Minister and has tried to get the compensation out there. However, page 77 of the OBR’s report shows that the Budget puts no extra money into the new schemes. I agree with my right hon. Friend the Member for Kingston upon Hull North (Dame Diana Johnson): it is scandalous that no money has been allocated for the contaminated blood victims. That is cynical, and it is about kicking this issue into the general election and hoping that somebody else will deal with it. The Government have a moral duty to both groups of people, and need to put money aside for them.

This Budget is a missed opportunity, and it is more of the same. People in this country need to wake up and recognise that we cannot have well-delivered local services and well-structured, supportive communities under this Government. Until we get an election and people wake up to the facts, we will have more of what we have had over the last 14 years. The only way things will change is under a Labour Government.

6.44 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): This Budget was overshadowed by the news that the Chancellor had done a fairly rare thing for a politician: put his hand in his own pocket. Was this for a youth club in Hounslow or perhaps a new high-tech hospital scanner? No, it was for his own party association. Meanwhile, my constituents have to live with yet another Budget from yet another tired Conservative Government. After 14 years of their Government, our economy is in recession, living standards are falling, public services are in crisis and our country is desperate for change. We have had 22 fiscal statements since 2014 that promised higher wages, higher skills and higher growth, yet they have delivered none of these.

Today we have had another statement promising dollops of jam next year at the earliest. My constituents, like all our constituents, are seeing their bills rise, their weekly shop get more expensive, their rents and mortgages skyrocket and their debts pile up. So what does this Budget offer them? The OBR figures show that under Sunak’s tax plan, working people are, on average, £870 a year worse off. The Government have given 5p for every 10p taken away from our constituents. This included the OBR’s revised estimate of the impact of tax threshold freezes that raise £31 billion over the forecast period and create 3.7 million more taxpayers.

This Budget does nothing to tackle the housing crisis, as many Members have said. This is the biggest crisis facing my constituents. Families locally cannot afford

[*Ruth Cadbury*]

to rent, let alone buy. Key workers are being priced out of the area and home ownership is but a distant dream. Hundreds of children in my constituency are—I want to say living, but frankly they are existing in insecure, often dangerous, temporary accommodation, which is costing Hounslow Council and the benefits budget millions of pounds each year. That is money that could be spent on building new homes.

It is no wonder that more and more lifelong Conservatives I have met in recent months, whether in Chiswick or in by-election campaigns in Bedfordshire and Kingswood, have told me that they are no longer going to vote Conservative. This is probably why I was seeing so many glum faces on the Conservative Benches while the Chancellor was speaking, and that has been followed today by many of his party criticising his statement in their contributions, including the hon. Member for Dover (Mrs Elphicke), who has just spoken. Talk about a divided party!

This Budget fails to deliver not only for working families and people seeking accommodation, but for businesses. I think of the businesses I have met across Hounslow: pubs struggling with soaring energy costs, corner shops facing a crime spree, and manufacturers and exporters facing barriers to trading with Europe. This Budget offers them nothing—nothing on business rates, on improving trade or on skills. My constituents, taxpayers and users of public services as they are, assume that the Treasury understands basic economic concepts, including the concept that higher taxes for them mean more money for the Treasury and public services. Today, however, the Chancellor joked about coming late to discovering his inner Laffer curve, which means that raising some taxes sometimes results in less tax revenue. Is this why he is cancelling the alcohol duty

rise due next year, as he has been told that he has lost a couple of billion in tax revenue since last year's rise? That is a couple of billion that our public services desperately need. This is basic stuff; it is basic economics that is even covered in the GCSE economics syllabus.

My constituents, from Chiswick to Hounslow, deserve better than this Budget. This growing economic mess is what happens when a Government are obsessed with headlines, with the short-term win and with focusing on the politics rather than on the long-term investment that our economy needs. It is no wonder that we are trapped in recession, trapped with low growth, trapped with decimated public services and trapped with a weak economy. The tax burden on our constituents is higher. The cost of the weekly shop is higher. Rent, mortgages and energy costs are higher. Most people are worse off. After 14 years of Conservative rule, it is clear that my constituents and people across the country deserve better. It is time for change.

Ordered, That the debate be now adjourned.—(*Aaron Bell*.)

Debate to be resumed tomorrow.

Business without Debate

ESTIMATES (LIAISON COMMITTEE RECOMMENDATION)

Motion made, and Question put forthwith (Standing Order No. 145(3)),

That this House agrees with the Report of the Liaison Committee of 5 March:

That a day not later than 18 March be allotted for the consideration of the following Estimates for the financial year 2023–24: Department for Education, insofar as it relates to special educational needs and disabilities provision; and Home Office, insofar as it relates to asylum and migration.—(*Aaron Bell*.)

Question agreed to.

Dementia Care in Hospital

Motion made, and Question proposed, That this House do now adjourn.—(Aaron Bell.)

6.50 pm

Theresa Villiers (Chipping Barnet) (Con): My constituent Lisa Rutter is the founder of the charity Dementia Club UK, which hosts events in Barnet for people with dementia and their families, to provide support, advice and much-needed time out of the house to socialise with other people who are coping with similar life experiences. This work gives Lisa great insight into dementia care and the pressures on unpaid carers, and she asked me to meet a group of carers over Zoom to hear about their relatives' traumatic experiences when admitted to hospital. I found the meeting deeply disturbing, which is why I applied for this debate.

In the time available, I can only include brief points about each case. I cannot hope to convey the emotional impact of the stories as told by the carers themselves, and I cannot hope to get across their real distress and anger that their loved ones had been let down, but I hope to give the House an indication of the seriousness of the problem.

I will start with Lisa's own story. Her mother, Tasoulla Gavriel, was admitted to Barnet Hospital with covid in November 2020. Sadly, she died shortly afterwards. Tasoulla was a lovely lady, and I met her on a number of occasions. She was assessed by the hospital to be an eight on the Rockwood scale, meaning that she was viewed as severely frail and approaching the end of her life. Lisa believes that this diagnosis was entirely wrong. Her mother was sitting up and alert when admitted, and she did not have serious comorbidities, apart from advanced dementia, which meant she needed help with eating.

When Lisa was told by the hospital that her mother needed an oxygen mask, she asked for Mrs Gavriel to be put in hand mittens to prevent her from pulling off the mask and harming her treatment. The hospital refused, on the basis that this did not accord with hospital policy because it amounted to a deprivation of liberty. The hospital decided that it was neither proportionate nor in Mrs Gavriel's best interests for her to be given mittens. That is despite mittens being used when Mrs Gavriel had been admitted the previous year for a hip operation. Lisa sincerely believes that mittens could have saved her mother's life.

Another deeply distressing aspect of this case is that covid visitor restrictions meant that Lisa had only very limited time with her mother in hospital. I raised this in Parliament at the time, urging visitor restrictions to be eased for patients with dementia. I very much welcomed the subsequent introduction of greater flexibility for people to spend time with their loved ones in hospital. We must never again return to restrictions of the sort we saw during the pandemic.

Some of the group I spoke to did not want to be named, so I will simply refer to them as Carers 1 to 5. Unlike the others, Carer 1 is not a constituent and his experience does not relate to my local Barnet Hospital, but I do not want to leave him out. He emphasised how crucial it is that people with dementia continue to move and walk, if they are to stave off further loss of cognition, but he told me that staff at the hospital to which his

wife was admitted refused to help her to walk. Even more worrying, he had to intervene twice to prevent a nurse from giving her the wrong dose of medication. Had he not spotted the mistake, a potentially lethal dose could have been administered.

Richard Foord (Tiverton and Honiton) (LD): I congratulate the right hon. Lady on securing this significant debate, as dementia is going to affect so many people's lives in the coming decades, as more and more people are of retirement age. In Devon, the dementia specialist Jonathan Hanbury has suggested that we should place more funding and focus on community hospitals, community treatments and community services, so that people can keep their brain agile further upstream. He suggests that the NHS's focus on funding for acute hospital services and expensive drugs misses the value of prevention. Does the right hon. Lady agree?

Theresa Villiers: Those are very valid points. It is important to keep people out of hospital for as often as possible, but that is particularly the case with dementia patients, given the dislocation and insecurity that comes with moving them to a different environment. Measures to keep people healthier for longer and to deliver care via the primary care system rather than in acute hospitals are an important way to address some of the problems I am outlining.

Jim Shannon (Strangford) (DUP): I commend the right hon. Lady for raising this issue. Over the past couple of years, I have dealt with a number of incidents similar to the one she refers to. Does she agree that, for those with dementia and Alzheimer's, the emotional upheaval of being taken from a safe place where they feel comfortable can often lead to incredible distress, which can, in turn, result in aggressive behaviour? I know of one young nurse who had her arm broken in two places. It was not the patient's fault, as he was simply beside himself and could not let go of her. Does the right hon. Lady agree that there must be enough staff in place to ensure that one young nurse should not be left screaming in pain, with no one there to help her? Does she also agree that that patient deserves compassion and understanding for their outburst?

Theresa Villiers: The hon. Gentleman makes an important point. One problem that emerges from some of the cases I will talk about tonight is that disruptive behaviour by patients with dementia, including shouting, can often be just an attempt to communicate. It is vital that staff understand that. Of course, I agree that it is essential that we have sufficient numbers of staff to ensure that they can give appropriate attention to patients with dementia in these circumstances.

The father of Carer 2 died a month after being admitted to Barnet Hospital. This constituent reported that food and drink was often just left in a tray, with little apparent effort made by staff to feed her father. He was left all day in a chair or in bed, with no attempt made by the staff to encourage him to walk. He was not supported while in the toilet, and when that led to distressing and undignified consequences, including the soiling of his clothes and hands, he was not washed until the following day.

Carer 3 told me that her husband's condition deteriorated significantly during a stay in Barnet Hospital. Apparently, the nurses complained and said that he screamed all night. My constituent explained to them that that meant

[Theresa Villiers]

he wanted to get up to go to the loo but was prevented from doing so by the side bars on the bed. He was simply calling out for help. She often found food left untouched, yet no one seemed to note that her father had stopped eating. The catering staff just took the uneaten meals away. His medication was also stopped without his family being told, which led to a worsening of his symptoms and his anxiety.

Carer 4 told me about her partner, who has early onset Lewy body dementia and was admitted to Barnet Hospital in April 2022 after a fall. Apparently, until that point he was walking, climbing stairs and coping fairly well at home, albeit that he was a little wobbly on his feet. But the last time he ever walked was when he arrived at the Barnet accident and emergency department.

My constituent was initially restricted in visiting hours and had to fight to be allowed to stay in the hospital outside those times. She felt that the staff, especially some of the agency workers, did not understand her partner's care needs. She was given the number for the specialist dementia nurse covering the hospital trust, but the phone was never picked up, no matter how often she rang. During his stay in the hospital, her partner deteriorated far more quickly than he had before. He was kept in bed constantly and lost the ability to walk—he is only 55. At one point, after undergoing an MRI scan, he was left distressed and confused in a cold hospital corridor, wearing a hospital gown damp with urine after radiographers had removed incontinence Conveen equipment. After he got out of Barnet Hospital, he said he would never, ever go back, no matter the circumstances.

Carer 5 told me about her father, who was admitted to Barnet Hospital with pneumonia in November 2021. When an ambulance was sent to pick him up, he was able to walk downstairs without assistance and climb into the back. Throughout his stay, it was extremely difficult for my constituent to get to speak to any doctor or nurse about his care.

7 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Aaron Bell.)

Theresa Villiers: Carer 5 became increasingly desperate to take her father home as his condition deteriorated. He had always been meticulous about his personal hygiene, an old-style gentleman who always dressed in a shirt and tie, no matter what the occasion. After time in Barnet Hospital, he was unshaven and unkempt, and he stopped eating. It apparently took six months for him to return to something like his old self, but his appetite never returned to what it had been. He has since passed away.

Themes that emerged again and again in my discussions with this carers' group included: repeated difficulties in carers getting to speak to nurses or doctors about the care needs and health of loved ones; failure by staff to understand the care needs of people with dementia; failure to ensure patients ate and drank; and failure to keep patients mobile and walking. From what I heard from my constituents, it is clear that allowing extensive visitor access is crucial for patients with dementia, so

relatives can help communicate with staff and assist with feeding and care. As I said, we must never again tolerate the type of restrictions that were in place during covid. Communication by doctors and nurses to relatives must be improved as well.

The group asked that the NHS develops a much larger volunteer programme, training many more people to support dementia patients with eating and walking if they do not have family to help them. In addition, volunteers should be trained to advocate for dementia patients if they do not have relatives who are able to do that.

These cases show a need for a more in-depth and effective training programme for NHS staff on how to look after patients with dementia. I commend the training programme on understanding dementia that Barnet Council has commissioned my constituent, Lisa Rutter, to carry out and I urge local NHS services to consider taking part in that programme. We need to do as much as we possibly can to keep people healthier for longer, and ensure that when they get ill there is an option for treatment in the community, to keep as many people out of hospital as possible.

I want to emphasise that I appreciate the efforts being made by frontline NHS staff to care for and support people with dementia. I appreciate that, although there have been some serious failings in the cases I have referred to, thousands of people spend time in Barnet Hospital every year and receive the best quality care. I thank all the NHS workers who make that happen. I accept that there is currently great pressure on staff, as healthcare need continues to expand exponentially and the NHS undertakes the massive task of catching up after covid.

When I raised these cases with Barnet Hospital, it emphasised its commitment to ensuring that patients with dementia and their carers have the best experience possible. Staff told me they had set up a dementia service in 2016, managed by a dementia clinical nurse specialist. In 2023, the hospital apparently treated 356 patients, trained 1,598 members of staff and received some very positive feedback from patients and carers. In 2015, it was one of the first NHS trusts to sign up to John's campaign to ensure carers can visit patients with dementia at any time outside visiting hours, by prior arrangement with the ward manager.

The trust provides dementia training above the expectations set by NHS England, including mandatory tier 1 dementia awareness training on induction. Specialist dementia training is also provided for all volunteers. To support patients during meal times, a red tray system is in place: patients who need additional time, encouragement or assistance are identified and provided with a red tray.

In 2017, it launched a "Keep me moving" campaign, which focuses on keeping patients as active as possible while they are in hospital. There is a telephone line for carers and loved ones to contact dementia clinical nurse specialists.

Although I recognise the value of these measures, and I welcome all of them, I am afraid that the cases I have outlined indicate that they are simply not always delivering the intended results; they are not enough. I believe that the failures in these cases demonstrate that more must be done to ensure that dementia patients receive the best care possible and that they receive

dignified treatment at all times. I therefore hope that the management at Barnet Hospital will reflect carefully on the matters raised by my constituents, which I have set out this evening.

Care and support for people with dementia is one of the most important challenges of our generation. This is a task that is likely only to grow in scale when, in years to come, around one in three people born today are expected to develop dementia. We must ensure that every one of those people has access to high-quality health and social care. That means continuing to increase resources for the national health service, so that staff can give each patient the time and attention that they need.

In this financial year, the NHS resource budget is due to be £157.4 billion. It is due to reach £162.6 billion in 2024-25. I welcome the announcement this afternoon by the Chancellor of a further £5.85 billion. The total is far higher than ever before, meaning that the NHS has more hospital doctors and nurses than ever before and is delivering more appointments, tests, treatments and operations than ever before. But if we are to relieve pressure on the NHS and tackle waiting lists, and ensure that every patient gets the best care, we need to tackle delays in discharging people back into care settings in the community. To do that, it is essential that we fund local government to play its part. I welcome substantial increases in funding for social care over recent years, but the cost of social care continues to place real strain on council budgets.

If we are to have the care home places that we desperately need, care providers also need to be paid a rate by councils sufficient to provide the level of care needed by people with dementia. We also need a long-term strategy for the social care workforce to ensure that we train and recruit the people that we need to carry out these vital roles, and that we pay them appropriately given the importance of the job that they do.

Now that the Government's science and research budget is one of the biggest in the world, we must give high priority to dementia research to tackle this massive epidemic. Lecanemab and donanemab represent an incredible breakthrough; finally, there is a glimmer of hope. These are the first ever drugs shown to address the disease itself rather than just its symptoms. We must ensure that the NHS is ready to start delivering these treatments once final approvals are given. That will require a step change in testing capacity so that we identify people who can benefit from the drugs in time for them to have an effect.

As a society, we must do everything we can to support unpaid carers, including with respite care. According to the Alzheimer's Society, around 1.8 million people in England provide some form of care and support for friends or relatives with dementia. The overall value of those services provided amount probably to £12.2 billion.

I conclude this evening by paying tribute to every carer who looks after a loved one with dementia, including the six brave individuals who spoke to me about their experiences and prompted this debate today. They are all heroes to whom this country owes a huge debt of gratitude; they deserve our deepest thanks and our support.

7.9 pm

The Minister for Social Care (Helen Whately): I sincerely thank my right hon. Friend the Member for Chipping Barnet (Theresa Villiers) for securing this Adjournment debate, and for her powerful speech. She really brought the subject to life through the examples from her constituency of people's experiences in hospital. They were very difficult stories to hear, and I am very sorry to hear of times when it sounds like the care for people's loved ones has fallen short.

My right hon. Friend made some powerful points that I want to address, starting with the fact that, as she said, there are many thousands of people living with dementia, and the number is only expected to increase; indeed, there will be more than a million by 2025. Many people with dementia will also be living with other health conditions. At the moment, it is estimated that around a quarter of the beds in hospitals are being used by patients with dementia, so ensuring that people receive the right care when they are in hospital with dementia is really important, as is doing our utmost to avoid unnecessary admissions and ensuring that people are discharged from hospital on a timely basis.

It is really worth emphasising the point that my right hon. Friend made about dignity, and the fact that every single person counts, at whatever stage of their life. There are challenges to ensure that people living with dementia have that dignity, particularly when they are in hospital. I, too, pay tribute to the many unpaid carers who are looking after their loved ones with dementia. I know what a huge burden and challenge that can be. However much someone loves somebody, there is a huge demand on them when they are caring for somebody with dementia. It can be very difficult, very distressing and absolutely relentless, however much they love them. I pay tribute to all carers who are doing that.

My right hon. Friend spoke first about Lisa Rutter, who very sadly lost her mother, who was living with dementia, during the pandemic—in hospital, if I heard my right hon. Friend correctly. I thank Lisa Rutter for the work that she is doing as the founder of Dementia Club UK. It is fabulous to be supporting other people to look after loved ones with dementia, or indeed those with dementia themselves. My right hon. Friend talked about the time Lisa's mother spent in hospital, and how, for instance, Lisa knew what her mother needed but felt that she was not listened to, and that it may have contributed to her mother's death. My right hon. Friend also talked about the visiting restrictions during the pandemic. I will talk about those in a moment.

My right hon. Friend talked about another constituent, whose wife was in hospital. She rightly talked about the importance of mobilising somebody with dementia, and how her constituent's wife was nearly given the wrong medication, which could have been fatal. She spoke about the importance of his intervention. She also spoke about a constituent who was a carer for their father, and the importance of mobilisation, and some of the communication challenges for somebody with dementia.

My right hon. Friend talked about one person who had been screaming all night, as described by the staff. Actually, the family member who knew them understood that they were calling for help, as they needed to go to the toilet. That brings to life how difficult it can be when somebody has dementia and is not necessarily

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able to articulate their needs and what they want. Those who know them well will often know what they are trying to say or communicate, but that can be difficult in hospital when they may be being looked after by staff who simply do not know them well enough to know what they mean.

My right hon. Friend talked about food being left uneaten. If somebody is not eating in hospital, clearly they are likely to lose weight and their condition may deteriorate. She also talked about medication being stopped, and she talked particularly about somebody whose partner had early onset dementia, and had been coping fairly well at home. He walked into A&E, and that was very sadly the last time he walked. That emphasises the challenge of keeping people moving and maintaining their ability to be mobile during a hospital stay. She also described the fight to visit outside visiting hours.

I very much hear my right hon. Friend's asks on visitor access, volunteers being trained in dementia care, as well as staff training, and avoiding discharge delays, among other things. I will pick up on some of those.

First, on the challenge of caring for people with dementia when in hospital, many hospitals have worked hard to do better for patients with dementia, for example creating dementia-friendly environments by changing the colour and lay-out, ensuring that staff are trained in dementia, and having dementia leads and dementia-lead nurses, as well as having training for volunteers. Standard training in caring for people with dementia is available through NHS England for staff and volunteers.

Clearly, my right hon. Friend the Member for Chipping Barnet described examples where care fell short. I have no doubt that across the NHS, with the work already taking place, we can go further. I will raise the points that she made about secondary care with my colleague, the Minister for Health and Secondary Care, so that we can work together on ensuring that care is right in hospitals. He also has oversight of workforce, and we should focus on whether the training that I know is available is being taken up by enough staff, considering the number of people in hospital with dementia.

On visiting, my right hon. Friend spoke about a subject that is close to my heart. Having been involved in some of the decisions about social care visiting restrictions during the pandemic and knowing how hard those decisions were—weighing up the infection control concerns and ensuring people could spend time with loved ones—we have been putting in place changes to Care Quality Commission regulation to make visiting a fundamental right, a fundamental part of care and a fundamental standard of care to ensure better access for loved ones to their family members in care homes and in hospitals. I know in particular how important that is for people with dementia, among others. The CQC is consulting on the implementation of the regulatory change, which will be live shortly.¹ I believe we have taken a significant step to address concerns expressed about visiting.

Another thing my right hon. Friend spoke about was faster discharge. I am very alert to the risk of patients deconditioning in hospital, particularly patients with dementia. That is why over the past year or so, we have worked hard with the NHS to get better at identifying patients at greater risk of deconditioning, in particular

those with dementia, on their admission to hospital. We have done earlier discharge planning and have been getting care transfer hubs established all across the country, which will do the work on more complex discharges. Often someone with dementia may need more access to social care. We may need to increase the access to, availability and supply of social care, so that it is there for those who will need it when they leave hospital. We have made some real progress on that over the past year.

Jim Shannon: Will the Minister give way?

Helen Whately: I have very little time, so I am afraid I will not give way.

My right hon. Friend the Member for Chipping Barnet talked about the social care workforce, another subject close to my heart. We have a strategy for the care workforce. We are building care as a career, in particular to boost recruitment and retention among our home-grown workforce. We recently published the first ever national career structure for care workers, and we are launching a new national qualification to boost the supply of care workers.

Avoiding admission is another priority for me. Clearly, some people should be—absolutely must be—in hospital for the treatment they need, but we know that patients with dementia in particular can deteriorate in hospitals, so we are doing more work with the national health service and social care to avoid admission when it is not truly necessary by putting in place alternatives or, at the other end, supporting earlier discharge through the roll-out of the Hospital at Home initiative, or virtual wards, under which we committed to at least 10,000 hospital-at-home beds or equivalent as part of emergency care recovery plans. The NHS has over-delivered on that, so we now have more than 11,000 Hospital at Home beds, which help people who would otherwise be in hospital receiving acute care. They receive that care and are able to recuperate at home, avoiding the risk of a longer hospital stay and deconditioning.

My right hon. Friend talked about dementia research and the new treatments coming onstream. The Government have committed to doubling our investment in dementia research during this Parliament, and we are on track to do that with our dementia mission. We are also working very closely with NHS England to be ready for the breakthrough treatments lecanemab and donanemab coming onstream. I should be clear that we know very well—I have received clinical advice on this—that those treatments have quite significant side effects, so they will not be suitable for everybody and I put a note of caution there. We are waiting to hear whether they are approved by the Medicines and Healthcare products Regulatory Agency and the National Institute for Health and Care Excellence. In the event of approval, NHS England is taking steps to be ready to put in place the levels of diagnosis required to be able to support those treatments.

That goes hand in hand with the work that we are doing with NHS England to improve the diagnosis rate for dementia. We have a target dementia diagnosis rate of 66.7%. That dropped during the pandemic because dementia services and assessment had to be closed, but it has been gradually building up, and I expect NHS England to get back up to that level during the course of this year. That is really important, because having a

1. [Official Report, 12 March 2024, Vol. 747, c. 6MC.] (Correction)

diagnosis helps people—the individual with dementia and their carers, for example—to access the support and back-up that they should be receiving.

I am conscious of the clock ticking, so I have tried cover some of the territory that my right hon. Friend set out in her speech, which I thought was very powerful in raising these significant issues for those with dementia receiving care in hospital, their carers and loved ones. I completely agree about the importance of dignified treatment and treating those with dementia with dignity at all times. I know that that can be particularly challenging in hospital, but we have to ensure that that is the case.

