

**Thursday  
7 March 2024**

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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES  
(HANSARD)**

**Thursday 7 March 2024**

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# House of Commons

*Thursday 7 March 2024*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## BUSINESS BEFORE QUESTIONS

BISHOP'S STORTFORD CEMETERY BILL [*LOARDS*]

*Bill, as amended, considered.*

*Bill to be read the Third time tomorrow.*

## Oral Answers to Questions

### BUSINESS AND TRADE

*The Secretary of State was asked—*

#### Exports: Small and Medium-sized Businesses

1. **Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): What steps she is taking to support small and medium-sized businesses to export. [901845]

6. **Feryal Clark** (Enfield North) (Lab): What steps she is taking to support small and medium-sized businesses to export. [901851]

**The Minister for Industry and Economic Security (Ms Nusrat Ghani):** My Department continues to help small and medium-sized enterprises to grow overseas and export to the world, especially this year—the year of the SME. Businesses can access a digital self-serve offer and a wide network of support, including trade advisers, export champions, the UK Export Academy, our international markets network and UK Export Finance. Last year, UK Export Finance provided £6.5 billion to exporters of all sizes, with SMEs comprising a record 84% of those supported directly with a product.

**Gerald Jones:** SMEs in Merthyr Tydfil and Rhymney tell me of their frustrations around exporting goods and now the Government have scrapped the trade show programme, which was set up to support British businesses to attend events and win overseas orders. Will the Minister tell the House and the thousands of businesses that rely on that vital support when there will be a replacement?

**Ms Ghani:** UK exports are increasing. Using current prices, they are up by £21 billion compared with 2023.<sup>1</sup> The UK trade show was a pilot programme that did not yield the successes we thought it would, so we have other schemes in place, including the UK Export Academy, international trade advisers, Help to Grow and the

export support service. Focusing on Wales, we will soon be appointing a new international trade adviser to help SMEs.

**Feryal Clark:** We are lucky that Enfield North has quite a lot of small and medium-sized businesses, but they are suffering because of the cost of spiralling bills and no Government support. Does the Minister think it is the lack of a Government industrial strategy or the lack of individual support for exporters that is most holding our businesses back?

**Ms Ghani:** That is an extraordinary statement, because in the hon. Lady's constituency the greatest level of exports is from professional and business services, and those exports are increasing not only to the EU but to countries outside the EU.<sup>1</sup> That is the reality on the ground, so our strategy is working. UK exports were £859 billion in 2023—a figure that has gone up, not down, by £21 billion. The UK is the second biggest services exporter in the world—she should be proud of that because many such businesses are in her constituency. Those exports have increased to 54% from 48%, so there is good news, but we are keen to do more.

**Mr Speaker:** I call the shadow Minister.

**Gareth Thomas** (Harrow West) (Lab/Co-op): The Office for Budget Responsibility said yesterday that exports, including from SMEs, will fall even more than expected this year; growth in exports will be less than 1% in each of the next three years; and other countries will not be hit the same way. There have been cuts in the funding to help businesses start exporting and there has been no deal with the United States, no Diwali deal with India, and no veterinary agreement with the EU to cut red tape and slash costs. What does the Minister think is the best explanation for the Government's dismal performance on exports so far?

**Ms Ghani:** We can get the best explanation from looking at the data behind what the hon. Gentleman set out. He obviously omitted the international reality. In the same report, the OBR referenced the “sluggish growth” in “global economies” and mentioned that British goods and services will outperform, on average, G7 countries. Those are the facts on the ground. When it comes to exports, we are exporting not only into the EU but outside the EU. As I said earlier, professional and business services are increasing outside the EU by 19%.<sup>2</sup> We have substantial programmes in place to help small and medium-sized enterprises. We are keen to learn and do as much work as we can. There will be far more work coming through as this is the year of the SME.

**Mr Speaker:** I call the SNP spokesperson.

**Richard Thomson** (Gordon) (SNP): The trade and co-operation agreement has hit small and medium-sized exporters the hardest, as most do not individually have the capacity to deal with the additional bureaucracy and paperwork created by that trade deal. Does the Minister recognise that the TCA has disproportionately damaged the competitiveness of SMEs? What support can the Government offer SMEs to recapture the market share they have lost in Europe since then?

1. [Official Report, 12 March 2024, Vol. 747, c. 5MC.] (Correction)

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2. [Official Report, 12 March 2024, Vol. 747, c. 6MC.] (Correction)

**Ms Ghani:** There has not really been a loss in the market share. I have talked about what is happening internationally. We appreciate that small and medium-sized enterprises may not have the resources they need to export into new markets. That is why we have the UK Export Academy, international trade advisers, Help to Grow and the export support service. We are also looking at what trade barriers we can break down and bust to make it even easier for SMEs to access new markets through the trade deals secured by the Secretary of State.

### Steel Industry

2. **Alex Cunningham** (Stockton North) (Lab): What steps she is taking to help support the steel industry. [901847]

**The Minister for Industry and Economic Security (Ms Nusrat Ghani):** Our commitment to the UK steel sector is clear. The Government are contributing up to £500 million in a joint investment with Tata Steel. We are in talks with British Steel following our generous offers of support. We have delivered more than £730 million in energy costs relief since 2013, and the British industry supercharger is coming soon. We updated our procurement policy note to ensure we are procuring more in the UK, and we are trying to do everything we can to continue to support the steel sector.

**Alex Cunningham:** We are all disappointed that the Government, having abandoned Teesside steel several years ago, are now ready to give up on primary steelmaking in the UK and to rely on recycled material utilising electric arc furnaces. I am pleased to hear that Teesside is pencilled in for one of them, but not so pleased that there have been attempts locally to circumvent proper procedures to secure planning consent. Will the Minister look into that? More importantly, will she confirm that the Government have a final copper-bottomed agreement with the industry that the furnace will definitely be built on Teesside?

**Ms Ghani:** A number of the issues that the hon. Gentleman raises are fundamentally locally. We work closely with Mayor Ben Houchen, who has done a remarkable amount of work for his part of the country. The reality is that the steel sector was placed in an area of uncertainty for some time. We were able to provide support for Tata, which has ensured that the steelworks continue at Port Talbot. We provided the largest grant ever made available to steel, and we are now in conversation with British Steel. That is what it means to have a long-term steel strategy to ensure that steelmaking continues here in the UK.

### Small Business Council

3. **Craig Tracey** (North Warwickshire) (Con): What steps her Department is taking to support small and medium-sized enterprises through the Small Business Council. [901848]

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** On 1 February, the Government reaffirmed our commitment to all the UK's 5.5 million small businesses with the creation of the new

Small Business Council, which is looking at key areas, such as improving business support, access to finance, support and advice, and breaking down barriers, including barriers to female entrepreneurship.

**Craig Tracey:** As chair of the women and enterprise all-party parliamentary group, it has been fantastic to see the boom in female-led businesses over the past few years. We now want to see consideration of how some of them can grow. Can the Minister set out how the new Small Business Council can help them to do that?

**Kevin Hollinrake:** I thank my hon. Friend for his question and for all he does for women in entrepreneurship and on the APPG, on which he has worked for many years. The Small Business Council has excellent entrepreneurs on it, such as Emma Heal from Lucky Saint and Julianne Ponan from Creative Nature, who we rely on for expert advice. We also have the investing in women taskforce, which has helped to increase the number of female entrepreneur businesses from 56,000 in 2018 to 150,000 in 2022. The investing in women code has 240 signatories. We are keen to do more and to work alongside my hon. Friend to ensure that the world of entrepreneurship is as friendly as possible to female entrepreneurs.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Will the Minister ask the Small Business Council to wake up to the opportunities in the hydrogen sector, not only in terms of the engineering that supplies that sector, the coming replacement of batteries and all that transportation stuff, but in the infrastructure of our country? We have great engineering that is ready to go with a hydrogen future. When will he wake up to that opportunity?

**Kevin Hollinrake:** We already have woken up to that opportunity. As the hon. Gentleman knows, we have great opportunities in hydrogen in Teesside and in Yorkshire, with the Humber hydrogen cluster. It is something we are keen to support as a Government, and I would appreciate it if he offered his support, too.

**Mr Speaker:** I call the shadow Minister.

**Rushanara Ali** (Bethnal Green and Bow) (Lab): The perfect storm of rising borrowing, rent and labour costs is continuing to cripple businesses, and the UK small business index fell 78 points last December, according to Xero Small Business Insights, to the lowest reading since the middle of the pandemic in August 2020. The Government have had 14 years to tackle the barriers facing SMEs. What specifically will the Small Business Council do, and what will Ministers do to halt the alarming trend of more businesses closing than opening?

**Kevin Hollinrake:** I am sorry that the shadow Minister is so pessimistic about the world of business. We have spoken at events together many times, and she hears the mood in those audiences, which is far more positive than she sets out. We are active in many areas, as she knows. At the event we both spoke at this week, I talked about access to finance, support and advice, and removing barriers. Access to finance has been key, with £1 billion of Start Up loans having been made to 100,000 businesses. If she listened to the Budget yesterday, she will have heard about the rise in the VAT threshold and the

growth guarantee scheme. There are many opportunities for small businesses. We will have 200,000 more workers coming back into the workplace, tackling another barrier for businesses. Get with the programme; it is much more exciting than she thinks.

#### Free Trade Agreement Negotiations: Israel

4. **Nicola Richards** (West Bromwich East) (Con): What recent progress her Department has made on negotiating a free trade agreement with Israel. [901849]

16. **Bob Blackman** (Harrow East) (Con): What recent progress her Department has made on negotiating a free trade agreement with Israel. [901868]

**The Secretary of State for Business and Trade (Kemi Badenoch)**: Israel remains a part of the FTA programme, and negotiations continue. I had a productive meeting with Israel's Minister of Economy, Nir Barkat, last week in Abu Dhabi, where we discussed our existing trading relationship as well as how Israel is managing the challenges of working on an FTA while fighting a war.

**Nicola Richards**: Israel is facing immense challenges in its war with Hamas, but it is known around the world as a start-up nation thanks to its extraordinary tech sector, which Brits benefit from every day. Given the enormous opportunities that a bespoke free trade agreement with Israel offers to the UK, will my right hon. Friend update the House on what steps she is taking to advance negotiations?

**Kemi Badenoch**: My hon. Friend will be pleased to know that we held a virtual negotiating round with Israel in February, focused primarily on services. That is one of the things that we are doing to move the FTA forward, and we will update Parliament shortly in the usual way via a written ministerial statement.

My hon. Friend is right to highlight Israel's world-leading tech sector, which is a reason why we want to modernise and upgrade our relations with Israel. Our current FTA was signed in 1995—it is a roll-over from the one we had with the EU—and technical collaboration, which Israel specialises in, will be made easier through an enhanced FTA.

**Mr Speaker**: I call Bob Blackman. Not here.

**Mr Alistair Carmichael** (Orkney and Shetland) (LD): Can the Secretary of State give me some assurance that any free trade agreement with Israel will not allow the importation of goods produced in settlements on the west bank?

**Kemi Badenoch**: Yes, I can give the right hon. Member that assurance. We are clear under our existing UK-Israel trade and partnership agreement that Israeli goods originating from the State of Israel receive tariff preferences. We also have a separate interim agreement between the UK and the Palestinian Authority. I confirm that that will continue to be the case with an upgraded FTA with Israel. We will not compromise our long-standing positions on the middle east process throughout this negotiation, including with respect to settlements.

#### Trade with Commonwealth Countries

5. **Andrew Rosindell** (Romford) (Con): What steps she is taking to increase trade with Commonwealth countries. [901850]

**The Minister for Trade Policy (Greg Hands)**: The United Kingdom has trade deals with 33 Commonwealth countries, and our new developing countries trading scheme offers more generous tariffs, rules of origin and trading conditions to developing countries, including 19 Commonwealth countries. The UK-Australia FTA has seen sharp rises in many UK export sectors, including furniture tripling year on year and car exports doubling. Meanwhile, of the 11 parties to the comprehensive and progressive agreement for trans-Pacific partnership, six are Commonwealth countries, and that agreement gives us new or improved access to those important markets.

**Andrew Rosindell**: Mr Speaker, I know that you will be celebrating Commonwealth day on Monday with the raising of the Commonwealth flag. Will the Minister take this opportunity to expand our trading relations with the Commonwealth and look at the idea of an opt-in, opt-out WTO-style organisation involving all Commonwealth countries? Surely this is a great opportunity to expand our trade with some of the world's emerging economic powerhouses.

**Greg Hands**: I thank my hon. Friend for that question and his commitment to the Commonwealth. As a constituency MP with a huge Commonwealth diaspora in Chelsea and Fulham, I totally understand his sympathies and look forward to celebrating Commonwealth day with him and others next week. He knows that the Commonwealth does not make trade rules, nor is it a trade agreement body like the Gulf Co-operation Council, the European Free Trade Association or the CPTPP. We think that the better course at present is to ratify our CPTPP membership and continue to have reduced tariffs under our developing countries trading scheme. However, we are always open to new ideas at the Department for Business and Trade and I am happy to meet my hon. Friend to discuss this further.

**Jim Shannon** (Strangford) (DUP): I thank the Minister very much for a positive response. The Commonwealth is important for all of us. The value of UK exports to the Commonwealth increased by 23% in cash terms between 2021 and 2022, while the value of imports from the Commonwealth increased by some 30%. We can clearly benefit each other. How can we ensure that Northern Ireland companies benefit fully from this enhanced trading partnership?

**Greg Hands**: Of course, Northern Ireland benefits from all our free trade agreements. I very much look forward to putting the case for Northern Irish goods and services in the months ahead. We have economic partnership agreements with 27 Commonwealth countries. We also have the Commonwealth Heads of Government meeting in October to look forward to, where we can ensure that the export of Northern Irish goods and services, as well as those from the whole of the UK, takes centre stage.

### EU Withdrawal: Impact on Businesses

7. **Martin Vickers** (Cleethorpes) (Con): What assessment she has made of the impact of the UK's withdrawal from the EU on businesses. [901852]

**The Secretary of State for Business and Trade (Kemi Badenoch):** Since we left the EU, we have used our new freedoms to secure free trade deals with 73 countries, including EU partners, and that accounted for £1.1 trillion of UK trade in 2022. We have simplified import tariffs to lower costs for businesses and households. We plan to remove over 50% of inherited EU regulations by 2026. Our reforms to employment laws could save UK businesses up to £1 billion a year, ensuring that the UK is the best place in the world to start up and grow a business.

**Martin Vickers:** I thank my right hon. Friend for her reply. Measured by tonnage, the port of Immingham in my constituency is the largest port in the country, with almost 50 million tonnes of cargo each year. It is also a vital part of the renewable energy sector. Immingham is surely an example of the fact that not only EU trade but worldwide trade is important to the UK. If my right hon. Friend were able to visit at some time, she would be able to see that for herself.

**Kemi Badenoch:** As ever, my hon. Friend is a great advocate for his Cleethorpes constituency. He is right that Immingham is the No. 1 port in terms of tonnage and is vital to our trade with the EU and the rest of the world. If our diaries allow, I or one of my Ministers will be delighted to visit and see at first hand the vital role Immingham plays in the transition to renewable energy.

**Kirsten Oswald** (East Renfrewshire) (SNP): In December, the British Chambers of Commerce found that a staggering 97% of surveyed businesses continued to face difficulties using the trade and co-operation agreement. Despite the TCA being introduced over three years ago, businesses are still struggling to deal with the added headache that the regulations have created. If 97% of businesses still face difficulties after three years, how many years is it anticipated that it will take for these issues to be resolved?

**Kemi Badenoch:** I thank the hon. Lady for her question. Many of the issues that businesses have been raising with us are specific not to the TCA but to member countries. That is why Ministers and I, along with officials, go to all these countries, and we have removed many of the market access barriers, which are not specific to the TCA. The hon. Lady will know that the TCA will be up for review. If she has specific things she would like us to take to EU Trade Commissioners, we are very happy to do so.

**Mr Tanmanjeet Singh Dhesi** (Slough) (Lab): This week, the *Financial Times* reported the most significant decline in UK trade volumes since 1997. It is clearer than ever that this Government's hard Brexit policy has exacerbated challenges for British businesses. With a 7.4% drop in trade since 2018 and exports down by 12.4%, we are starkly lagging behind our G7 peers. Can the Secretary of State explain how 14 years of Conservative

rule have prepared British businesses for their despair around extra red tape and the chaos unleashed by this Tory hard Brexit policy?

**Kemi Badenoch:** I think the hon. Gentleman has just time-travelled from 2018 or 2019—it has been a long time since I have heard the phrase “hard Brexit”. He will of course know that we left the European Union with a deal, so he needs to catch up with what has actually happened. It is also interesting that he talked about an *FT* report from 1997; I should let him know that we have not been in government since 1997—we have been in government since 2010. Many of the things he is pointing out are things we have said will occur as trade flows move away from the European Union to the Indo-Pacific. That is why we have left; that is why we are trading with the rest of the world. The hon. Gentleman should also know that our economy is 80% services, so most of the things he is talking about will not impact on the vast majority of the economy. Services exports are booming, and we are doing well since leaving the EU.

### Free Trade Agreement Negotiations: South Korea

8. **Sir John Whittingdale** (Maldon) (Con): What recent progress she has made on negotiating a free trade agreement with South Korea. [901854]

**The Minister for Trade Policy (Greg Hands):** We have excellent relations with South Korea, as my right hon. Friend will know as the Prime Minister's trade envoy there. Bilateral trade totalled £16 billion in the 12 months to September 2023. Negotiations to upgrade our FTA with South Korea were launched as part of President Yoon's state visit in November. Round 1 of the talks has already taken place, and round 2 will take place later this month here in London.

**Sir John Whittingdale:** On Tuesday, in my capacity as trade envoy, I attended the Korean embassy for the signing of a memorandum of understanding on the joint development of a small modular nuclear reactor—just one area in which the business between our two countries is growing ever stronger. Will my right hon. Friend press ahead with the enhanced free trade agreement, which will offer huge opportunities to build on the existing £17 billion trade relationship?

**Greg Hands:** My right hon. Friend is absolutely right. In the UK, of course, we have our own, superb Rolls-Royce model of small modular reactor as well. He is right about the importance of our growing trading relationship with Korea. As a former Secretary of State for Culture, Media and Sport, he will also know that 71% of our services trade with Korea last year was delivered digitally.<sup>1</sup> We need to upgrade the deal to make sure that it reflects modern, digital trade as well. Both countries are making good progress in the negotiations.

### Trade with Zimbabwe

9. **Mr Laurence Robertson** (Tewkesbury) (Con): What steps she is taking to increase trade with Zimbabwe. [R] [901855]

**The Minister for Trade Policy (Greg Hands):** The Government were pleased that my hon. Friend, who is the Prime Minister's trade envoy to Angola, Zambia and Ethiopia, and members of the Westminster Africa

1. [Official Report, 11 March 2024, Vol. 747, c. 2MC.] (Correction)

Business Group visited Zimbabwe on the group's inaugural trade mission. That is part of the Government's work to promote opportunities for UK companies, particularly in critical minerals, renewable energy and sustainable agriculture.

**Mr Robertson:** I am grateful to the Minister for that response. On my visit to Zimbabwe in January, I met the President and a number of other Ministers. They made it very clear that they wanted to draw a line under the past, move forward and increase friendship—and, indeed, trade links—with this country. What more can the Government do to enlighten companies and businesses in the UK about the many opportunities in Zimbabwe?

**Greg Hands:** I thank my hon. Friend for his report and letter to me all about that. I am pleased with the high-level meetings he had on his recent visit and a lot of the media coverage. Our embassy is following up by preparing for the Zimbabwe international trade fair in April, and it is expecting a strong UK presence. My hon. Friend's return visit in April will be a perfect chance to progress the deals that we have and boost British investment for this year and beyond.

#### Trade Agreements: Environmental Protections

10. **Daniel Zeichner** (Cambridge) (Lab): What steps is he taking to ensure future trade agreements include environmental protections. [901856]

**The Minister for Trade Policy (Greg Hands):** The Government are committed to pursuing environmental provisions in our trade agreements and to using our multilateral trade policy, diplomatic efforts and trade promotion activity, all of which support our green objectives.

**Daniel Zeichner:** The Government boast about the trade deals they have done and the environmental protections they have secured, so presumably they have had the chance to analyse the impact. Will the Minister tell the House whether the deals secured so far have improved or degraded our environment? What lessons have been learned for negotiating future deals?

**Greg Hands:** The hon. Gentleman raises an interesting point. Many of the agreements have actually, for the first time, included environmental provisions. If I recall correctly, he did not like the Australia trade deal, but it is the first time Australia has committed in a trade agreement to the Paris agreement and so on. When it comes to the impact of our trading policy over the last 14 years, he will also find, for example, that 86% of UK imports of palm oil—a key interest for environmentalists—are certified as sustainable, up from 16% in 2010. Again, we are seeing real results of UK trade policy moving in a much more environmentally friendly direction.

#### Kinship Carers: Employment Leave

11. **Munira Wilson** (Twickenham) (LD): If she will make an assessment with the Secretary of State for Education on the potential merits of introducing a right to paid employment leave for kinship carers. [901858]

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** Some 130,000 children

are in the care of close family members in England alone. We recognise the vital role that kinship carers play in looking after children who cannot live with their parents. Last year, the Government published the national kinship care strategy and announced a £20 million package of support for kinship carers in 2024-25.

**Munira Wilson:** The Minister just referenced the Government's kinship strategy, which was published in December. Their own strategy has recognised that kinship carers in employment often report the need to give up work or reduce their hours to be able to care for the children they support; it cites a survey revealing that 45% of kinship carers give up work and a similar number have to reduce their hours permanently. Given the Minister's desire to drive up employment and the fact that kinship carers stepping up overnight to look after children saves the taxpayer a huge amount of money in comparison with when children go into local authority care, why are the Government not making paid employment leave a statutory right and only publishing guidance?

**Kevin Hollinrake:** The hon. Lady raises a very important point. We call on local authorities to be considerate to people who are in employment when they take on a child to look after in a kinship care situation. We think that employers are the right people to make sure that any provision we provide is a floor, not a ceiling. Companies such as John Lewis take a very considerate approach to people in that situation. We urge them to do so, but we also encourage local authorities, which have budgets allocated to this particular issue, to provide support where they can.

#### Infrastructure: Impact on Business Investment

12. **Matt Western** (Warwick and Leamington) (Lab): If she will make an assessment of the potential impact of infrastructure on levels of business investment. [901861]

13. **Graham Stringer** (Blackley and Broughton) (Lab): If she will make an assessment of the potential impact of infrastructure on levels of business investment. [901862]

**The Minister for Industry and Economic Security (Ms Nusrat Ghani):** High-quality infrastructure is crucial for delivering economic growth. To quote a previous Prime Minister:

"You and I come by road and rail, but economists travel on infrastructure."

We know how important investment is. The whole House will agree that the UK is the leading light when it comes to offshore wind farms, where we are already securing investment.

Let me point to a few examples of further investment: Nissan is investing £2 billion in new electric car models in the UK, Microsoft and Google have announced data centres worth over £3 billion, and my Secretary of State oversaw the global investment summit, unlocking £30 billion of investment. In fact, since 2010 we have secured more inward investment than any other country in Europe. Over the last few years, we have received the third highest amount in the world, after the United States and China. I could go on, Mr Speaker, but I might test your patience.

**Matt Western:** That is all very well, but the Government's decision to defer the banning of petrol and diesel vehicles until 2035 has led to huge uncertainty among consumers and investors, as the Minister well knows. Compared with other countries, it seems that the Government lack ambition when it comes to investment in electric vehicle infrastructure. France, for example, will have something like 400,000 installations by 2030—50% more than the UK. What plans does the Minister have to ensure that the UK's investment keeps up with our competitors and meets the growing demand for electric vehicles?

**Ms Ghani:** As the Minister for the auto sector, I am very keen to ensure that we are breaking bad memes around the electric vehicle sector. We are doing a huge amount of work in this space. At the moment, we have 53,600 public charge points. We have a rapid charging fund and a local electric vehicle infrastructure fund—I am sure that the hon. Gentleman's local authority will want to tap into those. The Department for Transport is working with local authorities to ensure that they have charging strategies. We have a £381 million local EV infrastructure fund, which will deliver tens of thousands more charging points and support for on-street residential charge points, too. It is really important that local authorities are aware of the funds available, and I suggest that the hon. Gentleman get in touch with the DfT to support the installation of charging points in his constituency.

**Graham Stringer:** I do not think that any hon. or right hon. Member could disagree in general terms with the Minister's reply. It would have been a more interesting reply if she had made an assessment of the reduction in investment since the cancellation of High Speed 2, because there is no doubt, as she said, that investment in rail infrastructure leads to business investment all along the route. We can see that in Birmingham and Manchester, and we can now see the lack of new investment because of the cancellation. Was it not a mistake to swap that investment, which would have led to many new high-technology jobs, for money to replace what has been taken from local government to fill potholes?

**Ms Ghani:** In my previous response, I wanted to expose the opportunities and grants that are available to ensure that charging points are criss-crossing the country. Often parliamentarians are not aware of all the great work we are doing.

On HS2, just last week we announced the extra support that will be made available for local transport plans, which cover everything including rail, road and even buses and, of course, potholes. Network Rail has received £36 billion from the Government to improve transport in every region of the UK. Just last week, we announced an extra £4.7 billion of additional funding for local transport authorities in the north and midlands. We want to make sure that decisions on transport are made locally and that the infrastructure is needed and wanted by local communities, which is why we are making sure that the funds from HS2 are being made available.

#### **Regulatory Costs: Small and Medium-sized Enterprises**

14. **Christine Jardine** (Edinburgh West) (LD): If she will make an assessment of the potential impact of

regulatory costs on small and medium-sized enterprises. [901864]

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** We are hacking through the red tape, not least with our smarter regulation programme. We have announced reforms to employment law and the recording requirements of the working time directive, which will save UK businesses up to £1 billion, particularly benefiting SMEs.

**Christine Jardine:** I note that the Minister welcomed yesterday's Budget as helping small businesses, particularly in the hospitality sector, which is very hard hit in my constituency. One of the problems that many businesses tell us about is the business rates system. More businesses have failed in the past two and a half years than have been established. In Scotland, we often find that while the downsides of this Government's policy are happily passed on by the Scottish Government, any benefits are not. We would like to see complete reform of the rating system—not tinkering but reform. Can the Minister tell us whether widespread reform is planned? How would he plan to do it? How could businesses in Scotland also benefit?

**Kevin Hollinrake:** The hon. Lady is absolutely right to point to some of the difficulties in the hospitality sector. I speak to hospitality entrepreneurs in my constituency and across the country who are finding it difficult, which is why we stepped in with, first, a package of about £13 billion of business rates support, and there was £4.3 billion of business rates support last autumn. We passed the equivalent moneys on to the Scottish Government to pass on to their hospitality venues, but they passed on none of it.

A typical pub in Scotland is £15,000 worse off than a typical pub in England, and a typical guest house is £30,000 worse off. That is why Scotland has a 30% higher failure rate than England. Similarly, a typical pub in Labour-run Wales is £6,000 worse off and a typical guest house is £12,000 worse off, and there is a 19% higher failure rate. It is critical that the benefits are passed on to those businesses, and that we look for structural reform. Anyone who wants to scrap business rates needs to show where the £22.5 billion of income will come from, rather than simply saying that they will scrap them without announcing a replacement.

#### **National Minimum Wage Enforcement**

15. **Christian Wakeford** (Bury South) (Lab): What assessment she has made of the effectiveness of publicly naming employers for the enforcement of the national minimum wage. [901866]

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** Since 2011, we have published 20 press releases and named around 3,200 employers that have, in total, repaid over £41 million in arrears to over 460,000 workers. We have recently had round 20 of the scheme.

**Christian Wakeford:** Naming and shaming serves as a deterrent, but should we not go further against persistent offenders? Paying the minimum wage is not an opt-out; it is a law that no company is above. Stronger penalties,

including fines proportionate to the severity of the violation, to ensure that no employer can exploit its workers with impunity, would level the balance between employers and employees. Will the Minister commit to exploring these measures to safeguard the rights and the dignity of workers?

**Kevin Hollinrake:** The hon. Gentleman is right to point to this measure. We know that naming and shaming is a significant deterrent against underpayment of the national minimum wage, and we are very keen to ensure that naming continues. Alas, in the most recent naming and shaming round, 2,800 minimum wage investigations returned more than £16.3 million in arrears to over 120,000 workers. His Majesty's Revenue and Customs issued businesses with nearly 700 fines, totalling £13.2 million. As the hon. Gentleman recognises, naming and shaming alone is a significant deterrent and we intend to continue doing it.

**Mr Speaker:** I call the shadow Minister.

**Justin Madders** (Ellesmere Port and Neston) (Lab): My hon. Friend the Member for Bury South (Christian Wakeford) is right that too many employers still think they can opt out of paying the minimum wage. Earlier this week, the Low Pay Commission published its 2023 report, which said that non-compliance “appears persistent” in the social care sector. I have heard a range of evidence citing problems with record keeping, exploitation of migrant workers, and workers routinely not being paid for travel time.

It is clear that the social care sector has a real issue with the minimum wage but, when browsing through the latest naming and shaming list published by the Department a couple of weeks ago, I found only 17 employers classed as being within the social care sector, which is less than 0.1% of the total number of employers in the sector. What will the Minister do to ensure that everyone working in the social care sector gets at least the minimum wage?

**Kevin Hollinrake:** The hon. Gentleman is right to raise this issue, on which we do much. For example, we make sure that people can anonymously report the underpayment of the national living wage through either His Majesty's Revenue and Customs or ACAS. It is really important that we do that. We have labour market enforcement undertakings and orders, and we provide the tools for serious cases. As of April 2022, 40 employers were on labour market enforcement undertakings and 18 employers have been prosecuted. The message should be loud and clear to employers that if they do not comply with the law, we will take action.

### Smart Data Road Map

17. **John Penrose** (Weston-super-Mare) (Con): When she plans to publish the smart data road map. [901869]

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** My officials are co-ordinating and leading on the drafting of the road map, which will set out the Government's ambition for future smart data scheme development across seven different sectors. We will publish that very shortly.

**John Penrose:** I am delighted to hear that the road map is coming very shortly. My hon. Friend will recall that I asked this question just before Christmas and he said it would be out in January. We were then hoping it might be coming out in yesterday's otherwise excellent Budget, but it did not. Other countries are coming up on the rails and trying to overtake us. The noise of the approaching herd is growing in our ears, so can we please move as fast as possible on this?

**Kevin Hollinrake:** My hon. Friend is right to hold our feet to the fire on this. We are pressing forward and we are determined to get it right, not just out quickly. He rightly said that I set the ambition to get it out in January, and that has put officials' feet to the fire as well in getting it out. I signed off the road map yesterday, so it should be out very shortly. I do not agree that other nations are hot on our heels on this issue, as we are way ahead. There are billions of calls in open banking every month, and millions are using this every day without even knowing it. We are going to extend those opportunities to energy, telecoms and, crucially, small and medium-sized enterprise finance, making the journey for SMEs to get business finance far easier.

### Topical Questions

T1. [901870] **Grahame Morris** (Easington) (Lab): If she will make a statement on her departmental responsibilities.

**The Secretary of State for Business and Trade (Kemi Badenoch):** Last week, I travelled to Abu Dhabi for the 13th World Trade Organisation ministerial conference, where I met counterparts from many countries, including Australia, New Zealand, Canada and South Africa, along with trade representatives from the United States, European Union and the Gulf Co-operation Council. Alongside WTO members, we negotiated real outcomes for the UK and important agreements with our trading partners. We delivered for British business through the renewal of the e-commerce moratorium, a global agreement to avoid taxes on online transactions, from emails to movies and music. Building on the momentum from the 13th ministerial conference, we will continue to champion free, fair, open trade at every opportunity, recognising its potential to lower costs and increase prosperity, both here in the UK and around the world.

**Grahame Morris:** I thank the Minister for that statement.

We are no longer constrained by European competition law. The German Government are providing at least €6 billion in support for their steel industry. Given the very credible plan put forward by my union, Unite the union, to protect jobs and expand production at the steel plant at Port Talbot, why are the UK Government not investing more to create a viable future for our steel?

**Kemi Badenoch:** I am disappointed that the hon. Gentleman feels that we have not been investing as much as we should. What we have done in Port Talbot is the biggest investment that Government has ever made in steel. We are turning Port Talbot around; it is going to be regenerated. We are replacing high carbon emitting blast furnaces with electric arc furnaces to help reduce emissions, which his party and all of us across the House signed up to when we made the commitment to net zero. He may have specific things he thinks we can do

on the transition, so I can tell him that we have a transition board to help those whose jobs are not going to be there with electric arc furnaces. However, we have done a significant amount for Port Talbot.

T2. [901871] **Sir John Whittingdale** (Maldon) (Con): May I commend to my right hon. Friend the recent paper on industrial policy by Policy Exchange and its conclusion that we should avoid entering a subsidy race and should instead concentrate on broad, long-term measures supporting investment right across all industries?

**The Minister for Industry and Economic Security (Ms Nusrat Ghani)**: I am grateful to my right hon. Friend for highlighting the Policy Exchange report, and I agree that the UK should not enter a subsidy race with other industrial nations. We already have our advanced manufacturing plan, which, obviously, focuses on advanced manufacturing, and the Chancellor is also looking at green industries, life sciences, creative industries and digital technology. Those are all areas in which we know we can grow as well. I have spoken about the record levels of investment we get into the UK. Last autumn, when the Chancellor announced full expensing, more than 200 business leaders and the CBI said that that was a game changer and the single most transformative thing we could do to fire up the British economy. We will continue to be competitive and ensure that we continue to be the third country, after the USA and China, in securing inward investment—of course, beating our European counterparts.

**Mr Speaker**: I call the shadow Secretary of State.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): Last month, the Secretary of State said at the Dispatch Box that she could state explicitly that trade talks with Canada had not broken down. However, the Canadian high commission has since contradicted that in writing, saying that neither negotiations nor technical discussions with respect to any of the outstanding issues have occurred since the UK unilaterally broke them off on 25 January. Mr Speaker, I just want to know who is telling the truth.

**Kemi Badenoch**: I am very happy to expand on what I said last time I was at the Dispatch Box on this topic. I repeat that our engagement with Canada on trade issues has been extensive across multiple Departments covering the free trade agreement, cheese quotas and rules of origin. On 25 January, the UK confirmed to Canada that we would pause FTA talks on the basis that cheese access had been removed and that Canada had signalled that rules of origin provisions would not be extended. That is how negotiations work.

I can tell the hon. Member that there was a meeting on 8 February between the Foreign Secretary and his Canadian counterpart where the cheese issue was discussed, and I raised cheese and rules of origin directly with the Canadians in Abu Dhabi last week. I must say to the hon. Member that chasing headlines based on things he has been told by the people with whom we are negotiating is not helpful to achieving the outcomes that our businesses, farmers and auto industry want to see.

**Jonathan Reynolds**: That was a lot of words for the Secretary of State to use to say that she believes the Canadian high commission was correct in the answer that it gave.

May I ask an important question about the proposed UK carbon border adjustment mechanism? Labour very much supports the introduction of a UK CBAM, but we are concerned that the Government will do so a year after the EU, resulting in the UK potentially being flooded with carbon-intensive products originally destined for Europe, including steel, cement and fertiliser. Do the Government recognise that danger? If they do, what is their plan?

**Kemi Badenoch**: Just on the first point, if the hon. Member still wants to believe Canada before the UK, that is his business, but we on the Conservative Benches know who we are working for, and we are working for British businesses.

On the hon. Member's second point, carbon leakage is a global problem facing all countries that are ambitious in tackling climate change, and we are working with international partners on how we tackle it together. We are following developments on the EU CBAM closely, and we are engaging with the European Commission to discuss technical considerations relevant to UK manufacturers. We share its concerns on carbon leakage, but we need to make sure that the UK response, whatever it is, is tailored to what the UK needs, not just a copying and pasting of what others are doing.

T4. [901873] **Mr Philip Hollobone** (Kettering) (Con): Kettering is the beating heart of the east midlands economy, so will the Secretary of State be kind enough to facilitate a visit from her ministerial team to Ball Corporation in Burton Latimer? It has the newest, largest and most modern aluminium can manufacturing plant in Europe and a fantastic example of the very best of successful foreign direct investment into the UK economy.

**Kemi Badenoch**: I commend the Ball Corporation in Burton Latimer for all it is doing. I also thank my hon. Friend for what he is doing to promote inward investment, which supported more than 2,800 jobs across the east midlands in 2023. He has spoken to me before about the importance of the Ball Corporation to Kettering, and I am happy to confirm that either myself or one of my Ministers would be delighted to visit when diaries allow.

**Mr Speaker**: I call the SNP spokesperson.

**Richard Thomson** (Gordon) (SNP): While the UK Government struggle to support small and medium-sized enterprises exporting to Europe, they are providing a £600 million export guarantee to INEOS so that it can build the largest chemical plant in Europe for 30 years in Antwerp, Belgium. Why can the UK Government find £600 million to support that investment, but not match the £500 million that the Scottish Government are investing in domestic energy transition at home?

**Kemi Badenoch**: UK Export Finance does not give the money; it provides guarantees to loans that are being provided by banks. There is quite a significant distinction: we have not given that money; we have guaranteed a loan. The reason why we provide those guarantees is that they guarantee jobs to British businesses. There is a big difference between a loan guarantee and giving money. If he would like more of an explanation on that, we are happy to provide one to him.

T5. [901874] **Andrew Rosindell** (Romford) (Con): As chair of the British-Switzerland all-party parliamentary group, I am delighted to commend the Government on the forthcoming new trade agreement with Switzerland, but will the Secretary of State please update the House on progress? Particularly, will she tell us which of the 20-plus working groups the Government intend to prioritise as part of the negotiations?

**The Minister for Trade Policy (Greg Hands):** I thank my hon. Friend, who is a leading member of the British-Switzerland APPG, for his interest. Both the Secretary of State and I met the Swiss Trade Minister in Abu Dhabi last week. The trade talks are progressing well. We are seeking high-ambition outcomes in all areas, including services and investment, mobility, digital, and the environment, which are not covered by our existing FTA. In short, there are a large number of high-priority areas for us, building on the agreement that we did on financial services in Bern at the end of last year, to ensure that this UK-Switzerland FTA really takes forward the bilateral trade relationship. The fourth round of negotiations is taking place in Bern this week.

T3. [901872] **Marsha De Cordova** (Battersea) (Lab): We know the impact that mandatory pay gap reporting can have on tackling low pay and in-work poverty, but little progress is being made on tackling the disability pay gap, which is higher now than it was a decade ago, with disabled people earning on average £3,400 less—effectively working for 47 days for free. When will the Government introduce mandatory disability pay gap reporting, and what steps is the Secretary of State taking to close the gap?