We will ensure that we get all the necessary care in place outside hospital, which avoids unnecessary admissions; support people to be discharged from hospital quicker; get ready for the arrival of new dementia treatments; and raise awareness about the significant proportion of dementia cases that can be prevented or at least delayed

by looking after our health. In fact, the risk factors for dementia are similar to those for heart disease and other things, and there is relatively low awareness of that. We will see more people with dementia in the years ahead, but we can do more to raise awareness of how people can maintain their health and stave it off.

Richard Foord: Will the Minister give way?

Helen Whately: I am just coming to a close.

I thank my right hon. Friend for securing the debate. I will continue my work to pursue the topics that we have discussed this evening.

Question put and agreed to.

7.23 pm

House adjourned.

Westminster Hall

Wednesday 6 March 2024

[IAN PAISLEY *in the Chair*]

Energy Rebates: Highlands and Islands

9.30 am

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I beg to move,

That this House has considered the introduction of energy rebates for Highlands and Islands.

It is a pleasure to serve under your chairmanship, Mr Paisley. Before I start the debate, may I thank the Minister for taking time out to see me prior to this debate? Engaging beforehand is a refreshing departure from how many of her Government colleagues work, so I thank her for the way in which she goes about her business. We will see, of course, whether she can agree to the change that is so desperately needed.

Let us get something straight from the beginning. Energy policy is 100% reserved to the UK Government. I will come later to the actions of the Scottish Government on the cost of living and our attempts to mitigate UK Government harms, but let us be clear that the issue we are discussing today lies squarely at the feet of the UK Government and the regulator Ofgem.

The energy market in its current form is completely broken. Along with colleagues, I have called for urgent changes to the whole system and urgent support for those in need, the reintroduction of a £400 energy bill rebate, for regressive standing charges to be abolished, and for the Chancellor to honour his pledge to open a consultation on the social tariff. Today's debate, however, is about a specific action for the people of the highlands and islands, who are uniquely disadvantaged, and a workable solution for them. I will underline how the people of the highlands and islands have been neglected by both the regulator and the UK Government, how energy injustice has not levelled up but rapidly increased, why now is the time to fix it and, of course, how the Government can do that.

Part of the problem in preparing for a debate such as this is that the message is so straightforward and the injustice so clear and unarguable that it feels almost surreal. How has the problem been allowed to get to where it is and why has it not already been fixed? Of course, the highlands and islands are largely rural, almost entirely off the gas grid and so rely on higher electricity use, fuel oil and liquefied petroleum gas. It is much more expensive than for the majority across the nations of the UK who are on the gas grid. We have a colder climate, sometimes spectacularly so. As a result, we use more units of electricity and pay more than the UK average, with higher electricity bills just to get through the days. More of our people—around a third—are in fuel poverty and a fifth are in extreme fuel poverty, by far the highest across the nations of the UK. We might think that those facts alone would have spurred any Government with a spare ounce of conscience to look at meaningful interventions to help, but that has not happened.

Fuel poverty is a major driver of actual poverty. When the time comes when you cannot switch the heating on—a lived experience for many—other problems click in. Some people are already barely eating due to the punishing cost of living and simply try to endure the cold. Some go to more extreme measures, as we know, such as self-disconnection. That has depressingly obvious consequences.

As the medical journal *The Lancet* pointed out, when people can no longer heat their homes their mental health deteriorates significantly. The odds of their reporting depression, anxiety or hypertension increases by around 50%, as does the risk of suicide. Children in cold homes are at increased risk of asthma attacks and respiratory infections. As the temperature drops and the circulation of viruses increases, immunity is impaired. Absolutely avoidable public health dereliction continues while that remains unaddressed. We might think that any Government with the power to do so and any shred of decency would act in those circumstances, but instead things have been allowed to get worse.

We have long been arguing these points, but the kick in the teeth for the people in the highlands and islands is the standing charge for electricity, which is a pernicious beast for those suffering fuel poverty because it applies every single day, warm or cold, whether the heating is on or off. The consumer cannot control it; there are no measures they can take. What have the UK Government allowed Ofgem, the regulator, to do across the highlands and islands? People were already paying 40% more for their standing charge than those living here in London, yet the Government have let Ofgem increase it to 50% more. According to Yourweather.co.uk, the mean daily temperature in London—the warmest city in the UK—is 16°C; in Skye, it is 9°C. How can that be fair? Surely any Government with the power to do something about that and with a shred of decency would do so.

If that were not unfair enough, think about this: the families across the highlands and islands who suffer these unfair charges, which lead to fuel poverty and even extreme fuel poverty—those who are terrified of the envelope containing the bill when they turn their heating on and try to feed and warm their kids—are sitting in the middle of energy wealth that is much, much greater than their needs, and they get none of it paid back to them. They can see the infrastructure all around them. Renewable energy generates at least six times more than the electricity they use—the figure is higher than that, but let us go on the low side. The rest is exported to the grid, only to be sold back to them at the cost I have described. It is immoral.

The UK Government have the power to do something about it and must make amends for that grossly unfair situation. The Minister will say that her hands are tied because Ofgem makes these decisions, and Ofgem will say that its hands are tied because it needs instruction from the Government. I do not believe anybody suffering those conditions in the highlands and islands will take that argument from the Minister when we hear it. Perhaps she will adjust her notes before we get to that point—we will see.

The Scottish Government have been doing what they can to mitigate Westminster policies that increase poverty in the highlands and islands, although they should not have to. They have been paying the bedroom tax, for example, so our people do not have to. They have

[Drew Hendry]

supported children through the Scottish child payment and put money in place to fund a council tax freeze, but they do not have power over energy: the UK Government do. That is the same UK Government who introduced the two-child limit and the rape clause, cut universal credit by £20 a week, and reduced funding for public services in the last autumn statement by £19 billion, severely restricting devolved government and local authority support.

I started by praising the Minister for her engagement with me prior to the debate, and she told me that she would like some figures, so I have some for her. Northern Scotland, as it is called under Ofgem, pays more for both standing charges and unit rates than the UK average—60.1p and 24.5p respectively. Currently, northern Scotland's standing charge cost is 59.38p, roughly 50% higher than London. Energy usage in the highlands and islands averages over 4,400 kW per household, compared with about 3,000 kW in London. Some 62% of the properties in the highlands and islands are not connected to the gas grid, resulting in higher heating costs per household. On current rates, April to June 2024, the daily standing charge direct debit single rate for electricity is 61.1p in northern Scotland and 40.79p in London and the daily standing charge's direct debit multi-rate is 62.25p for northern Scotland and 40.75p for London.

The 2021 rates of fuel poverty are thought to be underestimates because of covid restrictions, and the Commons Library uses 2017 to 2019 aggregates. The highlands and islands region has the highest levels of fuel poverty and extreme fuel poverty in the UK. It is 39.8%—some 5,000 households—in Na h-Eileanan Siar, with 24.3% in extreme poverty; 32.9% of households in the highlands, with 21.5% in extreme poverty; 32.2% of households in Argyll and Bute, with 19% in extreme poverty; 31.6% of households in Moray, with 18.5% in extreme poverty; 30.9% of households in the Shetland Islands, with 22% in extreme poverty; and 30.5% of households in the Orkney Islands, with 22% in extreme poverty.

I expect the Minister will point to the hydro benefit replacement scheme as helping to balance the situation. Knowing that she will have done her research, I think she knows that that is a poor substitute, and an excuse for years of inactivity. A Department for Business, Energy and Industrial Strategy report of 2022 notes that the HBRs

“does not (and never could) provide an efficient or effective way of providing targeted support to specific groups of vulnerable consumers within a region.”

However, in its own unique and inadequate way, it points to a solution, along with another precedent that has come up recently and could be adopted, which I will come to shortly.

The HBRs was established in the 1940s to compensate for the small hydro dams, and it took current form in 2005 under the Energy Act 2004. As it stands, it falls woefully short of the meaningful intervention required. In 2022, the Highlands and Islands Housing Associations affordable warmth group highlighted the £60 per annum discount is only “adding insult to injury” to regional energy costs.

When someone is paying much more than the rest, that does not really make a difference, in an area that is producing much more electricity than it could ever use.

In 2022, Scotland was already producing the equivalent of 113% of Scotland's overall electricity consumption from renewable technologies, a 26 percentage point increase on 2021. As I said earlier, I am certain that figure is on the low side.

The highlands produces enough energy through electricity to power six times more homes than there are in the highlands. The highlands produced a total of 7.2 million MW of energy, with 4 million MW from onshore wind and almost 3 million MW from hydro power. Argyll and Bute produced 1.3 million MW of energy from renewable sources. The Highland Council area comprises only 0.36% of the UK total population, yet the area produces 5.5% of the 49.7 GW UK-installed capacity for renewables, 43% of the UK's installed hydro capacity and 13% of the UK's installed onshore wind capacity.

With those regions playing a crucial role in providing the rest of the UK with cheap energy, it is surely only right that they should start to get some benefit from cheaper energy prices, yet they are not. The HBRs could and should be converted into something more meaningful. In his autumn statement, the Chancellor offered the solution. Why not introduce a meaningful rate based on compensating the highlands and islands contributions? He said he would introduce a rebate of up to £1,000 a year for up to 10 years for people living next to planned new energy generation infrastructure. That is very laudable. If it works for those living next to new generation equipment, how about those living among existing generation equipment?

That rebate would redistribute the wealth being generated in the highlands and islands among the communities, enabling them to reap benefits from what is produced there. That would offer several benefits, such as reduced energy costs for those facing higher than average per unit costs, alleviating the financial pressure that that places on households. It would empower communities by allowing them to reap the benefits of what their communities produce, and it would boost economic growth by alleviating the pressure on households from energy costs.

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The hon. Member is making an excellent speech, which strikes a chord with anyone who knows and works for the highlands. There is another benefit, I think. During the pandemic, the recovery of anyone suffering from covid was assisted by being kept warm. I believe that a warm household goes a very long way towards disease prevention. It is arguable that one of the benefits of getting this right would be the health of people in the highlands, which would lead to fewer days off work and greater economic productivity, and that can only be good for the economy of the highlands.

Drew Hendry: I thank the hon. Member for his intervention. He will not be surprised to hear that I agree; indeed, I mentioned earlier in my speech that *The Lancet* has reported on the health outcomes of having a house that is too cold. One of them is the fact that immunity drops, and people's resistance to picking up infections actually decreases due to those circumstances. There are particular effects on children and their ability to develop. The hon. Member makes the good point that this is an issue of not only lost work days, but lost ability for people to operate in their

communities and have a general sense of wellbeing. He was absolutely right to highlight that point, and I thank him for that.

The hon. Member talked about economic growth. As I said, a highland energy rebate would boost economic growth by alleviating the pressure on households from energy costs, allowing them some money to try to get through the cost of living and to spend elsewhere. Let us see some justice for, and amends made to, those suffering in fuel poverty who are generating and exporting power for others across the nations of the UK. The highlands and islands produce almost 6% of UK energy while having about 0.4% of the population. Why do we not benefit further from that? We pay higher than average bills, face higher costs due to the climate and have higher rates of fuel poverty and extreme fuel poverty, yet we live in an energy-rich region.

Even the UK Government's own report, the BEIS review scheme of 2022, describes how the hydro benefit replacement scheme does not provide efficient or effective support for vulnerable consumers in specific regions. The scheme introduced by the Chancellor that will give rebates to those living near new energy infrastructure up to the tune of £10,000 over 10 years is laudable, so why can a scheme not be put in place for those living near to existing renewable infrastructure? It is time for the people of the highlands and islands to be treated fairly, for fuel poverty to end, and for the contribution of those people to the billions that is generated for the Treasury on their doorsteps to be recognised. It is time for a highland energy rebate.

Several hon. Members *rose—*

Ian Paisley (in the Chair): I thank Members for bobbing. That helps me considerably.

9.47 am

Mr Alistair Carmichael (Orkney and Shetland) (LD): It is a pleasure to serve with you in the Chair, Mr Paisley. I warmly congratulate the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) on acquiring this time for a debate on a subject that matters to his constituents, my constituents and the constituents of my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) and the right hon. Member for Ross, Skye and Lochaber (Ian Blackford).

As the hon. Member for Inverness, Nairn, Badenoch and Strathspey said, this issue goes right across the highlands and islands, where we have longer, darker and colder winters. We have more houses that are older and therefore more difficult to insulate and heat, and we have virtually no access to the gas grid. Those things all contribute to the perfect storm that he rightly outlined, which is the exceptionally high incidence of fuel poverty. I know that because one of the less laudable claims to fame that the northern isles have, along with the Western Isles—Na h-Eileanan an Iar—is higher rates of fuel poverty than anywhere else in the country.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Much is often said about the colder temperatures and dark winters that we have in the highlands. However, we also need to give consideration to the fact that it is about not just temperature, but about the driving wind and rain that make it feel colder. There are times when

the rain is horizontal, certainly in places such as the Isle of Skye and others. Let us remember that these communities are often very isolated. We are talking about single homes. Little protection is provided, so the impact of bad, cold, windy or wet weather on these communities is enormous, which just increases the need to have the heating on to give some protection from the climate.

Mr Carmichael: The right hon. Gentleman is absolutely right. We have to be a little careful about how we describe that to people in other parts of the world: doubtless, in a week or two, we will all be back here telling everybody they should come and have their holidays in the highlands and islands. However, we are by no means unfamiliar with the phenomenon of the rain that comes straight at you. Certainly, it is always the surest sign of somebody who has just recently moved to Orkney or Shetland, or who is visiting, that on a rainy day they go out with an umbrella, which is a spectacularly useless piece of equipment in the communities that we are blessed to call home.

The hon. Member for Inverness, Nairn, Badenoch and Strathspey brings us the interesting and constructive proposal of a standing charge rebate. When it comes to the question of energy costs, I have long taken the view that every little helps. Frankly, it does not really matter whether it is a silver bullet: when families are facing the choice not of heating or eating but of starving or freezing, which might be a better characterisation of the situation in the highlands and islands, if there is some benefit to be had, we should take it. That was the view I took on the alternative fuel payment brought forward by the Government last year: it helped a bit, and a bit of help is better than nothing.

The hon. Member for Inverness, Nairn, Badenoch and Strathspey would probably agree that standing charges are a small part of the equation when it comes to the question of energy costs and the actual cost involved in heating people's homes. The unit price is where the real action is to be found, and it is there that I would like to focus some attention, not least because I understand that Ofgem is carrying out a consultation on a social tariff. That is an interesting idea, and one that I think would command a fair degree of support across the whole House. I therefore hope Ofgem gets on with it—and quickly. Within that social tariff, there surely has to be some mechanism for geographical variation, because social is not just on the basis of income. It has to bring in other factors as well, such as the fact that we live in places that have longer, darker and colder winters.

Drew Hendry: The right hon. Gentleman is right to talk about this as being part of a wider package. I secured the debate today to be specific about the need for a highland energy rebate, but that does not negate the sense of what he says about the collective impact. With the social tariff, the highland energy rebate scheme might give an opportunity to put that geographical difference into the mix, in order to achieve the right hon. Gentleman's aim.

Mr Carmichael: The Shetland Islands Council has promoted the idea of a Shetland tariff for years. I understand what the hon. Member says about seeing the energy development; that is something we have lived

[Mr Carmichael]

with in Shetland and Orkney for the past 50 years, as we have kept the rest of the country supplied with hydrocarbons. We have had some significant benefit, but nothing compared with what we could have had. Yes, there are opportunities here. The real fight comes with the energy unit cost, but in the meantime, if we can do something with standing charges, we should.

I am a wee bit disappointed that we do not have a better turnout for this debate. It seems to me that the hon. Member for Inverness, Nairn, Badenoch and Strathspey has drawn our attention to something that is really severe for the highlands and islands, but not only there. The hon. Gentleman referred to the disparities between a standing charge in London and in the highlands and islands, or in northern Scotland, which is probably the same thing. For somebody in London paying their bill by direct debit, the current standing charge is 38.5p per day, against the northern Scotland figure, which is 59.38p per day, and the southern Scotland figure, which is 62.08p per day. That is utterly random. I am sure that very clever and complicated sums were done to get those figures, but they have produced what we in the highlands and islands, and elsewhere in Scotland, would probably call mince. If ever there was an illustration that the regulation of the energy market has gone fundamentally wrong and requires root-and-branch reform, that is surely it. In north Wales and Mersey, the rate per day is 62.21p, which is even higher than in the highlands and islands and southern Scotland. People in north Wales and Mersey pay 29.57p per unit, compared with 28.48p in the north of Scotland and 28.16p in southern Scotland.

When we drill down into the figures and the regulation of the market, the other injustice is the rate charged to people on prepayment meters, who by definition are under the greatest financial pressure in relation to energy. The rate charged in the highlands and islands is 62.3p per day in standing charges and 27.19p per kilowatt-hour. If people in the north of Scotland pay by direct debit—I do, and I suspect everybody else in the room does—they pay 59.38p per day, whereas somebody who has to rely on a prepayment meter pays 66.23p per day. In what universe is that a sensible and fair system?

Jamie Stone: My right hon. Friend is making an excellent speech. He talks about an injustice. When the national health service was set up, people who lived in Lerwick, Tain, Paisley or Bristol had the same right to see a doctor and to get an antibiotic or treatment to make them well; the situation that he describes flies in the face of the notion of fairness, which is important to our democracy.

Mr Carmichael: My hon. Friend makes an important point. Like the hon. Member for Inverness, Nairn, Badenoch and Strathspey, my hon. Friend touched earlier on the health aspects of energy costs, which not only impact the family budget for heating the house but have a much wider application. As the hon. Member for Inverness, Nairn, Badenoch and Strathspey said, they impact mental health, and have serious impacts on those who are elderly and so more vulnerable to the cold and on those who have physical health conditions. For those people, the choice between heating and eating

actually becomes less difficult, but only in a bad way: they have no choice. Their medical condition means that they have to give priority to heating.

The fact that we are now so far from the idea of a universal, standard price for energy across the whole country shows just how badly wrong the regulation of the market has gone. As the hon. Member for Inverness, Nairn, Badenoch and Strathspey said, responsibility lies at Ofgem's door. I wish we could see more proactivity from Ofgem, which had to be taken kicking and screaming to get to the point of consulting on a social tariff. If the Minister could instruct it to look at the issue and achieve meaningful change, she would be doing some genuinely good work.

In conclusion, I congratulate the hon. Member on focusing our attention on the question of standing charges. The situation is bad for the highlands and islands, and it seems even worse for other parts of the country, although they might not be as heavily dependent on heat in the winter as we are.

Of course, I could not sit down without making brief reference to the fact that, for many in our constituencies, the real cost of heating their houses comes from the cost of using heating oil, as that is the only way that they can. There are no standing charges for that, and it is much more difficult to get money into the pockets of people who rely on it. That is baked into the system, and it will not be fixed easily.

Drew Hendry: I realise that the right hon. Gentleman is concluding his speech, but it is important to point out that this is an issue that I and others, and possibly even himself, have raised in the past. Ofgem has been delinquent in not regulating for those off the gas grid as well. We need to appreciate those who are reliant on LPG and fuel oil because they need protection as well. Again, when they are using fuel oil and LPG, they also tend to use more electricity, which brings us back to the main thrust of the debate. I thank the right hon. Gentleman for his patience.

Mr Carmichael: I am grateful to the hon. Gentleman; as one would expect, there is not a great deal of difference. The one thing I would start with, if I were in Ofgem, would be multi-rate meters, such as Economy 7 and "Total Heating with Total Control", which many of our constituents use. The standing charges on those are 69.32p per day in northern Scotland and 69.17p in southern Scotland. Again, we see the disparity. That is one standing charge where direct action could have a direct impact on the highlands and islands.

I await with interest what the Minister has to say. I share the experience of the hon. Member for Inverness, Nairn, Badenoch and Strathspey; the Minister is thoughtful and prepared to engage. I hope that, having had this brought to her attention, she will use her offices to ensure that, going ahead, the highlands and islands, as well as those who are fuel poor in England, Wales, Northern Ireland and indeed southern Scotland, will not be given this rather shoddy treatment.

10.2 am

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is a pleasure to serve under your chairmanship, Mr Paisley. I thank my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) for securing this important debate and for his contribution

on the absolutely urgent need to get recompense for those who live in the highlands and islands. I also thank the right hon. Member for Orkney and Shetland (Mr Carmichael) for his remarks.

If I may, let me put this in a slightly broader context. We stand on the cusp of an energy production revolution. David Skilling, in his 2022 report, “The Economic Opportunity for Scotland from Renewable Energy & Green Technology”, talks of a potentially fivefold increase in green energy production from the current 12 GW to 80 GW by 2050, transforming the landscape in Scotland, and of course the economic opportunity there for investment and jobs as well. Scotland is therefore playing its part through green energy production, and we must also play our part to deliver on climate change and net zero. An energy-rich Scotland could be the powerhouse of green energy production, with the highlands and islands a key driver in increased onshore and offshore production, and a green energy bonanza driving investment and financial returns for investors, who will benefit from what are, after all, our natural resources.

However, there has to be fairness, and there has to be equity for those who live in the highlands and islands. There is an expression, spoken originally in Gaelic for many generations of Gaels: you do not own the land; you belong to the land. There is sense of responsibility that comes from that to look after the land, to protect it, and to use opportunities wisely. That the highlands and islands is a source of green energy production is something we can take pride in. But what does that mean for those who live there? As has been outlined, the harsh reality is that so many in the highlands and islands are living in fuel poverty. People who live in the region can see the energy production and the transmission lines exporting energy while too many are facing fuel poverty. That is a disgrace.

Let us examine the facts. Even before the cost of energy spiralled over the last two years, too many households in the highlands and islands were already living in fuel poverty. In 2022, it was estimated that 31% of Scottish households were in fuel poverty, with an extraordinary 18.5% already in extreme fuel poverty. That was before the energy price increases we have seen over the last couple of years. The fuel poverty rate of rural households was 35%, and for remote rural areas it was a staggering 47%—nearly half of all households in the rural parts of the highlands and islands living in fuel poverty. We are supposed to be a civilised society. Compassion is supposed to be at our core. How can that be right? How can we tolerate so many of our citizens living in fuel poverty?

My constituency is largely a remote rural constituency. We have talked about the impact of weather—not just temperature, but the wind and the rain. Think about that. Yes, of course we can enjoy, and we encourage people to come and visit, our beautiful areas in the summer, but think about having to endure a highland winter—that driving wind and rain. Many people simply cannot afford to turn the heating on, given the costs that they face.

Let us not forget that much of this is a political choice. Much has been said about the standing charge, and since 2022 it has increased by 138% in Scotland. How on earth can the Government—how could anyone—justify such an increase at a time when so many people

are suffering from the cost of living? How can anyone look my constituents in the eye and tell them it is right that we should be increasing the standing charge by 138%?

Today, we have the Budget, and the Tories are fixating on tax cuts. Tax cuts—my goodness. I’ll tell you what people in the highlands and islands want: they want help with their energy bills. They want the ability to turn the heating on. They want the ability to put food on the table. What a distraction this Tory fixation on tax cuts is. Let us deal with the fundamentals.

Going back to what has happened with the standing charge, let us be clear that consumers are being ripped off in the middle of a cost of living crisis by a policy decision that heaps costs on those who face difficult choices, such as whether they can turn their heating on. Of course, whether people can turn their heating on or not, they still have to pay the standing charge. They still have to pay that daily bill. Where is the fairness? Where is the equity? Not only that, but we get penalised in the highlands and islands by higher transmission and distribution charges. That is, after all, a financial penalty imposed on people who live in the highlands and islands by this Government. That is what it is—no ifs, no buts. It is a charge for living in the area in which many people were brought up. Yet, when those living in houses there are having to consider whether to put the heating on, they can look out their windows and see the wind turbines and transmission lines. What kind of country do we live in that we allow that to happen?

As my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey mentioned, the vast Highland Council area has 0.36% of the UK’s population, yet we produce 5.5% of the UK’s installed capacity for renewable energy. Where is the direct benefit for communities producing energy that the rest of us, in other parts of the United Kingdom, benefit from? Why is it not mandatory in legislation for compensation to be paid by producers to local communities, from whom they need consent to produce that energy? It comes back to that point: you do not own the land; you belong to the land. There ought to be a commitment written into legislation that the communities affected by that should benefit from it. Why is it not mandatory for the transmission companies to recognise the rights of communities to compensation for transmission rights? I want companies to invest in the highlands and islands and for those companies that come and invest to prosper and be a part of our future. I want the highlands and islands to be at the forefront of green energy production. I want investment in green energy to lead to a green industrial renaissance for the highlands, but I want fairness for our communities.