**Kemi Badenoch:** The hon. Lady raises a significant issue around ensuring that disabled people are able to access employment and are paid properly. We have no plans to introduce mandatory disability pay gap reporting—no plans to introduce disability pay gap reporting at all. Unlike gender pay gap reporting, which is very simple, binary and easy to execute, disability pay gap reporting, like ethnicity pay gap reporting, is very complex. There are a range of disabilities that could not be easily monitored, so I would like to work with her on other areas where we can help to improve the lives of disabled people at work. We do not believe that disability pay gap reporting is the answer.

T6. [901875] [R] **Greg Smith** (Buckingham) (Con): Israel is one of the United Kingdom's most dynamic trading partners, so does my right hon. Friend agree that prioritising a free trade deal with Israel will complement the good work that the Government are doing to defeat the haters as part of the Economic Activity of Public Bodies (Overseas Matters) Bill, and send an unmistakable message that the UK stands ready to strengthen our unbreakable friendship with Israel?

**Kemi Badenoch:** My hon. Friend is right. Israel's current relationship with the UK is worth about £6.4 billion, but our FTA is a roll-over of the one that Israel signed in 1995 with the EU. It does not take into account services, digital, artificial intelligence or genome sequencing. There is a lot that we can do. That is why we are working on this FTA. It is a priority for us. As I said earlier, we

face many challenges in carrying on negotiations with a country that is at war, but we are working to overcome them.

T8. [901878] **Munira Wilson** (Twickenham) (LD): Quarter 4 of 2023 was the 10th quarter in a row in which more British businesses closed their doors than opened up. Just yesterday, a small business owner in Twickenham contacted me to tell me that his business was on the brink. If the Secretary of State will not consider business rate reform, as my hon. Friend the Member for Edinburgh West (Christine Jardine) suggested, what is she doing to help our small and medium-sized businesses, and to stem the tide of insolvencies?

**The Parliamentary Under-Secretary of State for Business and Trade (Kevin Hollinrake):** The hon. Lady raises an important point. We do not shy away from the fact that things have been difficult for businesses, with the covid crisis, of course, followed by the cost of doing business crisis. That is why we stepped in to support businesses, with a £4.3 billion package for rates last autumn, which has helped many businesses to get through a difficult time. Unfortunately, that support has not been passed on in Scotland and Wales, but it certainly has in England. I am very happy to meet with her to discuss her particular business problem.

T7. [901877] **Mr Laurence Robertson** (Tewkesbury) (Con): Because of its very large population and economic activity, Nigeria offers many opportunities for British businesses. I understand that there was a recent ministerial visit to that country. Could we have a brief report of the outcome of that visit?

**Kemi Badenoch:** My hon. Friend is right. I signed the enhanced trade and investment partnership in Nigeria, alongside my counterpart, Dr Doris Uzoka-Anite, on Tuesday 13 February this year. It was the first of its kind in terms of the UK's trade commitments across the region. The partnership aims to remove market access barriers and promote technical co-operation in areas such as financial and professional services. The UK and Nigeria have co-created a partnership that tackles issues that businesses face, and this is the first step in a significant relationship and an already strong trading partnership worth a total of £6.7 billion in the 12 months to September.

T9. [901879] **Liz Twist** (Blaydon) (Lab): Last week, Carl Cresswell, director of business resilience in the Department for Business and Trade, told the Select Committee that he personally thinks that we will end up spending more money on Horizon compensation overall than that £1 billion currently allocated by the Treasury, but we did not hear anything about that in yesterday's Budget. Does the Secretary of State share that view?

**Kevin Hollinrake:** We have always been clear that the £1 billion is not a cap. Clearly, the amount of compensation that needs to be paid for redress is to get people back to where they were before the scandal took place. At the moment, we are not nearing that £1 billion, but I think that over time we will be. As I say, it is not a cap; if we need to raise the amount, we will.

**Bob Blackman** (Harrow East) (Con): I understand that another round of negotiations is about to start in

India on our long-promised trade deal. The original proposal was to complete the trade deal by Diwali. This year, Diwali is on 1 November, so will the Secretary of State give us an update on negotiations and agree that we should conclude the deal by 1 November?

**Greg Hands:** I thank my hon. Friend for that question and for his continual interest in us getting a high-quality trade deal with India, for which he has long been a passionate advocate. Of course, the most important thing is what is in the deal, rather than the date that it is delivered. We remain in round 14 and we recently welcomed Government of India negotiators to London. The prize remains large—with tariffs as high as 150% for whisky and 125% for autos—and we want to ensure that we get our key service sectors able to export into a market of 1.4 billion people.

**Mr Speaker:** I call the Chair of the Business and Trade Committee.

**Liam Byrne** (Birmingham, Hodge Hill) (Lab): The Secretary of State will have seen the recommendations that our Committee set out this morning for ending the circus of the Post Office administration of the redress schemes for victims of the Horizon scandal. I know that she takes this incredibly seriously and so I know that she will study our cross-party recommendations for the new legislation that she is about to bring before the House. The question for today is this: if we put all the ongoing investigations to one side, on the basis of the facts as they are known today, does she still have full confidence in Nick Read as the chief executive of the Post Office to run the redress schemes currently under way?

**Kevin Hollinrake:** We thank the right hon. Gentleman for his work. I have taken a quick look at the report, although it was only issued this morning. All the recommendations he makes in that report we have either fixed or are fixing with the assistance of the Horizon compensation advisory board. We agree with him that we need to bring the compensation schemes in house. The GLO—group litigation order—scheme is already being delivered by the Department for Business and Trade. We believe that further compensation will flow from our overturning of convictions. We will be overturning hundreds of convictions through legislation in this House very shortly, as quickly as possible, and that will provide a flow of hundreds of millions of pounds in compensation for those individuals. That will be done by the Department for Business and Trade.

**Martin Vickers** (Cleethorpes) (Con): As the trade envoy to the western Balkans, the issue of Government-to-Government agreements is raised with me frequently. There is no doubt that if they were available, more deals could be done with the Balkan countries. Will the Minister give an update on the Government's position, please?

**Greg Hands:** I thank my hon. Friend, in particular for his brilliant work as a trade envoy. He covers more markets than any of our other trade envoys with great skill and dexterity. Back in 2017, this Department and I were pioneers in putting in place a G-to-G agreement with Peru for the UK to be the delivery partner for the 2019 Pan American games. A great deal of business with and in Peru has resulted since. We remain open to

future G-to-G agreements on a case-by-case basis. I am happy to meet him to discuss what specific things he has in mind that would work in the western Balkans.

**Stephen Kinnock** (Aberavon) (Lab): I have repeatedly asked Ministers whether any strings were attached to the £500 million of taxpayers' money that was given to Tata Steel, particularly with regard to job guarantees. I have not had a straight answer, so I will try again today. Can the Secretary of State please confirm whether any conditionality was attached to the £500 million, or did the Government simply buy Tata Steel's bluff about closure, and give it £500 million so that we could make 2,800 people redundant?

**Ms Ghani:** The hon. Gentleman attends the transition board meetings, so he knows that his question is not really relevant to what he is trying to get to the bottom of. We provided £500 million to ensure that steel making continues in Port Talbot. Tata made it clear that it was uneconomic and unsustainable to continue with steel making, so the support that we have given will ensure that north of 5,000 jobs will continue in Port Talbot, and it will support supply chains. On top of that, £100 million has been provided to the transition board, so that its members, including the hon. Gentleman, the unions and all the local representatives, can ensure that local people who need to go through transition get the support that they need. Without that support, there would not be any future steel making at Port Talbot.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): When will the Secretary of State wake up to the huge potential of universities to tackle all the problems in society, including climate change? Will she come to Huddersfield, which has one of the best universities in the country? It is working with local businesses to make the future safe for our country.

**Kemi Badenoch:** If the hon. Gentleman sent a proposal to my office about what we could do on a visit to the University of Huddersfield, I would be very keen to take a look. We support our universities. If he has a specific business and trade angle in mind, we will see what we can do, if diaries allow.

**Richard Foord** (Tiverton and Honiton) (LD): Mr Hussein from east Devon, whom I represent, has effectively been robbed of £100,000, given that £40,000 of sub-standard building work has to be levelled and destroyed. The Federation of Master Builders has campaigned for a compulsory licence scheme for construction companies. The Domestic Buildings Works (Consumer Protection) Bill would outlaw cowboy builders, provide compensation for consumers and ensure that reputable builders were not undercut by unlicensed rogues. Will the Minister take a fresh look at that Bill?

**Kevin Hollinrake:** The hon. Gentleman raises an important point. Some of the most frequent correspondence that I get from colleagues from across the House relates to rogue builders. We are determined to ensure that this does not happen to our constituents. We advise them to use builders registered with TrustMark, which is a trusted scheme, to ensure that work is done properly. I would be very happy to meet him to discuss that potential legislation.

**Kirsten Oswald** (East Renfrewshire) (SNP): Goldman Sachs has found that Brexit Britain has significantly underperformed compared with other advanced economies; the result is that UK GDP is 5% lower than it would have been had we not left the European Union. Does the Secretary of State appreciate that best way to grow the economy, boost business confidence and reduce trade barriers is to rejoin to the EU?

**Kemi Badenoch:** I recommend to the hon. Lady the report produced by my Department on 31 January about the benefits of Brexit. It explains exactly what is happening with the UK economy. Claiming that GDP would have been 5% higher when we are outperforming our G7 partners is simply not credible. She wants to take us back to square one, but that is exactly the reason why people need to stick with the Conservative plan.

**Jim Shannon** (Strangford) (DUP): I am very encouraged by the Secretary of State's comments about the free trade deal with Israel. The UK is a friend of Israel, and Israel is a friend of the UK, so what more can we do to increase trade between us? More importantly—and very regionally—how can the Secretary of State ensure that Northern Ireland is very much part of that trade deal, so that companies in Strangford and across Northern Ireland also feel the benefit?

**Kemi Badenoch:** The hon. Gentleman will remember that we had the Northern Ireland investment summit, at which we talked about bringing more investment into Northern Ireland. He will know that around 500 Israeli firms operate in the United Kingdom. That investment from overseas is creating thousands of jobs in high-value sectors, and a free trade agreement will help to increase the investment. That will benefit businesses in Northern Ireland, too.

## Business of the House

10.35 am

**Lucy Powell** (Manchester Central) (Lab/Co-op): Will the Leader of the House give us the forthcoming business?

**The Leader of the House of Commons (Penny Mordaunt):** The business for the week commencing 11 March will include:

MONDAY 11 MARCH—Continuation of the Budget debate.

TUESDAY 12 MARCH—Conclusion of the Budget debate.

WEDNESDAY 13 MARCH—Consideration of an allocation of time motion, followed by all stages of the National Insurance Contributions (Reduction in Rates) (No. 2) Bill.

THURSDAY 14 MARCH—Estimates day. There will be debates on estimates relating to the Department for Education, in so far as it relates to special educational needs and disabilities provision; and the Home Office, in so far as it relates to asylum and migration. At 5 pm, the House will be asked to agree all outstanding estimates.

FRIDAY 15 MARCH—Private Members' Bills.

The provisional business for the week commencing 18 March includes:

MONDAY 18 MARCH—Proceedings on the Supply and Appropriation (Anticipation and Adjustments) Bill, followed by consideration of Lords amendments to the Safety of Rwanda (Asylum and Immigration) Bill.

TUESDAY 19 MARCH—Remaining stages of the Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill [*Lords*].

Further business will be announced in the usual way.

**Lucy Powell:** This week, the Secretary of State for Science, Innovation and Technology made a grovelling apology and retracted baseless allegations she made against a member of her own advisory body on her personal Twitter account—allegations that were based on a dodgy dossier produced by a Conservative think-tank. Remarkably, the damages paid out came from taxpayers' money from her Department. This is a new low for ministerial standards, so perhaps the Leader of the House can clarify a few things. Was the £15,000 paid in damages the total cost borne by the Department for Science, Innovation and Technology? Apparently, the Secretary of State was given appropriate advice, but did she follow it, or were her accusations against the advice she received? If they were, surely she should personally pay the costs.

Will the Leader of the House urgently ensure that the Secretary of State is accountable to Parliament? The Government cannot have it both ways: if the money was paid by taxpayers because it related to the Secretary of State's ministerial responsibilities, she must come to Parliament as a Minister and account for that. Other Ministers were told that their Twitter accounts were matters for them personally. Does the Secretary of State still have the confidence of the Leader of the House?

All we got from yesterday's Budget was old news, briefed and leaked to the papers before it was given to Parliament. The next time that the Leader of the House cries crocodile tears for the rights of this place, she could reflect on the Government's failure to stand by the parliamentary convention that Budgets are delivered in the Chamber first. I am sure that she was relieved

that her marginal constituency did not get a namecheck, because her colleagues were all complaining that their namecheck was the kiss of death.

On the substance, the verdict is now in. The Office for Budget Responsibility forecasts that tax receipts as a proportion of GDP are set to rise to their highest level since the second world war. The Resolution Foundation says that the big picture has not changed: taxes are heading up, and this will be the first Parliament in modern history in which living standards fall to be lower at the end than they were at the start. The Institute for Fiscal Studies agrees that households are worse off since the last election, and no sooner had the Chancellor sat down than the Under-Secretary of State for Energy Security and Net Zero, the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie), criticised a key plank of the energy plans on Twitter.

The public's verdict is also in. A snap poll revealed that three in five voters think that the Government's plan is not working. The Sky News panel of 2019 Tory voters could not have been more damning: one voter said that the Budget was "absolutely farcical". Another said that the Government have "no plans", and thought that the Budget was "a great vote loser" and "A waste of time";

"time for them to go",

said a third. That is because on the big issues, this Budget changes nothing.

On taxes, for every 5p the Government are giving, they are taking 10p in tax rises. Millions more middle-income families are paying more and more tax on their earnings, as they are dragged over higher tax thresholds. Taxes are going up to their highest level in 70 years; the Government hate it, but that is the reality. That is the truth of this Conservative Government. On the public finances, borrowing has been revised upwards, with the Chancellor's measures in the Budget adding £4 billion to borrowing, and debt as a share of GDP at its highest since the 1960s. Borrowing to fund tax cuts—how irresponsible.

On growth, after everything the Chancellor announced was taken into account, growth forecasts were revised down from November. Growth figures would have been even worse were it not for higher predictions of net migration. The Government hate that too, but is the truth. We are in a recession; the economy is smaller than when the Prime Minister entered Downing Street, there has been the biggest fall in living standards since records began, and real incomes are below what they were at the last election. That is the Conservatives' record, and it has the Prime Minister's name written all over it.

Finally, disgracefully, the Chancellor made no mention at all of infected blood compensation or Horizon scandal redress. The slowness in righting these wrongs is raised here most weeks. The Business and Trade Committee's highly critical report, out this morning, calls for a legally binding timetable for delivering redress to sub-postmasters, and for that to be taken completely out of the hands of the Post Office. Does the Leader of the House agree? Given everything she has said on both these injustices, does she understand the anger that no new money was allocated, and no timetable was given, for those compensation schemes in yesterday's Budget? Was not that omission just another short-term, cynical act that will store up problems for the next Government to sort out? As ever, it is party before country. These are the final acts of a desperate, dying Government.

**Penny Mordaunt:** I start by noting that tomorrow is International Women's Day. I point out that on most Thursdays, the primary players in this session are three women, and sometimes there is a fourth in the Speaker's Chair. It is sometimes noted that women are often the last to speak in meetings. That may be true, but we are often the first to set the right tone and approach. Politics needs more of us, and I hope that the spirit of tomorrow will carry into this important political year.

I turn to what the hon. Lady said about a female colleague of ours, the Secretary of State for Science, Innovation and Technology. The hon. Lady can no doubt obtain from the Department details of some of the issues that she raised. However, I remind the House, because the hon. Lady was really probing the character of the Secretary of State, that when the latter was entitled to a redundancy payment of £16,000 for having been a Secretary of State, she did not take it, but handed it back to the Department, because that was the right thing to do. That speaks volumes about my right hon. Friend's character, and how much she values the fact that we are talking about taxpayers' money.

I see that the hon. Lady is channelling Elmer Fudd this morning. Bugs may not have been in the Chancellor's hat, but there was support for businesses large and small, help for households, tax cuts for working people, and help for single-earner families. Also, the price of fuel at the pump is being held down through another fuel duty freeze. We will ensure that the benefit of that is handed on to the consumer via Pumpwatch.

I will not take any lectures from the Labour party on stewardship of public services and getting growth into our economy. I will take no lectures on tax cutting from a Labour party that still has £28 billion of unfunded spending commitments, which can only be delivered through tax rises. It was the Labour party that left office with a £71 billion black hole in the defence budget and equipment programme. It was Labour that brought in the fuel duty escalator, and is clobbering the motorist in Wales and London. It is the Labour party in Wales that has cut the NHS budget, not once, but three times. That is in contrast to the increases that we have brought in, and the further £6 billion announced yesterday. Labour's NHS budget cuts are one reason why a quarter of the population in Wales is on a waiting list.

I will not take any lectures from Labour on council tax, which rose by 104% under their Administration; again, in Wales, it has nearly tripled since Labour has been in power. We have reformed welfare to make work pay, doubled the personal allowance, cut national insurance and protected livelihoods and jobs through furlough, but Labour thinks it is a good use of taxpayers' money to give asylum seekers £1,600 a month. I will not take any lectures on supporting those earning the least from a Labour party that brought in the 10p rate.

The hon. Lady's rhetoric on growth and modernising our nation does not match her party's agenda to unpick 40 years of trade union reform or tie businesses in red tape, and it does not sit well with its voting record on minimum service levels for the British public. I will not take any lectures from a party that did the square root of diddly squat for victims of infected blood and the Post Office. On that precise point, the hon. Lady clearly has not read the Red Book, which on page 24 commits us to paying full compensation to victims of the Horizon scandal. The estimates are in there, but it also says that amount will be increased if needed.

This is a tough shift, post-pandemic and mid-war. But thank God it is our shift. Our country has turned a corner and we will get back to our inflation target soon, as the new forecasts indicate. The plan is working and we will stay that course, as we must. Otherwise, we will end up back where Labour left us: compared with today, that is a million more workless households, 400,000 more children and 200,000 more pensioners in absolute poverty, 4 million fewer in work, youth unemployment at 45%, literacy rates trailing rather than leading the world, and a third less spending on the NHS. No thank you, shadow Leader of the House. We will stick with the Prime Minister. Further business will be announced in the usual way.

**James Daly (Bury North) (Con):** The Mayor of Greater Manchester's vanity project of a 493-square-mile clean air zone has cost the taxpayer nearly £100 million. It has been supported by all Labour councils in Greater Manchester and Bury. Will my right hon. Friend make time for a debate to ensure that the voices of Conservative MPs who have campaigned against this ridiculous project can be heard again, and that this tax on hard-working people never sees the light of day?

**Penny Mordaunt:** I congratulate my hon. Friend on leading the charge on this matter. There is a legal obligation to comply with emissions in the shortest possible time, but we are reviewing that. He will know that Greater Manchester authorities have changed their tune and are now proposing an entirely different approach, thanks to the campaign that he has run and the support that he has galvanised among his communities. I congratulate him and encourage him to hold them to account.

**Mr Speaker:** I call the Scottish National party spokesperson.

**Richard Thomson (Gordon) (SNP):** Following the frankly appalling behaviour of the Labour party leadership to disrupt the SNP's Opposition day debate on 21 February —[*Interruption.*] Obviously, they do not like the truth. The Leader of the House told the House that she was sympathetic to the idea not only of the SNP getting another Opposition day debate but of taking it from the allocation given to the Labour party. Could she update the House on how her thinking has developed on those points?