The Chancellor has talked about those living near transmission lines benefiting from up to £1,000 off their energy bills for a decade. Why has that not yet happened? That much-needed investment in the national grid to meet the increase in energy production is with us now. It is very much a live issue in the constituency that I represent. To a greater extent, Scottish and Southern Energy is at the forefront of much of that investment. I stress that we should all work with companies such as SSE, which I know shares a vision of a just energy transition for the highlands and islands. I want to see that economic renaissance in the highlands, and I recognise the scale of investment that SSE will be making over the coming years in transmission and production, not least in the

[*Ian Blackford*]

Coire Glas pump storage scheme. There is, in essence, a £20 billion investment programme for the north of Scotland, and it is important that we ensure the legacy for jobs and wider infrastructural improvements. That is £20 billion just from SSE. We should think about that and about what should be a modest—because that is all we are asking for—community benefit.

To expand on Coire Glas, there will likely be 500 full-time jobs in its construction. That will require housing for the workforce. It is vital that such projects have a lasting legacy and investment in housing, which is critical for the future of the highlands, linking what happens in energy policy to our industrial development and the need for homes. We also need that offer of financial compensation right now for our communities. If we can greenlight that much-needed investment, where is the benefit for those affected and, as my hon. Friend said, the recompense for those who have existing transmission lines?

Drew Hendry: My right hon. Friend is making a clear point about the fact that, as generation is happening, the people of the highlands and islands are losing out. As I underlined in my speech, it is a direct slap in the face when we look at what they have to endure. There is also the matter of the electricity generator levy, which is deducted from those generating electricity in the highlands and goes straight to the Treasury. That is another fund that could be used to pay some of that money back to the people generating it.

Ian Blackford: My hon. Friend makes an important and fair point. In my constituency and home island of the Isle of Skye, a number of planning applications are coming forward. Of course, there is always a range of views on these things across all our communities, but if I look back over the past few years and, indeed, at the debate taking place today, on balance, people are generally favourably disposed towards those developments. They understand the importance of getting to net zero. My goodness, the communities that we all represent feel the impact of climate change—we can see it. There has to be that fairness, and the fact is that so many people are living in fuel poverty—the 47% of households that I referred to that live in rural areas. I see it when I am out and about.

If we think about us here in London going about our jobs, many people are dressed, as we are, in their working garb—suits or whatever it might be—but when we see people in remote rural areas, they often work outdoors, in the fishing industry or as crofters or farmers. It is largely an outdoor life, so people wear layers of clothes. They need those layers because of the climate they face outside, but—here is the “but”—in too many cases, they are still wearing those layers when they come back inside because they simply cannot afford the heating. That is the reality. When we give our consent—because it is about our consent—to that increase in energy production, where is the benefit?

I mentioned the increase in energy production that we will see in Scotland between now and 2050. We welcome it, but how can we have our people living in fuel poverty? How can we accept that? Where is the fairness? We are being charged higher transmission costs to transmit that energy into the grid, and being

charged again to get the energy back. That energy is produced in our communities. Can somebody explain where the fairness is in that? How does that look for those living in these communities?

Jamie Stone: None of us should be under any illusion; the fact that so few of us are here today does not reflect or minimise the nature of the problem. It is fundamentally unfair that many other aspects of government would command a higher attendance of Members. There is something basically wrong here. Part of the UK is being ripped off when it comes to energy.

When the Chancellor and his civil servants were drawing up the Budget, I am sure they took into account what was fair, what was right and what was not, but has this issue been factored in? We await today with interest. It is apposite that the debate is precisely at this hour, because shortly we will know whether the Chancellor cares about a fundamental unfairness or not.

Ian Blackford: I thank the hon. Member, my constituency neighbour, for that contribution. I agree with the sentiment; it is a pity that more Members are not present. Having said that, the Members who represent the four most northerly constituencies are here. We four represent the communities most exposed to this issue. We have four of the most rural constituencies in the whole United Kingdom, although we could add Na h-Eileanan an Iar or Argyll and Bute to that. It is our constituents who are feeling this. It is our constituents in the main who are facing fuel poverty to such an extent. I wonder whether those in government actually recognise what it is like to live in those communities and face the kind of pressures that we face.

I have talked about the community benefiting from transmission, but it is important that the community should benefit from production as well. Again, those on the production side are encouraged to engage in community benefit, but we simply cannot leave it to the developers to determine community benefit at a whim. It must be mandatory. It must be in legislation. The highlands and islands produce enough energy to power nearly six times as many homes as there are in the highlands, even before the scale investment that we are talking about. Of course, being a windy and wet region makes us an attractive option for developers, but there must be payback for communities.

In the highlands and islands, we are exposed to the effects of climate change. In general, it is an outdoor lifestyle. Crofting and fishing still provide the backbone to economic activity, and those exposed to such activities are exposed to what climate change is bringing. Anyone who has engaged in crofting can say how difficult it is over the winter months with, from personal experience, crofters increasingly sinking into the mud because it is just so relentlessly wet. That is the effect that climate change is having on us.

It is therefore unsurprising that, in general, those who live in such places as Ross, Skye and Lochaber support green energy initiatives, but there is an increasing concern that rising production produces little direct benefit for communities for that right to produce. That is why we have a broken UK energy market. Let us not forget that the increase in pricing over the last two years is largely because electricity prices are tied to gas prices. However, we have talked about the fact that in the main, people

who live in the highlands and islands are off grid. We do not consume gas as part of our energy mix, yet highlanders are paying the price for others' dependence on gas.

It is simply unfair that Scotland, which produces enough affordable renewable energy for all domestic consumption, must pay higher prices because other parts of the United Kingdom are more reliant on more expensive gas. In energy-rich Scotland, consumers are in fuel poverty because of the broken UK energy market. Those in Scotland are paying a price for being in the United Kingdom—so much for the broad shoulders of the United Kingdom; so much for the “Union dividend”. There is no Union dividend; it is a financial penalty, and we in Scotland all pay the price. To put that in a wider context, the value in today's prices of tax from North sea oil to the UK Exchequer is more than £400 billion. Our legacy from the bounty of North sea oil has been squandered, and we have now been locked out of the benefit of Scotland's green energy production.

The phrase “Scotland has the energy, but we don't have the power” is often used. It is an absolute scandal that we produce the energy and yet so many of our people are living in fuel poverty. That is the price of Westminster's control of Scotland's natural resources: highlanders and islanders suffering fuel poverty from a broken energy market. The blame lies fairly and squarely in this place, and its inability to act in the appropriate manner to defend the interests of our constituents.

10.21 am

Kerry McCarthy (Bristol East) (Lab): It is a pleasure, as always, to see you in the Chair, Mr Paisley. I thank the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) for bringing forward this debate, as well as all four Members who have taken part and highlighted the specific circumstances that mean fuel poverty is even more of an issue in their constituencies than in the rest of the UK.

We know that overall the average fuel poverty gap increased by 66% between 2020 and 2023. We know that 3 million people are in debt to their energy providers. We know that the Government are struggling to roll out their home insulation scheme; we saw figures the other day showing that in the first eight months of the Great British insulation scheme, only 2,900 houses had benefited from measures meant to benefit 300,000.

Obviously, in areas such as the ones represented by the Members present, home insulation is even more of a challenge. That is partly because of the nature of the homes—they are older buildings that are difficult to retrofit—but also because there is a much smaller retrofit-skills market. The scattered nature of the housing and its isolation means that the economies of scale from rolling out an insulation scheme would be far more difficult to implement. Unless local skills and finance can be mobilised, the areas are unlikely to be first in the queue to benefit from national schemes.

All Members in this debate have spoken eloquently, partly about the conditions that mean that fuel poverty is more of an issue: the longer darker nights, the cold, and the rain that “comes straight at you”, as the right hon. Member for Orkney and Shetland (Mr Carmichael) described. The hon. Member for Inverness, Nairn, Badenoch and Strathspey said that a third of people are living in fuel poverty, and a fifth of people are living in extreme poverty.

One of the things that I am grappling with is the debate about prepayment meters. We know about forced disconnection, when people simply cannot afford to carry on paying for their electricity. What is more difficult to ascertain is the extent to which people, while not going to those extremes, are living in very cold conditions because they have cut back on paying bills. We know that when there is energy bill support, and when prices come down, their energy use will go up, which implies that they were using less energy than they needed to keep themselves warm. A point was made about the impact on the health of children, older people and people with disabilities. People with disabilities have higher energy costs.

Drew Hendry: I am grateful to the hon. Member for underlining that there are big impacts on health, as well as the point that where there is a rebate and some funding to help people, it has a measurable impact. The whole point of the proposal on the highland energy rebate is to put that in place. It is an excellent point to underline and I am grateful that she has brought it to the table.

Kerry McCarthy: I would say that we do need to look at this in the round. Hopefully, the Minister will enlighten us a bit more, but Ofgem did a call for input on standing charges, which I think closed at the end of January. As far as I know, the outcome has not yet been published, but I think that it is for the Minister to give us some more details about the balance between standing charges, unit prices, and indeed the discussions about the social tariff. We are certainly looking at all those things.

As the hon. Member for Inverness, Nairn, Badenoch and Strathspey has said, the fact that the highlands and islands lack access to the gas grid means that they are in a particularly difficult situation. It was mentioned that 62% of properties in mainland Scotland were off the gas grid; I think I have that figure too. However, some places are almost entirely off grid, as I think the hon. Member said. That obviously leads to significantly higher costs because oil is often then used as a fuel, or heating is entirely electric.

Again, we have very much taken on board the point about decoupling from gas prices, but this all means that those people do not benefit immediately when wholesale prices do come down. I have figures here from Lochalsh & Skye Housing Association, which says that households in the area pay an additional £1,000 a year on energy bills compared with an average-sized home in the rest of Scotland, amounting to a 76% premium. That is just one figure illustrating the problem.

The point was very well made that Scotland is home to a huge amount of old and new generation energy generation. As the right hon. Member for Ross, Skye and Lochaber (Ian Blackford) asked, where is the benefit for Scotland from that? I was reading through a report from Changeworks on fuel poverty in the region in advance of this debate, and there was a quote from an energy adviser that really stood out:

“The annoyance of being a 321% net generator of green electricity to the rest of the UK, all from renewables, yet we have no access to the polluting fuel which is mains gas and the price of energy is four times the cost.”

Again, we know that renewable energy is going to be way cheaper than fossil fuels, and that is one of the reasons why Labour is committed to the “clean power

[Kerry McCarthy]

by 2030” mission—because we know that that will help bring down energy prices. However, I can appreciate how absolutely galling it is to be somewhere where so much energy is generated—I think the right hon. Member for Ross, Skye and Lochaber talked about an economic renaissance for the highlands and islands linked to renewable energy—yet to be last in the queue to actually benefit from that. We absolutely need to tackle that unfairness.

I do not know whether anyone wants to intervene on this, but my understanding is still that the SNP is opposed to a windfall tax within our proposal. It is telling that we have this debate today, with the upcoming Budget; I hope that we see firm action from the Chancellor on tackling fuel poverty and recognising many of the unfairnesses that have been raised. There is some talk—I think we have actually heard most of the Budget already, which is not normally the case—about movement on a windfall tax on oil and gas. Labour is calling for an increase in the rate on the energy profits levy to 78%—

Drew Hendry: Will the hon. Lady give way?

Kerry McCarthy: Sorry, I will just finish what I was saying. And we are calling for an extension of the sunset clause to 2029, which would raise billions of pounds for the green transition, cutting household energy bills in the process.

Drew Hendry: I apologise if I got it wrong, but I thought that the hon. Member was inviting an intervention on that subject.

Kerry McCarthy: I was, but I just wanted to get my bit in first, otherwise I would have lost track.

Drew Hendry: Yes, of course. The point—I think I have to underline it again and again in this debate, and I think that the hon. Lady understands this—is that there is already a windfall tax, and other taxes coming from the highlands and islands through renewable energy, and we are getting nothing back. We are already seeing the effect of money being taken out, and it is not going back into the pockets of the consumers who are being punished in this way.

Kerry McCarthy: To do justice to the issues that hon. Members are raising, I will not go down the path of having an argument about the windfall tax, because we want to focus specifically on fuel poverty in constituencies.

Drew Hendry: The hon. Lady did actually raise the issue of windfall tax, so to say that she does not want to debate it is rather perverse. Let me try to help her a bit: over the past two years, oil prices rose to extraordinary levels and, as a result, many oil production companies made excess profits and have engaged in large-scale share buybacks. It is pretty simple and straightforward: in effect, it is a return of capital to shareholders, but it is untaxed. The Labour Opposition and the Government missed the opportunity to recognise the one-off nature of the situation. A one-off tax on share buy-backs could have alleviated the impact of higher energy prices, but both the Government and the Opposition missed the chance.

Kerry McCarthy: We have been calling for a windfall tax for quite some time. We have also been challenging the generosity of the investment allowance that goes to oil and gas companies, which I think is 91p in the pound. Not least because my voice seems to be slightly failing me, let us keep to the topic—[Interruption.] I will draw my remarks to a close.

Scotland’s huge potential for renewable energy generation shows the need for a place-based approach that allows people to feel that they are part of the transition and are directly benefiting. It is particularly galling that Scotland is responsible for so much of the new renewable energy generation, but is not benefiting. In some ways, it should be benefiting more than other parts of the country because it is doing the generation.

What Joe Biden has done with the Inflation Reduction Act in the States very much demonstrates a place-based approach to the green transition. I think that about 70% of the investment has gone into Texas, which is traditionally an oil-producing state but has been keen to embrace the benefits of the green transition not just for jobs, but for the community. Labour’s local power plan is partly about community energy generation and how communities can directly benefit from renewables and use them to serve their needs, but an element of it is about lifting places up because they have made a contribution to the rest of the country.

I suspect that the Minister will tell us she cannot say anything about what is being announced in the Budget today, but I would like some reassurance that she recognises the geographical disparities whereby some parts of the country are being hit harder by fuel poverty. There is an overarching need to tackle the fuel poverty that affects millions across the UK. Could the Minister say something about the geographical disparities? Could she also give some indication of where the Government are on the fairness of pricing, on the impact of standing charges versus unit prices, and on prepayment meters? I look forward to hearing from her.

10.32 am

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Amanda Solloway): It is a great pleasure to serve under your chairmanship, Mr Paisley. I thank the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry) for securing this incredibly important debate, and I thank other hon. Members for attending. Although we are a small group, they have made their cases very powerfully.

I will go through the main issues one by one. Standing charges have been the thread running through the debate. The hon. Member made a powerful point about how standing charges for residents of the highlands and islands are too high. As hon. Members will probably know, the setting of standing charges associated with each tariff is a commercial matter for suppliers, which have flexibility to structure tariffs. However, Ofgem has launched a call for input on standing charges, which closed in January and has so far received more than 40,000 responses. We are looking at how standing charges are applied to energy bills and at what alternatives should be considered. Ofgem is currently analysing the responses and will publish in due course.

It should be noted that suppliers can offer low or no standing charges. As wholesale energy prices are coming down, competition is coming back to the market and consumers are able to access different tariffs.

Once the findings have all been put together, I am very happy to get together to further discuss how we can use them. I recognise that the price of standing charges for highland and island households is an important issue for all hon. Members, and it would be useful to discuss that in more depth on an ongoing basis. The importance of discussing these matters with Ofgem was mentioned earlier; I assure all hon. Members that I have been putting pressure on Ofgem to address all these important issues.

Drew Hendry: The Minister is always very thoughtful and considerate about these issues, and she wants feedback, but people in the highlands and islands need action. I think I am hearing from her that she agrees with the principle that it is fundamentally wrong that people in the highlands and islands are paying more in this way. Is that indeed what she is saying? Is she determined to address that injustice and to get something done about it with Ofgem?

Amanda Solloway: The point I am making is that we are looking at the standing charges, which are the one thread that has run through everybody's speeches and comments today. We need to ensure that the standing charges are fair. We do not know what the findings will be, but I suspect that among the 40,000 responses—I think it is probably nearer to 44,000—there will be a lot to take into account, including looking at how we adjust the standing charges.

Ian Blackford: I say respectfully to the Minister that this is about fairness, and it is about what should be a universal market. We cannot have people being penalised to this extent. It is simply a matter of the Government saying to Ofgem that this is not right. There should be a universal market; people should not be penalised on the basis of where they live. It is a simple question, and the Government ought to provide leadership.

Amanda Solloway: To give assurance again, that is exactly what I am saying: I have been tasking Ofgem with looking at the issue. We are waiting for the consultation results to come through.

Ian Blackford: Change it. Change it!

Ian Paisley (in the Chair): Order.

Amanda Solloway: Once we have all the responses and have looked at them, I will be very happy to welcome views on the findings.

I turn to transmission and distribution charges. Electricity network charges are the costs that users pay to connect to and use the electricity network. These are charged to suppliers and generators, so eventually the costs are passed on to consumers in their energy bills, some of which is reflected in their standing charges.

As an independent regulator, Ofgem is responsible for setting the electricity network charging methodology. Government officials are working closely with the regulator to understand these charges. Electricity network charges must be cost-reflective, so that those who pay them are charged in a way that reflects the cost that they are placing on the network.

Transmission charges are based on the costs that different users impose on transmission by connecting in different locations. That means that there are higher charges for those whose use of the network results in longer distances of electricity transmission. As hon. Members will know, Scotland is a net exporter of electricity, so transmission costs for Scottish consumers are lower than those for their counterparts in England and Wales.

Mr Carmichael: The Minister describes locational charging. That made a degree of sense in the days of generating electricity from hydrocarbons, because there was an element of transmission loss, so we wanted to encourage transmission closer to the point of consumption. As we move to renewables, that argument simply no longer stands, because we are not wasting a non-renewable resource in order to generate and then transmit electricity. Why has the approach not been changed?

Amanda Solloway: I thank the right hon. Member for his intervention. These are the kinds of things that we are working through as we respond to the net zero challenge.

Hon. Members have quite rightly talked about the geographical challenges of electricity supply in northern Scotland, such as the area's size, poor weather conditions, sparse population, mountainous terrain and the need to supply multiple islands. Inevitably, these challenges mean that the costs of distribution are much higher than for other regions in Great Britain. Hon. Members have made that point very clearly.

I also acknowledge that the highlands and islands produce high levels of renewable electricity, although that does not remove the challenges of distribution. We will be looking at that issue.

The hydro benefit replacement scheme provides annual assistance of about £112 million to reduce distribution charges for domestic and non-domestic consumers in the region. That equates to a reduction of about £60 annually per household.

Drew Hendry: The Minister knows what I am going to say: with the bills that we are talking about, the £60 that she is talking about does not touch the sides for the people affected. I know she knows that, because I have said it to her before. What we need is an overhaul. We need a rebate that actually makes sense to people and has an impact on their bills. That is exactly what this debate is about: getting a highland energy rebate. If the Government want to use the scheme as a basis for doing so, that may be workable. I hope that the Minister will take that point away. Every little helps in a way, but the scheme really does not touch the sides for the people who are suffering this injustice.

Amanda Solloway: The hon. Gentleman is right. He has made that point clearly on several occasions, and I am prepared to discuss more fully the highland energy rebate paper that I have been sent.

I turn to energy prices and support. Despite the rise in standing charges, energy prices have fallen significantly since the winter of 2022-23. The 2024 quarter 2 price cap of £1,690 is 60% lower than the 2023 quarter 1 price cap peak. It is important to note that the Government reacted quickly to support households last winter. About £40 billion was delivered to support households and

[Amanda Solloway]

businesses, an average of £1,500 per household between October 2022 and June 2023. We delivered £40 billion to support households and businesses last winter, with a typical household receiving £1,500 in support between October 2022 and June 2023. Many highlands and islands households off the gas grid also benefited from the £200 alternative fuel payment schemes.

Despite the fall in energy prices since the winter of 2022-23, the Government have continued to support households. We are delivering a package of support worth £104 billion—an average of £3,700 per household—between 2022 and 2025.

Debt is an incredibly important challenge at the moment. Although we are doing a lot to help households, we know that some have fallen into energy debt. We want to support them to ensure that consumers do not fall into further debt. Last year, Energy UK announced a voluntary debt commitment: 14 energy suppliers announced their collective commitment to go above and beyond the current licensing conditions to help households with their energy bill debt. Those energy suppliers will aim to provide immediate assistance to those in debt and will arm people with knowledge and resources to empower them to manage their bills more effectively. For assurance, I regularly meet stakeholders such as Citizens Advice to discuss what can be done to address consumer debt. I welcome further input from hon. Members on the issue.

Kerry McCarthy: This week, I met some academics who are doing some research into debt levels. As I understand it, the average is about £1,000 per household, but I do not know the extent to which some people are in only £100 or £200 of debt and others are in five-figure debt. Do the Government have analysis of that? Does the Minister have figures she could share with me or put in the House of Commons Library?

Amanda Solloway: It is important that we consider the different levels of debt. It is quite complicated to get those figures because the suppliers have them, but I have pushed to see whether we can get a flavour of them. One of the things that I would advise households struggling with their bills to do is to speak to their supplier before going into debt, to receive help and support as soon as possible.

We have talked about prepayment metres, which can be a useful tool for consumers to manage their budgets and for energy suppliers to manage debt. However, it is important that the rules around their use are sufficient to protect consumers and are properly enforced. Involuntary installations should be used only as a last resort. Ofgem has strengthened its licence conditions for suppliers to conduct involuntary prepayment metre installations with exemptions in place for households with vulnerable individuals, such as those with people over 75 or children under the age of two.

The Government have already committed to supporting households past April 2024. Though I obviously cannot comment on today's Budget, in the autumn statement we announced the biggest increase to the living wage and an increase to benefits of 6.7%. Earlier this year, we also cut national insurance for 27 million people, worth £450 for the average worker. As hon. Members have

noted, in the autumn statement we also committed to giving communities living nearest to electricity transmission infrastructure up to £1,000 off their electricity bills for the next 10 years. That will apply across England, Wales and Scotland, including the highlands and islands, and they may be able to benefit from the scheme. We will also publish guidance this year on the wider benefits for local projects and provide an update on the electricity bill discount scheme.

As hon. Members have mentioned, many households in the highlands and islands are off the gas grid, which means they rely more on electricity. I also understand that many highlands and islands residents will use more energy and subsequently pay more for their energy bills due to the inclement weather, colder temperatures and poor insulation, but also due to having older and larger properties, which are harder to heat. To address that, the Government have already introduced several domestic energy efficiency schemes for all households in Great Britain to help lower bills and reach net zero targets. As an example, the Great British insulation scheme is delivering low-cost and free insulation to the least efficient homes in lower council tax bands, including many vulnerable households. The scheme will run until March 2026 with a value of £1 billion.

Since it was launched in January 2013, the energy company obligation has delivered around 3.8 million measures in approximately 2.5 million homes. Across ECO schemes, around 31,600 measures have been delivered to 23,100 households in local authority areas in the Scottish highlands and islands since 2013. As hon. Members will know, fuel poverty is devolved, with the Scottish Government responsible for the matter in Scotland. However, the ECO and the Great British insulation scheme are delivering energy-efficient measures to the least efficient low-income homes in Scotland. We are currently reviewing the fuel poverty strategy for England and will engage with the devolved Administrations as part of the process.

I understand this is a complex matter and one that is important to all hon. Members here. I thank them for bringing it to the debate. I would be happy to meet people further to today's discussion. Finally, I want to touch on lived experiences and the impact on health. Having been brought up in a household that was fuel-poor, I know what it is like. I know the impact that that can have on someone's health, especially as my mum suffered with chronic obstructive pulmonary disease and we found it incredibly difficult to manage all those challenges. My commitment is therefore to do the very best I can to support all those energy-poor households.

10.49 am

Drew Hendry: I thank Members who have taken part in the debate. We have had a clear exposition of the issue this morning. I thank the hon. Member for Bristol East (Kerry McCarthy) on the Labour Front Bench and the Minister for being so open to looking at discussions and understanding the issue. Nobody in this room has disagreed that an injustice is happening to the people of the highlands and islands or that they are suffering unduly in the circumstances from the prices that they pay for their electricity.

I more than anyone welcome the idea of further discussions with the Minister, but along with the empathy that she obviously displayed there is a need for action.

The issues of electricity pricing for the highlands and islands and unregulated off-gas grid customers have been going on for years and years—decades, in fact. They need action now, because this is a severe and urgent problem. I urge that those discussions be quick and meaningful, and I urge the Minister to use her best offices to give the most serious shove to Ofgem to tackle the issue.

As we said during the debate, the highlands and islands produce 6% of electricity but have only 0.4% of the population across the nations of the UK. They have higher than average bills, yet they get the highest levels of fuel poverty and extreme fuel poverty. The hydro benefit replacement scheme does not do the job that it was supposed to do. It needs to be updated, and there is an opportunity to do that by combining it with the Chancellor's scheme to get a rebate that goes back directly to those people affected in the highlands and islands. I hope that the Minister will take that away, as she said she would, for further discussions, but I stress again the need for urgent action to solve the issue. I would be happy to meet her in future to see what we can do to get some real action.

Question put and agreed to.

Resolved,

That this House has considered the introduction of energy rebates for Highlands and Islands.

10.51 am

Sitting suspended.

A379 Slapton Line

10.56 am

Ian Paisley (in the Chair): I will call Anthony Mangnall to move the motion. As he knows, there are no other speakers in the debate, although he can give way to Members if he so wishes. As an experienced gentleman, he will know that. There will be no wind-up opportunity.

Anthony Mangnall (Totnes) (Con): I beg to move,

That this House has considered the future of the A379 Slapton line.

It is a pleasure to see you in the Chair, Mr Paisley. For residents and visitors to south Devon, there can be no better view than those momentary westward glances that are revealed when travelling through Stoke Fleming or Strete. For the unacquainted, it is perhaps one of the most magnificent views these isles have to offer: that of the Slapton line, which is a bar of shingle dividing the sea and the largest natural freshwater lake in the south-west of England, the Slapton Ley. Its simple beauty has captured the imaginations of generations and has encouraged people to retire to the area. It attracts hundreds of thousands of visitors each year. That bar of shingle has become not only of natural importance, but a vital link between the towns of Kingsbridge and Dartmouth and the villages in between.

The A379, which runs atop the shingle, is an arterial route that carries goods, schoolchildren, visitors, farmers, healthcare workers and emergency services across south Devon. It has become an essential link that the good people of south Devon cannot do without. The history of the area is as wide and varied as one would think: from the November 1824 storm that wrecked hundreds of ships and resulted in the Slapton line being breached, to Plymouth dredging the shingles of Slapton to expand its dock, and the destruction of the village of Hallsands in 1917, which was due to that very dredging. Perhaps most famously, in 1943 Slapton sands became the training ground for the D-day landings. The similarity of the topography to that of northern France made it the ideal training location for US troops. As a result, an area of 34,000 acres was evacuated of residents, and troops moved in to undertake their preparations for the invasion of Europe. Today, there stands a monument, presented by the United States, to recognise those who left their land to support the war effort, as well as a Sherman tank to commemorate Exercise Tiger and the hundreds of servicemen who died during the rehearsal in April 1944.

Since then, this special area has become a wildlife sanctuary and a site of special scientific interest, and a Field Studies Council centre has been created. The council has also helped to provide education and scientific research in the area. The area's history and natural beauty are undeniable, but it is also a working environment. The villages of Strete, Slapton and Torcross are all adjacent to the Slapton line, and the local community depends on its existence and the ability to travel across the line on the A379.

Over the years, the storms have resulted in man altering the landscape to deal with the impact of mother nature: first in 1944, when sea defences were built in Torcross, and then expanded and completed in 1980; in 2001, the road had to be repaired; in 2002, a 300-metre section of the A379 was moved and rebuilt; in 2015, 25,000 tonnes of shingle was moved on to the beach;

[Anthony Mangnall]

and finally, in 2018, Storm Emma caused significant damage to more than 500 metres of the road and the middle car park. While the scale and viciousness of the storms have varied over the years, it was Storm Emma that resulted in my predecessor, Sarah Wollaston, securing £2.5 million of Government funding to realign further sections of the road and place rock armour along the Slapton line to protect the road.

We all know the fragility of the Slapton line, and we all recognise the increasing impact of storms. However, we also know that the line is integral to our rural economy and way of life and to ensuring access across the area. In 2001, the Slapton Line partnership was formed to co-ordinate policy for managing coastal change in the area. The group is made up of a range of public, private and third sector organisations; its current members are Devon County Council, South Hams District Council, Strete, Slapton and Stokenham parish councils, the Environment Agency, Natural England, the South Devon area of outstanding natural beauty, the Wild Planet Trust and the Field Studies Council.

Over the years, the group has helped to create a local strategy and evaluate what can and should be done to protect the line. Until 2018, the strategy was that the Slapton sands would operate on a policy of “retreating the road”, meaning that it could be rebuilt, moved and repaired. After Storm Emma, though, the policy of “retreating the road” was altered to “no further retreat”, which is, unfortunately, where the trouble began. When the policy for management of the line was quietly changed, no consideration was given to the needs of the local community or the economic and social impact of losing the road, nor was any thought given to what message it would send to Devon County Council, and indeed to central Government, when we ask for further funding or support.

In October 2019, the Slapton Line partnership published a strategy document, unsurprisingly and rather unexcitingly called the Slapton Line partnership policy document. The excellent work undertaken by Dan Field and Chris Brook—notwithstanding the title of that document—from South Hams District Council has helped to identify key areas of weakness on the Slapton line, areas of concern and recommendations of what should be improved. I will take a moment to put on record how very fortunate we are to have two of the best public servants working for South Hams District Council in the form of Dan Field and Chris Brook. They have done the most extraordinary work on shoestring budgets, for which I applaud them. I want to make that very clear on record in the House.

The Slapton Line partnership strategy document was updated in November 2023, with me as interim chair. The strategy document made a number of recommendations, including that the road should continue to be maintained as a highway and cleared of shingle and debris post storms. Most importantly for me in terms of this debate, it recommended maintenance of all sea defences and a review of the shoreline management plan to extend the “hold the line” policy across the line. It also recommended improved traffic planning and passing points on the back routes, increased car parking at both ends of the line, and ensuring the development of the adaptation plan.

The group recognises that we will not indefinitely be able to protect the line and road from ever-increasing storms and sea levels. However, we do believe that we need to strengthen the line against future storms, and that maintenance of the sea defences and reviewing the shoreline management plan, with the intention to extend the “hold the line” policy across parts of the line, will be the most cost-effective way of keeping the road open while minimising taxpayer cost.

For the moment, my ask of the Government is to help us to shore up those defences so that we can avoid a large cost later on. Having reached consensus, the Slapton Line partnership group produced a beach management plan in 2017, a vulnerability assessment and an economic assessment. Together, those reports have highlighted the impact that the loss of the road will have on the more than 30,000 people living in the area, along with the damage it will do to thousands of local jobs, the disruption to education, the limitations to healthcare and emergency services, and the potential danger it will do to the economy, which estimates its local value to be about £40 million gross value added. As I am sure the Minister knows, those figures are not small, but essential for rural communities like mine in south Devon.

What do we need? This year, Devon County Council is conducting the following surveys: in the first quarter, a data review; in the second quarter, what options and what the design should look like; in the third quarter, preliminary designs that can be presented to the Slapton Line partnership group; in the fourth quarter, consent and planning applications; and in the third and fourth quarters, the environmental assessments. Those surveys and applications are going to come at a cost of about £130,000 to £200,000. Will the Minister support my call for Devon County Council’s increased budget for its highway maintenance fund to help to produce those reports? We are not asking for new money; we are asking for the money that has already been allocated to Devon County Council to go towards funding those reports.

A question remains about what the extended and improved defences will look like. I believe we already have the answer. Beesands is the neighbouring village to Slapton. I welcome any hon. Members to come to see this, and I will even throw in lunch. I will extend that to civil servants, if they would like. In Beesands, after Storm Imogen, work began after South Hams District Council requested an innovative form of rock armour to be designed and trialled. Working with Landmarc and other local business, it came up with a new solution, using specialist high tensile stainless steel mesh that locked in rock and shingle and provided a solid, yet natural-looking, defence system. Doorkeepers are also invited to come and look, I hasten to add.

That prototype cell system was installed in 2016 and has worked so well that, in 2021, an improved TECCO system was commissioned and rolled out further along the beach at Beesands, protecting the village green and nearby properties. The initial work was funded by the Environment Agency, and the extension by South Hams District Council. It is my opinion, and that of many other members of the Slapton Line partnership and local community, that such technology would be more than appropriate to be installed on the Slapton Line. The successful trial at Beesands shows not only its durability but its appropriate aesthetic look.

To install that technology, those scoping documents and assessments need to be completed and planning consent approved. I am led to believe, because Slapton Sands falls under the category of a SSSI, that Natural England will block any proposals we put forward. I appreciate that Natural England has a fine balancing act to work on, but I believe it is counter-productive to reject any plans put forward, especially when the loss of this road would impact the local community so significantly. Does the Minister believe that highway maintenance should be able to circumvent application processes and allow us to proceed in a timely manner to introduce those defence measures?

The estimated cost of the measures we would like to put in place is still being worked out, but it is likely to be several million pounds. Although we might gulp at the prospect of that sum being spent, it is considerably less than what would have to be spent if the road were washed away, and we would have to focus all our attention on the back roads. The considerable back-road network would require a far greater sum to be spent on it, while being less effective.

Time and tide stop for no man. Although I recognise the brilliance of the Minister, I am not asking him to do that. What I am asking is whether he can make our defences fit for purpose, to help us extend the life of the line for the next three decades, ensuring that south Devon remains a community that is open and accessible, where businesses and residents can thrive together.

Ian Paisley (in the Chair): I was transported to the shingles of Devon county by your speech. I call Minister Opperman.

11.8 am

The Parliamentary Under-Secretary of State for Transport (Guy Opperman): It is a pleasure to serve under your chairmanship. Mr Paisley, and it is an honour and privilege to respond to my hon. Friend the Member for Totnes (Anthony Mangnall), to discuss part of the heritage of south Devon and of this great country. He rightly set out the long and illustrious career of that community and surrounding area, which is particularly noted for its role in the preparation for D-day, 6 June 1944. As is set out on the memorial, without the actions of that community and countryside, we would have been impeded in our ability to invade France and take forward the changes we managed to achieve in 1945.

I thank my hon. Friend for bringing this matter forward, and I hope I can address some of the important points he raised. It is clear to everybody who has read up on this issue that he has fought assiduously—in the footsteps of our good friend Sarah Wollaston—to drive forward progress in difficult circumstances, and I give him due credit for that.

The debate not only matters to constituents in Slapton or Torcross but has a wider impact on Stokenham, Frittiscombe, Strete, visitors to Slapton Ley, and all the communities up and down the coast that use this road. I accept and understand that the issue has a wider importance than simply the stretch of road we are talking about, given the geography and the ongoing difficulties involved. I express my sympathy for those affected, given the ongoing concern and worry that this issue causes. As any Member of Parliament knows, such an ongoing worry—whether about flood risk,

complications for development or the potential loss of a road—is a serious and legitimate thing. People get very exercised about such things, and we should in no way underestimate that—I certainly do not.

I have been lucky enough to read the Slapton Line Partnership November 2023 strategy, which goes to 25 pages and is a credit to everybody who brought it forward. I have also tried to look at the considerations, and there is a relevant factor with which I want to try to assist my hon. Friend and the local community. That document was created on 3 November 2023 after many months of work. Subsequently, on 27 November 2023, Devon County Council received £6.63 million of further funding after the HS2 decision taken by the Prime Minister in early October 2023—the cancellation of the second leg allowed extra funding to go to local authorities up and down the country. That has consequences when one assesses the financial capability of the local authority, and I will come to that in a bit. Clearly, the Slapton Line Partnership wrote the strategy before it knew that further funding was coming to Devon County Council. Given that further funding, I respectfully suggest that the document should be refreshed.

My hon. Friend kindly asked me to visit, and I would be delighted to accept. It is legitimate for a Minister to sit down with the local authority and the interested parties—there has been support from arm's length bodies, whether that is the EA or Natural England—and drive forward a compromise solution that gives security and peace of mind to the local communities my hon. Friend so ably represents. Surely, that is in everybody's interests. We are not talking about what the policy will be in 100 years, but people do need to know what it will be in the next two, five and 10 years. That is totally legitimate and understandable.

Different Administrations have made serious interventions dating back to 2018, when the then Transport Secretary gave £2.5 million to support the local authority's works after Storm Emma. There was an adaptation manager, and other work was done, ultimately producing the Slapton Line Partnership strategy. However, that strategy has to take into account local people, and I would be concerned if local communities felt in any way that the impact on them was not considered over and above the statutory and arm's length bodies—that would be of concern to any Member of Parliament, let alone any Minister. This issue is a classic example of the difficulties of combatting climate change and coastal erosion, and of addressing people's modern-day needs to get their children to school and to get out and about across the rural community, but I have no doubt that there is a middle ground where the situation can be to the satisfaction of all.

It is right that I set out the statutory position. Under section 41 of the Highways Act 1980, the local authority has a duty to maintain the highways network in its area. Importantly, the Act does not set out specific standards of maintenance, as it is for each highways authority to assess which parts of its network need repair and what standards should be applied, based on its local knowledge and the circumstances that apply.

Clearly, a key matter in all of that is funding. Devon County Council receives significant funding—in fact, more highway maintenance funding per capita than any local authority—to reflect the fact that it is responsible for more miles of local roads than any other authority,

[Guy Opperman]

including my own in Northumberland. There is a variety of ways in which that funding is provided. There is the original highways maintenance block grant. Budget 2023—we are now on Budget day 2024—announced a further £9.39 million. And there is the £6.63 million, which was announced in the late autumn, or early winter, last year. That means that the total budget from the Department for Transport for highways maintenance was £68.88 million in 2023-24.

That matters, because it is a 30% increase on the sums from last year. That is a massive increase in any business or local authority funding, and it clearly makes a difference. By way of context, if I go back to 2009-10, total funding was £27 million; we are now up £68 million. That is a massive increase in budget, and it has come about under this Government. That allows funding to be spent on the local highways maintenance priorities that matter most to local people.

Clearly, the views of arm's length bodies matter—they are very important—but it is also about what local people want, as personified by their local parish council, their county council and their individual Members of Parliament. That unquestionably includes potential roads that are under threat, such as the Slapton line. I genuinely hope that Devon County Council, my hon. Friend, the local community and the partnership will go away and reflect on the increase in funding. I hope they will have a proper sit-down—I am very happy to facilitate as a Minister, if I am able to find the time in the diary—and a genuine discussion about what the local community wants, how there can be ongoing preservation of the Slapton line and how we can have a long-term, practical policy that everyone can get behind and that provides peace of mind over the next two, five and 10 years, with an acceptance that things may be different over a much longer period. That is surely a practical and pragmatic approach that we can all get behind, and I hope it will provide assistance and comfort to my hon. Friend and his constituents.

Clearly, it is for Devon county councillors to spend the money as they see fit once it is given to them, because they are the elected representatives. In relation to the HS2 money, I want to be utterly clear that the £6.63 million is not ringfenced—it is not prescribed solely for potholes or whatever. It can be spent on any capital project or programme, but highways maintenance is particularly prayed in aid in support of that announcement.

To conclude, it is an honour and a privilege to respond to my hon. Friend and to address a part of the nation's heritage, and I will be looking forward to visiting when diaries permit. I am certain that there is a way forward that will maintain and continue this line in the near future.

Ian Paisley (in the Chair): Thank you, Minister. I am sure the hon. Member for Totnes appreciates the opportunity for a meeting and a collective visit to the area by the entire Committee.

Question put and agreed to.

11.19 am

Sitting suspended.

World Book Day

[MARK PRITCHARD *in the Chair*]

2.30 pm

Nickie Aiken (Cities of London and Westminster) (Con): I beg to move,

That this House has considered World Book Day.

It is a pleasure to serve under your chairmanship, Mr Pritchard. Tomorrow, 7 March, will mark World Book Day 2024, the day when we reflect on the importance of reading and literature for people of all ages and encourage the younger generations in particular to embrace reading. World Book Day was created by UNESCO in 1995 as a worldwide celebration of books and reading. The occasion is now marked each year in more than 100 countries around the globe. World Book Day founder Baroness Gail Rebuck explained the reasoning behind the idea as follows:

“We wanted to do something to reposition reading and our message is the same today as it was then—that reading is fun, relevant, accessible, exciting, and has the power to transform lives.”

I could not agree more.

As we celebrate World Book Day once again, I often find myself in conversation with friends and colleagues about our favourite books and authors, which have inspired and influenced our lives. My first memories of reading include Enid Blyton's Famous Five, followed by the Nancy Drew series and the Hardy Boys. My love of crime and mystery novels has been built on both the Hardy Boys and Nancy Drew. Possibly my favourite novel when growing up was “Little Women” by Louisa May Alcott. It was a delight to introduce my daughter to the novel when she was younger and she, equally, loved it.

In my late teens, when studying A-level English, I was introduced to Thomas Hardy and particularly his “The Return of the Native”, which included the most fascinating and mysterious character in Eustacia Vye. I have read many Hardy novels since and have always been taken by the complex characters and relationships between men and women that he wrote about. During my twenties, I read most of Margaret Atwood's collection of novels and perhaps one of my top-five favourite novels of all time is her “The Blind Assassin”. My love of reading has continued throughout my life and I have enjoyed writers such as Pat Barker, Sebastian Faulks and Ian McEwan, whose novel “Atonement” also makes it into my top five.

In the UK, we have been blessed over centuries with some of the most world-renowned authors still enjoyed by readers today, from Charles Dickens, the Brontë sisters, C. S. Lewis and Virginia Woolf to the outstanding J. K. Rowling, who has probably done more to introduce children to and encourage them to read books through her Harry Potter series than any other known author. We should pay tribute to her for her outstanding contribution to encouraging children to read, as well as to the publishing industry in this country.

My constituency of the Cities of London and Westminster is blessed with a rich literary history. Arthur Conan Doyle's legendary Sherlock Holmes was based at the iconic 221b Baker Street. Other famous novels also based in my constituency include “Mrs Dalloway” by Virginia Woolf, which is set in numerous places across the two cities, including Bond Street, Victoria,

Green Park and St James's Park, and the "Strange Case of Dr Jekyll and Mr Hyde", whose characters lived in Soho. Now, you might very well think this; I couldn't possibly comment, but the Palace of Westminster has been the setting for many a novel, including Michael Dobbs's "House of Cards". Just across Parliament Square in our great Westminster Abbey lie a plethora of British authors and poets, including Geoffrey Chaucer, Thomas Hardy, Rudyard Kipling and Alfred Tennyson, to name but a few.

I could speak for the full 90 minutes about the vast wealth of legendary authors and books set in my constituency and from the rest of the world, but we must concentrate on celebrating World Book Day. It is important to remember that the joy of reading can be accessed for free. Whatever the economic background, children and adults alike can borrow books from libraries across the United Kingdom.

Theo Clarke (Stafford) (Con): I welcome my hon. Friend's debate on World Book Day, which I very much support. On Friday, I will visit schools in my constituency to celebrate it and I am delighted that Stafford libraries are so popular and well used. I pay tribute to HarperCollins and the Publishers Association who arranged for 50 books to be delivered to every primary school in my constituency for World Book Day. I am very keen to get Stafford reading and to support the campaign.

Nickie Aiken: My hon. Friend is absolutely right. We must all work together to ensure that children are open to or introduced to reading at an early age.

We are fortunate in the Cities of London and Westminster to be home to some amazing libraries such as Pimlico, Victoria and the Barbican children's library. In total there are more than 15 libraries for public use across the two cities. As local authorities' budgets become tighter and with household incomes squeezed, I do not think it has ever been more important to protect our libraries. They not only offer a diverse range of books, but act as an essential third place between home and school. That is particularly beneficial for children who live in overcrowded homes and need a quiet place to do their homework.

Yesterday, I jointly hosted the World Book Day parliamentary drop-in with my hon. Friend the Member for Northampton South (Andrew Lewer). It was an amazing day and I thank all the MPs who turned up to collect books for their schools.

According to World Book Day, reading for pleasure is the single biggest indicator of a child's future success, more so than parents' educational backgrounds or income. That is why it is so important to support initiatives such as World Book Day. Last year alone, the organisation provided 50 million £1 book tokens to children in the UK. Children across my constituency benefited from them and will do so again this year. I look forward to visiting schools over the next couple of days to hand out book tokens.

According to World Book Day research, a staggering one in seven pupils stated that the book they purchased with the token they were given was the first book they had ever bought. For those receiving free school meals, the figure climbs to one in five pupils. Also according to World Book Day research, reading for pleasure is at its lowest since 2005. We must all work together, whatever our political party, to reverse that trend.

I am very, very proud that since 2010 the Conservative Government have made improving children's literacy a major priority, and results are paying off. The most recent OECD programme for international student assessment international literacy tables saw the UK climb from 25th in 2009 to 13th in the 2022 rankings. I fully support the Government's reading framework that is designed to increase the focus on reading for schoolchildren. Moreover, the Department for Education has invested an extra £24 million to support children's literacy skills over the past year to help pupils' recovery from the pandemic and to work towards achieving the target of 90% of primary school pupils reaching the expected standard in literacy and numeracy.

Dominic Raab (Esher and Walton) (Con): I thank my hon. Friend for securing the debate and the powerful message she is sending. World Book Day's theme is encouraging reading for fun, and, with nine and 11-year-old boys myself, I know that that is a real challenge. She rightly points to the increase in literacy levels among young people under this Government. That is one of our proudest achievements and it would not have happened without the emphasis on phonics and the core skills that unlock the independence of mind and creative thinking that goes into reading for fun.

Nickie Aiken: My right hon. Friend is absolutely right. When my right hon. Friend the Secretary of State for Levelling Up, Housing and Communities was Education Secretary he really emphasised that, working with his ministerial team, and the results are paying off.

World Book Day research has also shown that reading with a parent is the single biggest determinant of whether a child will read independently. Some of the most important and happiest memories that I have of my children growing up was reading with them. Of course, they read Harry Potter, but when my son was very little he was obsessed with Thomas the Tank Engine and my daughter read every single Jacqueline Wilson book. For a child to be able to read with their parent, the parent needs to be a proficient reader. That is one reason why improving adult literacy rates is also important. According to the National Literacy Trust, in England 16.4% of adults—just over 7 million people—can be described as having poor literacy skills. That has wide-reaching implications and is extremely worrying. On average, an adult with very poor literacy skills will earn 7% less than if they had a basic level of literacy.

Those issues not only impact the person's confidence and ability to be part of society, but their income generation and the type of job they can get. Research by the National Literacy Trust has shown a correlation between literacy rates and life expectancy. For example, a boy born in a ward with some of the greatest literacy challenges will live 26 years less than a boy born in a ward with some of the fewest literacy challenges.

We must work together to ensure all adults have access to educational resources throughout their lives, particularly when they are in their 30s and 40s and perhaps realising that they need to improve their literacy. Organisations such as the Reading Agency and the Adult Literacy Trust provide a number of free resources to help improve adult reading skills. The Government are also doing their bit to reduce adult illiteracy rates. The Department for Education's essential skills entitlement provides the opportunity of free study for adults who do not have essential literacy skills.

[*Nickie Aiken*]

When I finished university and was looking for a job, I volunteered to teach people who had just arrived in the country how to read. I will never forget the most amazing Somalian woman, who was so eloquent and wanted to learn to read to help her children. It was the most humbling experience of my life to see the passion she had for learning to read. I hope she was able to go on to help and support her children and herself.

Books are not only invaluable for their positive impacts on readers, they also play a vital part in our economy. Across the UK, there are more than 1,000 bookstores, and the publishing industry is worth £7 billion a year to the UK economy. I hope that following the excellent Budget just delivered by the Chancellor, the publishing industry will be able to grow its economy with a number of the initiatives announced today.

It would be remiss of me in a debate on reading not to mention the Publishers Association, the member organisation representing companies of all sizes involved in publishing in this country. I have worked closely with it since entering Parliament, setting up the Conservative women's book club for MPs; I think my hon. Friend the Member for Stafford (Theo Clarke) is a member. She and I are the only ones in this debate who are able to join, because we are women and Conservatives. It has been a joyous experience to bring Conservative MPs from all intakes to talk about a book, and to enjoy fiction again. Some of the MPs involved told me it is the first time they have read a fiction book since entering Parliament. It is so important to put aside time to read books for our health and wellbeing.

I have also worked closely with the Publishers Association to establish a summer reading list for parliamentarians. I thank the MPs and peers who have given us their favourite book recommendations over the past few years. Last summer, my choice was "Hitler, Stalin, Mum and Dad" by Daniel Finkelstein. I hope that everyone in today's debate will provide us with their summer reading choice this year.