Further to that, on the issue of ministerial responsibility, yesterday it was revealed that neither the Conservatives' branch manager in Holyrood nor their Energy Minister supports the Government's energy policy. Will the Leader of the House confirm whether the principle of collective responsibility in government applies to junior Ministers? If so, what advice would she give to any Minister who is unable to support such a key plank of Government policy, either publicly or in any Budget votes ahead?

Finally, the Secretary of State for Science, Innovation and Technology has cost the taxpayer £15,000 after falsely accusing an academic of supporting Hamas. Could we have a debate on the limits of privilege, specifically whether it is now the Government's policy that Ministers can say whatever they like outside Parliament and be financially indemnified from the consequences by the taxpayer? Does she consider it the taxpayer's job to underwrite financially the Conservative party's culture wars whenever its members overstep the mark?

**Penny Mordaunt:** I thank the hon. Gentleman for his questions. I have spoken to the leader of his party in Westminster regarding future Opposition day debates, and he knows that we will give more time to the SNP. I think SNP Members were badly treated and we will make that right. As I have explained, I also want to ensure that the Procedure Committee looks at what happened, because I do not want minority parties to receive more time on the Floor of this House and be in any doubt about how those debates will be conducted. I understand that Mr Speaker has written to the Procedure Committee to ask it to do a quick piece of work, and I will announce future Opposition-day debates for the SNP. I hope SNP Members will have confidence in what the Procedure Committee says.

The hon. Gentleman raised particular Budget measures. We have a balanced Budget—that is why the Chancellor made the decisions that he made. It is the Government's Budget and the Government's plan. It is rather cheeky of the hon. Gentleman to lecture us about use of public funds; I refer him to what I said earlier about the Secretary of State for Science, Innovation and Technology. The SNP is legendary in this respect. Indeed, I had wrongly assumed that the appalling Willy Wonka experience in Glasgow had been laid on by the SNP, given its high-cost poor return, and the fact that the police were called. However, the presence of a bouncy castle put paid to that theory, given that bouncy castles have been banned by SNP local authorities on health and safety grounds.

**Dame Karen Bradley** (Staffordshire Moorlands) (Con): The lives of people across north Staffordshire have been blighted for far too long by the stench coming off Walleys Quarry landfill site in Newcastle-under-Lyme. There is delight that the Environment Agency has now issued a suspension notice, so will my right hon. Friend join me in paying tribute to our hon. Friend the Member for Newcastle-under-Lyme (Aaron Bell) for the work he has done on this incredibly important issue? Given that this issue affects communities up and down the country, including yours, Mr Speaker, will the Leader of the House find time for a debate on landfill sites?

**Penny Mordaunt:** I thank my right hon. Friend for raising that important point. It is unacceptable that residents in Newcastle-under-Lyme have, for far too long, had to put up with the appalling smells emanating from that quarry, and she is right to pay tribute to our hon. Friend the Member for Newcastle-under-Lyme. He has raised the issue many times in this House and has been fighting for his constituents. I think he secured two Westminster Hall debates on the issue, and it is in very great part down to his efforts that it is being resolved.

**Mr Speaker:** I call the Chair of the Backbench Business Committee.

**Ian Mearns** (Gateshead) (Lab): May I thank the Chair of the Procedure Committee for a timely and affirmative response to our request to examine the Westminster Hall Standing Orders? To that end, I have written to the Leader of the House this morning, and I hope she will give a similarly timely and affirmative response. The Backbench Business Committee welcomes applications from Members across the House, particularly for Westminster Hall debates, where they can probably be facilitated after the Easter recess as we are pretty booked up until then.

**Penny Mordaunt:** I again thank the hon. Gentleman for his helpful advert for his Committee. He knows that I very much agree both with his ask and with the advice of the Procedure Committee, so we will make that good innovation very swiftly.

**Theresa Villiers** (Chipping Barnet) (Con): May we have a debate on defending the environment and quality of life in the London suburbs? Transport for London and its development partner Ballymore want to build 25 tower blocks in Edgware town centre, including a 29-storey skyscraper, which is completely unacceptable and inappropriate. We need a debate to make the point to the Mayor of London that he must demand that TfL withdraw from the project.

**Penny Mordaunt:** I thank my right hon. Friend for raising that issue. All communities want to ensure that new homes are built—that is very important—but we must ensure that they are the right type of homes and do not affect the character of an area, and that the needs of local people and their views are taken into account. I know my right hon. Friend has been campaigning hard on such matters, and that the development must be to a gentler density that is in keeping with the local character. I congratulate her and the Save Edgware campaign, which is working flat out to ensure that the character of that community remains. I stand ready to assist her as she progresses that campaign.

**Bell Ribeiro-Addy** (Streatham) (Lab): This week, on 9 March, it will be 10 years since the death of my dear friend, Adjuah Annan. She was just 28 years old. Adjuah had sickle cell anaemia, the UK's fastest growing genetic condition, but her untimely death was the direct result of serious failings in her care. Her experience and those of many others are outlined in the landmark report by the Sickle Cell Society and the all-party parliamentary group on sickle cell and thalassaemia, "No One's Listening", published in 2021, but since then the Government have failed meaningfully to engage with its findings and recommendations. It cannot be right that 10 years after we lost Adjuah, those with sickle cell and thalassaemia continue to experience inequalities in treatment, substandard care and avoidable death. When can we expect the Government to finally listen and put forward policy that implements in full the recommendations of the "No One's Listening" report?

**Penny Mordaunt:** I thank the hon. Lady for remembering her friend Adjuah, and allowing us to pause and pay tribute to her. I thank her also for raising the important work the APPG did on the matter. As the next Health questions will not be until late April, I will write on behalf of the hon. Lady to the Secretary of State for Health and Social Care and ask her to respond directly to her.

**Mr Ian Liddell-Grainger** (Bridgwater and West Somerset) (Con): May we have a debate in Government time—it would be nice—to talk about Mid Devon District Council? I know I have talked about it before, but it has now gone beyond a joke. There are now no planning enforcement officers in Mid Devon District Council, as all the staff have gone. It is a free-for-all for developers. More importantly, the council have moved to waste collection every three weeks. That is not a problem, except the

service has been taken over by a draconian “1984”-style group of councillors who are determined to make the lives of the people of Tiverton and mid-Devon impossible. The chair of scrutiny, who is incompetent and lazy, is doing nothing to scrutinise any of this. We cannot have local government being run by people who seem to be out to make the lives of local people miserable, so please may we have a debate on local government?

**Penny Mordaunt:** It is sometimes said that in response to questions I refer the hon. Member to the answer I gave some moments ago, but my hon. Friend could stand up every week and refer me to the question he asked the week before. He is assiduous in his campaigning to highlight the failures of his local authority, and I expect to see him doing exactly the same thing next week.

**Wera Hobhouse (Bath) (LD):** Passengers must feel confident when making train journeys. In the last two weeks alone, there were major cancellations on South Western Railway, as well as mass delays on Southern and Thameslink. At the same time, rail fares rose by nearly 5% on Sunday. Everybody is paying more for less. Is it not high time we had a debate in Government time on how we can support our crumbling rail infrastructure?

**Penny Mordaunt:** The hon. Lady will know that the Department has made recent announcements on considerable uplifts to rail infrastructure. There have been particular issues with the service provided by South Western Railway and the quality of its rolling stock. The next Transport questions will not be for some time, so I will raise the hon. Lady's concerns with the Secretary of State and ask that his officials get in touch with her.

**Dr Matthew Offord (Hendon) (Con):** The Royal Air Force Museum in Colindale is one of London's premier tourist attractions and many people use the tube to visit it. However, Transport for London and the Mayor of London have decided that the works to upgrade Colindale tube station necessitate a six-month closure. That is dire for commuters but also for visitors to the RAF Museum. Will a Minister come to the Dispatch Box to advise what assistance can be provided to mitigate yet more unintended consequences from decisions made by the disastrous Mayor?

**Penny Mordaunt:** I thank my hon. Friend for raising this important point. The Royal Air Force Museum is amazing; I was there recently at the RAF gallantry awards dinner. At most times, such work would be very unfortunate for one of our most impressive national museums, but anniversaries coming up this year will mean more people will want to visit the museum, particularly to see the reconnaissance aircraft. This matter is devolved to the Mayor of London, but I know my hon. Friend has done service by getting the concerns of many people on the record. I will ensure the relevant Department has heard his concerns, to see what pressure can be brought to bear on Transport for London and the Mayor of London.

**Rushanara Ali (Bethnal Green and Bow) (Lab):** The Budget means net tax cuts of £9 billion taking effect in an election year, but that is dwarfed by the £27 billion of tax increases that took effect last year and the £19 billion

of tax rises that will come into effect after the general election, because of the actions of her party. The Chancellor has given with one hand and taken with the other. Does the Leader of the House think that her party is fooling anyone?

**Penny Mordaunt:** I encourage the hon. Lady to re-read the Chancellor's Budget speech to see what progress we are making on growth and inward investment into this country. This year, our investment summit had a record amount of money being put into this nation, with more than £30 billion garnered in just that week. She will know that yesterday we had revised forecasts on returning to our target for inflation. These are tough times, but the plan is working, and we are determined to see hard-working families through.

**Bob Blackman (Harrow East) (Con):** Before the pandemic, Transport for London's finances were in a complete mess, because the Labour Mayor of London refused to raise fares in line with inflation. Now, after receiving from the Government the final instalment of the £6.2 billion to cover the covid period, he freezes fares again, refuses to pay the police the money they need to reform and keep London safe, and raises the council tax precept by 8.7%. Will my right hon. Friend arrange time for a debate so that we can point out the errors of the London Mayor and put us on course for proper government in London?

**Penny Mordaunt:** I thank my hon. Friend for again raising the appalling maladministration of the Mayor of London. Londoners are paying more to prop up the Mayor's budget, not just in the increased headline rates, but also in a whole series of stealth taxes and fines that are being levied. Even the most fundamental services in London, such as the police, have enormous black holes in their budgets. It is an absolute scandal, and I hope that Londoners will rectify that situation in the coming months.

**Andy McDonald (Middlesbrough) (Ind):** The sorry saga of Teesworks continues, including the mysterious £20 million paid out to the joint venture partners over rubble. Putting to one side the bizarre hailing by the Secretary of State for Levelling Up, Housing and Communities of Lord Houchen as Teesside's best champion since Sunderland won the FA cup in 1973—the Leader of the House might want to send him a map of the north-east—will she prevail upon him to come to the House and make a statement to explain how the £560 million of public money so far invested, which is providing eye-watering incomes for the joint venture partners without them putting in any money of their own, is in any way consistent with his claim that the remediation of the site was achieved by bringing in private investment? There has been no such private investment; the taxpayer has paid for the lot. Can she please ask the Secretary of State to come to the House and explain himself?

**Penny Mordaunt:** I dispute what the hon. Gentleman says, and I think it goes to the heart of his prejudices against private sector involvement. The proof of the pudding is in the eating, and the employment rate in Teesside is now 3% above the national average. I am sorry he does not welcome that success. We do, and we want it to continue.

**Andrew Rosindell** (Romford) (Con): The Leader of the House will be fully aware that I welcome the Prime Minister's remarks outside No. 10 Downing Street last week, when he said:

"It is not enough to live side-by-side, we must live together united by...a shared commitment to this country."

He is right. Immigration is only successful when integration is successful. In the light of that, will the Leader of the House agree to a debate on the Floor of the House concerning a new proactive integration strategy, ensuring that those who come to Britain are encouraged to learn English, become part of UK communities and embrace British values? Does she agree that we need a coherent UK integration policy?

**Penny Mordaunt**: I thank my hon. Friend for raising that important point. The Home Office has done work in this area, and he will know that Departments have had initiatives, such as the Department for Levelling Up providing language classes and so forth. The Home Office has been focused on those who have leave to remain and choose to make their home here but are not citizens of this country, as well as looking at whether we need a more robust and proactive stance towards citizenship and all that it brings and means to us.

**Ms Anum Qaisar** (Airdrie and Shotts) (SNP): My constituent John, despite having been born in North Lanarkshire and having lived in Scotland his whole life, had to apply to become a British citizen, pledge his allegiance to the King and pay £260 for the process to apply for a passport because he does not have access to his mother's birth certificate. Will the Leader of the House make Government time available for MPs to raise and debate various passport issues? Is she aware of any recourse to allow my constituent to be reimbursed?

**Penny Mordaunt**: I am happy to facilitate a meeting between Home Office officials and the hon. Lady's office—or indeed herself—to talk about that case and anything that the Department can learn from John's experiences of going through that process. He will know that we have clear line-of-sight reporting on the costs charged for particular things, but if there has been some injustice, I am sure that meeting will help to rectify the situation.

**Sir Robert Buckland** (South Swindon) (Con): Last week saw the launch of the independent report that I, together with the Department for Work and Pensions and the leading research charity Autistica, prepared as result of a 10-month review into autism and employment. There is still a huge gap in the number of people in work, with fewer than three in 10 adults who are autistic working, which is way below the disability average. I am grateful to the Backbench Business Committee for allocating time in April for a debate in this Chamber on the report and its findings. Will my right hon. Friend use her good offices to ensure that that time is preserved as much as possible, so that colleagues across the House can debate the report's important recommendations?

**Penny Mordaunt**: I thank my right hon. and learned Friend for all the work he has done on the report and on many other areas of deep concern to people with autism and their families. It is a landmark report, and it is wonderful to hear that it will be debated on the Floor of

the House. I will ensure that the time is protected and that nothing happens to it. I also congratulate my colleagues at the Department for Work and Pensions on the work they have done and the proactive way in which they commissioned these findings.

**Dame Diana Johnson** (Kingston upon Hull North) (Lab): Yesterday, after the Budget, Kate Burt, the chief executive of the Haemophilia Society, said:

"Today, Chancellor Jeremy Hunt could have reassured those infected and affected by contaminated blood products that resources for long-overdue compensation would be made available. Instead, like so many Chancellors before him, he ignored this issue, deepening the anxiety, anger and frustration caused by his government's failure to take responsibility for this long-running injustice. We deplore this cowardly and morally bankrupt attempt to kick the payment of compensation beyond the next general election."

I know that the Leader of the House cares deeply about this issue and that she will be as disappointed as I am about the failure to put anything on it into the Budget.

Can we please have a statement from the Paymaster General about exactly what he is doing? He is not talking to those infected or affected, he is not taking soundings from any of the campaign groups, and he is appointing people to advise him but we are not allowed to know their names. It is time for a statement. It is time to know what the Government are actually doing.

**Penny Mordaunt**: I thank the right hon. Lady for raising that important point, and I am very happy to set the record straight. It is not the intention to kick the can down the road on this issue. The Paymaster General and I have a weekly update on it, and he is working very hard. The right hon. Lady will appreciate that, of all this process, this is the hardest bit—coming up with the scheme in short order and ensuring that it will deliver for those who are infected and affected. I do not think the House will have to wait long before it is updated by the Paymaster General. He is planning a tour across the UK to meet particular groups, and I hope he will be able to update the right hon. Lady on that very swiftly. This is a moral issue, and we have taken it seriously. That is why we did the inquiry. That is why we did the compensation review. The Paymaster General will have to balance the issues the right hon. Lady raises against being swift. He feels that very deeply, and he will deliver for the House and all the victims.

**Sir Michael Ellis** (Northampton North) (Con): Tomorrow is International Women's Day, and today marks five months since the barbaric Hamas attack on Israel. Of the 134 hostages still cruelly held by Hamas, 19 are women, and of those, five are teenage girls. Will my right hon. Friend join me in marking International Women's Day by supporting the campaign called #BringBackOurGirls? Will she also take this opportunity to send a message to their families, who are enduring unimaginable pain and the living nightmare of these young women being in the hands of vicious rapist terrorists?

**Penny Mordaunt**: I thank my right hon. and learned Friend for affording the whole House the opportunity to send the message to all the hostage families that they are still very much in our thoughts. Of those women and girls still kept hostage, the youngest is 19 and the oldest is 70. We can only imagine the horrors they are

facing. This week the UN published its report on the sexual violence suffered by Israeli women and girls on 7 October. It looked at over 5,000 photographs and over 50 hours of footage of those attacks, and it concluded that there was evidence at the Nova music festival of rape, gang rape and murder. It is the most appalling situation, and I am glad that the UN now has that evidence on record and has produced that report. We cannot let these poor women and girls suffer what they must be suffering a moment longer. We must bring them home, and I am sure that is the sentiment of everyone in the House.

**Ashley Dalton** (West Lancashire) (Lab): Constituents in West Lancashire have this week been deeply concerned about the threatened closure of our dial-a-ride service. Yesterday, I learned that, unlike Conservative-led Lancashire County Council, Labour-led West Lancashire Borough Council has managed to find some additional funds for this year, and dial-a-ride has announced that it will be able to continue for the next financial year. Could we please have a debate about the impact of over a decade of cuts to local government on the valuable community and voluntary sector, which all our constituents rely on?

**Penny Mordaunt:** The voluntary and community sector is thriving, and 13 million Brits volunteer every single month. The services that the hon. Lady talks about are incredibly important. Different councils will be doing different things. Some have dial-a-ride services, and others have tokens for taxis, depending on whether they are urban or rural. This issue is incredibly important, and the hon. Lady will know that the Department for Culture, Media and Sport has put an enormous focus on supporting the community and voluntary sector through new initiatives such as the national citizenship programme. However, I will ensure that the relevant Department has heard her concerns.

**Paul Howell** (Sedgefield) (Con): Further to the question from the right hon. Member for Kingston upon Hull North (Dame Diana Johnson), my constituent Dave Farry, from Ferryhill, is one of the many who have been impacted by the infected blood scandal. I understand that we are nearing the final compensation settlement for victims of this appalling scandal. Will the Leader of the House please advise me on how people can best engage with Ministers on this subject?

**Penny Mordaunt:** I thank my hon. Friend for raising this matter on behalf of his constituent. As I outlined earlier, the Paymaster General is keen not just to bring forward proposals in swift order, but to meet directly with those who have been infected and affected, in order to hear their views and get feedback on the scheme to ensure that it meets with their approval. My latest information is that there will be 25 meetings around the country. I know that the Paymaster General feels strongly that that is the right thing to do. I will make sure that he has heard my hon. Friend's interest on behalf of his constituent and that my hon. Friend is updated as soon as those dates and venues can be announced.

**Afzal Khan** (Manchester, Gorton) (Lab): Manchester has a proud history of welcoming those seeking sanctuary, but the Home Office is failing to provide support for the move-on process to those recently granted asylum. Since

April 2023, there has been a 575% increase in the number of people who have presented to Manchester City Council as homeless because the Home Office has evicted them. The Government expect local authorities and the voluntary sector to fill the gap that they are leaving, but without providing the resources. Councillor Craig, the leader of Manchester City Council, has written to the Secretary of State to raise the issue. Can we have an urgent debate in Government time on the support offered to newly recognised refugees?

**Penny Mordaunt:** I would be very happy to raise this matter with the Home Office and ask for a meeting on behalf of the hon. Gentleman. Local authorities have a great deal of flexibility on who they take, under what circumstances and where they provide accommodation, so I am not quite sure what the underlying issue is. I would be very happy to facilitate a discussion between the hon. Gentleman and the Home Office.

**Martin Vickers** (Cleethorpes) (Con): My right hon. Friend the Member for Gainsborough (Sir Edward Leigh), my hon. Friend the Member for Great Grimsby (Lia Nici) and I have a long-running campaign to restore the direct train service between Cleethorpes and King's Cross, which would serve our three constituencies. We know that the Department for Transport has approved that. The Budget Red Book has a couple of sections that could include that service. Will the Leader of the House arrange for the Rail Minister to make a statement to clarify whether the Cleethorpes service is included?