We all have a part to play in supporting World Book Day and encouraging everyone, whatever their age, to pick up a book. I know I will be doing just that when I visit the schools in my constituency later this week. Sometimes, it really can be as simple as this: one book can change someone's entire life for good.

2.45 pm

Jim Shannon (Strangford) (DUP): It is a pleasure, Mr Pritchard, to serve under your chairship. I am very pleased that I can contribute to the debate.

I thank the hon. Member for Cities of London and Westminster (Nickie Aiken) for bringing this issue to Westminster Hall. I was just sitting there thinking to myself, "I don't think there's been a debate that the hon. Lady has had in Westminster Hall that I haven't managed to attend and support." I love to do that; it is part of my task in this place.

I declare a clear interest in this debate, as a book lover. I probably read biographies more than anything else; I love reading those types of stories. I like to hear about people's lives and what they did, especially those who have changed the world and who have sought to change the world in many ways, and to get an understanding of what made some of the men great men and women of history tick and do the things they did.

The hon. Lady referred to some of her favourite books and some of her children's. One of my absolute favourite biographies is that of Blair Mayne, or Paddy Mayne as we know him—the local Newtownards boy who founded the SAS and who I still believe was robbed of the Victoria Cross.

That story was transferred from book to TV. But, just for the record, he did not swear like a trooper. In real life, he was quite careful with his words. He might have got angry and used his fists on many occasions—that was fairly obvious in the TV programme—but he did not use the language portrayed in that series; his family and the people of Newtownards are very clear about that.

In the last few weeks, I have read something slightly different: a book by Dan Walker, who most people will know as a BBC sports commentator and an early morning BBC news presenter. He has also written a number of books, and I got the chance to read one in which he told stories about places around the world he had visited as a BBC journalist; he mentioned the Olympic games; the Manchester Arena bombing and South Africa. Forgive me for making me the analogy, but he was almost like Forrest Gump—he seemed to be everywhere when something happened. Well, Dan Walker actually was there when all those things were happening, and the book gives his interpretation of the occasions and the people. It is about not him, but the people he met. It is a lovely story, and I encourage everyone to read his books if they get the chance.

When my boys were younger, we used to go on holidays, but very quickly the boys grew up and they did not want to go on holidays with their mum and dad any more. I genuinely could have read five or six books while I was away. Reading enables you to put your busy mind somewhere else; it is just phenomenal. When I was listening to the hon. Lady, it was quite clear to me that reading books helps her. I believe it helps us all, transporting us to a different place.

The world is open to anyone through a book, which is just wonderful. That is why I love to see World Book Day coming round. Yesterday, there was a World Book Day event in Portcullis House. It was lovely to go, as I do every year, in support. This year, the celebration was in the Boothroyd Room; I believe that is right. That room is much bigger than Room R, Room S or Room U, where the event has sometimes been held, which tells me that World Book Day is expanding. Yesterday it used at least half the Boothroyd Room—and what an exercise it was in how to promote books to children. All being well, next week or the week after I will take the half a dozen or so books that I was given yesterday to one of the primary schools in my constituency and give them to some of the children there. I hope that they will read them.

I love to see pictures of children dressed up as their favourite characters: from Disney princesses to Marvel heroes; from Bananas in Pyjamas to Toad of Toad Hall; and from characters in the Bible to war heroes like Blair Mayne, who was always my hero as a young boy in Ballywalter and Newtownards back in the '60s and early '70s.

World Book Day is a day to encourage children to immerse themselves in the world of reading, to escape from the world we live in and perhaps travel elsewhere. One of my local primary schools, Victoria Primary School, this year has an initiative whereby children wrap up one of their books and swap it with someone in their class.

I think that is a fantastic idea: a child reads a book and gives it to someone else, who gives them their book in return. All of a sudden, their knowledge becomes greater and they become even more avid readers.

My parliamentary aide is an avid reader—she must be to be able to read up on every topic that I speak on! Her knowledge is encyclopaedic; with respect, it is perhaps much greater than that of other people who do speechwriting. She has passed that joy on to her children. Indeed, this year Santa brought her two girls a bookcase with books on it for their rooms. Every Saturday morning, they go with their grandad to the library, which conveniently has a park beside it, and the staff watch their wee dog while they get their new book. Every Saturday, they go to the library with their grandpa to get a new book—what an insatiable desire to read! Their school has a rewards programme: the children progress from belt to belt until they end up with a black belt—not in judo, but in reading. That is encouraging.

I tell these stories not to boast, but to explain what schools in my area are doing to progress reading. All these things make it interesting for children to get engaged. However, the fact of the matter is that literacy is a challenge that has to be met head on, and for that schools need funding. I am pleased to see the Minister in his place, although he does not have responsibility for Northern Ireland. I will tell some stories about what we have done in Northern Ireland. What I wish to do in this debate is encourage people: I wish to encourage the Minister and highlight the importance of reading; and I want to encourage the two Opposition spokespeople. I know they will all encourage me in return.

It is great for children to have grandparents who can take them to the library or a dad who has the time to read to them before bed each night, but the issue is that that scene is not replicated everywhere. That is why many children are in reading recovery, as schools attempt to fill the breach and help children not only to attain an average level of reading but to improve more easily.

There is a duty on us, and a real interest in this issue. We are blessed to have so many teachers whose vocation is to educate children and make them better. Everyone here advocates that—in particular, the hon. Member for Worcester (Mr Walker), who has just arrived. Reading recovery needs teachers, and that needs funding. In the gentlest of ways, I remind the Minister and others in the Chamber that reading levels are largely based on the funding that schools can access.

The other day, someone in Westminster Hall—I cannot remember who—said that some schools do not have a library at all. I was quite amazed; I did not think any school did not have a library. I think it is important that they do. Giving those on free school dinners book tokens, and paying for teachers dedicated to helping with reading and encouraging others to be more passionate about it, can be done only if the prioritisation—the focus, demand and drive—is right here.

Thankfully, Northern Ireland is ranked fifth in the world for reading proficiency among primary school children. Data from the 2021 progress in international reading literacy study revealed that children from Northern Ireland significantly outperformed those in 52 of the 56 participating countries. I am very proud to be here to tell others about what our schools do, what our education system does and what parents do in Northern Ireland.

That is something we can be very proud of on World Book Day, but we cannot be complacent. There are still children who cannot read well, children who struggle and children who have no enjoyment of reading. The fun of World Book Day is a time to focus on all that. Collectively and singly, we should attempt to do better.

When it comes to reading, I always try to leave with a quotation. This quotation is from my favourite book in the whole world—the Bible—and it is Proverbs 22:6:

“Train up a child in the way he should go; even when he is old he will not depart from it.”

What are we doing for our children through books? We are teaching them about the world, about life, about social engagement, and about how they can be great adults in a world that may seem incredibly strange and, for some, may even be a world that they are not sure they want to be in. If we give our children a love of books, that will stand them in good stead for the rest of their lives. For me, that is a definite priority, and one that we should all, collectively, try to achieve.

2.55 pm

Sir Gavin Williamson (South Staffordshire) (Con): It is a real pleasure to serve under your chairmanship, Mr Pritchard. I congratulate my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken) on securing this debate. I think we all feel very passionate about this subject, because we all understand how important reading is to our children. One of the most precious things we can do is take the opportunity to sit down with our child and read them a book.

We have to be acutely aware that although that often occurs in households right across the country, it sadly does not happen in all households. A recent BookTrust survey found that out of over 2,000 low-income families, less than half of children under seven were being read a bedtime story. That is one of the very simple acts that can really transform a child's outcomes, making sure that they develop and widen their range and vocabulary. That early language development is so incredibly critical for their outcomes later in life. Perversely, that is the case not just in English, but in other subjects, such as maths and science.

World Book Day is incredibly important. It is an opportunity to put a real focus on the importance of a book for every child right across the country. We should all feel a great sense of pride in the scheme, which the Publishers Association has championed over the years. It is not just about what is being done in schools and for children; it is also a celebration of the fact that Britain is a world-leading nation in publishing. We have some of the best companies in the world based here in the United Kingdom, employing so many people right across the country.

The heart of the publishing industry is here in the United Kingdom, and that means we have an amazing stream of talented authors who have the opportunity to get their works published. Indeed, there are many parliamentarians who think they are talented authors as well, and who like to take up the opportunity.

Jim Shannon: Name them!

Sir Gavin Williamson: I think their book sales speak to it—but we are getting slightly distracted.

[Sir Gavin Williamson]

World Book Day brings that focus, because we do face challenges. My hon. Friend the Member for Cities of London and Westminster picked up on some of the challenges faced by children from some of the most disadvantaged backgrounds, who do not have access to a book. It is sad to think that in so many households there is not a book for a child to pick up—for them to discover a new world and have their eyes opened.

My hon. Friend the Member for Cities of London and Westminster read a long list of authors from her constituency, and I would like to point out the great literary tradition that Staffordshire has provided in Arnold Bennett. In my own constituency, Arthur Conan Doyle—my hon. Friend touched on him—visited Great Wyrley during the Great Wyrley outrages and was a great champion of making sure that justice was done. He did not just write about the fictional characters who were meant to have walked the streets of my hon. Friend's constituency, but also actually delivered justice in Staffordshire.

Theo Clarke: I absolutely agree with what my right hon. Friend and neighbour in Staffordshire is saying. I will add that Tolkien lived in my constituency and was based in Brocton in the world war, which is one reason why I am keen to promote literacy. Does my right hon. Friend agree how important it is that the Government continue to promote reading? Does he welcome the fact that children in England now rank fourth globally for reading? We have gone from eighth in the league tables up into the top five. Is that not fantastic news, which we should welcome?

Sir Gavin Williamson: That is absolutely fantastic news. It is a testament to the work that has been done and to the focus we have had in this country on reading over the last 14 years, and we have to continue to build on that. My hon. Friend mentioned Tolkien; it is not necessarily widely known, but the Shire in “The Lord of the Rings” was based on the Kinver Edge rock houses in my constituency, and I strongly encourage people to come and visit them—[*Interruption.*] I notice that my hon. Friend the Member for Worcester (Mr Walker) is going to intervene and disagree with me on that.

Mr Robin Walker (Worcester) (Con): I am delighted to intervene on that point. I congratulate my right hon. Friend for the points he is making, but Worcestershire would certainly dispute the suggestion that the Shire was based on Staffordshire. Tolkien enjoyed looking down from the Malvern hills and comparing the black Black Country, which may have been the inspiration for Mordor, with the green shire below him.

Sir Gavin Williamson: I fear that the point is not going to be resolved in this debate, but it is fair to say that I am right and my hon. Friend is wrong. I will, however, move swiftly on.

The Department for Education plays an incredibly important role in the promotion of World Book Day, working with the Publishers Association and schools and creating the underpinning to ensure that we get our children reading. We have seen children make amazing progress up the PISA scales in terms of reading outcomes and understanding literature as part of our curriculum. That is also true of phonics, which I know is close to the

heart of my right hon. Friend the Minister, who has championed it over the years, along with many of us. We know that phonics delivers results, and we are seeing that in the international tables. Sadly, we are not necessarily seeing the same results in every component part of the United Kingdom, and I urge those parts that have not embraced phonics as a central part of developing, promoting and teaching reading to look at it as a matter of urgency.

I particularly welcome the DFE's £60 million English hubs programme—an intervention focusing on designing and developing the expertise to teach reading. Getting that right is critical, and a number of us in the Chamber have probably seen that work. Getting the very best teaching, as well as encouraging, developing and, most importantly, sharing it right across our schools, is critical for all our children.

Libraries have already been touched on, and it is so important that children from right across the country always have access to a good library and the opportunity to pick up a good book and to be transported to a different world and a different country—or even Worcestershire. With the support of that book, they can go anywhere their imagination takes them. The £20 million libraries improvement fund is certainly welcome, but I suggest that we need to do more in that area. There are some concerns; we saw library book stocks decrease by 11% across England, Wales and Scotland between 2021 and 2022. We need the best possible range of stock in our libraries so that when youngsters have that book that they picked up on World Book Day, they have the opportunity to feed and develop their enthusiasm.

It is important that we thank all the people who have been instrumental in creating the structure for World Book Day. We must also thank all the teachers, teaching assistants, support staff and parents, and the children themselves, who make World Book Day the living, wonderful, beautiful thing it is.

3.5 pm

Peter Grant (Glenrothes) (SNP): It is a privilege to take part in the debate, Mr Pritchard. I do not really understand why it is not better attended—it is not as if there is much else of interest going on anywhere. I commend the hon. Member for Cities of London and Westminster (Nickie Aiken) for bringing this issue forward, and I thank her for her contribution to the drop-in we had for World Book Day.

This debate is one of those events in the parliamentary calendar that I always try to put in an appearance at. Having seen the difference that World Book Day has made in some of the primary schools in my constituency, which have some very high levels of deprivation, I think it is vital. Somebody being given a £1 book token to spend on a book might not seem like much, but if that £1 is the only pound spare in the family budget that month, it can make a big difference.

As so often happens in Westminster Hall, I have not heard much I would disagree with—maybe a bit, but nothing particularly significant. The hon. Member for Strangford (Jim Shannon) made a comment about schools without libraries, which is something that concerns me. I will come back to that in a minute, because I have a story about how a school library almost literally saved the life of someone who has gone on to do great things in my constituency.

Talking of libraries, I had the great pleasure a few years ago of visiting Innerpeffray library in Perthshire, which is Scotland's oldest free lending library. It opened in 1680; I think the first one in England was about 20 years before that. By the way, the oldest continuously operating library in the world is in Fez, in Morocco, and it has been going since 859 AD. We sometimes forget how much of what we regard as western civilisation we owe to people who, these days, are not seen as part of western culture.

The hon. Member for Cities of London and Westminster reminisced about her experience of reading. Although I do not directly remember this myself, my mum and dad would reliably tell me that the first sentence I learned to read was "How they ran last time out", because my dear grandad Quinn taught me to read the racing results before he became so ill that he could not read them for himself. That was when I was three—I had originally learned to read from my pyjamas, which would have pictures of cats and dogs and so on. I know that I was only three, because I then learned to read and taught my big brother, who was four. I must have done something right because he eventually came out with an honours degree in chemical physics from Glasgow University and much else as well. If we get well taught when we are young, there is no holding us back.

However, I met my match when I got married. My wife, Fiona, is such an avid book reader that she once managed not to realise that the toast under the grill had gone on fire when she was standing next to it, because she was so engrossed in her book. She also caused consternation at the then Glenwood library in Glenrothes in the days before computers. I do not know how many people are young enough to remember this—I think it is an ever decreasing number—but library books were once managed using wee card envelopes that we had to put a tab in. *[Interruption.]* I see the hon. Member for Cities of London and Westminster nodding—she obviously learned about that in history at school. Fiona used to get four books out of the library in the morning, read them and take them back in the afternoon, which completely knackered the system because the tickets were still in the "Issues" and were not ready to be taken back in the "Returns". They came to a compromise: when she went in in the morning and got books, the library staff would leave her tickets to one side, because they knew she would be back later in the day.

Something else that not many Members here will remember—this was actually on my fifteenth birthday—is that the BBC started a programme called "On the Move" to encourage adult literacy. A big part of it was trying to get adults who could not read, or who were not confident in their ability, to learn that that was not something to be ashamed of. If, for whatever reason, they had not had the chance to learn to read adequately in childhood, they would be given the chance in adulthood. That programme launched the careers of people such as Bob Hoskins and Martin Shaw. Those who have seen it will immediately recognise the wee logo that went with it, although they might not be able to describe it now. My uncle, Alex Mackenzie, designed that wee logo for "On the Move". He has never received a single penny in royalties for it, but he did it for the love of adult education.

The hon. Member for Cities of London and Westminster (Nickie Aiken) suggested that we all chip in with nominations for a summer reading list, and I notice that

no one has risen to the challenge. I am going to suggest a book called "On the Come Up" by Angie Thomas, which was recommended to me not on World Book Day but at a summer reading event in Parliament a few years ago. One of the volunteers asked me what kinds of books I usually read, and went and picked it out. It is the story of a young, black, inner-city American girl who is a very talented rapper. The only one of those words I would identify with is "young", and that was quite a long time ago. I said, "That's not what I usually read," and the volunteer said, "Exactly." Sometimes it is important to encourage ourselves and others to read something completely different. People say that travel broadens the mind, but reading can broaden the mind a great deal without us having to travel very far.

I often make a point of reading about things I think I am not interested in, just to see whether I become interested in them. But we all like to go home sometimes, and I still love finding books by Val McDermid, a great Fife author; books by Ian Rankin, who was brought up in Cardenden, in my constituency; or some of the Scottish books of Sara Sheridan. The two books on my bookshelf that are falling apart because they have been read so often are "Yes Minister"—that was before I got interested in politics, by the way—and "Hamish's Mountain Walk", which was written by another person with a long association with Fife. Hamish used to teach in a school in Buckhaven, and was the first person to do a continuous non-powered journey across all 278 Munro mountains in Scotland. "Hamish's Mountain Walk" is a book about that, but there is a lot more in it than just mountain walking, and it contains a phrase I have always remembered. He encourages people not just to walk up and down a hill, or to cycle around the roads, but to take in as much of what they pass through as possible. He writes:

"Any book can be ordered from the local library where a whole world of vicarious fun lies ready to hand."

That is as true today as it was when Hamish wrote those words almost exactly 50 years ago.

The difficulty is that, because so many local libraries have closed or restricted their opening hours, they are sometimes not that local any more, which is very sad. Although local authorities in Scotland—and I think elsewhere in the UK—have to provide for library services, there is no minimum standard of provision, and there is no statutory inspection system, in the way there is for policing, education or social work. Inevitably, if councils get squeezed but want to avoid going bankrupt, they have to keep providing the services for which there is a required standard of provision, and, sadly, the things that are not an absolute legal requirement start to suffer. That often means that cultural services, library services and so on are the first to suffer, which is sad.

Getting read bedtime stories by a parent or another adult is a great thing, but the earlier that children learn to read for themselves, the quicker they will learn to start thinking for themselves. That is vital, and it is something that modern society seems determined to stamp out. People are not encouraged to think for themselves enough, and reading a book allows them to do so. I have seen evidence that children who read a lot of fiction, regardless of whether it is, in the eyes of middle-class folk like us, worthy or trashy fiction, are less likely to grow up to be psychopaths—I mean clinically diagnosed psychopaths; I am not using it as a slang term. When someone reads

[Peter Grant]

fiction, they have to put themselves in the position of somebody else. We cannot read a book of fiction without putting ourselves in the shoes of one or more of the characters. Simply by reading what looks to be just a story about spacemen, ballet dancers or whatever, children learn to be empathetic.

Sir Gavin Williamson: The hon. Member makes an important point. Some of the statistics are interesting: people who read just 30 minutes a week are 20% more likely to have greater life satisfaction, and 19% of readers say that reading stops them feeling lonely. Similarly, non-readers are 28% more likely to report feelings of depression. Reading is therefore good not just from an educational point of view but from a mental health point of view.

Peter Grant: Absolutely. That is one reason why it is sad that children sometimes almost have to be forced to read at school. If somebody is forced to do something, the chances are that they will stop doing it as soon as they are no longer forced to do it. That is why I commend the work of the Publishers Association, through World Book Day and many other initiatives, in encouraging children and young people to want to read. Children should be encouraged to do so for fun—because they like doing it, rather than because they have been told they have to do it and to recite it when they go back to school the next day.

I promised that I would go back to the story about the school library. I am sorry that I cannot give any hints as to the identity of the two people concerned, partly because of the sensitivity of the information that the lady provided, but this is somebody in my constituency I know very well. I wish I could tell hon. Members what she has achieved and delivered for other vulnerable people in and around Glenrothes over the years.

She had a troubled childhood. By the time she was at secondary school, the path her life seemed to be set on was not a good one. On one of the relatively few days she went to school, she happened to go past the school library and she went in to see what was going on. She got talking to the school librarian, who was someone I later got to know very well. He sat down, heard her sad story and asked if she wanted a book. I do not think that the girl had read a book in her life. He gave her something simple and told her to take it away. He said that even though she was only supposed to have it for a week, she could take as long as she needed to get through it. The girl brought it back two days later. She had finished it, and she asked for another.

Simply pointing that young girl in the direction of books helped her to see life from a different perspective. That quite possibly saved her life, because she might have ended up with a lifestyle that would have led to an early death. Because of that almost chance encounter, and because she was introduced to books when she needed something to show her an alternative path in life, she has continued for decades to provide an enormously valuable service in my constituency. I wish I could identify the two individuals concerned.

The story also says a lot about the school librarian at the time. Simply by being prepared to take a few minutes and help someone who needed it, he helped to turn a

life around with the aid of some books. Reading books of any kind can change lives for the better. It should be encouraged, although we cannot force people to do it, because that does not work.

I consider myself lucky that I went to school when every town had its lending library that was open all day, every day. Mine in Coatbridge was one of a great many public lending libraries built on the legacy of Andrew Carnegie. I fully appreciate the difficulties that library services have across the United Kingdom. They have had to change—they no longer just provide books and a place for people to read—but it will be a sad day if financial constraints cut down the library profession any further or stop its original purpose, which is not only life-enhancing but sometimes lifesaving: to encourage people to take time from their busy day to sit down and lose themselves in a book.

3.17 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): It is a real pleasure to see you in the Chair, Mr Pritchard. I thank the hon. Member for Cities of London and Westminster (Nickie Aiken) for securing this World Book Day debate, and I thank hon. Members who have contributed. It has been an incredibly thoughtful and thought-provoking discussion.

This is one of those topics that reminds us why we got into politics: to ensure that all children get the best start in life. I know that my children have enjoyed many a World Book Day, getting stuck into stories and the occasional dressing up. I had a look through some old photos of costumes that we had made over the years: many were of dubious creativity and quality, but the experience of sharing them has always been fun. I really commend the work of the World Book Day charity.

Beyond World Book Day, there is something incredibly special—hon. Members have touched on this point—about reading with a child, rediscovering old favourites and discovering new stories and authors with them. Anything that promotes and encourages that is to be hugely applauded.

I congratulate the hon. Member for Cities of London and Westminster on bringing this debate to Westminster Hall. We have heard many examples of the contribution that World Book Day, and reading generally, can make to a person's life and particularly to a child's education and life chances, yet we know that there are huge challenges in this space. Last year, the annual literacy survey found the lowest levels of reading enjoyment since the survey began almost 20 years ago, with just two in five children saying that they enjoy reading in their free time and only 28% saying that they read daily. Those are incredibly worrying statistics. They form a trend that we really need to work to reverse.

For the 1 million children in the UK who do not have a single book in their home, World Book Day is a fantastic opportunity to introduce or reintroduce reading into their life. That is especially true for the children in our poorest households, where books can often be seen as a luxury during a cost of living crisis. Ensuring that every child can choose a book with their £1 token is an important step towards igniting that passion for reading and making it accessible to all.

Being immersed in a story can help a child to think creatively or to become interested in an entirely new topic that they may never have encountered. Reading is

so important, as many hon. Members have highlighted, and too many children are leaving school without those essential reading and writing skills. Without getting the basics right, they are being left behind, and it is often the children in the most challenging circumstances, who have the least access to books, who are hit the hardest.

A Labour Government would prioritise a curriculum and assessment review to ensure that we provide an excellent foundation in the core subjects of reading, writing and maths. We want to get the basic building blocks right and give every child access to a broad curriculum that not only reflects the issues and the diversities of our modern society, but ensures that children from all backgrounds do not miss out on the things that make school fun, like music, art, sport, drama and reading. Together, those building blocks will ensure that children are able to develop life skills such as better communication skills, which are essential for their future. For Labour, the key to that is resetting the relationship between Government, schools and families so that we can improve literacy outcomes together as a community.

Schools that have faced challenging budgets have had to make some difficult decisions, and many do not have designated funding for libraries. Whether they are in schools or in our communities, libraries play such a vital role in encouraging children to read and ensuring that every child has those resources. I have vivid childhood memories of going to our local library when I was knee-high to a grasshopper, flicking through the docketts of books and seeing what delights might have newly arrived when the exchanges took place. I also remember the library buses that used to come round our school, and how excited I always was about books. We all need to recognise, as we have done today, how important that is for every child. Every child should have books available to them.

A lack of books in schools can entrench inequality in access to reading, and we know the impact on literacy outcomes. Michael Morpurgo, among others, has highlighted that crucial point. We also know that parents value it when children have access to books, or to a good school library or local library. It is a big pressure for parents to ensure that their children have the same access to books and the same love of reading as every other child.