**Penny Mordaunt:** I thank my hon. Friend for all his work on this important service for his constituents, which will bring massive benefits to the area. I can absolutely confirm that we are committed to ensuring that the service is stood up. I understand that work is still required to assess what infrastructure changes are needed at the stations involved and that further operational readiness activities need to take place before direct services can be introduced. I will ensure that the Rail Minister has heard what my hon. Friend has said today and that he contacts him to give him assurances.

**Stephen Kinnock** (Aberavon) (Lab): It has been reported that taxpayers have had to pick up a £15,000 bill due to the actions of the right hon. Member for Chippenham (Michelle Donelan), who is rapidly becoming known as "the Member for Chipping In". Could the Leader of the House confirm that amount of £15,000? Does she think it fair that taxpayers should be footing the bill for the disgracefully bad judgment and behaviour of her colleague?

**Penny Mordaunt:** As an experienced parliamentarian, the hon. Gentleman will know that each Department will have a permanent secretary and monitoring officer to ensure that any such payments are correct, proper and justified. The propriety and ethics team at the Cabinet Office also oversees such things. Not having been directly involved in the matter myself, I am pretty confident that what has happened is perfectly correct. What the hon. Gentleman is getting at is whether it is right. I point him to what that particular Secretary of State has done herself in other circumstances. She very much understands that taxpayers' money is involved

[Penny Mordaunt]

and has taken action in the past to turn down things that she was entitled to because she felt that it was morally wrong to take them.

**Christine Jardine** (Edinburgh West) (LD): I hope the right hon. Lady knows that I am not a fan of the “go for the player rather than the ball” type of politics that is so popular with so many in this place, but following so many comments today, I have to say that, as public servants, we owe the public the right to question whatever we do. I fully respect what the right hon. Lady has said about the right hon. Member for Chippenham (Michelle Donelan) turning down payments, such as for her redundancy after two days as Education Secretary. However, the matter will not go away until the public have the right to ask questions.

There is also the issue of whether the ministerial code was breached in any of what has happened. The Prime Minister promised us a Government of transparency, so will the right hon. Lady please take back to him the suggestion that there should be a statement to the House to clarify the situation, if nothing else?

**Penny Mordaunt**: I completely understand the legitimate issues that the hon. Lady raises. She has a reputation for playing the ball and not the man or woman, and I take her question in the spirit in which I think it is intended. From what I know of the situation, and because of the oversight that is given to such matters, I believe that this issue has been dealt with in line with the rules. I refer her to what I have said about the character of the individual in question.

**Marsha De Cordova** (Battersea) (Lab): Listening to the Chancellor’s Budget this week, people would think that everything is rosy, despite our country being in a recession. However, that narrative flies in the face of the daily reality of workers and businesses. Does the Leader of the House accept that the Government cannot escape from their dismal economic record over the last 14 years?

**Penny Mordaunt**: I would ask the hon. Lady to reflect on how she thinks the hard-working people of this country will cope with having to plug a £28 billion hole in Labour’s spending plans, which could only be raised—if the party is sticking to its fiscal rules—by raising taxes.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): Scotland’s baby box is delivered to every baby born in Scotland. It is packed full of baby essentials to be used from birth to six months, helping parents to give their child a positive start in life. Scotland also has the largest free book giveaway for children of any nation on Earth through the Bookbug book gifting programme, giving every child four free packs of books between birth and primary 1. We also have the Scottish child payment of £25 a week per child for our poorest families. None of those things is available anywhere else in the United Kingdom. Will the Leader of the House make a statement setting out her views on the importance of ensuring that every child has the best start in life, recognising that it is the Government’s job to address inequalities as much as they can, with the powers they have, to build a more cohesive and fairer society?

**Penny Mordaunt**: I have no quibble with any of the issues that the hon. Lady raises, but it is also the duty of Governments to ensure that people have public services they can rely on, that the police can attend burglaries and other such things, that people have access to the healthcare they need, and that their ambitions with regard to the growth of the economy and their local communities are supported. Unfortunately, her Government in Scotland are not doing those things.

**Andrew Western** (Stretford and Urmston) (Lab): My constituent Michelle is a cancer survivor who has campaigned for years on access to NHS dentistry for cancer patients. I have made frequent attempts to secure a debate on this matter and will continue to do so, but will the Leader of the House allocate some Government time to discuss this important issue, given the traumatic impact chemotherapy can have on one’s dental health and the incredibly significant impact that has on the lives of those who are able to survive cancer?

**Penny Mordaunt**: I know that my right hon. Friend the Member for South Northamptonshire (Dame Andrea Leadsom), who is the Minister with responsibility for dentistry, has brought forward a new dental plan, which includes an uplift but also new things for the NHS in England, such as mobile dentistry vans. She is particularly focused on people who are disproportionately affected because of other issues, including cancer patients, looked-after children, and women who were pregnant during the pandemic and could not access free dental care at the time. We have new opportunities with the new dental plan to ensure that everyone in our nation is dentally fit, including through changes to how payments are made. I think that a debate on this matter would be very welcome, and I know that the hon. Gentleman knows how to apply for one.

**Andrew Bridgen** (North West Leicestershire) (Ind): Public petition 648609 called for a debate on ending the UK’s membership of the World Health Organisation, but a debate was refused by the Petitions Committee despite the petition well exceeding the 100,000 signature threshold. Can we please have a statement on why this House is determined to give away sovereign powers to an unelected, unaccountable, non-tax paying, diplomatically immune organisation whose current director general was appointed only through an unholy alliance of Bill Gates and the Chinese Communist party? Can the Leader of the House say why the WHO has joined excess deaths and vaccine harms on the list of things that we just cannot talk about in this House?

**Penny Mordaunt**: I think there are enough health-related issues, and all sorts of other issues, to worry about, focus on and debate without inventing crisis and drama where there is none. The hon. Gentleman acknowledges that petitions are a matter for the Petitions Committee, which is a Committee of this House. I am not responsible for its decisions. I will facilitate and help him to secure debates and raise questions, and to do anything else he wants to do, on any topic on which he wishes to campaign.

The hon. Gentleman will know, because he has secured well-attended debates in the past, that this House is very open to discussing all sorts of issues, including the

World Health Organisation and the treaty about which I know he is concerned. Let us focus on the real issues, the substance and the matters at hand, rather than pretending that this House, anyone in it or any of its Committees has a hidden agenda, because he knows that is not true.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Does the Leader of the House agree that this is probably the most perilous time for the world during my long time in the House of Commons? Does she also agree that this House needs to be up to date on what is happening in the world? Last week, I had to watch the Foreign Secretary appear before the House of Lords on television to be informed of our foreign policy and what he is doing. I understand that no Conservative Member of Parliament seemed fit to be Foreign Secretary and that we had to go to the House of Lords, but can we have more regular debates and statements? It is not right for the elected House of Commons to have no Secretary of State to answer questions during these perilous times.

**Penny Mordaunt**: I implore the hon. Gentleman to recognise the merits of the Minister of State, Foreign, Commonwealth and Development Office, my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), who has appeared at this Dispatch Box an enormous number of times, and to acknowledge that the Foreign Secretary, who obviously sits in the House of Lords, has made himself available to hon. Members on a raft of issues. He has particularly made himself available to those Members who have been affected by what is happening in Israel and Gaza.

The hon. Gentleman will know that the Procedure Committee has made further recommendations on how this House can scrutinise the Foreign Secretary, and I am sure the House of Lords will shortly take a decision on those recommendations.

**Ruth Cadbury** (Brentford and Isleworth) (Lab): Despite yesterday's short-term tax cuts, families across the country know that they are worse off than they were 14 years ago, so will the Leader of the House urge the Prime Minister to call an election and let the British people give their views on this Government?

**Penny Mordaunt**: I am afraid that what the hon. Lady says is not the case. We have got an enormous number of people into work, and the best way for people to lift themselves out of poverty is through work. Two million of those 4 million people are women, and 1 million are disabled people who would not have had the dignity of a pay packet without our welfare reforms to make work pay and to support people in work.

We have an enormous childcare package that the previous Labour Administration went nowhere near. The number of pensioners living in absolute poverty has reduced by 200,000, and the number of children living in absolute poverty has reduced by 400,000. By any measure, the country is doing better. It will have more opportunities in future because of what we have done in education. We are soaring up the international literacy tables, and we have reformed post-16 education to enable people to get a degree without getting into massive amounts of debt, as happened under the hon. Lady's party. What she says is not true, which is why we need to stay the course and stick with this Government.

**Kevin Brennan** (Cardiff West) (Lab): Last week, I talked about my constituent Sue Sparkes, whose husband died as a result of the infected blood scandal. I know that the Leader of the House has a copy of the Red Book with her, as she mentioned that earlier. Can she point to the line in it that shows where the Chancellor has set aside any resource to deal with the compensation that she and he know will have to be paid as a result of this scandal? Is this not a moral obligation on the Chancellor to this House, to my constituent and to all those affected by this scandal?

**Penny Mordaunt**: The hon. Gentleman will know that provision has been made for this, and the final scheme is being worked on. I can understand why people want to raise this issue; it is a moral issue and it stirs understandable passions. However, I just caution hon. Members to recognise—I believe they know this—that the scheme is about to be brought forward. I have already announced today that the Paymaster General will be going around the country to talk to people directly about that and the plans he is bringing forward. I care passionately about this issue, as I did when I gave evidence to the inquiry, and I do not want victims of this appalling scandal to worry about what is going to happen. I want us to be able to reassure them, so I hope I will be able to continue to do that every week. I ask hon. Members, who rightly want to know the detail of the scheme, to reflect that in the questions they ask both me and the Paymaster General.

**Jim McMahon** (Oldham West and Royton) (Lab/Co-op): Will the Leader of the House join me in congratulating Oldham Athletic football club owner Frank Rothwell on his sterling achievement in rowing the 3,000 miles across the Atlantic, in aid of Alzheimer's Research UK, in his 70s for the second time? He managed to raise more than £350,000 for that charity, adding to the £1 million he raised previously on the first row. Will she also allocate Government time for a debate on the real issue of the near 1 million people affected by Alzheimer's in the UK, and the funding and early diagnosis that supports work in that area?

**Penny Mordaunt**: As the hon. Gentleman asked that question and revealed the full extent of his constituent's incredible achievement, there was an audible gasp, so I am sure the whole House will want to join him in congratulating his constituent on those amazing achievements. I am close to HMS Oardous, the Royal Navy's rowing team, which regularly rows the Atlantic, so I am very familiar with the incredible ordeal that that is. Doing it at 70 years old is utterly remarkable, and I congratulate Frank deeply. I also thank the hon. Gentleman for raising his concerns about provision and care for those suffering from Alzheimer's. I shall make sure that the Health Secretary has heard what he has said.

**Kirsten Oswald** (East Renfrewshire) (SNP): I welcomed the Chancellor's announcement that he would be taxing vaping products, but I wonder why on earth this has to be left until 2026. It is disappointing that in the same week that Laura Young, also known as Less Waste Laura, was named as Scottish influencer of the year for her fantastic environmental campaigning, including on banning disposable vapes, this important tax measure has been so resoundingly kicked into the long grass. I am sure that the House would want to join me in congratulating

[Kirsten Oswald]

Laura, but may we also have a debate in Government time on the imperative of moving with more speed on taxing vapes? Perhaps we will also be able to make time to discuss the wholly unacceptable practice of vaping companies sponsoring sports strips.

**Penny Mordaunt:** I thank the hon. Lady for getting her concerns on the record. I will raise that matter with both the Treasury and the Health Secretary. The hon. Lady will also know that we are also hoping to bring forward legislation shortly, which I am sure, given what she said, she would be happy to support.

**Alex Cunningham** (Stockton North) (Lab): My hon. Friend the Member for Middlesbrough (Andy McDonald) referred earlier to the gaffe by the Secretary of State for Levelling Up, Housing and Communities, who demonstrated his ignorance while on a visit to Teesside, referring to the “heroes of Sunderland” who won the FA cup in 1973, when perhaps he should have been praising the 2004 League cup winners, Middlesbrough. Instead of ignoring the matter, can the Leader of the House arrange a humanities lesson for the Minister, so that he can better understand the history and geography of the north-east?

**Penny Mordaunt:** I take my responsibilities to all Members of this House very seriously. Immediately after this session I will go and raise with the Secretary of State, his special advisers and his officials what the hon. Gentleman has said. I think that we can take from that—given all the other issues that he might have raised in his question to me this morning—that he thinks the Government are doing a very good job.

**Justin Madders** (Ellesmere Port and Neston) (Lab): Can we have debate on personal responsibility? If I say or tweet something defamatory, I would expect to be responsible for the consequences of that, not the taxpayer, and I think that is what the public would expect as well. The Leader of the House’s response to an earlier question suggested that, somehow, the right hon. Member for Chippenham (Michelle Donelan) had credit in the bank because she did not take the redundancy payment that was offered to her, or that these payments are within the rules. If that is the case, the rules are wrong, which is why we need a debate.

**Penny Mordaunt:** The hon. Gentleman has hit on it: if the rules have been followed and if we are not questioning the character of the individuals, it must be that the rules are wrong. I will raise this with the Department and the permanent secretary. However, I can reassure the House again that these matters have considerable oversight both from the monitoring officers in the Departments and from the propriety and ethics team.

**Christian Wakeford** (Bury South) (Lab): This week, 4 March marked the one-year anniversary of Anu Abraham’s death. Anu was a young man with a bright future and he should still be here. After speaking to his family and seeing photos of him, I can say that he was one of the kindest individuals that anyone could know and that he had a smile that would light up a room. Anu tragically took his own life following bullying while working as a

trainee police officer with West Yorkshire police. Can we have a debate in Government time on police recruitment, the training of police officers and the support packages that are available? Lessons must be learned, changes must be enacted and voices must be heard.

**Penny Mordaunt:** I thank the hon. Gentleman for allowing us to remember Anu and to get that on the record. Clearly, Anu was somebody who wanted to step up to public service and serve his community. His suicide is an absolute tragedy. I know that police services in general, and in particular those responsible for training and ensuring that the right safeguarding support is there for those going through training, review these matters. I know, too, that the Home Secretary takes these matters very seriously. I will tell him that the hon. Gentleman has raised this today and ask that he is updated on progress to help ensure that this tragedy never happens again.

**Gerald Jones** (Merthyr Tydfil and Rhymney) (Lab): I have been trying to amend the Road Traffic Act 1988 following the tragic loss of a one-year-old child, Pearl Black, from Merthyr Tydfil. Working with Pearl’s parents, I have produced an amendment that seeks to close a loophole that caused them such huge distress. In November, the Prime Minister gave a commitment at Prime Minister’s questions to facilitate a meeting with the relevant Minister, possibly from Transport or Justice, for Pearl’s parents. Unfortunately, despite requests, that meeting still has not taken place. Can I ask the Leader of the House to please offer her assistance in securing a debate on how we can deliver the change and, crucially, how we can facilitate a meeting with Pearl’s parents?

**Penny Mordaunt:** I am sorry to hear that that meeting has not happened. I am sure that Transport Ministers would want to facilitate it, so, following this session, I will make sure that they have heard what the hon. Gentleman has said and see whether we can rectify that.

**Matt Western** (Warwick and Leamington) (Lab): Tomorrow is International Women’s Day. It saddens me greatly that Warwickshire should have the worst conviction record for rape and serious sexual offences. Philip Seccombe, our police and crime commissioner, was one of the few to cut domestic abuse units and closed the rape and serious sexual offences unit in Warwickshire. Can we have a debate in Government time on the accountability and scrutiny of police and crime commissioners?

**Penny Mordaunt:** The hon. Gentleman raises some very serious matters. I refer him in particular to what the Prime Minister said at Prime Minister’s questions this week about the progress that has made on supporting victims of these heinous crimes in coming forward, and the increased conviction rate that we want to see, particularly for rape and sexual assault. I think a debate on these matters would be excellent, because there is considerable variation between areas, and in what police and crime commissioners are doing. I would welcome that scrutiny.

**Alistair Strathern** (Mid Bedfordshire) (Lab): On Monday, I was out in Meppershall, where residents are fed up with the condition of the main road through the village. As is the case in many villages, residents have been told that the much-needed roadworks cannot take place

until developments are finished. As reasonable as that may sound, developments drag on and on, and with no end to future developments in sight, surely enough is enough. Will the relevant Minister issue a statement on whether more guidance might be needed about the length of time it is reasonable for private developments to delay clearly needed public roadworks?

**Penny Mordaunt:** I will certainly ensure that the relevant Departments have heard the hon. Gentleman's concerns. He will know that local authorities have been given a sizeable uplift in road maintenance grants, particularly for such things as potholes and resurfacing. On the 15th of this month, local authorities have to publish what they have done with that money. I encourage him to scrutinise whether that money has been spent, and spent on the right things.

**Richard Foord** (Tiverton and Honiton) (LD): At the end of January, the Government launched the Pharmacy First scheme, which encourages patients to consult pharmacists rather than GPs, or at least to take pressure off GPs. While that is good in theory, the reality is that the community pharmacy workforce are on their knees, with levels of trained support staff having been cut by 20%. We are seeing the closure of pharmacies in rural and coastal towns such as Axminster and Sidmouth, with a constituent telling me yesterday that queues at the pharmacy in Axminster are out the door. Will the Government please make time for a debate on recognising the value of community pharmacies?

**Penny Mordaunt:** The Government do recognise the value of community pharmacies. There can be no Prime Minister better placed to recognise the importance of pharmacy. That is why we have not only enabled the Pharmacy First service to be stood up, but worked on it for a number of years. It is now available to all members of the public, but there were trailblazer programmes prior to that for people who were on benefits. Some 98% of pharmacies are now making use of the scheme, which also enables them to derive an income from it. That is progress to be supported and welcomed. I hope that the hon. Gentleman will promote the scheme in his constituency.

## Point of Order

11.42 am

**Lilian Greenwood** (Nottingham South) (Lab): On a point of order, Madam Deputy Speaker. It has been drawn to my attention that on Monday the hon. Member for Mansfield (Ben Bradley) publicised his meeting with the leader of the Nottingham Independents, which clearly took place in Old Market Square in my constituency. The hon. Member had not notified me that he would be visiting Nottingham South. We all make genuine mistakes; however, when I looked at his social media feed I became aware that this is the fourth public visit that he has undertaken in my constituency since the beginning of February, none of which he notified me of. I appreciate that he already has two jobs and is seeking a third, but I would be grateful for your advice on how he might be prevailed upon to follow the rules of behaviour and courtesies that apply to us in our jobs as Members of this House.

**Madam Deputy Speaker (Dame Rosie Winterton):** I am grateful to the hon. Lady for her point of order and for giving me notice of it. I assume that she informed the hon. Member that she intended to raise this.

**Lilian Greenwood** indicated assent.

**Madam Deputy Speaker:** This is an incredibly serious matter. Mr Speaker reminded the House on 22 January that when a Member intends to visit another constituency other than in a private capacity, they should make every reasonable effort to inform the Member representing that constituency before they do so. That applies in particular to public events and meetings. In addition, hon. Members have a duty to look after the constituents who elected them to this place. Boundary changes do not take effect until the next election, and we must observe the convention of not involving ourselves in another Member's constituency until that time. I have had similar experiences, and I know how annoying it is. It is also something that all parts of the House need to observe. We have the Leader of the House present—I know it is not strictly in her remit, but I am sure that she will take back the views expressed, as will the Whips. I emphasise: everyone has to stick to that, particularly this year, because things can get very fraught and difficult. I think we will leave it at that.

## BILL PRESENTED

### NATIONAL INSURANCE CONTRIBUTIONS (REDUCTION IN RATES) (No.2)

*Presentation and First Reading (Standing Order No.57)*

The Chancellor of the Exchequer, supported by the Prime Minister, Laura Trott, Nigel Huddleston, Bim Afolami, and Gareth Davies, presented a Bill to make provision for and in connection with reducing the main rates of primary class 1 national insurance contributions and class 4 national insurance contributions.

*Bill read the First time; to be read a Second time on Monday 11 March, and to be printed (Bill 174) with explanatory notes (Bill 174-EN).*

# Ways and Means

## Budget Resolutions

### INCOME TAX (CHARGE)

*Debate resumed (Order, 6 March)*

*Question again 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.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the shadow Chancellor of the Exchequer.

11.46 am

**Rachel Reeves (Leeds West) (Lab):** The stark reality of yesterday's Budget is clear: taxes rising, living standards falling, growth stalling, and yet again the Tories making promises that they cannot deliver. They have failed on the economy, they are out of ideas and they are out of time.

Let me turn first to the most, and potentially only, remarkable bit of the Budget statement yesterday. After an hour and 10 minutes, the Chancellor of the Exchequer seemed to float an idea of getting rid of national insurance altogether. I was not quite sure what I had heard, but then Ministers started touring the TV and radio stations to say that that indeed was their intention. In what seems to have been a casual afterthought, the Chancellor has made a £46 billion unfunded commitment, leaving a gaping hole in the public finances, even bigger than the unfunded tax cuts announced in the Tory kamikaze mini-Budget just 18 months ago.

Let me ask the Secretary of State for Work and Pensions this: how does the Chancellor plan to pay for the £46 billion tax pledge made yesterday? To be more precise, what is the Chancellor's assessment of the impact that £46 billion of tax cuts would have on borrowing, tax rises elsewhere or public spending, or has he simply managed to find the same magic money tree that his predecessor was so fond of? This is an omnishambles Budget from a desperate Tory party. Instead of recklessness, Labour will take a different approach: as Chancellor, I will never make a commitment without saying where the money will come from. That is the responsible approach.

Let us turn now to the other tax cuts that the Chancellor announced yesterday. Two years ago, when the current Prime Minister wanted to increase national insurance, we opposed it. Since then, I have consistently said that I want taxes on working people to be lower and so, just as we supported the last cut to national insurance, we support the measures announced in the Chamber yesterday to bring it down by a further 2p.

Let us be clear, however: the measures come in the context of a rising tax burden, the highest it has been in 70 years, and the tax burden is rising in each and every year of the forecast period. For every £10 that the Government are taking from families in higher tax under their plans, they are only giving £5 back. They are giving with one hand and taking twice as much with the other, and they expect people to be grateful.

**Rushanara Ali (Bethnal Green and Bow) (Lab):** Does my right hon. Friend agree that the Prime Minister's tax plans will leave households on average £870 worse off under the Conservatives?

**Rachel Reeves:** My hon. Friend has done the maths and is absolutely right. Taking into account the changes to the tax threshold, the announcements yesterday and in November, and council tax, by the end of the forecast period the average family will be £870 worse off.

As the Resolution Foundation highlighted just this morning, the 8 million tax-paying pensioners will see their taxes increase by an average of £1,000. That is a collective £8 billion tax grab from our nation's pensioners. As Paul Johnson, the director of the Institute for Fiscal Studies, said yesterday:

"This remains a parliament of record tax rises."

That is the legacy of this Conservative Government.

The Tory Government's pickpocketing has meant higher taxes on working people, leaving them with less money at a time when their daily lives are getting more expensive. Yesterday, the Chancellor said that a person on average earnings is £900 better off, but let us take a look at that claim. He has ignored not only his own stealth tax rises, with the tax thresholds and council tax, but the rising costs of energy bills, food, mortgages and rent. In fact, rather than being better off, as he claimed, household disposable income is set to fall by £200 per person over the course of this Parliament.

**Peter Grant (Glenrothes) (SNP):** I completely agree that deliberately leaving tax thresholds untouched at a time when pay and prices are increasing is a stealth tax. It is a stealth tax when this Chancellor does it, but it was also a stealth tax when Gordon Brown did it.

**Rachel Reeves:** It is interesting to have an intervention from the SNP, which is increasing taxes on ordinary working people—I would probably just stay on the Bench.

This is the only Parliament on record in which living standards are set to be lower at its end than at its beginning. The Chancellor chose to ignore all those realities, but the truth is that ordinary families cannot ignore them. As people up and down the country know, the definition of being better off is having more money. Under the Tories, people have less. People feel worse off because they are worse off.

Let us look at economic growth. Growth is critical for our success as a nation, for our living standards and for provide sustainable funding for public services, but the Tories have failed there, too. The context of yesterday's Budget is a Prime Minister who pledged growth but has delivered recession. This economy is now smaller than when the Prime Minister took up office. Instead of bouncing back, the UK's GDP is bumping along the bottom this year.

In his statement, the Chancellor rightly elevated the true measure of success:

"not just higher GDP, but higher GDP per head."—[*Official Report*, 6 March 2024; Vol. 746, c. 837.]

I agree with him that that is the most important yardstick, so how are the Tories doing against that measure? The reality is that GDP per capita is set to shrink, not grow, this year, having shrunk and not grown last year, too. GDP per capita is now expected to be lower at the end

of this year than it was at the start of this Parliament. Yesterday, we learned that forecast GDP-per-capita growth has been revised down for four of the next five years—hardly the success that the Chancellor was looking for.

The Chancellor said that it was important not to follow a path that relied on net migration to provide growth and GDP, and I agree. Has the Secretary of State for Work and Pensions seen the chart on page 29 of the Office for Budget Responsibility economic and fiscal outlook, which shows that net migration has been revised up by 350,000 over the next five years? That is the exact opposite of what the Chancellor spoke about.

Our country has gone through a difficult time over these past few years. The origins of many of the crises we have faced are global: pandemic, war, and the energy crisis. Other countries have also experienced those shocks, but each time crisis has hit, Britain has found itself acutely exposed because of the choices of successive Conservative Governments: austerity that choked off investment, then Brexit without a plan, and then the Tories crashed the economy with their kamikaze Budget.

This Tory record of economic failure has held our country back for far too long. If the UK economy had grown at the average of the OECD rate since 2010, when the Conservatives came to office, it would now be £140 billion bigger than it is today. That is equivalent to £5,000 per household every year, and would mean an additional £50 billion in tax revenues to invest in our public services. Growth matters, but the Tories are incapable of delivering it. *[Interruption.]* The hon. Member for Newcastle-under-Lyme (Aaron Bell) says from a sedentary position that we are doing better than the G7. There are only two G7 countries in recession today: us and Japan. That is the Conservatives' record, and they should be ashamed of it.

This is the 12th Tory plan for growth in 14 years, and we are still in recession. Twelve plans from five Prime Ministers and seven Chancellors, with none of them succeeding. We are trapped in a Tory doom loop of low growth and high taxes, and it is working people who are paying the price.

**Richard Graham (Gloucester) (Con):** I am struggling a bit with the right hon. Lady's figures. My own calculations suggest that this year, pensioners will see an increase of £900 from an 8.2% increase in the state pension as a result of the triple lock. In all, I think, pensioners will be getting £3,700 more than they were in 2010. That is a huge increase in their income, alongside all the help with the cost of living and winter fuel, yet the right hon. Lady was saying earlier that pensioners are going to be worse off. I do not follow her maths; can she help?

**Rachel Reeves:** Those numbers about pensioners who pay tax are from the Resolution Foundation. They were published this morning, so the hon. Gentleman can also look at them, but it is a fact that because the tax thresholds have been frozen, pensioners who pay tax are paying more tax than they were before. That is the legacy of this Government. This is not just about lines on a graph. It is about our high streets, it is about whether businesses grow, and it is about whether we can create secure, well-paid jobs in all parts of the country, with more money in the pockets of working people, because if an economy does not work for working people, it does not work at all.

When the Tories are not pickpocketing the taxpayer, they are pickpocketing Labour policies. Having spent years defending the indefensible, the Tories have belatedly listened to Labour and recognised the importance of closing the non-dom tax loophole. I believe that if people make Britain their home, they should pay their taxes here too. The Office for Budget Responsibility says that the steady state amount of revenue raised by the non-dom policy is £3 billion per year. I first called for that loophole to be closed when it entered the public consciousness two years ago that some people were not paying their fair share of taxes, meaning that we have missed out of £6 billion in tax revenue—money that could have been invested in our public services.

If any further proof were needed that Labour is winning the battle of ideas, it is our time-limited windfall tax on the oil and gas producers. Having originally opposed the creation of such a tax, the Tories were dragged kicking and screaming by Labour to create an energy profits levy. Even after yesterday's announcement of a one-year extension, the Tories are still leaving gaping loopholes, meaning that many energy giants will still pay less in tax. Meanwhile, the SNP opposes our proper windfall tax while, just three weeks ago, it put up taxes on working people in Scotland—on teachers, nurses, and plumbers.

**Peter Grant:** Will the right hon. Lady give way?

**Rachel Reeves:** I will happily take another intervention, if the hon. Gentleman wants to defend higher taxes on working people. Bring it on!

**Peter Grant:** Does the shadow Chancellor not understand that the SNP's position is that there should not be a single windfall tax that punishes only north-east Scotland? A windfall tax should be applied to every sector that has profiteered from war, covid and price increases. Does she not understand that the SNP's income tax policy means that low-paid workers—the people the Labour party is supposed to protect—pay less income tax in Scotland than they would in England, and that nurses and care workers are paid more in Scotland than in England? That is true, is it not?

**Rachel Reeves:** All I would say to the hon. Gentleman is: put that on your leaflet! The fact is that nurses, teachers and plumbers are paying more tax in Scotland. At the same time, the energy giants that are making huge profits from the windfalls of war will pay less tax under the SNP. That is its record, and it should be ashamed of it.

Labour is committed to investing more in our schools and hospitals. That was a priority before the Budget, and it remains a priority, because public services are on their knees after 14 years of Conservative failure. Labour believes in aspiration for all our children, and we will not stand by while the roof falls in on state education under the Tories. History is repeating itself: children are again being taught in portacabins, as they were when I was at school under a Tory Government. When the Tories undervalue our young people, they are squandering their potential and undermining our whole country's future. That is why the next Labour Government will close the tax loopholes enjoyed by private schools. The money raised from ending their exemption from business rates and VAT will instead go where it is needed—to help the 93% of children in our state schools.

[Rachel Reeves]

I will always be clear that all the policies in our manifesto will be fully costed and fully funded. Now that the Tories have U-turned on their policy on non-doms, which we welcome, we will do the necessary work to show how our plans will be paid for. We will set that out in an orderly and responsible way. Our public services are in a mess under the Conservatives, but a Labour Government will begin to turn them around, give an immediate injection of cash to our schools and our hospitals, and tackle Tory waste, through a serious plan to grow our economy and provide the sustainable finance that our public services need.

It takes some nerve for the Chancellor to wag his finger at local councils this week, when the Tories and the Prime Minister have squandered billions of pounds of taxpayers' hard-earned money. Who has used excessive numbers of management consultants in central Government? The Tories. Who signed the cheques and lost an additional £10 billion through dodgy personal protective equipment contracts? The Tories. Who left the vaults open, so that organised criminal gangs could help themselves to £7 billion of public money through covid fraud? The Tories. Who made a costly mess of HS2? The Tories. Who handed £500 million to the Rwanda Government, and has nothing to show for it? The Tories.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Will my right hon. Friend give way?

**Rachel Reeves:** Maybe my hon. Friend has another example.

**Chi Onwurah:** My right hon. Friend is absolutely right, because every area of Conservative spending has a dimension of waste or profligacy. Does she agree that the £15,000 of taxpayers' money spent on settling the attack made by the Secretary of State for Science, Innovation and Technology on a British scientist—an entirely unfounded and defamatory attack—would have been so much better spent supporting British scientists to drive British economic growth?

**Rachel Reeves:** I think taxpayers will find it pretty grating to see their tax bill go up, when that money was spent so callously and casually. Meanwhile, the Chancellor failed to do the right thing yesterday, when he did not set out in the Budget compensation for those affected by the infected blood scandal or for wrongly accused sub-postmasters. That is an abdication of responsibility, and a betrayal of all those who have fought for justice for so many years, and it will not be forgiven.

I am under no illusion about the scale of the challenge that we may inherit, or the scale of the task of rebuilding our economy and country. Labour's economic plan will take Britain from instability and short-termism to a mission-based Government, prioritising economic growth and security for families and our country—a Government built on the pillars of stability, investment and reform. Stability is brought about by iron discipline, guided by strong fiscal rules and robust economic institutions. Investment is brought about by working with the private sector, so that we can lead the industries of the future through a modern industrial strategy. A new national wealth fund will invest, alongside business, in our automotive sector, renewables-ready ports and the future

of our steel industry. Reform starts with our planning system; we will take on vested interests to get Britain building again, support working people in developing the skills that they need to thrive in the changing world of work, and make work pay with a genuine living wage and a new deal for working people. Our economy needs change. Britain needs change.

The verdict on the Budget is in. There is no long-term plan for growth, and leading business organisations agree. The Institute of Directors said that the Budget “fell short of delivering a comprehensive plan for sustainable growth.”

The British Retail Consortium said:

“the Chancellor has done little to promote growth and investment”.

The Trades Union Congress has highlighted that real pay is still below where it was in 2008. Whichever way we look at it, the Tories have failed on the economy. The damage is done. Nothing this week will compensate for the fact that people are worse off under the Tories. Taking £10 and handing back £5 is a swindle, not a giveaway. Working people pay more, pensioners pay more and homeowners continue to pay more. Reckless and desperate promises are repeated.

The lesson from the Budget is simple: the Conservatives cannot be trusted with the economy. The questions that people ask ahead of the next election are simple: are my family and I better off after 14 years of Conservative Government? Do our schools, hospitals, police and transport work better than when the Conservatives came to office 14 years ago? Frankly, does anything in our country work better than when the Conservatives came to power? The answer is a resounding no. If the Tories had any confidence in their plans and their record, they would name the date of the general election. It is time for the British people to give their verdict on 14 years of Tory failure. Only Labour can provide the change that our country so desperately needs.

**Several hon. Members rose—**

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. Before I call the Secretary of State, I remind Members that if they intervene on another Member, it is important to wait until the end of their speech before leaving the Chamber. It is discourteous to leave before the speech has finished. That is just a reminder. I am sure that everyone will follow that rule. I call the Secretary of State.

12.7 pm

**The Secretary of State for Work and Pensions (Mel Stride):** Thank you, Madam Deputy Speaker. The right hon. Lady commenced her remarks by saying much about where Labour is on tax. She criticised the aspiration that the Government rightly have to abolish national insurance at some point in the future. She rather disingenuously repositioned that as a firm commitment, rather than an aspiration, but let us set that to one side.

The right hon. Lady knows all about firm commitments, because we had a firm commitment from her to £28 billion-worth of spending every year over the forecast period. That did not survive contact with reality. Indeed, she has little to say that is original. When she writes about economics, she has to cut and paste from Wikipedia. When she trumpeted her ruinous £28 billion spending plan, she ultimately had to U-turn and run for the hills.

For this shadow Chancellor, when it is not cut and paste, it is cut and run. [*Interruption.*] I thought the right hon. Lady would like that.

The right hon. Lady has also accepted our tax measures as set out in yesterday's Budget, including the abolition of non-dom status and the windfall tax on oil and gas. She has hypothecated the money raised from those two measures many times over—for the NHS, dentistry, breakfast clubs and so on. Now that she has accepted all the tax measures in the Budget, I invite her to come back to the Dispatch Box; I will give way to her if she will let us know whether she will U-turn again on her spending commitments on the NHS and dentistry, or whether she will put up taxes and borrowing. I would be very happy to hear from her—all right, perhaps not.

**Rushanara Ali:** When the Secretary of State was Chair of the Treasury Committee, he was keen on Office for Budget Responsibility assessments and forecasts. Indeed, he argued for them, but his then Prime Minister and Chancellor failed to listen to him and crashed the economy. He and his Government want to pursue the aspiration, as he now calls it, of scrapping national insurance contributions altogether, which would cost £48 billion a year. Will he commit to seeking an OBR forecast and assessment of that, and showing how the Government would pay for that?

**Mel Stride:** Let me talk about the general point that the right hon. Member for Leeds West (Rachel Reeves) made about the tax burden. It is as if history has been erased from her mind. The fact is that the covid pandemic shrank the economy overnight by 10%, and this Government stepped in, supported jobs, and saved 10 million jobs as a result of the intervention that we came forward with. It is as if it has been erased from her memory that a war is going on between Russia and Ukraine, and that that has led to an increase in energy prices and inflation. This Government have stepped in to support the most vulnerable in society, including families, pensioners, and the disabled up and down this country. The Government provided £400 billion of support across that period, and in all candour, I do not believe that there was a single occasion on which she opposed any of our interventions. She was up for spending the money to support people, but not up for recognising that it has to be repaid. That is why the tax burden is indeed increasing.

To go back to the point about the OBR's economic and fiscal outlook raised by the hon. Member for Bethnal Green and Bow (Rushanara Ali), the OBR makes it clear that the measures taken yesterday in the Budget mean that the tax burden will be lower than was forecast in the autumn, as a result of the management of the economy and the reduction in taxes that my right hon. Friend the Chancellor brought forward.

**Lilian Greenwood** (Nottingham South) (Lab): The Secretary of State might not be surprised that Labour Members take it a little unkindly when he suggests that we are forgetting the past, when he seems to have forgotten the immediate past, and the state that the former Prime Minister left the British economy in just a year ago. How much extra debt interest will the Government pay as a result of the Chancellor's unfunded commitment to abolish national insurance contributions, at a cost of £46 billion?

**Mel Stride:** It is an entirely disingenuous statement to say that there is any such unfunded commitment. The only unfunded commitment in recent times is the £28 billion that the Labour party came forward with; the Leader of the Opposition called it something along the lines of "absolutely critical", only for the shadow Chancellor to U-turn on it not long afterwards.

Let me turn to the comments that the right hon. Member for Leeds West made about pensioners. She neglects to point out that we have stood by the triple lock. Since 2010, there have been 200,000 fewer pensioners in absolute poverty after housing costs. That is a result of this Government making the protection of our pensioners a key priority over many years. Among many things that have been erased from her memory, she has forgotten that on her watch, when Gordon Brown was Chancellor, there was the 75p increase in pensions.

**Michael Shanks** (Rutherglen and Hamilton West) (Lab): This morning the Chancellor appeared to suggest that income tax and national insurance contributions will be merged as part of his commitment yesterday. As national insurance is not currently levied on some forms of income, will the Secretary of State confirm to the House how much extra tax pensioners will pay as a result of the Chancellor's policy decisions?

**Mel Stride:** There is no immediate Government approach to merging income tax and national insurance, and I rather put that in the category of those comments about the apparent commitment of £46 billion, although I think the hon. Member for Bethnal Green and Bow nudged it up in a typical Labour way to £48 billion a moment ago.

Let me turn to the remarks that the right hon. Member for Leeds West made about growth. As she knows, we have had a technical recession of two quarters of negative growth—one of which was the princely amount of 0.1%—and most of the purchasing managers index data makes it clear that the economy is on a very different path. Indeed, to return to the comments of the hon. Member for Bethnal Green and Bow, the OBR makes it clear that over the period of the forecast, there will be reasonable and decent growth—greater than that of France, Italy and Germany. That is on the back of exactly the kind of growth record that this Government have had since 2010.

**Sir Stephen Timms** (East Ham) (Lab): On growth, it was the former Prime Minister, when seeking election as leader of her party, who characterised the growth record since 2010 as lamentable. She was surely absolutely right about that particular point.