There is a gap in the support available, and many charities have filled in where they can. I pay tribute to the amazing work of the National Literacy Trust and BookTrust. In its strategy, the World Book Day charity says that it wants to see

“more children, from all backgrounds, developing a life-long habit of reading for pleasure, benefiting from the improved life chances this brings them.”

We could not sum up the purpose of this debate any better. In a recent Westminster Hall debate, the Minister himself said that

“we cannot knock down barriers for children if we do not teach them to read well.”—[*Official Report*, 24 January 2024; Vol. 744, c. 137WH.]

I could not agree more.

We should all focus on improving literacy outcomes for our children. A Labour Government would focus on that as part of our curriculum review to make sure that we have the building blocks in place. We would focus on hiring more teachers to fill the gaps left in our classrooms

and make sure that everybody can be supported to reach these aims. We would invest in early language and speech interventions to ensure that the very youngest schoolchildren get the strongest possible start.

I conclude by paying tribute to the amazing work that World Book Day does year in, year out to encourage more children and their parents to take up reading. I thank the hon. Member for Cities of London and Westminster for giving us the opportunity to discuss such a positive thing today.

3.25 pm

The Minister for Schools (Damian Hinds): It is a great pleasure to see you in the Chair, Mr Pritchard, and to take part in this debate—or is it a discussion? It felt more like a discussion: sometimes a discursive discussion, but a very good one. Even as politicians, we will probably struggle to find things to disagree on. As the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) said, this is one of those things that brought so many of us into politics, both directly and indirectly: seeking ways to improve the life chances of those who are disadvantaged, and wanting to open up the discovery of the world, including the literary world, to as many people as possible through the power of education.

I congratulate my hon. Friend the Member for Cities of London and Westminster (Nickie Aiken) on securing the debate and on having the foresight to apply for it. I thank everybody who has taken part: my hon. Friends the Members for Stafford (Theo Clarke) and for Worcester (Mr Walker), my right hon. Friends the Members for Esher and Walton (Dominic Raab) and for South Staffordshire (Sir Gavin Williamson), and the hon. Members for Glenrothes (Peter Grant) and for Strangford (Jim Shannon), who comes from the beautiful County Down. Those who spoke and those who intervened made interesting and insightful points.

The hon. Member for Strangford reminded us of the variety of what we are talking about when we speak of books. Although perhaps we think first of novels or children's books, World Book Day is also about biography, non-fiction and eyewitness accounts. The hon. Member for Glenrothes rightly mentioned the joy of discovering a new genre, something we were not expecting. The hon. Member for Newcastle upon Tyne North spoke of the joy of rediscovery in reading with our children or coming into contact with books that our children and their friends have. This may be a debate for another day, but we might reflect on how, in a world where so much is about electronica, it is wonderful to celebrate the simplicity of a book and being able to lose oneself in a story—me time, if you like, which I would argue is good for the soul.

I was struck by the very touching story that my hon. Friend the Member for Cities of London and Westminster told about her time volunteering. She also reminded us about the importance of book clubs, a category that has recently grown significantly; I did not know about the Conservative women MPs' book club. She took us on an interesting journey through the literary chapters of her own life, as well as through the rich literary heritage of the two cities.

There was a competitive spat with my right hon. Friend the Member for South Staffordshire and my hon. Friend the Member for Worcester about who was

[Damian Hinds]

from where. I will gently say that I would never join in that type of competitiveness. I will just mention that I represent East Hampshire, the undisputed home of Jane Austen.

My hon. Friend the Member for Cities of London and Westminster said that she was a Famous Five girl. I was a Secret Seven boy, but I agree with her on just about everything else. It was only a month ago that we were last here discussing the importance of reading. It is a real pleasure to be here today to recognise and celebrate World Book Day. We all look forward to tomorrow.

The Government wholeheartedly believe that all pupils deserve to be taught a knowledge-rich curriculum that promotes extensive reading, both for pleasure and for consuming information. The texts that our young people read play a significant part in their wider development, broadening their horizons and introducing them to new ideas and different perspectives. Reading is a principal way of acquiring knowledge about the world, language and vocabulary. Such knowledge eases access to the rest of the curriculum. It really does underpin all education.

Ensuring that pupils become engaged with reading is one of the most important ways to make a difference to their life chances. Evidence shows that reading for pleasure, as my hon. Friend the Member for Cities of London and Westminster said, is more important for children's educational development than even their family circumstances or their parents' educational background or income. That is why the Government have introduced a range of measures to promote reading and improve literacy standards, as part of that mission to level up education standards across England.

We have strengthened the national curriculum to focus on reading, requiring pupils to study a range of books, poems and plays throughout their schooling, to encourage a lifelong love of literature and appreciation of our rich and varied literary heritage. But we recognise that for children to develop a love of books, we need to build a strong foundation in reading early on, as my right hon. Friend the Member for South Staffordshire rightly said. That is why many of the measures the Government have introduced support the effective teaching of reading right from the start.

In 2021, we introduced landmark reforms at the early years foundation stage, to improve early years outcomes for all children, particularly those who are disadvantaged. The reforms to curriculum and assessment requirements focused on the critical areas that build the foundations for later success, including language development and reading. We have invested in the Nuffield Early Language Intervention—NELI—improving the speech and language skills of an estimated 150,000 children in reception classes. More than 320,000 primary school children have been screened to identify those with language development difficulties, who will receive targeted language support.

We also recently launched Start for Life's Little Moments Together home-learning environment campaign, in partnership with the Department of Health and Social Care. That campaign follows the Hungry Little Minds home-learning environment campaign of a few years ago, and aims to increase rates of school-readiness, by alerting parents to the importance of the early years and their own critical role in their child's development for school-readiness.

As we were reminded by my right hon. Friend the Member for Esher and Walton, among others, to drive up the teaching of reading in primary schools, we have focused on high-quality systematic synthetic phonics teaching for every child, starting as soon as children join in reception. The evidence for phonics is indisputable. Phonics approaches have consistently been found to be effective in supporting younger readers to master the basics of reading, with an average impact of four months of additional progress, compared with other approaches.

Because of that, since 2010 we have placed phonics at the heart of the curriculum. In 2012 we introduced the phonics screening check, to assess pupils at the end of year 1. We have also incorporated phonics into the teachers' standards, the baseline of expectation for teachers' professional practice; placed a greater focus on phonics and the teaching of reading in Ofsted's framework; and supported schools to choose good phonics programmes, by publishing a list of schemes validated by the Department. Our focus on phonics is making a clear impact. When we introduced the phonics screening check in 2012, 58% of pupils in year 1 met the expected standard. By 2023, that figure was 79%.

To support schools to embed phonics into their practice, as my right hon. Friend the Member for South Staffordshire mentioned, we have funded the English hubs programme since 2018. The programme has so far supported more than 1,600 schools intensively, with a focus on helping those children making the slowest progress in reading, many of whom come from disadvantaged backgrounds. It includes Chesterton English hub, which offers support to primary schools in the constituency of my hon. Friend the Member for Cities of London and Westminster.

That programme is having a palpable impact. I saw that at first hand during a recent visit to the Knowledge Schools Trust English hub last month. The programme's impact is also measurable. Schools supported intensively as partner schools by English hubs outperform non-partner schools by around 7 percentage points, when comparing the change in year 1 phonics screening check results between 2019 and 2022.

English hubs are also doing excellent work to develop reading for pleasure and early language. For example, in 2021 we rolled out the "Transforming your school's reading culture" programme, which was developed by hub schools and sector experts to support reading for pleasure. Reaching around 600 schools last year, English hubs are now into the third year of delivering this research-based continuing professional development programme, which trains teachers in schools across the country to ensure that every pupil in their school develops a love of books.

Of course, teachers play a vital and irreplaceable role in inspiring a love of literature. The Government have committed to supporting their professional development, including with the national professional qualification for leading literacy in October 2022. As part of our education recovery plan, we announced £184 million of funding to deliver 150,000 scholarships across a range of NPQs by the end of 2024. The NPQLL saw 3,064 funded starts in its first year, which was 8.6% of all funded NPQ starts.

The hub programme cannot reach every school, and the NPQ programme cannot reach every teacher, so, to ensure that all teachers have clear guidance to support their teaching of reading, we published the reading framework. Updated last year, the framework offers

non-statutory guidance on best practice in the teaching of reading from reception up to year 9. It recognises the importance of encouraging a love of reading, including the vital importance of pupil choice and access to a wide variety of books. It also includes helpful guidance for schools on how to organise the school library, book corner or book stock to make reading accessible and attractive to readers. I thank the organisations and authors who work tirelessly to promote the importance of libraries. Alongside school libraries, public libraries have a strong offer to support children's development as readers beyond school, and are part of the vital social and cultural infrastructure of the country.

Our clear focus on reading is making an impact, and it has been recognised internationally. In the progress in international reading literacy study—better known as PIRLS—England came fourth out of 43 countries and first among western nations. I am hugely grateful to all the primary school teachers, teaching assistants and other staff, alongside the parents and children, whose commitment to reading and embracing the phonics approach introduced by the Government has made that possible. Indeed, the strongest predictor of PIRLS performance was the year 1 phonics screening check mark, with higher marks predicting higher PIRLS scores.

I absolutely recognise the important contribution of charities and organisations to promote the importance of reading for pleasure, and that very much includes our subject today, World Book Day. We should also mention the National Literacy Trust overall, the Reading Agency, BookTrust and many more. World Book Day is a fantastic worldwide celebration of books and reading marked in more than 100 countries around the world. Its book and book token scheme, distributed through schools and early years settings, aims to appeal to all children, particularly those who need encouragement to read for pleasure. I thank those charities for the enormous contribution they make.

The National Literacy Trust's National Storytelling Week took place last month. It, too, is a wonderful annual event that celebrates the power of sharing stories. The charity provides excellent storytelling resources to early years practitioners, teachers and families to help to bring the magic of storytelling to life and strengthen children's imaginations, critical thinking and literacy skills.

Like everyone else here, I look forward to celebrating World Book Day. Some of us will celebrate it tomorrow and some of us on Friday in our constituencies. I think some have already started, and we are all sort of celebrating it together today. I will be celebrating with the children and staff at High Hazels Academy in Sheffield, and I am excited that best-selling children's author and artist Rob Biddulph will be there too. The Secretary of State is also busy celebrating World Book Day. She attended the grand final of the BBC 500 Words competition last week to celebrate the finalists of one of the UK's most prestigious children's writing competitions, and yesterday she visited Hampden Gurney Church of England Primary School to celebrate World Book Day with the children and staff there.

The last time I spoke in a debate in Westminster Hall I concluded by saying, as the hon. Member for Newcastle upon Tyne North was kind enough to repeat, that "we cannot knock down barriers for children if we do not teach them to read well."—[*Official Report*, 24 January 2024; Vol. 744, c. 137WH.]

I reiterate that point today, as I know the hon. Lady does. The Department is firmly committed to improving literacy for all pupils, ensuring that all children can benefit from high-quality teaching, and giving them a solid base on which to build as they progress through school and beyond with a lifelong love of books.

3.40 pm

Nickie Aiken: I thank everybody who took part in this celebration of World Book Day.

The hon. Member for Strangford (Jim Shannon) pointed out that he has always supported my Westminster Hall debates. I am not sure how many I have left before I stand down from Parliament, but I expect him to attend each one. He made an important point about reading non-fiction: it is not just about fiction; it is about whatever book.

We should remember that libraries are so important. I was fascinated to hear from the hon. Member for Glenrothes (Peter Grant) about the oldest library in the country, and the oldest in the world, perhaps. Both he and the hon. Member for Strangford made important points about how reading and libraries can change people's lives. That made me remember my visit, several years ago when I was leader of Westminster City Council, to the Westminster pupil referral unit in St John's Wood. The head there wanted to extend the library, which was very small, and he wanted his children to embrace reading, and hopefully to change their lives, like the constituent of the hon. Member for Glenrothes. I contacted David Campbell, the person behind the Everyman's Library, who donated so many books to the PRU. I am sure that his donation and the work of the headteacher has changed some of the most vulnerable children in Westminster.

I thank my right hon. Friend the Member for South Staffordshire (Sir Gavin Williamson), a former Education Secretary who made a huge contribution to ensuring that children can and do read, and to supporting schools. He highlighted how utterly important phonics are and how important it is to introduce them at the earliest age to help children to read.

I finish by celebrating World Book Day and thanking the organisers behind it and the Publishers Association. I also thank the teachers, the teaching assistants and the parents who will be supporting their children tomorrow. After we leave this place, when we walk through the streets tomorrow, whether it is in our constituencies or in Westminster, we will see children walking to school in goodness knows how many different designs, whether related to a book or not—I remember several occasions when my children wore things that had nothing to do with a book. It is so important that we celebrate World Book Day, thank those involved, and ensure that parents know that it is World Book Day, because we do not want children turning up for school in their school uniform when everybody else is in their World Book Day costume. So parents, remember that it is tomorrow.

Let us really celebrate reading: it can change people's lives for the better and open up worlds for children living in very different conditions. For as long as we can, we must have a World Book Day.

Question put and agreed to.

Resolved,

That this House has considered World Book Day.

3.44 pm

Sitting suspended.

Illegal Drug Use and Organised Crime

4 pm

Mr Gregory Campbell (East Londonderry) (DUP): I beg to move,

That this House has considered the matter of illegal drug use and organised crime.

It is a pleasure to serve under your chairmanship, Mr Pritchard. I am delighted to see the Minister in her place to respond.

The issue of drug use is exacerbated by organised crime and criminal gangs, not just here in the UK but across the globe. It is a growing phenomenon and problem. I have received estimates on the drug business in the UK—if drug death and drug peddling can be called a business. The estimates vary, but the value is approximately £9 billion to £9.5 billion per year. The cost of drugs is much greater than that, however, given hospitalisations and treatment, aftercare, and the problem of drugs in prisons. Estimates of the total cost are between £18 billion and £19.5 billion, so it is an extraordinarily expensive problem and it is escalating.

In Northern Ireland alone, drug-related deaths increased by almost 100% between 2012 and 2020. Similar increases are reported in England, Wales and Scotland. We know that the issue of drugs in Scotland is particularly acute, and issues have been raised there, but I will not dwell too much on how they are treated.

Jim Shannon (Strangford) (DUP): I commend my hon. Friend and colleague for bringing this matter forward. He will be aware of the difficulties caused in my constituency by a feud between rival drug gangs; it cost the Police Service of Northern Ireland literally hundreds of thousands of pounds to police. Does my hon. Friend agree that when we are facing a crumbling NHS, the fact that this money had to go toward this problem is truly disgusting? Does he agree that the penalties for those involved should reflect the damage they did to their own community and should be paid for out of their own pockets?

Mr Campbell: Yes, in Northern Ireland the issue that my hon. Friend raises is well known and, unfortunately, replicated elsewhere. There were particularly acute problems there for a considerable period of time. Organised criminal gangs were peddling and distributing drugs, often using young people to enhance their distribution methods.

I have bid for this debate for some time now, and I have taken note of some of the national and international newspaper coverage. In *The Times* a few weeks ago was a headline about a crack epidemic sweeping Germany. In *The Daily Telegraph*: “Narco gangs hold sway in the Med”. Those are just two headlines, but they indicate to the readers and the wider public the growing problem across the Western world, particularly the developed world, of gangs being able to influence society not for good but to peddle death and destruction in the wake of their drug trade. Ecuador has been in the news recently, with drug cartels there causing mayhem and destruction in recent months. There are drug gangs in Venezuela—and Honduras, Guatemala, and Trinidad and Tobago have all suffered problems.

The issue has crystallised in the UK in recent times. Last September a huge haul was seized off the coast of the Republic of Ireland; it was so big that the ship was

almost sinking. Then €150 million of illegal drugs were seized. They were not destined purely for the Irish Republic; the market for drugs in the Irish Republic would not have amounted to €150 million on one trip—they were destined for all of these islands and possibly further into Europe. There was an even bigger haul in the port of Philadelphia some five years ago, when \$1 billion of illegal drugs was seized.

I mention those two particular hauls because we all know that the reality of the 21st century is that for every haul that is discovered, other consignments get through via other routes for distribution. I do not know whether one in 10 or one in 20 consignments is caught, but we know for absolute certain that it is not one in one. If drugs worth \$1 billion were caught in America in one haul and €150 million worth were caught off the coast of the Irish Republic less than six months ago, how many billions’ worth of illegal drugs have reached these islands and continental Europe in the past few years? Our hospitals and treatment units all bear testimony to the problems that these illegal drugs are causing, particularly for our young people.

However, an interesting facet about the drug deaths issue is that although it is predominantly young people who begin experimenting with drugs and peddling them, it is those in an older age range—those between 40 and 50—who tend to die from drugs or drug-related problems. That indicates to all of us that even those who talk about drugs as a leisure pursuit or about “casual use” of drugs, perhaps at the weekend, find that, as with other substances, drugs become addictive. They come to be increasingly used in a weekday or weekday evening setting, as opposed to being used “casually” on a Friday or Saturday night, whether out at a social event or at home. The problem comes later in life, and we see what has happened in our hospital beds and treatment rooms.

My reason for raising this issue today is that hopefully the Minister will be able to reassure us that her colleagues, both nationally and internationally, will ensure that the issue is brought to the attention of the authorities that can do something at the point of departure—whether in central America or eastern Europe; where there are hotspots—to try to stop the drugs from being dispatched in the first place.

Of course, the National Crime Agency has a central role to play and I hope to receive an assurance from the Minister that this type of issue will concentrate minds—not just now, in the aftermath of a huge haul like the one in September last year, but on an ongoing basis; and not just over the next few weeks and months, but for years to come.

Jim Shannon: When I look at organised crime and realise the money that organised criminals have created through their illegal activities over the years, I always think about the best way to deal with criminals and crime gangs. Does my hon. Friend agree that if we want to hurt the criminal, we hurt him in his pocket? We should do the Al Capone trick: hit them where it hurts and put them away. We can do that by getting them for tax evasion and laundering money that they should not have.

Mr Campbell: Indeed, in Northern Ireland the Paramilitary Crime Task Force and the Organised Crime Task Force are bodies that should concentrate on this issue. I know they have had some success in recent years,

but there needs to be an escalation of awareness among the relevant statutory authorities about the increasing scale of the problem.

Sometimes we hear people on television or on the radio talking about drugs as if they are a casual thing and not really addictive. There may well be a few people who fall into that category and think they are using drugs casually on a night out or a social evening, but as the problem escalates—after 10, 12 or 15 years of constant use—the addiction gets worse and worse, and it often results in hospitalisation or admission to an addiction treatment unit if there is one. In some areas people are yearning for addiction treatment units because the problem is increasing.

Carla Lockhart (Upper Bann) (DUP): I thank my hon. Friend for raising this important issue. Unfortunately, all our constituencies are impacted on a daily basis by those who peddle illegal drugs. I have no time for them; they ruin lives and communities, and they should face the full force of the law.

Does my hon. Friend agree that we have a particular difficulty in Northern Ireland because our police resourcing and recruitment levels are at an all-time low? I trust the Minister will refer to the fact that we are running a major deficit in our police forces, so the Government need to step up with regard to police recruitment so we can get a grip of the problem.

Mr Campbell: I am glad my hon. Friend got to her feet, because I was just about to come to the inadequacy of the police resources in Northern Ireland. She makes an accurate assessment: we need an increased police presence.

There is an increasing concern that as the drug cartels and gangs become more sophisticated, they will look at ways of channelling their resources into other semi-legitimate businesses. We all know about the businesses in our constituencies that use cash—I am a great supporter of retaining the use of cash—in order to launder ill-gotten gains. We need to concentrate on that. Whenever new businesses spring up with marvellous, state-of-the-art items and the source of the funds is questionable, that has to be examined. If it is as questionable as it appears to be on some occasions, the full rigour of the law should be used to bring those people to justice.

I hope the Minister will respond positively and give not just Members here but the wider community an assurance that the authorities—the NCA and local organisations in Northern Ireland—will have a greater awareness of these individuals and organised gangs and greater diligence in pursuing them. I hope she will assure us that that will be raised on a national and international level so that we restrict the flow from the source and address the distribution methods.

4.13 pm

The Parliamentary Under-Secretary of State for the Home Department (Laura Farris): It is a pleasure to be speaking under your chairmanship for the first time, Mr Pritchard. I am very grateful to the hon. Member for East Londonderry (Mr Campbell) for securing this debate, and to the others who participated.

As we heard, these are really serious issues that affect many people across the United Kingdom. The hon. Gentleman is right to say that drugs go to the heart of

every serious social issue that we face, whether it is family breakdown or young people being enticed and entrapped into lives of crime. Whether drug dealers are fuelling crime itself or simply ruining lives, their impact is felt not just by those who are directly involved but by the neighbourhoods where they operate. The trade is driven by organised crime's relentless pursuit of money; it seeks the maximum profit for the minimum risk. The tactics the gangs use are evolving, and so must our response.

As everybody who contributed to the debate will be aware, in Northern Ireland crime and policing is the responsibility of the Executive, who in 2021 published an organised crime strategy for Northern Ireland. However, this issue is of course cross-jurisdictional, and we must work together closely. The example that the hon. Gentleman gave of the €150 million haul seized, which was quite possibly designed to go elsewhere in the United Kingdom or more widely, is a good illustration of that point.

I will explain briefly the steps being taken by the Government to tackle the UK-wide illicit drugs trade and disrupt the organised crime groups behind it —[*Interruption.*]

Mark Pritchard (in the Chair): Order. Can Members ensure that all electronic devices are off? If they cannot do that, I am afraid that they will have to leave.

Laura Farris: In 2021, we published our own 10-year drug strategy, setting out how we are stepping up our response to all stages of the supply chain. I will summarise briefly the first elements of that, because they are the most directly relevant to the issues raised in the debate.

The first element is restricting upstream flow, working with both Border Force and the National Crime Agency to tackle drug trafficking upstream to prevent the highest-harm drugs reaching our shores. We have invested in a network of law enforcement officers who are posted to key source and transit countries of which we are already aware. The second element is securing the border, which we have done by working with partners to develop innovative, intelligence-led approaches that ensure that we keep pace with criminals, particularly the routes and methods that they use. The third element is targeting the middle market. Part of that will be bearing down on the organised crime groups that are involved in wholesaling and distributing drugs across the United Kingdom. The fourth element is going after the money, disrupting drug gang operations and seizing their cash.

We are cognisant of the fact that a seller of illegal drugs no longer has to be physically present; a user in Northern Ireland can now order drugs online from anywhere in the world. That is why the sale of illegal drugs is a priority harm listed in the Online Safety Act 2023, which will introduce measures requiring platforms to identify and remove content relating to the sale of drugs online. A key pillar of our own plan is to disrupt and destroy county lines operations; while I concede that they are more prevalent in Great Britain, that does not mean that the activity does not have the potential to spread to Northern Ireland. At present, our county lines programme has met its three-year target to close down more than 2,000 lines so far, and we are on track to close down a further 1,000 lines by August.

I will summarise our progress report so far. By 2024-25, we are on track to have contributed to the prevention of 750,000 crimes, including 140,000 neighbourhood crimes,

[Laura Farris]

through increases that we have provided in drug treatment. We have delivered just shy of 9,000 major and moderate disruptions of organised criminals, including arresting suppliers, targeting their finances and dismantling supply chains. Significantly, we have seen improvement in our denial of criminal assets, taking cash, crypto and other assets from the hands of criminals involved in drug trafficking and supply.

I will make two more points before I conclude. One focuses on our serious and organised crime strategy, which the hon. Member for East Londonderry said is the key component in understanding the drug trade. Our strategy refocuses our efforts in response to new and emerging challenges to reduce serious and organised crime in the UK, making it a significantly harder place for organised crime groups to operate. Some of what we are doing is set out in the Criminal Justice Bill. For example, we are taking steps to criminalise or make illegal pill presses used for the mass reproduction of drugs.

We are also making illegal the templates for 3D-printed firearms components, which we see increasingly as a tool of serious and organised crime, as well as various vehicle concealment devices, where we find that weapons and people are being hidden effectively in cars. We are also strengthening and improving the serious crime prevention orders regime in the Bill. The measures under that regime will have equal application to Northern Ireland. The legislation will target the enablers and facilitators who support and profit from serious crime, which often has an overlap with the drugs trade, and improve our ability to manage and disrupt the highest-harm offenders.

I promise to take back to the Policing Minister, my right hon. Friend the Member for Croydon South (Chris Philp)—he is not here today, which is why I am responding in his place—the question that the hon. Member for East Londonderry asked about policing in Northern Ireland.

I will finish my remarks by again extending my thanks to the hon. Member for East Londonderry for securing the debate and for the very sensible points that he has made. The supply of illegal drugs is an issue for every area of the United Kingdom. It may present different challenges according to location, but I think it is obvious that it creates equivalent problems, no matter where it arises.

Jim Shannon: I thank the Minister for her very helpful response, which we appreciate. In my intervention on my hon. Friend the Member for East Londonderry (Mr Campbell), I referred to how all regional police forces can better work together across the United Kingdom, the Republic of Ireland, across Europe and through Interpol. Organised crime transcends all borders: criminals do not stop at wherever the borders may be—they keep on going. Does the Minister have any indication of how the regional police forces on the mainland here and in the Republic of Ireland can better work collectively with those in Northern Ireland to ensure that we can take on those guys, remove their money and put them in prison?

Laura Farris: I reassure the hon. Gentleman that there has been some discussion about a Home Office trip to Northern Ireland to talk about exactly that—how we can improve the cross-communications. It is still at quite an early stage, but we are really interested in doing that for exactly the reasons that he outlined.

Concerted action is obviously needed to turn the tide on this issue, and that is what the Government are aiming to achieve through our strategies. I promise to take the sensible and helpful points that have been made back to the Policing Minister, and hopefully we can continue our work collaboratively on this issue.

Question put and agreed to.

4.22 pm

Sitting suspended.

Kinship Care Strategy

4.30 pm

Alistair Strathern (Mid Bedfordshire) (Lab): I beg to move,

That this House has considered the kinship care strategy.

I could not be happier or more privileged to move this motion. There are so many campaigns that I am lucky enough to work with as an MP, but since well before I was elected one group has been a constant source of inspiration for me. From the number of colleagues in Westminster Hall today, it looks like I am far from alone in being touched by the story of kinship carers across the country.

From the very start of my by-election campaign, which colleagues may remember was rather longer than expected, kinship carers were meeting with me to set out their concerns locally, and none more so than Carol and Amanda. They sat me down and talked to me about the battles they face, and how through their love and commitment to the young people in their care they had been able to fight and ensure that they could do everything to give their young charges the best possible start in life. I could not help but be inspired by those stories and their determination, and feel the need to do right by them to ensure that they have everything they need to take care of the young people they look after.

Carol and Amanda's love and commitment was matched only by their tenacity. I found that out four days after being sworn in as an MP when, at my first constituency surgery, first through the door yet again were Carol and Amanda, asking me what I had done so far for kinship carers and how I would be championing the cause going forward. The truth is that I could not be happier to be held to account on this important issue, because it matters so much. Although I am afraid I have not quite been able to get Carol and Amanda their meeting with the Prime Minister yet—not through lack of trying—I hope that today marks the start of a continuing commitment from me to champion the issue of kinship care in Parliament and to ensure that we make progress in some of the important areas they have highlighted to me.

In the run-up to the debate, I have been truly moved by the number of kinship carers who have taken the time to write to me; I know that colleagues across the Chamber have been too. Indeed, Kinship told me that in the last week alone nearly 300 kinship carers from right across the country have written in to share their own personal, difficult and important testimonies. The fact that they have done so underlines why we are all here today.

At its heart, kinship care is all about supporting a young person who may have been through a really traumatic and difficult moment in life—far more traumatic and difficult than many of us would ever have to go through ourselves. Making sure that that young person and the people in their wider family unit have everything they need should be a matter of great importance to all of us. They step up to take on caring responsibilities at a really important time—a time of real trauma and need.

It could be a situation like that of Karen, who emailed me to tell me about the moment she had to take care of her grandson, when he arrived at the start of lockdown with only the clothes on his back after his father had cut off all communication. Angela wrote to tell me about the challenges she faced in carrying out her caring

responsibilities to her grandson while his parents were battling through addiction. Those stories are all unique and important, but they share one fundamental truth: at a time of need, kinship carers across the country step up to provide love and care for a young family member at a really difficult time. They take on responsibilities, often at incredibly short notice, that they have not planned or saved for.

I fear that in the time available, and to ensure that as many colleagues as possible can speak, I will not possibly be able to do justice to the wide range of emails and stories that I have received. I hope, however, to be able to underline the passion and the urgency of their love and care, and highlight some of the clear areas where we can all work together to go further, faster for kinship carers in this country.

As a former councillor with responsibility for children's social care, I got to see at first hand the moving and important work done by kinship carers to take on caring responsibilities and ensure that their young person could stay with a sense of place, with family and with familiar faces through difficult moments. It was as clear to me then as it is now that, where possible, kinship care provides an amazing and powerful way of ensuring that the traumatic moments in some young people's lives have as little impact as possible on their development. It ensures that a young person's true interests, and their need to stay with family and with a sense of identity and place, can be protected and supported.

It is no wonder that the independent review of children's social care found that where young people across the country had been placed with kinship carers the outcomes were often far better. Those outcomes alone should be more than enough to justify the support that kinship carers need and are asking for. But if they are not enough to spur action, we should be clear: failing to support and maintain every viable kinship care relationship means propping up a broken and expensive care system that currently is all too often letting children down.

Liz Twist (Blaydon) (Lab): My hon. Friend is making an excellent speech. The north-east, where my constituency is, has the highest proportion of kinship care households in England, and many of my constituents have been in touch with me about the difficulties they face. Many children raised in kinship care have experienced loss and trauma; does my hon. Friend agree that we need to do more to support those children and provide spaces for them to socialise with peers?

Alistair Strathern: Absolutely. I thank my hon. Friend for her intervention. She highlighted a really important point, on which I would be keen to hear from the Minister in his response, about how we can all work together to make sure that support is put in place and that opportunities are provided for young people right across the country.

To return to what I was saying, in looking through the outcomes the independent review of children's social care rightly found that despite the amazing work and commitment of kinship carers, we need to do far more as a country, and we need our Government to do far more to ensure that wherever kinship carers are taking on responsibilities, and wherever possible kinship placement exists, everything is done to support, nourish and champion those situations.

[Alistair Strathern]

The children's social care review set out a number of areas in which we could be going further. It was welcome to see some of the review's recommendations being taken forward in the Government's own strategy, announced in December last year. I thank the Minister for that, and look forward hopefully to hearing more about the Government's action on those recommendations, and on further areas. Sadly, as welcome as some of the measures were, I have spoken to kinship carers and advocacy groups and it feels like they fell far short of the comprehensive support and recognition that those groups need to ensure that many significant recommendations from the review can finally be enacted in full.

I am sure there are lots of aspects that colleagues across the Chamber will want to focus on, so I will touch on just three, the first of which is the need for a clear and consistent local authority offer. One thing that came through loud and clear in the testimony is the postcode lottery that kinship carers currently face throughout the country in terms of the support on offer from their local authority. Amanda in my consistency faces a real battle. She potentially faces a cliff edge in support when she moves between local authorities and is rightly concerned about what that might mean for her and her granddaughter.

Shockingly, researchers found that over a third of local authorities do not even have a local family and friends care policy in place—something that legislation already requires. I am keen to hear more from the Minister about how the existing requirements are enforced and how the Government will commit to making sure that we have strong requirements on local authorities, including considering whether an active, outward-facing local offer, on a par with that for care leavers, might be helpful to compel some of the support we would like to see on this issue across the country.

The second aspect is the need for fairness when it comes to care and parental leave. Kinship carers take on just the same responsibilities as other carers and parents, often at much shorter notice, but do not currently benefit from the same entitlement to parental care leave as others. As Clare, a passionate kinship carer, said powerfully at a recent meeting of the all-party parliamentary group on kinship care, this cannot be right, and it has a real impact on kinship carers and the child they support at a crucial moment. I am keen to hear more from the Minister about why a right to statutory pay and leave on a par with adoption pay and leave was not committed to in the national kinship care strategy, and about what barriers the Department for Business and Trade might face to working with the Department for Education on making sure that that measure can finally be introduced.

Finally, and perhaps most importantly to many kinship carers in the room today, is the issue of financial support. When it comes to financial support, the commitment to pilots is a welcome step forward, but at the same time for many kinship carers that feels like yet another delay that may mean support is never in place to reach them and their young person.

Tim Loughton (East Worthing and Shoreham) (Con): I declare my interest as chairman of the quality and safeguarding board of the National Fostering Group. I congratulate the hon. Gentleman on securing this debate on a really important subject, concerning a really

undervalued cohort of people in society. I want to add a fourth point to his list. All the points about practical support are absolutely valid, but what kinship carers also need is legal clarification as to their status, and how that fits in with special guardianship orders, family fostering and so on. In the absence of primary legislation, does the hon. Gentleman agree that it needs to be made really clear what the options are to kinship carers who want to step up and do that really important job? Does he agree that they should have the full backing of the law, and the status, in place of the parents, to do that job?

Alistair Strathern: I could not agree more with the hon. Gentleman. I hope the Minister might be able to shed some light today on whether the Government will bring forward, with haste and urgency, some of the primary legislation needed to give that formal legal definition, clarification and certainty to kinship carers throughout the country, who often find themselves in a very uncertain place in the bureaucratic and legalistic care framework that currently exists.

On financial support, Stuart, a kinship carer of two children, powerfully highlighted to me the fact that over and over again, whichever report or study one looks at, the economic case for kinship care is overwhelming. It is clear and is the right thing to do for the young people involved. Given the wealth of evidence already available, if we are to have pilots, how will they be delivered in a manner that ensures that a national roll-out can follow as quickly as possible? If the Government are looking for partner councils to help to support this effort, I am sure that some of our Bedfordshire ones would be keen to bite off the Minister's hand.

We should also consider whether, by limiting the scope to children who have already been in the care system, the pilots risk reinforcing some of the factors that currently push children into the system that the strategy seeks to avoid the excessive use of. The measures required are not just important, but urgent. As is repeatedly raised with me, the young people in the care of kinship carers deserve help and support, not years down the line but now, when it can still make a difference for their families and, crucially, for the young person they are doing everything they can to support.

Every day that the kinship carer lacks a minimum standard of support from their local authority is a day their young person may not be receiving every bit of support they need to get the best start in life. Every month that the kinship carer takes on responsibilities without care or parental leave is a month when some of those precious early moments in a young person's life may be forever missed. Every time that a potential kinship carer is unable to take on caring responsibilities because of financial barriers is a moment when a better outcome for that young person, who has suffered real trauma, may forever be lost. Every day that we do not provide support to our fantastic kinship carers is a day we are letting down young people right across the country.

I pledge to carry with me not just the importance of these issues and not just the wealth of factual evidence that has been presented to me, but the clear urgency of kinship carers' love, commitment and call for action, today and every day that I am lucky enough to serve as an MP. I know that many colleagues here share that urgency, and will share their own stories of commitment to it. I hope that the Minister will be able to share more on how the Government can show urgency too.

We may not know when the general election will be—although I am sure colleagues would welcome clarification on that from the Minister—but we do know that kinship carers deserve help, and they deserve it now. They should not have to go a day longer without the required support. It should not have to come to a general election. This should not be—and clearly is not—a party political issue, and it does not feel like one in this debate. I look forward to hearing from others and the Minister about how we can work together during every day remaining in this Parliament to deliver for kinship carers across the country.

Mark Pritchard (in the Chair): Before I call Ben Everitt, I say to colleagues that, as this debate is oversubscribed, there will be a time limit of three minutes, which might be shortened later in the debate.

4.42 pm

Ben Everitt (Milton Keynes North) (Con): I am not sure what I have done to deserve to be called first; I may have been promoted accidentally. Thank you, Mr Pritchard; it is appreciated, and it is a pleasure to serve under your chairmanship. I thank my constituency neighbour, the hon. Member for Mid Bedfordshire (Alistair Strathern), for securing this debate on the Government's new strategy for kinship care. He beat me to it, because I have been trying to get a debate, but it is a pleasure to give a three-minute speech as opposed to a 15-minute one, so I am grateful.

I am grateful for the opportunity to speak on behalf of the brilliant kinship carers in Milton Keynes North. The strategy represents a huge step forward for ensuring that incredible kinship carers throughout the country receive the financial support that they need and deserve, as well as in education, through the expansion of virtual school heads, and better advice for local authorities in schools.

I welcome the Government's strategy that will deliver for all kinship carers across England a package of training and support that they will be able to access from this spring. We are making progress, heading in the right direction and engaging with kinship carers, although there is always room for improvement. I am feeling the heat that my constituency neighbour described.

My local kinship carers are incredibly vocal, coming forward about things we can do and fine-tuning tweaks to do things better. It was clarified to me that training and information will be accessible via a supplier website, but there are still gaps to be addressed. Specifically, will there be information about where to find and how to obtain support from the virtual school heads? If so, in what form will it be made available? My constituents have also made it clear that that information needs to be integrated at the council level, so that those with special guardianship orders are better able to access support. We are talking about a better quality of life for children and the incredible sacrifices that kinship carers make every day, and nobody should fall through the net.

Continuing on the theme of education, I am aware that there has been no extension of eligibility for pupil premium plus—which schools receive to support children in care—to children under SGOs or child arrangement orders. Without such resources, extra help in schools might not reach a consistent level across the board and the strategy may not fulfil its stated aims.

Ultimately, it is in our interests to make the strategy work in the most effective way possible for our kinship carers, schools and local authorities. The upshot is that we need deeper integration between those three elements to deliver the best possible outcomes for children and their families. I look forward to hearing the Minister's response. I thank you, Mr Pritchard, and I thank kinship carers for their amazing work, love and sacrifice.

Mark Pritchard (in the Chair): Before I call Kevan Jones, I remind colleagues that there is a clock, which will help them to stick to three minutes.

4.46 pm

Mr Kevan Jones (North Durham) (Lab): I congratulate my hon. Friend the Member for Mid Bedfordshire (Alistair Strathern) on securing this debate. I first became involved with kinship carers 15 years ago through a tragic case in my constituency of a young woman who was kicked to death in front of her two children, who were then left with no parent because the perpetrator was in jail. The grandparents stepped in, and that was my first experience of kinship carers. Since then, I have worked with them across County Durham along with the county council.

Kinship carers do not take on responsibility because they are looking for financial gain; they do it from love, but the state takes that for granted. While I accept the national strategy, in my opinion it is the wrong approach. We need a clear approach on the legal status, as the hon. Member for East Worthing and Shoreham (Tim Loughton) just said. When carers first find themselves with children, they are often left not knowing what to do and or what is the right approach. We need to integrate them into the benefits system so that benefits are paid automatically and we need to co-ordinate at a local level.

I congratulate Durham County Council, which has a great kinship carer unit that I have worked with for quite a few years. It provides not just practical, but financial support, but again that support is time-limited. One kinship carer turned up at county hall one day and left her kids there, because the two-year rule on their support was up.

I say to the Government that this is an investment in the future. If we get it right with these kids, they are less likely to get involved in the criminal justice system, be disruptive at school or go off the rails, because they have that bubble of care around them—usually a grandparent or sibling. If we have to look at it in monetary terms, investment early on will pay itself back. It will also allow grandparents to continue working. Some of them have had to give up work to look after individuals, and they often do not expect to be in that position at their age.

Although kinship care is on the national radar, let us have a local approach. Let us integrate carers into the benefits system, give them support and recognise that this is a long-term investment. We will not get results straight away, but over a period of time we will have better citizens, and the kinship carers themselves will be more productive if they are allowed to work and they are not under pressure.

For example, we need a national system for respite care. I have one kinship carer who is dealing with three boys under 12, one of whom has foetal alcohol syndrome. She is 67. These people are complete heroes; we need to invest in them, put money behind them and congratulate them on the work they do on everybody's behalf.

4.49 pm

Mr Robin Walker (Worcester) (Con): I congratulate the hon. Member for Mid Bedfordshire (Alistair Strathern) on securing this important debate. The turnout in the Chamber reflects the importance that MPs across the House place on this issue.

I have some brilliant local kinship carers and I pay tribute to the work that Enza Smith has done over many years on behalf of kinship carers in Worcester. I also pay tribute to a constituent, Julie Rose, who came to see me recently to raise some of the issues and some of the concerns of the #ValueOurLove campaign.

I do not want to repeat points that other hon. Members have made, because they made them very well, but respite care is vital and I have to say that in my constituency at the moment I am concerned by cuts to respite care. I hope the additional £500 million for children's and adult social care announced in the Budget might help local authorities to redress some of those cuts, but that issue is undoubtedly important.

I also think kinship carers need access to other forms of support—bereavement support, in many cases. Even when a parent has not actually died, children face separation issues, having moved away from their original parents and into the care of another family member. Support such as counselling, which is offered to foster families in many cases, also needs to be considered specifically for kinship carers.

Of course, I welcome the fact that we now have the first kinship care strategy and I very much welcome the pilots; indeed, I have asked for Worcestershire to be considered as one of the areas in which those pilots take place. However, given the scale of what we know kinship carers are doing for children, we should be going beyond pilots and looking to fund and support kinship care more systematically across the country. The returns from doing so are pretty obvious and pretty clear.

Regarding the outcomes, we have already heard that the Education Committee has begun an inquiry into children's social care; I do not want to pre-empt the outcome of that inquiry, because we are in the early days of receiving evidence, but we have already heard about the much better outcomes for children in kinship care, in terms of life chances, long-term employment and life expectancy. We should celebrate all those outcomes and the contributions that families can make to them.

I know my right hon. Friend the Member for Chelmsford (Vicky Ford) wishes she could be here for this debate. On the Education Committee, she has already made the point about the need for kinship carers effectively to have parental leave and for a more systematic approach when people take on the responsibilities of kinship care, so that they can then have some time to spend with their new charges. We should make sure that businesses support that. The guidance mentioned in the kinship care strategy is a welcome first step in that direction. We will continue to work on this issue as part of our work on social care in the Select Committee. I look forward to hearing the evidence that kinship carers can bring to us, so that we can strengthen the evidence-based case for the Government to take further action.

4.52 pm

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to serve under your chairmanship, Mr Pritchard.

I congratulate my hon. Friend the Member for Mid Bedfordshire (Alistair Strathern) on his eloquent opening speech and I thank him for his support on this important issue. I am the chair of the all-party parliamentary group on kinship care, because I myself am a kinship carer. My wife Allison and I have the utter privilege of being the special guardians to our wonderful five-year-old grandson Lyle. Like many who find themselves as kinship carers, it was unexpected and unplanned; basically, the social services stork left a baby on our doorstep. Of course, around all the arguments that we could have about the structures and the legalities, the one thing that comes to the fore at a moment like that is love. Every kinship carer does it for love and only for love.

However, I have to say that special guardianship orders are far from a perfect device: you are often left to defend yourself in a legal maze, and if you are taken back to court for any reason, you are literally on your own. Had I known then what I know now, I would much sooner have remained as a temporary foster carer of my grandson, because at least then I would share legal responsibility—parental responsibility—with the local authority. Therefore, if I was taken back to court on a spurious argument, I would have the backing of the local authority rather than having to rely on myself. That is the predicament that far too many people find themselves in, so I would like special guardianship orders to be strengthened.

In addition, I want to get rid of the postcode lottery that, sadly, we now see in kinship services across the land. Some local authorities provide superb support for kinship carers, but some do not, and it cannot be right that where someone lives determines what support they can access. In theory, my wife and I can access support from the post-adoption fund. In practice, that is incredibly difficult because the social services computer says no. The last thing that I want to mention is parental leave, where I believe that, if the Government act, they can make a big difference. That is not just a matter for employers; it is a matter for this place, because when I effectively became a dad again five years ago, the House of Commons did not recognise that kinship parental leave was necessary.

4.55 pm

Andrew Selous (South West Bedfordshire) (Con): I too want to congratulate my parliamentary neighbour, the hon. Member for Mid Bedfordshire (Alistair Strathern), on bringing forward this very important debate, and I agree with every word said by other Members so far.

I will look briefly at New Zealand, because I understand that in New Zealand only 48 in every 10,000 children are in care, and of those 57% are in kinship care. In England, 71 in every 10,000 children are in care, and only 15% are in kinship care. I know my good friend the Minister cares deeply about this issue, so I ask him to look at New Zealand and whether there are lessons we could learn, particularly the use of family group conferences and the legal weight that those have in New Zealand. This is a wonderful country and we do a lot of things well, but we should always be humble enough to learn from other countries that may have something to teach us.

The constituents to whom I have spoken on this issue tell me that they want urgent and really accurate information. I spoke to one quite recently who did not know whether she was entitled to child tax credits. My reading of the House of Commons briefing note suggests that she is, but she did not know that and she had not been told that. I have recently been in contact with another constituent, a grandmother who had to come out of work to look after her grandson when her daughter very sadly died. She needs an urgent nursery place for her grandchild. Again, I have spoken to the specialists in the House of Commons Library about that this afternoon: my understanding is that she is entitled to that free nursery place for her grandchild and to the Government help towards it, but she has not been told that. I have sent her the Library briefing note and I will do everything I can to help, but to me that highlights an urgent information gap.

My constituents have also told me that they are concerned about the cost and the uncertainty of getting a special guardianship order—and the hon. Member for Denton and Reddish (Andrew Gwynne), who has just spoken very eloquently, told us that in any case that is not a panacea. That is a worry, because the first thing social services has said to some of my constituents is that they need a care order. If they are worried because it is expensive and involves lawyers, or because they have never been to court before, or do not know how it is it all going to work out, care is needed now.

Moving towards some form of financial parity with foster carers would clearly be sensible. We have talked about grandparents looking after grandchildren, but in my last 20 seconds I observe that, in adult social care in Germany, the most popular option for taking the money is for friends and family to look after elderly or frail loved ones. We are mainly looking downwards at children, but kinship care could work for frail family members as well.

4.58 pm

Munira Wilson (Twickenham) (LD): It is a pleasure to serve under your chairmanship, Mr Pritchard, and I congratulate the hon. Member for Mid Bedfordshire (Alistair Strathern) on securing this important debate. I pay tribute to the fantastic work of many campaigners on this issue, several of whom are in the Public Gallery today. It is thanks to their hard work and their tireless commitment to the cause that we even have a kinship care strategy, published just before Christmas.

The publication of that strategy was a real milestone. It has finally put kinship on the map—an achievement for which I pay tribute to the campaigners. However, that strategy was a real missed opportunity and fell far short of the ambition that the Minister himself set out in his response to my debate in this Chamber back in September. Indeed, while much of the text of the strategy set out the challenges, I am afraid that many of the solutions fell far short of addressing them.

First, on allowances, the Minister said back in September that

“kinship carers need more support than is currently available to them.”

He pointed out that there is no “great logic” to foster carers’ allowances not being on a par with kinship carers, and he recognised

“the strain that many kinship families are under.”—[*Official Report*, 14 September 2023; Vol. 737, c. 425WH.]

But only eight local authorities are going to be part of the pilot, and even in those local authorities it will be a tiny subset of kinship carers. We have a perverse situation in which only families of previously looked-after children will be able to claim an allowance, yet it is local authorities that, in trying to save money, go to families to prevent children from going into care in the first place.

In the September debate, even the Minister recognised that it is much more cost-effective for local authorities to put children into kinship care rather than local authority care. The savings are very realisable, in the short term as well as in the long term. The right hon. Member for North Durham (Mr Jones) talked about long-term savings, but about £35,000 per child can be saved by putting children into kinship care rather than local authority care. If the Minister is going to stick to just eight local authority pilots, I beg him to at least look at expanding the eligibility criteria.

Many hon. Members have already talked about the lack of movement on employment support and the lack of a commitment to statutory pay or leave, which are hugely disappointing. Kim, the constituent who first brought my attention to the issue of kinship care, had to reduce her hours significantly. So many people do. They are typically women, because kinship carers are often grandmothers, who are already suffering the gender pay gap and losing out. That is a key barrier that must be removed.

There are so many things that I do not have the time to say. In September, the Minister said that he was determined to do as much as he could. He needs to go back to the Treasury and the Department for Business and Trade and ask for more, because the strategy is just scraps. Kinship carers deserve an awful lot more.

5.1 pm

Grahame Morris (Easington) (Lab): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate my hon. Friend the Member for Mid Bedfordshire (Alistair Strathern) on securing this important debate, leading it with such energy, providing an excellent introduction and championing the cause of kinship carers.

Kinship carers play an immeasurably important role in our communities. They care for children when the parents no longer can. The complexities associated with full-time care for someone else’s child, even if they are a family member, should not be underestimated. The love, care and stability that the families offer kinship children are nothing short of remarkable. Their actions enable countless young people to remain in their own families and existing support networks. It is for those reasons that we must enhance support for kinship carers.