**Mel Stride:** My point is that the externalities that I referred to, such as covid and the war between Ukraine and Russia, have impacted economies around the world. Relative to other economies, and looking at the OBR's forecast over the next five years, we will have a growth record that is up there and better than many of our major competitors, including countries such as Germany.

**Matt Western** (Warwick and Leamington) (Lab): To clarify a point that perhaps I have misunderstood, what is the growth per capita record for the last seven quarters?

**Mel Stride:** My point clearly remains that growth is a function of both the size of the population and the level of productivity. As a consequence of all the elements that feed into growth, the OBR has confirmed that we will be growing a little faster at certain times than was anticipated at the time of the autumn statement, and our growth will compare favourably with countries such as Germany.

This debate is meant to be about making work pay, and the right hon. Member for Leeds West had very little—in fact, next to nothing—to say about that. *[Interruption.]* As she says from a sedentary position, she mentioned the national living wage—something the Conservative party is proud that it brought into being.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op) *indicated dissent.*

**Mel Stride:** You are thinking of the national minimum wage. The national living wage was a Conservative decision—*[Interruption.]* You did, but it is a pleasure to correct you on this occasion—*[Interruption.]*

**Madam Deputy Speaker (Dame Rosie Winterton):** Order. This is the problem with conversations across the Dispatch Box. It is very difficult for the *Hansard* writers to follow if we veer off into private conversations. It should all come through the Chair.

**Mel Stride:** I am sorry Madam Deputy Speaker, and I am sorry for *Hansard*, but it was quite enjoyable. This debate is about making work pay, and the right hon. Member for Leeds West had precious little to say about that. I wonder why that might be. Might it be because unemployment has always gone up under Labour Governments? That is a simple fact for her to think about. It rose by 1 million under the last Labour Government. Youth unemployment rose by 45% under the last Labour Government, and the number of households in which no one had ever worked doubled during the last Labour Government. I find it particularly striking that under Labour 1.4 million people spent almost a decade on out-of-work benefits. Labour should be ashamed of that record of its time in office.

**Jim McMahon** (Oldham West and Royton) (Lab/Co-op): The Minister mentions making work pay, but Unison has pointed out that a number of social care workers are being disadvantaged because HMRC mileage rates have not changed since 2010. Does the Treasury not believe that the cost of running a motor vehicle has changed in the last 14 years?

**Mel Stride:** One of the principal costs of running a motor vehicle is the fuel in the tank. Because of our stewardship of the economy, the Chancellor was able to announce yesterday that we are freezing fuel duty for the 14th year in succession, as well as beer duty, to help those supporting our vital pubs.

Yesterday's Budget sets the course for a brighter future for our country. It is a Budget for long-term growth, with more investment, more jobs and an economy that is turning the corner. That has allowed us to cut taxes because this Government believe in rewarding aspiration and hard work.

**Rushanara Ali:** I am incredibly grateful to the Minister for giving way a second time. I remind him that the tax burden has gone up by £27 billion in the last year, and it will go up by £19 billion after the election because of decisions his party made. People who earn less than £19,000 will be worse off because of the Budget. Two decades of lost pay growth—that is the record of his Government over the last 14 years.

**Mel Stride:** I thought I had already covered this point, but the reality is that the tax burden has had to go up to pay for all the support we provided around covid, and because of the inflationary pressures created by a war on European soil. The hon. Lady cannot get away from the fact that through this fiscal event, and the previous one, 27 million hard-working people, employed in businesses up and down the country, will be better off to the extent of £900 per year. Some 2 million self-employed people will be £650 per year better off. She talks about those earning less than £19,000, but those many millions of people who earn above £19,000 will have a lower tax burden than before, when we take into account the interplay of the freezing of thresholds and the cuts in national insurance.

**Stephen Kinnock** (Aberavon) (Lab): It has been widely reported that the taxpayer is having to pick up the tab for £15,000 of legal costs and damages incurred because of the actions of the Secretary of State for Science, Innovation and Technology, the right hon. Member for Chippenham (Michelle Donelan), who is rapidly becoming known as the hon. Member for “chipping in”. Will the Minister confirm that the figure of £15,000 is correct? Will he say whether he thinks it is morally right that the taxpayer should be picking up the bill for the outrageous lack of judgment and behaviour of one of his colleagues?

**Mel Stride:** What I think will be absolutely outrageous is the taxpayer having to pick up the bill for a future Labour Government. I have just explained the record of the hon. Gentleman's party in government.

**Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): My right hon. Friend is making a good case for yesterday's announcements in the Budget. He has dealt very thoroughly with Labour's record when in office, but will he turn his attention to its present proposals? If Labour will not reverse the tax on non-doms or the cuts to national insurance, does that not leave a whopping £6.5 billion in uncoded expenditure pledges?

**Mel Stride:** My hon. Friend is absolutely right. At the beginning of my speech, I invited the shadow Chancellor to explain to the House what she will do, given that the non-dom status will be abolished and windfall taxes on oil and gas will come forward. Will she once again U-turn and run for the hills, as she did with the £28 billion, or will she raise taxes or borrowing? Answer came there none.

**Karin Smyth** (Bristol South) (Lab): When the Minister has time, he might want to read the shadow Chancellor's speech in *Hansard* and help his colleagues who will be speaking later.

May I take him back to the subject of ordinary people? As a result of last year's mini-Budget, people who remortgage are now paying £240 more—real money

for them—than they were previously. If he does not accept that there is a £46 billion hole as a result of yesterday's announcement, will he tell us what he thinks the figure is? Can he assure people who are remortgaging this year that they will not be further impacted by yesterday's announcement and that there will not be a further scare on those markets?

**Mel Stride:** I can reassure all mortgage holders up and down the country that this Government are absolutely determined to see inflation return to its target. The OBR's economic and fiscal outlook, published yesterday, makes it clear that we will meet the 2% target one year earlier than it forecast in the autumn. The significance of that for interest rates is obvious: interest rates will come down faster if inflation recedes quicker, and that is exactly what has happened.

**Alex Cunningham** (Stockton North) (Lab): On that point, will the Minister give way?

**Mel Stride:** I have been very generous with my time, but how can I say no? I must then make some progress.

**Alex Cunningham:** The Minister is a decent man. The Government make much of getting value for money, but they have little to say about the handing over of Teesside's greatest land asset to two private developers, who have since banked tens of millions of pounds in profits, leaving crumbs for the public. That is after the investment of £500 million of taxpayers' money and no private investment. Is the Minister content with that, or does he believe, as his own Government's inquiry into the Tees Mayor's business dealings recommended, that the deal should be renegotiated?

**Mel Stride:** I will not get into the weeds of the issue that the hon. Gentleman is attempting to draw me into, other than to say that he made at least one comment that I agree with: I am indeed a decent man. I thank him very much for that.

Inflation is falling faster than expected. People's wages are rising in real terms, and have done for the last seven months. Under this Government, our labour market has been strong and resilient, delivering opportunities despite the headwinds. We have put incentives at the heart of our welfare. We have grown faster than Germany, France or Italy. According to the OBR, we will continue to do so over the next five years. We are attracting the business investment that is key to growth, delivering high-quality jobs across the country—from Nissan to Google to AstraZeneca, which announced £650 million of investment only yesterday.

No matter how much the Labour party seeks to talk down Britain, the investment flowing into our economy is a huge vote of confidence in our country. It shows that our plan is working. By contrast, as has been laid all too bare this afternoon, the Labour party has no plan or credible record. I have already gone through the tale of woe about the level of unemployment that Labour has left us in the past. Those poor young people had a 45% increase in youth employment on the watch of the shadow Chancellor's party, and over 1 million people were left on out-of-work benefits for almost a decade.

On the Government Benches, we believe that work, not welfare is key to improving living standards. That is why we are incentivising and rewarding work in this Budget. Making work pay and ensuring families are better off means tackling the global inflation that I have referred to, on which we are making significant progress. As inflation decreases, we recognise that there are still some people who need extra help. I was pleased to see the extension of the household support fund for a further six months from April, which was also pushed for by the Chair of the Work and Pensions Committee, the right hon. Member for East Ham (Sir Stephen Timms).

**Sir Stephen Timms:** The Minister is right that I warmly welcome that extension. Is there not a strong case for making the household support fund permanent, not just extending it for another six months?

**Mel Stride:** Six months is a meaningful period of time. Inflation is coming down. As the OBR says in its report, inflation is expected to hit target within the next few months, which will make a huge difference. It highlights some uncertainties around that, but £500 million of investment over six months, including Barnett consequential, is a major move forward to support the most vulnerable.

The sustainable way to change lives is through work, and the evidence could not be clearer. It is good for the economy, communities and the individuals concerned. I want everyone who can work to have the opportunity to do so. One of the great labour market challenges is economic inactivity, and I want to put that into context. In the UK, inactivity has come down since its pandemic peak and remains lower than the average across the G7, the OECD and the European Union. Our progress has seen a significant fall in the number of people who are inactive because of caring responsibilities. We have the second lowest youth inactivity rate in the G7, and thousands of over-50s are returning to work.

However, the rise in the number of people out of work due to ill health and disability is stifling potential—potential that I am determined to realise. That is why, as we cut taxes for working people, our multibillion-pound back to work plan is providing substantial support to help the long-term sick return to work and keep people in the workforce. That includes doubling the number of placements on universal support, expanding access to mental health support, delivering Work Well, giving people earlier and better access to integrated work and health support, reforming fit notes and working with employers to improve occupational health. Through our next generation of welfare reforms, we are breaking down the barriers to work. Our chance to work guarantee will enable people on incapacity benefits to try work without fear of losing their benefits if a job does not work out. As the OBR has confirmed, our reforms to the work capability assessment will reduce the number of people on those benefits by 371,000. That is 371,000 more people getting the support they need to enter employment.

As part of our back to work plan, we are also tackling long-term unemployment, because the longer people stay in unemployment, the less likely they are to rejoin the workforce. That is why we are phasing in more rigorous requirements for fit and able jobseekers, with more time with work coaches, more intensive support and mandatory work placements. Ultimately, if a claimant does not engage with the support they are

[Mel Stride]

being offered, they will lose their benefits, underscoring our belief that we should always be there for those who need our support, but we must equally be fair to taxpayers.

By contrast, for all the protestations from the Opposition that they have changed, they are not fooling anybody. They are squeamish on conditionality, weak on sanctions and completely out of touch with the British public, who rightly expect a welfare system in which everyone meets their obligations.

**Rachel Maclean** (Redditch) (Con) *rose—*

**Chi Onwurah** *rose—*

**Mel Stride:** I am being asked to conclude, so I think I need to do that. [Interruption.] I have been pretty generous in giving way to just about everybody who has sought to catch my eye.

This is a Budget that rewards work and will grow the economy. It comes on the back of a once-in-a-century challenge that this Government have met. We have turned the corner, and this Budget takes us further still. It rewards work with lower taxes, it delivers growth, it makes work pay, and it ensures a brighter future for us all.

**Madam Deputy Speaker (Dame Rosie Winterton):** I call the SNP spokesperson.

12.33 pm

**Peter Grant** (Glenrothes) (SNP): I thought it was interesting when the topics for these Budget debates were set, because those topics are what the Government want us to believe the Budget is all about. There is no mention of public services, the cost of living or climate change and net zero for any of the three days. We are talking about rewarding work, and I want to talk about rewarding not only those currently in work, but those who will be and have previously been in the workforce, because all three groups have been shamefully failed in this Budget.

For me, rewarding works means paying everybody a living wage—not a minimum wage. The Minister should be listening, but he does not particularly care about this. A wage that is not enough to live on is not a living wage—it is as simple as that. There is nothing in the Budget about banning exploitative zero-hours contracts. There is nothing, obviously, about repealing the shameful anti-strike legislation that the Government are imposing on a great number of public sector workers.

I wondered whether it was just that the topics chosen were not that good, and perhaps the Chancellor said more about those subjects in his speech. I had a look at the speech on the Treasury website—all 7,260-odd words of it. The word “poverty” is mentioned once, but “low pay” and “zero-hours” not at all. Net zero gets a mention, because the Chancellor mentioned his colleague, the Secretary of State for Energy Security and Net Zero, and zero emissions is mentioned once. Climate has not a single mention and Brexit—not surprisingly, as we are not allowed to talk about it any more—has no mention.

By necessity, some of my remarks have to be about what is not in the Budget, as much as what is. This Government are heading to become the worst Government in history for falling living standards. The Institute for

Fiscal Studies has told us that it is unlikely that real household incomes will be any higher at the end of this Parliament than they were at the beginning. How can we call it economic growth when people in their real lives, in real houses with real jobs, do not notice any improvement in their standard of living over an entire five years?

Tax as a percentage of GDP will soon be the highest it has ever been. We have seen a £66 billion increase in the tax burden in this Parliament alone, and far too often it is people on lower incomes who pick up the biggest share. As has been mentioned, the six-year freeze on tax thresholds will cost taxpayers an extra £30 billion in stealth tax by 2027-28, even allowing for the impact of the 2p national insurance cut. The UK’s interest payments as a percentage of national income are about to become the highest for 70 years. If someone is an international banker, the rewards from work can be rich indeed, but they are not for someone trying to scrape a living in any kind of normal job.

This Chancellor’s time in office has seen the longest unbroken run of declining living standards since records began. The Government talk about rewarding work, but it is quite the opposite. Income inequalities in the United Kingdom are higher than in any other large European economy. What has the United Kingdom done that they did not, and what has everyone else done that the United Kingdom did not do? Germany, for example, had a covid pandemic, just as we did. Germany is impacted by the war in Ukraine just as much as we are—possibly more so, because it is physically closer to it. Middle-income earners in the United Kingdom are 20% poorer than their equivalents in Germany. I wonder what it could be that affected the economy and living standards in the United Kingdom that has not had the same impact on Germany, France, Italy and other EU member states? We are not allowed to say the B-word, so I will leave the Chancellor to work it out for himself.

As the Child Poverty Action Group has pointed out, child poverty is not inevitable, but a choice. It has said:

“With the right policy changes we can substantially reduce the extent and depth of child poverty across the country.”

Members do not have to take its word for what might happen if policies were changed; they need only look to what has happened in Scotland, despite the fact that the Scottish Government have substantially fewer fiscal, monetary and legislative powers than this place. Scotland now has the “game-changing” Scottish child payment—that is not our word, but that of the Child Poverty Action Group. We have the child winter heating payment, supporting the most vulnerable young people with disabilities to cope with their fuel bills. We have free school meals for everybody in primary 1 to 5 and for eligible children throughout their time in school.

**Michael Shanks:** The hon. Member mentioned the Child Poverty Action Group. After the Scottish Government’s Budget, it said that it was “bitterly” disappointed and that, as it stands, the Budget will at best stall progress, hampering progress towards reducing child poverty. Does the hon. Member think his own Government are reducing child poverty as much as they could be?

**Peter Grant:** I will come on to that in a minute. The Scottish Government are perhaps not reducing child poverty as much as they could, because nobody is ever

perfect, but they are doing a blooming sight more than any Government down here ever will. As I said, we have free school meals for everybody in the first five years of primary school and for a great many children right up until they leave school. We have followed the example of our Scandinavian friends by welcoming every newborn baby in Scotland with a baby box containing the essentials for the first six months of their life. That is not just about practical physical help; it is also about the difference it makes to a new mum. It simply says to them, “We think your new baby is somebody special. Your baby is welcome as a new citizen of our country.” We have more than 1,140 hours a year of early learning and childcare for every three-year-old and four-year-old, and all eligible two-year-olds.

**Karin Smyth:** Just to correct an earlier point, when the hon. Member said that the Scottish Government would do more than any Government down here, I helpfully remind him that the last Labour Government lifted hundreds of thousands of children—I think up to 1 million—out of poverty, and we would seek to do that sort of work again. Who is in government here in Westminster does make a difference, does he not agree?

**Peter Grant:** I am not saying that a Government here cannot do it—in fact, I am saying that a Government here can do it. The problem is that the Government, which the hon. Member’s party said we could trust with the welfare system, are not doing that.

We have also introduced free bus travel throughout Scotland for 2 million people, including all young people up to the age of 21. That is important, because it not only significantly helps those people with the cost of their travel, and therefore the cost of living, but it encourages young people not to get into the habit of travelling by car. It encourages them to get into the habit of seeing public transport as a viable option.

In answer to the hon. Member for Rutherglen and Hamilton West (Michael Shanks), independent analysis has indicated that 100,000 children in Scotland will be kept out of child poverty this year because of actions by the Scottish Government. If the UK Government were willing simply to do what has already been done in Scotland, there could be 1 million fewer children living in poverty in the United Kingdom. Child poverty is not inevitable; it is a deliberate political choice. Scotland has chosen to say no to child poverty. The Budget has chosen to allow it to continue and to grow.

As well as the right support for children in low-earning families, the Government could have announced any number of things to help people in work to have better and secure pay. I have already mentioned the living wage, and they could have strengthened protection for workers instead of taking away the right to strike of those working in all sorts of public sector work.

**Steve McCabe** (Birmingham, Selly Oak) (Lab): On strengthening protection, is it not true that the SNP hired people on zero-hours contracts to deliver literature during the Rutherglen by-election?

**Peter Grant:** I read that in *Private Eye*—

**Steve McCabe:** It must be true, then.

**Peter Grant:** It is in *Private Eye* and therefore it must be true. I do not know if that has been fact-checked. If the hon. Gentleman can provide me with evidence from something other than *Private Eye*, we will certainly look into it. I should say, incidentally, that the Labour party’s record of industrial relations in its own workforce is nothing to boast about. He might want to have a look in his own house first of all.

Among the other steps that the Government could take—I look forward to a likely incoming Labour Government committing to doing all this—they could outlaw despicable fire and rehire practices and support the Bill proposed by my hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands). They could ban unpaid work trials, as was attempted by my hon. Friend the Member for Glasgow South (Stewart Malcolm McDonald) in his private Member’s Bill. They could give people the right to flexible working, rather than making it feel as if it is not really proper working. They could finally take action, seven years after the Taylor review. They could repeal the anti-strike legislation. Incidentally, the Scottish Government have undertaken not to use any of the anti-strike provisions included in that legislation. I look forward to an incoming Labour Government undertaking not to use them, as a precursor to repealing them altogether.

There are some changes in the Budget that we can mention, although they do not go far enough. Changes to the high-income child benefit charge are certainly welcome, but they do not go far enough to catch up with the downturn in income people have suffered over the years of that freeze. In the same way, the VAT charge threshold for small businesses, which increased by £10,000 a year, is welcome, but that is not enough even to make up for the deterioration in small business income after seven years of that ongoing stealth tax. Of course, we still have child maintenance liability for a non-resident parent based on assumptions about wage levels and cost of living levels that are years out of date. The Government say they do not have time in the legislative programme to bring forward primary legislation to change it. However, last week the House finished three hours early because we had nothing to talk about. Come on—if they were serious about it, they would have done something about it.

I mentioned net zero and climate change earlier, and I welcome the confirmation of up to £120 million more—although the words “up to” worry me—for the green industries growth accelerator, which is, to quote the Chancellor,

“to build supply chains for new technology, ranging from offshore wind to carbon capture and storage.”—[*Official Report*, 6 March 2024; Vol. 746, c. 844.]

Can we get an assurance that the Government will not make the same mistakes with that as they did with contracts for difference? The former BiFab yard in Methil in my constituency went into administration because although it could have made jackets for offshore wind turbines under contracts for difference, firms chose to import them from halfway around the world. While workers who could have done that work in my constituency were being laid off, we were paying to transport heavy-engineered goods from the other side of the world. Will the Government commit to reviewing the criteria for the GIGA to include the manufacture of those jackets? They make up about 40% of the total cost of a turbine

[Peter Grant]

and 40% of the supply chain but are currently excluded from that incentive scheme. If included, that could help to bolster the workforce in my constituency and a number of others across the UK.