To their credit, in December last year the Government published the first ever national kinship strategy, which provided welcome recognition of and support for kinship families. However, it falls far short of the support that the families urgently need. There are more than double the number of children in kinship than in foster care, so the Government must support kinship carers in the same way that we support foster carers.

In my region in the north-east, around one in 50 children are growing up in kinship care, with over half being looked after by grandparents. The Kinship charity runs a number of successful support groups across my constituency. As my right hon. Friend the Member for

[Grahame Morris]

North Durham (Mr Jones) says, the support that Durham County Council offers is outstanding. It helps families to support one another through very challenging times. However, there is only so much that the Kinship charity can do. I support its call for the introduction of a mandatory non-means-tested allowance for all kinship carers that is at least equivalent to the national minimum fostering allowance. That was also recommended by the independent review of social care. Eight in 10 kinship carers are forced out of work or must reduce hours because of a lack of financial support.

I want to mention my old friend and constituent Elaine Duffy, who is a kinship carer. She has three grandchildren, and had to give up her full-time work because she could not sustain the commitment to her caring role while working full time. Her dedication is commendable, and fortunately she is now employed by the brilliant Kinship charity. She works very hard to support its campaigns alongside looking after her three grandchildren.

The Government must consider the successful models in New Zealand and Scotland. I urge the Government to do far more to support our kinship carers.

5.4 pm

Fleur Anderson (Putney) (Lab): It is a pleasure to serve under your chairship, Mr Pritchard. I congratulate my hon. Friend the Member for Mid Bedfordshire (Alistair Strathern) on championing this issue so strongly and laying out the issues so clearly. I also thank the charities Kinship, the Family Rights Group and Barnardo's for all their work on kinship care.

I give big thanks to all the kinship carers in my constituency of Putney, who are offering all their support and love to so many young people, and to those constituents who have been to my surgery. One lady came to me recently and explained that in a time of great need, her mother took on her daughter for a time; she was able to move back in with her several years later. The problem was that in those years when she looked after her daughter, she suffered enormous financial hardship. That is what the lady wanted to raise with me, and that is what I will talk about.

Kinship carers have the responsibility of parents without the rights, and the responsibility of foster carers without the training, support or pay. That inevitably has an impact on the young person they care for. A recent survey found that 12% of kinship carers were concerned that they might have to stop caring for their kinship child in the next year if their situation did not improve. That is the last thing that they want. They are full of love, but they are also impacted financially by suddenly having to take on those commitments.

Financial support and legal costs are their main ask. The second ask is for statutory paid leave; it is very unfortunate that that has been missed out in the kinship strategy, and I would like to see that looked at as a matter of urgency. The third ask has been raised by other hon. Members today: it is about the postcode lottery among local authorities in looking round and exploring where kinship care is appropriate when a child is about to go into care. I was really surprised to find out that before a child goes into care, not every avenue is explored in

looking at family members. There is a lack of consensus and understanding from different authorities. A fourth area, which has been raised by many hon. Members, is the lack of a legal definition. Kinship carers are often not recognised in their parenting role by services, schools or employers.

The #ValueOurLove campaign is to be commended. Its goals are:

"Equalise allowances between foster and kinship families...Equalise access to training and support between kinship carers and foster carers...Equalise leave between adoptive and kinship families...Equalise support between children in kinship care and those in care."

I know that the Minister cares about the issue. I ask him to look at the gaps in the kinship care strategy. Action today will keep families together, save money and radically change the life opportunities for hundreds of thousands of children and young people in Putney and across the country.

5.7 pm

Ian Byrne (Liverpool, West Derby) (Lab): It is an honour to serve under your chairship, Mr Pritchard. I thank my hon. Friend the Member for Mid Bedfordshire (Alistair Strathern) for leading this important debate.

It is vital that support for kinship carers, including the many incredible kinship carers in Liverpool, West Derby, is being discussed in this Chamber today. Many families say that they feel invisible, undervalued, unimportant and ignored by the Government. Some 75% of kinship carers entered the cost of living crisis in severe financial hardship. We know that children growing up in kinship care have better emotional, behavioural and educational outcomes than children in unrelated foster care; I have seen that with my own eyes with the fantastic group in Liverpool. However, kinship carers do not get anywhere near the recognition that they fully deserve. The support provided to kinship carers, including financial, legal, practical and emotional support, is nowhere near what the families need.

Important work has been happening in Liverpool. The kinship charter developed by Pauline Thornley of Kinship Carers Liverpool with her magnificent team and local kinship families is the first of its kind in the country. It is a groundbreaking achievement for kinship carers and their loved ones, and we in Liverpool are rightly extremely proud of it. I place on the record my thanks to Liverpool City Council for its efforts on the charter, and to Pauline and the team.

Families urgently need more support at a national Government level. Thanks to the fierce campaigning of kinship carers and charities, the Government recently published the first ever national kinship care strategy. However, like many of my constituents and like Kinship Carers Liverpool, I share the thoughts of the charity Kinship:

"The Government's Strategy provides welcome recognition of and new support for kinship families, but the overall investment and commitments made do not deliver the urgent help which kinship families need today nor build a kinship care system fit for the future."

The Minister should act on the concerns of families and campaigners. Will he commit to legislating on and funding a full roll-out in all local authorities of financial support for kinship families that is equal to that for foster and adoptive families? Will he commit to a new

statutory pay and leave offer for kinship carers that is on a par with pay and leave for adoption? Lastly, will he equalise access to training and support between kinship carers and foster carers, as so many hon. Members have called for today? Those changes would make a huge difference to kinship families in Liverpool, West Derby and beyond. Many of the fantastic campaigners here will attest to that.

If the current Government will not act to implement these changes, I very much hope that an incoming Labour Government will. It is the very least that we can do for these fantastic, amazing people.

Mark Pritchard (in the Chair): Before I call Jim Shannon, I remind Front-Bench Members that there will be five minutes for the Opposition, 10 minutes for the Government and then a minute or two for the mover of the motion to wind up, if the Minister is so minded and if there is time.

5.10 pm

Jim Shannon (Strangford) (DUP): It is a real pleasure to serve under your chairship for the third time this afternoon, Mr Pritchard. I commend the hon. Member for Mid Bedfordshire (Alistair Strathern) for securing the debate. I want to give a Northern Ireland perspective on the whole thing, as I always do—it is about what we do back home. The Minister will obviously have some input into that, and I seek his assistance as to how we can make it better.

In March 2023, some 3,801 children and young people were recorded as in care in Northern Ireland, which is 177 more than in 2022. That is the highest recorded number in Northern Ireland since 1995, some 29 years ago. It tells us a wee bit about the issue, which everybody has illustrated very clearly. Some 22% of the children had been in care for less than a year, while 32%—almost 1,300—had been in care for five years or longer. There is a real issue for us back home with foster care, but today's debate is about the kinship care strategy. The increase is certainly concerning; it highlights the issue of kinship care even more fully when we consider that more than half of those in foster care are in kinship foster care.

I have two questions for the Minister, along with the Northern Ireland perspective. First, I understand that foster carers were given an increase of some 12% in the foster care allowance. It seems that that did not go as far for kinship foster carers as it should have done. Could the Minister clarify the point and give us some indication of whether that is the case? Secondly, some £9 million will be invested in a bespoke training and support offer for all kinship carers. That is excellent news, but I am a great believer in the saying that the devil is in the detail, so I would like to know a wee bit more about how that will work.

As the right hon. Member for North Durham (Mr Jones) and others have pointed out, many families who take in their sibling's child do so not for the money, but for the love of the children. That is what is all about: the motivation. It is not about the money, but the money helps them do some of what they would like to do. Love does not buy the school uniforms or clothes, so they need that extra support.

I believe that there is a real need for urgent recruitment of foster parents and kinship carers in Northern Ireland. I always ask the Minister gently, humbly and with all

graciousness, knowing that he will work with the relevant Minister in Northern Ireland to ensure that we can take things forward and help.

One of my local businessmen took his children—children of his own and those he fosters—to Florida. He loves all those kids and treats them all as his own. He does not do it for the money. That kind of money would never pay the bills for the holidays or anything, but the fact is that many others cannot do this without financial support.

We must get the strategy right, not just in England or here on the mainland, but across this great United Kingdom of Great Britain and Northern Ireland. It begins with kinship care being recognised and supported appropriately.

5.13 pm

Helen Hayes (Dulwich and West Norwood) (Lab): It is a pleasure to see you in the Chair today, Mr Pritchard. I congratulate my hon. Friend the Member for Mid Bedfordshire (Alistair Strathern) on securing today's debate on such an important subject and on speaking so powerfully on behalf of kinship carers in Mid Bedfordshire.

I know that we are joined by kinship carers in the room today. I want to start by paying tribute to them for the love and support that they give to the children in their care. It is always humbling to meet kinship carers and hear about their experiences. It is an extraordinary thing to step up to care for a child when a family member or a friend is unable to do so, yet for every kinship carer I meet, it is never a choice; it is an instinct for a child they love. I also want to pay tribute to Kinship, the Family Rights Group, the Kinship Care Alliance, and the APPG on kinship care for their vital work in supporting and giving voice to the experiences and needs of kinship families.

We have heard from many hon. Members this afternoon, which is a testament to the importance of this issue across the country. I do not have time to mention every contribution individually, but I will mention some. The hon. Member for Worcester (Mr Walker), the Chair of the Education Committee, having looked at the evidence, highlighted the need to support kinship carers much more systematically across the country. My hon. Friend the Member for Denton and Reddish (Andrew Gwynne) spoke once again about his experience as a kinship carer for his grandson Lyle. I have to say that I look forward to these debates for the opportunity to have an update on Lyle's progress. He is a wonderful little boy. My hon. Friend the Member for Easington (Grahame Morris) spoke about the difficulties facing kinship carers who give up employment to look after children.

My right hon. Friend the Member for North Durham (Mr Jones) talked about how the state takes for granted the love that kinship carers give, and he is right about that. My hon. Friend the Member for Putney (Fleur Anderson) spoke about how kinship carers are parents without rights and foster carers without the support or training that foster carers get, and how they fall between those two categories. My hon. Friend the Member for Liverpool, West Derby (Ian Byrne) paid tribute to the work of his local authority in supporting kinship carers.

An estimated 141,000 children across England and Wales are growing up in kinship care. Most will have experienced a traumatic event such as a bereavement,

[Helen Hayes]

abuse or neglect. Kinship carers will often have shared in the trauma that led to the grandchild, niece, nephew or close friend coming into their care. Those are hugely challenging circumstances for every family, which makes kinship care much more than simply welcoming a family member into your home.

Often kinship carers are left without the wraparound support they need. There has been clear consensus in the debate on the need for greater support for kinship carers and we welcome the publication of the Government's long-overdue kinship care strategy. For far too long, kinship care has been undervalued and under-recognised. It is testament to the hard work of campaigners that the strategy has finally been published. It is a step in the right direction, but sadly it falls short of what kinship carers were hoping for. Many of the measures announced will only be implemented through pilots, meaning that most kinship families will not see the benefits for several more years. In the very limited time we have this afternoon, I want to press the Minister on the question of legislating for a legal definition of kinship care. The guidance is welcome, but that statutory footing is what campaigners are asking for.

The pilot of the equivalent of the foster care allowance for kinship carers covers just eight local authority areas, and therefore a very limited number of kinship carers. They face hardship now, and we need more action from the Government. The strategy rightly discussed the need for greater advice for kinship carers and stronger guidance for local authorities. There is a huge postcode lottery in the support kinship carers receive. Statutory guidance has been in place for more than 12 years, but we know that many local authorities are not implementing it. What is the Minister doing to ensure that all local authorities are implementing the guidance and will he consider producing regulations if the situation persists?

Guidance for employers is welcome, but what is the Minister doing to ensure that the guidance is implemented? Finally, it is impossible to separate the challenges faced by kinship carers from the wider pressures on our social care system and on families. Labour in government have always put children and families first. We will do so again, working with kinship carers and those who support them to get them the support and recognition they need.

5.18 pm

The Parliamentary Under-Secretary of State for Education

(David Johnston): It is a pleasure to serve under your chairmanship, Mr Pritchard. I cannot possibly do justice to the debate and all the points that were raised, and certainly not to the fantastic role that all kinship carers play. It is great to see some of them in the Gallery today. I had the pleasure of meeting them briefly before this debate, but I know we will have a lot more opportunities to discuss the subject in more detail.

I congratulate the hon. Member for Mid Bedfordshire (Alistair Strathern) on securing this important debate. People who have been in such debates before have heard me talk about the fact that my first experience of the subject came many years ago, when I mentored a nine-year-old boy who had to be removed from his parents and was put with his nan. She totally transformed his life, and, as everybody has said, did so out of love—certainly

not for money. It was to prevent him going into care and taking other bad directions in life. That was my first experience of the issue, which is why I was so excited for us to publish the first strategy before the end of the year.

I wholeheartedly share the commitment of the hon. Member for Mid Bedfordshire to championing the role of kinship carers. I have spoken to many kinship carers through the Department's reference group and during visits all over the country, and I have huge admiration for the role they play, often unseen. The conversation I always have with them is that there is a lot of attention, rightly, on those who adopt and who foster, but if we went down the street and asked what a kinship carer was, people would not know. They play an incredible role. We also know, although this is not the reason kinship carers do what they do, that children in kinship care will on average end up with better GCSE results, better employment outcomes and better long-term health outcomes. It therefore makes sense for the country as a whole, in addition to making sense for kinship carers and the children they are taking on.

Starting with the financial allowance, we know from the many conversations we have with kinship carers that nobody expects to take on the role when they do. We have announced a pathfinder programme for eight local authorities, which will provide special guardian kinship carers—

Grahame Morris: Will the Minister give way?

David Johnston: Very briefly, because I do not have much time to get through everybody's points.

Grahame Morris: I am following very carefully what the Minister is saying. Can he tell us the eligibility criteria or the basis on which the eight pilot authorities have been chosen?

David Johnston: We have not announced the local authorities, so let us do that bit first. Members asked why we are starting with the particular subset of children who have special guardianship orders; they are one of the easiest groups to define, they often have the highest need and they are the quickest for local authorities to make the payments to. We want to get the programme going as quickly as possible, but subject to its success we want to broaden it to the full range of people in kinship care and to the other local authorities. However, we have not chosen the eight yet.

On virtual school heads, while some children in kinship arrangements have already been able to benefit from education entitlements and support, one of the constant conversations I have with kinship carers is that at times they find it very difficult to get the school to engage with them. Even though they are acting as the parent, they do not get the same conversations and treatment that a parent would get. That is why we announced £3.8 million to expand the role of virtual school heads to children in kinship care. All children in kinship care arrangements will get that, regardless of their status. My hon. Friend the Member for Milton Keynes North (Ben Everitt) raised that point and mentioned making sure everybody is aware that the heads are there. The local authority grant letters are being published imminently, delivery will start in September and we will do all we can to make sure everybody knows that they exist.

My hon. Friend the Member for Worcester (Mr Walker) and others mentioned kinship leave, and we recognise the challenge many kinship carers face when continuing to work alongside the pressures of taking in and raising a child at an unexpected moment. We continue to explore what we can do. We have published guidance for employers, as some hon. Members have mentioned, to better support kinship carers in work. Some employers are already doing that. The Department for Education will give kinship leave to its staff who are kinship carers and we expect other Government Departments to do similarly in the coming weeks and months.

On training and support, which was raised by the hon. Members for Putney (Fleur Anderson) and for Strangford (Jim Shannon) as well as others, we announced a £1.6 million extension to our peer support funding, which will be delivered from July. It will mean that all kinship carers, regardless of their care order, will be able to network and learn from each other until the end of March 2026. Following the progress and positive impact that the peer-to-peer support contract has already made, we have committed to delivering a package of training and support that all kinship carers across England can access. We were pleased to confirm that the charity Kinship will be the training partner and that training is on track to be delivered from spring 2024.

We know that many kinship carers feel that a clear definition of kinship care will help to reduce barriers to them accessing services and support, creating a common understanding of what kinship care means. We are proud to have published the first Government definition of a kinship carer. This year, we will implement that in statutory guidance to improve understanding and awareness from practitioners about what kinship care is.

On a related matter raised by the hon. Member for Mid Bedfordshire, we have asked the Law Commission to review and simplify the framework for kinship care status. On the point made by him and the hon. Member for Denton and Reddish (Andrew Gwynne) about inconsistent support from local authorities, we are publishing an updated version of the family and friends guidance this spring, and we will be monitoring compliance. I had a conversation with the hon. Member for Denton and Reddish at his APPG about the fact that we have found local authorities not paying the minimum fostering allowance, which we give them the money to do. Local authority compliance is very much in my sights.

This year, we will recruit the first-ever national kinship care ambassador to advocate for kinship carers and work directly with local authorities to improve services. That should go live for recruitment this month, and I look forward to working with the appointed candidate. They will help us to ensure that local authorities provide a consistent service that complies with what we require them to do. We are creating a board of sector experts, in addition to our kinship carer reference group, to advise me on priorities for future funding and policy development.

Let me quickly respond to some of the other points that were raised. My hon. Friend the Member for South West Bedfordshire (Andrew Selous) asked about family group conferencing and New Zealand. We are exploring using legislation to mandate the use of family group conferencing at pre-proceedings and my predecessor met colleagues from New Zealand to discuss how it works there. The right hon. Member for North Durham (Mr Jones) and the hon. Member for Liverpool, West Derby

(Ian Byrne) described what sounded like good local offers to support kinship carers in their areas, and I will ask officials to follow up with them to ensure that we are aware of the good work they are doing. I need to leave a couple of minutes for the hon. Member for Mid Bedfordshire, so if there are any points I have not addressed, I am happy to write to hon. Members.

Munira Wilson: Would the Minister address the issue of the pupil premium plus and priority admissions for children in kinship care? We know that looked-after children get those benefits, but kinship children do not, and it was not in the strategy.

David Johnston: I will write to the hon. Lady about that because it is a longer answer than the 30 seconds I have before the hon. Member for Mid Bedfordshire winds up.

We are proud of the progress we are already making to support kinship carers through the strategy, but we know there is more to do. I am fully committed to reducing the barriers to kinship care where it is in the best interests of the child to offer a safe, stable and loving alternative to becoming looked-after. I am determined that we keep the profile of kinship carers as high as possible and that people understand the vital role they play for the children in their care and the country as a whole.

5.27 pm

Alistair Strathern: It has been a real pleasure to serve under your chairmanship, Mr Pritchard. I am grateful for the wide range of contributions we have had from my right hon. Friend the Member for North Durham (Mr Jones) and my hon. Friends the Members for Blaydon (Liz Twist), for Denton and Reddish (Andrew Gwynne), for Easington (Grahame Morris), for Putney (Fleur Anderson) and for Liverpool, West Derby (Ian Byrne), as well as the hon. Members for East Worthing and Shoreham (Tim Loughton), for Milton Keynes North (Ben Everitt), for Worcester (Mr Walker), for South West Bedfordshire (Andrew Selous), for Twickenham (Munira Wilson) and for Strangford (Jim Shannon).

It will be difficult in these two minutes to do justice to the wide range of issues highlighted today, but the range and sheer number of contributions gives me two important takeaways. First, we need to go further on a number of areas to do right for our kinship carers. Secondly, and more encouragingly, the sheer range of cross-party consensus around the House should hopefully mean that we can move with the urgency the issue demands over the remaining days of this Parliament. I am grateful to the shadow Minister, my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell), for her contribution, showcasing and highlighting the important areas where we need to go further and underlining our party's commitment to ensuring that they are tackled.

I thank the Minister for the work he has done on the issue and some of the things he has pushed along through the strategy. I want to flag, though, that the fact we have not even gotten to the point where the pilots have been chosen might cause some concern to carers, who fear that we are not yet in a position to even announce that. That underlines the sense that things are not moving with the urgency the issue demands. Similarly, the fact that we have had so many representations today

[Alistair Strathern]

on parental leave makes it clear that guidance is unlikely to be enough and that we will need to go further. I urge him to reconsider that.

Finally, I thank the fantastic kinship carers and advocacy groups in the Chamber today. Their love, commitment and dedication day after day as they look after their young people, breaking through so many of the barriers and issues that have often been put in their way, is truly inspiring. The fact that they do all that and then go beyond by advocating not just for themselves, but for future and potential kinship carers right across the country so that they and their young people do not have

to face those same challenges is inspiring. I hope that today they have seen that they have parliamentary allies to their cause across the House. I look forward to working with everyone in this room to continue to champion the cause between now and the time when we can finally say the support they need and deserve is in place.

Question put and agreed to.

Resolved,

That this House has considered the kinship care strategy.

5.30 pm

Sitting adjourned.

Written Statements

Wednesday 6 March 2024

NORTHERN IRELAND

Northern Ireland-related Terrorism Threat Level

The Secretary of State for Northern Ireland (Chris Heaton-Harris): MI5 has lowered the Northern Ireland-related terrorism threat level in Northern Ireland from “SEVERE”, meaning an attack is highly likely to “SUBSTANTIAL”, meaning an attack is likely.

The decision to change the threat level is taken by MI5, independently of Ministers.

This is a systematic, comprehensive and rigorous process, based on the very latest intelligence and analysis of factors which drive the threat.

The fact that the threat level is being lowered is testament to the tremendous efforts of the Police Service of Northern Ireland and MI5 to tackle Northern Ireland-related terrorism.

This positive step reflects the commitment of communities from across Northern Ireland to build a safer place to live and work.

As ever, the public should remain vigilant and report any concerns they may have to the police. There remains a small group of people determined to destabilise the political settlement in Northern Ireland through acts of terrorism.

The Government, police and intelligence agencies will continue to work tirelessly to address the threat posed by terrorism in all its forms. The threat level will be kept under constant review.

[HCWS313]

TRANSPORT

National Policy Statement: National Networks

The Secretary of State for Transport (Mr Mark Harper): National road and rail networks provide critical long-distance links between places, offering fast and reliable journey times and enabling connectivity between people and communities. This Government are committed to investing in our transport links—for example, through our historic £8.5 billion investment into road resurfacing, part of our £36 billion plan to reinvest money that would have been spent on HS2 into local transport connections. These investments in turn stimulate economic growth by facilitating deeper labour markets, giving better access to jobs and education, and businesses

better access to skills. National networks also help with leisure journeys across the country, and support tourism. They connect vital infrastructure such as ports and airports to people and markets. They enable the movement of goods and freight into, out of, and across England, which is vital to UK prosperity, health, wellbeing, and security. Well-functioning networks allow people and goods to move more freely and reduce costs to individuals and businesses.

There are a range of challenges that national networks face, which may lead to the need to develop national networks further through infrastructure interventions. These include the need to maintain network performance and meet user needs; supporting economic growth; resilience and adaptation to climate change; supporting the Government’s environment and net zero commitments; and maintaining and enhancing safety.

The current national networks national policy statement was designated by Ministers on 14 January 2015 following a parliamentary debate. The decision to review it under section 6 of the Planning Act 2008 was announced on 22 July 2021 and a statement was made to the House.

I am today laying before Parliament the revised national networks national policy statement for the relevant period ending 23 April, pursuant to section 9(8) of the Planning Act 2008. At the same time, I am also laying, pursuant to section 9(5) of the Planning Act 2008, the Government’s response to the Transport Select Committee report of 20 October 2023, and publishing the Government’s response to the public consultation on the draft national policy statement.

The national networks national policy statement sets out the need for development of nationally significant road, rail and strategic rail freight interchange projects. It provides an appropriate and effective framework for the Planning Inspectorate and the Secretary of State for Transport to examine and make decisions on development consent applications for road, rail and strategic rail freight interchanges in England. It makes it easier, simpler and cheaper to deliver the transport infrastructure we all use or will use in future.

A public consultation on the draft national policy statement was undertaken from 14 March 2023 to 6 June 2023, and the statement was also scrutinised by the Transport Select Committee, which considered written evidence as well as information from oral evidence sessions. I would like to thank the Chair and members of the Committee for their very helpful report and recommendations.

The Government have considered the consultation responses and the report of the Transport Select Committee in producing this revised version of the national policy statement. Copies of the national networks national policy statement and Government’s response to the Transport Select Committee will be laid in Parliament. I am also publishing these documents on the Department’s website, with the Government’s response to the public consultation on the draft national policy statement, the appraisal of sustainability and the habitats regulations assessment.

[HCWS314]

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