I would like the Government to welcome again the contribution that green hydrogen can make to our net zero future. I am very pleased that Methil in my constituency is home to H100, the world's biggest ever conversion of domestic gas supply to run on clean, renewable green hydrogen. It is the biggest example of that kind of green energy innovation anywhere on the planet. The next stage was even more ambitious: the Government promised to support what they called a hydrogen town pilot to extend the same technology and the same practices into tens of thousands of houses. I would love to see that happening in Methil and the surrounding areas, but I would rather see it happening anywhere than not happening at all.

The Government promised an announcement in March last year; that is now a year overdue. I, and many others with an interest in clean energy technology, are concerned that the Government are simply losing enthusiasm for this world-leading work. We threw away our world-leading position on other green energies during the Thatcher years. We cannot afford to do it again.

Briefly, I point out that if we are talking about rewarding work, we must also extend that to how we reward those who have finished their working careers and now rely on the state pension to get by. In spite of all the rhetoric, we still have one of the meanest state pensions in western Europe. There are still millions of WASPI women—women against state pension inequality—but the Government hope that if they just ignore those women, they will go away. They will not, so the Government had better stop ignoring them. We have seen more than £1 billion illegally underpaid to pensioners—that is utterly scandalous—and woefully inadequate protection from pension scams both for people building up their private pensions and, as some Members will be all too aware, for pension funds such as those of London Capital & Finance, British Steel and United Kingdom Atomic Energy Agency Technology, and dozens of others.

We have a Budget that chooses to leave hundreds of thousands of children in poverty, chooses to allow the scandal of low pay and exploitative work practices to continue, and chooses to continue inflicting stealth taxes that hit low-paid workers hardest. In answer to what the shadow Chancellor said earlier, I do not have a problem with debating a progressive tax regime that has lower taxation for the low paid and higher taxation for those who are better off. When we are talking about high rates of tax and low rates of tax, though, we should remember the entire tax burden and not just be selective about income tax, for example.

Let us look at council tax. I am the proud possessor of two council tax bills, with one for my house in Glenrothes and one that is paid by the taxpayer for the flat I use while I am down here. So I have the flat in London and, fortunately for me, a very nice detached house in Glenrothes. The flat in London already costs more in council tax than the house in Glenrothes, and this year the Labour-controlled council whose area I live in is likely to increase the council tax by 7%, while the council in Fife has accepted the Scottish Government's funding to allow it to freeze council tax. The council tax

on the flat in London will therefore be 15% higher than that on a very nice, spacious detached house in Glenrothes. When we are talking about the different tax burden on people between the two countries, let us consider the entire tax burden, not just the narrowly defined income tax burden. Of course, as I mentioned before, one reason why some people in Scotland pay higher taxes is that they are paid more than their colleagues doing the same jobs south of the border.

The Budget chooses not to support the children of working people. It chooses not to support working people. Then, when people's working lives are over, it treats them far worse than people of a similar age and similar background are entitled to be treated in almost any other civilised economy. By contrast, the SNP has a vision for a country where every child and every parent is valued and supported, and knows that they are valued and supported; every worker is guaranteed a fair wage; every worker is protected from exploitation; every pensioner is entitled to a pension that is enough to live on without having to fall back on state benefits; and people get the care they need as they grow older and less able to look after themselves, valuing and fairly rewarding not only today's workers but the next generation of workers and previous generations of workers, all of whom have been let down by this Budget.

I hold out no great enthusiasm that an incoming Labour Government will significantly change the situation. I would like to be proved wrong, but I cannot really see it happening. During the shadow Chancellor's speech—it may have been an intervention—it was said that if the Tories had any confidence in their record, they should name the date for the general election. Absolutely. Can I suggest that if the incoming Labour Government had any confidence in the record of the Union, they would have no hesitation in naming a date on which to put it to a democratic test? We will wait and see whether the incoming Labour Government are a greater respecter of the will of the people of Scotland than the outgoing Conservative Government.

In his closing remarks, the Chancellor said that "those with the broadest shoulders should pay their fair share", and I absolutely agree. He also said:

"An economy based on sound money does not pass its bills to the next generation."—[*Official Report*, 6 March 2024; Vol. 746, c. 839-50.]

Oh, really? I agree with both those statements. For that reason, among others, I cannot support this Budget, and it does not deserve the support of anyone else in this Chamber.

12.50 pm

**Sir Christopher Chope** (Christchurch) (Con): It is a great privilege to follow the hon. Member for Glenrothes (Peter Grant), who speaks for the Scottish National party. What I did not really hear from him was the justification he and his party use for increasing taxes—something that is total anathema to almost everybody else speaking in the debate, who are complaining about the high level of taxes we already have.

I welcome the Government's rethink on national insurance. As somebody who has regularly voted against increases in national insurance by previous Chancellors of the Exchequer, I am delighted by the change of heart.

I also welcome the rethink on the unfairness of the high income child benefit charge. When it was being legislated on, I put a lot of time and energy into asking questions about it and speaking and voting against it. However, I could not persuade anybody in the Conservative Government then that it was extremely unfair that a household with an income of £95,000 coming from one person was subject to this charge, while two earners were able to avoid it by each earning £45,000. That will now be put right; in my view, it is long overdue, but it is none the less welcome.

I would, however, be interested in asking the Minister a specific question arising from what was said about this issue: will the move to His Majesty's Revenue and Customs using household-level information from 2026 enable the Government to introduce transferrable tax allowances and end the discrimination in the tax system against married couples? That would be an even bigger benefit of introducing household-level information and from taxing people on that basis. I hope that that will be one of the great spin-offs from this initiative, and I would be grateful if the Minister could respond to that point when he winds up.

I welcome the increase in the VAT threshold from £85,000 to £90,000. However, that is a pretty meagre 6% increase after seven years in which the threshold was frozen, and I would like to see it go even higher. I also welcome the Great British ISA, but why is it limited to £5,000?

Last night we had an amazing gathering in the Guildhall in London—I do not know whether any of my hon. Friends on the Front Bench were there. It was a celebration of the 50th anniversary of the Centre for Policy Studies, and it was a great occasion. It celebrated the work that Keith Joseph, Margaret Thatcher and Alfred Sherman did 50 years ago in setting up what has been the most successful Conservative think-tank of all time. I have to say, however, that there was universal disappointment in the audience that the overall tax burden has not peaked and that the Budget statement confirmed that it will rise even further in each of the next four years and beyond, despite the fact that we already have the highest tax burden ever. There seems to be no explanation as to why the Conservative Government are still pursuing that policy of increasing the tax burden.

As ever, the Prime Minister spoke eloquently, echoing the philosophy and founding principles of the Centre for Policy Studies. He spoke of the small state, the need for low taxes, and promoting enterprise and supply-side reforms. Indeed, his rhetoric chimed with the Chancellor's own Budget statements, and I will quote three of them. The first was:

"Conservatives know that lower tax means higher growth."—[*Official Report*, 6 March 2024; Vol. 746, c. 837.]

The second was:

"Keeping taxes down matters to Conservatives".

The third was that

"lower-taxed economies have more energy, more dynamism and more innovation."—[*Official Report*, 6 March 2024; Vol. 746, c. 848.]

I could not agree more. Yet we have a Budget that is actually increasing the overall burden of taxation and that seems to run counter to that rhetoric. My constituents are concerned about actions rather than words, and I hope that, in responding to the debate, my hon. Friend the Minister will explain why the Budget's content does not fit with that rhetoric.

Where does that leave us? As we approach a general election—from my point of view, the sooner we have one, the better—I want to be able to tell my constituents that they have a choice between a Conservative Government who are really committed to the enterprise economy, following in the steps of the Centre for Policy Studies, Margaret Thatcher and Keith Joseph, and a Labour Government who are committed to ever higher taxes and burdens on individuals, with dire consequences for economic growth. At the moment, however, I am not sure that that is being spelled out with sufficient clarity to enable us to make the case as strongly as I would like when the general election comes.

Another issue raised in the Budget is that of low, if not declining, public sector productivity, which is a scandal of the highest order. Lip service was paid to addressing the problem of low productivity in the national health service, but low productivity has been endemic in the NHS for years. I was looking at a book produced by Lord Crisp—Nigel Crisp—when he worked for the NHS, and in it he refers to the low or declining productivity in the NHS between about 2000 and 2010. The latest figures also show a decline in productivity in the NHS. Two years ago, the Government committed themselves to productivity increases of 2% per annum in the NHS. I thought that that was already policy, but I see in the Budget statement that the head of the NHS, Amanda Pritchard, is saying, "Well, with the extra initiatives from the Government, we might even be able to get to a productivity increase of 1.9%."

**Jim McMahon:** I will give the hon. Gentleman a second to take a breath. Does he accept that the NHS does not sit in isolation? It is part of a wider ecosystem of public services, and it reflects local communities. So many preventive early intervention services, such as those provided by local government, have been taken away, and that has an impact. Like me, the hon. Gentleman will be aware that we have seen 900,000 fewer workers in local government since 2010, but 900,000 more workers in central Government, and the civil service has grown too. That shift has definitely had an impact on productivity.

**Sir Christopher Chope:** I agree with the hon. Gentleman that, by expanding the public sector and the number of administrators, we are undermining our attempts to increase productivity. The OBR says that a 5% increase in productivity would give us a £20 billion dividend, so instead of fussing about £1 billion here, £100,000 there or whatever, why do the Government not concentrate on productivity?

One example of the lack of productivity is the increase in bed blocking. I have an example from my constituency, which I raised in a parliamentary question recently. On 31 January, 308 patients in acute hospitals in Dorset were there with "no criteria to reside", which is how what used to be called bed blocking is described these days. If we take a ballpark figure and say that each of those beds costs about £1,000 a night, that is £300,000 a night. If we multiply that by the 365 days of the year, we get an enormous figure. Money is being wasted through the NHS's inability to address that long-standing problem.

Despite the establishment of integrated care boards, the problem is getting worse, rather than better—the whole essence of integrated care boards was to try to link together all the players.

**Matt Western:** Does the hon. Gentleman agree that not enough appropriate sheltered housing has been built over the past 14 years? Given the ageing population, surely we should be making greater provision.

**Sir Christopher Chope:** My constituency has an enormous amount of sheltered housing and housing specifically for pensioners. A lot of it is vacant—it has been built, but it is not occupied at the moment. I am not giving a plug for Churchill or any of the other housing developers, but I do not think that issue is really the key. The key is knocking some heads together and getting them to realise that when somebody is ready to leave hospital, they do so and that there are significant penalties if they do not.

There are lots of other examples of where we have a productivity crisis. It is worth recalling that Sir Roy Griffiths, who was brought in by Margaret Thatcher in 1985 to try to introduce greater efficiency into the health service, said

“if Florence Nightingale were carrying her lamp through the corridors of the NHS today she would almost certainly be searching for the people in charge”.

One could bring that up to date now and say that today Florence Nightingale would almost certainly be looking for anyone willing to get to grips with low productivity in the NHS. I hope that the Government will get a lot more serious about the issue than they have been hitherto.

My final point is about the dynamism that comes to the economy if we reduce taxes and encourage growth through that means. In his speech, the Chancellor made passing reference to Arthur Laffer and his curve. Some of my hon. Friends may have been present at a previous dinner organised by the Centre for Policy Studies at which the speaker was Dr Laffer himself; I still treasure a napkin that has his handwritten curve on it. Why are we not applying the principles of his curve more widely?

In his aside about Laffer, in the context of reducing capital gains tax from 28% to 24%, the Chancellor was more or less saying, “Well, at last my officials are waking up to the importance of this.” But who is in charge? If the Chancellor of the Exchequer and the Prime Minister believe in the virtues of the Laffer curve and the dynamism that comes from a low tax, low regulation economy, surely they should be getting a grip on that rather than leaving it to anonymous officialdom.

I hope that we will be able to make more progress on these key issues and demonstrate to the public that there is indeed a big chasm between the two parties vying to form the next Government. We believe in the virtues of low taxes promoting enterprise and increasing productivity, particularly in the public sector. The other lot are beholden, particularly to the unions, which takes me back to where I started off in politics: when I was first elected to Wandsworth Borough Council, 50 years ago this week.

1.4 pm

**Holly Lynch (Halifax) (Lab):** In this Budget debate, I want to focus particularly on schools, children and young people, and the pressures facing headteachers and local authorities in struggling to balance their budgets. We get one chance at getting a child’s primary education right: they will not get those years back and we will not get that opportunity back. It is the one and

only chance to set the foundations for their future, and every child is a building block on which our hopes and aspirations for the country rest.

In January this year, the local campaign group Calderdale Against School Cuts conducted an anonymous survey of all Calderdale primary headteachers about their budgets and how they were managing school funding. Some 65% of the schools contacted completed and returned the survey representing a broad cross-section of schools, from right across Calderdale’s communities.

The survey revealed that in this financial year half of all headteachers had made reductions to teaching staff, while 84% had not replaced staff who had left. Some 73% had reduced support staff and 47% of primary heads were planning to make staff redundant to balance the books. Some 80% of schools had been forced to cut back on maintenance and building repairs. Perhaps most worryingly, 100% of the heads who responded anticipated that their school would be struggling to cope in the near future, with concerns about balancing the school budget for the next three years.

An ever-increasing number of schools now face the prospect of deficit budgets, forcing them to make redundancies within both their support and teaching staff. The results show that because of financial constraints, the non-replacement of staff is no longer a choice but a necessity, which places even greater demand on the already stretched remaining staff. Headteachers were keen to stress that it has become increasingly difficult to recruit support staff to work in schools, given that they can earn more working in local supermarkets, for example.

In addition to the financial pressures facing all schools, there has been what we can only describe as an explosion in the numbers of children with emotional, behavioural or mental health difficulties, and schools are especially struggling with resources, funding and specialist support for that cohort of children. Calderdale Council has a predicted £5.9 million overspend on high-needs children. It also reports a 150% increase in the number of children with education, health and care plans since covid. When a school has a child with additional needs recognised by an EHCP, it has to find from its existing budget the first £6,000 to provide support for that child. In reality, the only way that is achievable is by diverting money away from the day-to-day provision of teaching and learning.

The *Halifax Courier* ran the survey results on its front page with a headline about how cuts were pushing schools to the edge. The article included this quote:

“Our survey confirms that cuts to funding, rising poverty and SEND are pushing schools to breaking point.”

Nationally, according to the Department for Education’s own figures, one in eight local authority maintained schools was in deficit in 2022-23—the highest number of schools in deficit on record. *The Observer* also ran the survey results, with a quote from a Yorkshire primary head teacher:

“We are approaching a time when it isn’t safe to open. There will be children who are being violent and there won’t be enough staff to manage.”

She said that she had not been able to justify replacing teachers and support staff who had resigned over the past year and that in September she will be forced to merge a year of children containing many who are vulnerable and have additional needs with the year above, because they are losing yet another teacher. She said:

“You have to do it to make your budget work, but what about the impact on the children?”

Mungo Sheppard, the truly outstanding headteacher at Ash Green Primary School, which serves the Mixenden area of Halifax in my constituency, told *The Observer*:

“Heads are forced to balance the books rather than saying ‘How many staff do we actually need for our children?’ It’s terrifying.”

He said that some local schools are having to cut pastoral roles as well as teaching jobs, and that many no longer have enough classroom support staff

“to cater for the ever-growing needs of children”.

He added that despite being over-subscribed, his school will have a “large” deficit by April next year and

“other local schools are already in perilous situations, running out of money”.

Ash Green serves one of the most deprived parts of my home town. Led by Mr Sheppard, the staff delivered food and vouchers during covid, just to make sure that children and their families had at least some food on the table. Just when staff were starting to get some respite from the soul-destroying challenges of covid, the school was hit by deliberate arson, which tore through several classrooms. The school runs a breakfast club because so many children were going without, and it has also set up a lending scheme for families and parents who have nowhere else to turn. The staff at Ash Green represent school staff up and down the country, who have to overcome so many challenges before they can start the school day. It is just not right that the staff and headteacher spend so much time worrying about how he will balance the books in order to cover the basics of paying the staff’s wages and keeping buildings and children safe.

Schools are increasingly picking up the pieces of our broken society. The Government have finally woken up to doing something about non-dom tax status, adopting our long-standing policy, and we are still 100% committed to funding breakfast clubs, additional teachers and mental health specialists in schools—pledges that we know are necessary and that we are incredibly proud of. There was nothing in yesterday’s Budget for councils, which have limited means of providing any additional support to schools.

The Labour leadership of Calderdale Council and some truly dedicated officers are working their socks off to balance its budget. They will find a way, but they are struggling financially and morally to do so. In the last financial quarter, Calderdale Council’s budget for children and young people had a £7.8 million overspend, which has increased by £1.7 million this financial year. The biggest driver of that overspend is the rising number of required placements for children in care, with the costs rising significantly. The lack of placement availability nationally and locally is a key factor, as it is everywhere.

The Chancellor had something to say on this issue yesterday, stating:

“Too many children in care end up being looked after by unregistered providers that are much more expensive”.—[*Official Report*, 6 March 2024; Vol. 746, c. 848.]

He announced some new investment, with the Government pledging to develop

“proposals on what more can be done to combat profiteering, bring down costs and create a more sustainable market for residential placements,”

which they will publish later this year. I really struggle with the use of the word “market” to describe placements for children in care—it reveals everything that is wrong

with children’s social care—but the announcement comes two years after the Competition and Markets Authority concluded that the profits of the largest private children’s home and fostering providers are higher than would be expected in a well-functioning market, with average margins of 22.6% in residential care between 2016 and 2020. That begs the question of why it has taken so long to do anything about this issue. Why have the Government allowed the system to become so broken, to the detriment of both local councils and some of the most vulnerable children in our society?

With that in mind, why on earth are the Government not doing more to support kinship carers? In 2021, it was estimated that there are 130,000 children in kinship care, but this figure accounts for just 15% of children in the care system. I urge Ministers to look again at the Family Rights Group’s call to extend the financial allowances pathfinder to more local authorities, and to remove the perverse criterion that children must have previously been looked after to be eligible. The pilot scheme for a new kinship financial allowance is under way in only a small number of local authorities, with very narrow eligibility criteria. We know that it could be a way forward for councils, carers and, most importantly, vulnerable children, so will the Government please accelerate that work, make this issue a priority and roll out support for carers beyond the pilot scheme?

The OBR has confirmed that this will be the worst Parliament on record for living standards, and the only Parliament on record in which living standards have fallen. The BBC reports that Nottingham City Council, Birmingham City Council and Woking Borough Council all went bust in 2023, following Thurrock Council and Croydon Council—for the third time—in 2022. It is even more harrowing that half of all councils are warning that, without reform, they will be effectively bankrupt within five years. Do the Government think that this is some kind of phenomenon, or could it be a direct result of their decision making and their actions?

The Budget will come as no relief to schools or councils that are desperately trying to undertake their statutory duties to educate children and keep them safe. We need to be in a position to deliver Labour’s commitments. We need a general election.

1.14 pm

**Dame Jackie Doyle-Price (Thurrock) (Con):** It is a pleasure to follow the hon. Member for Halifax (Holly Lynch). She was doing so well until she mentioned Thurrock.

Perhaps I could give some clarity on why Thurrock Council got in such bad financial trouble. Over the last decade, as some Members will know, Thurrock was the subject of very aggressive three-way politics, with the UK Independence party holding the balance of power between a Labour minority administration and a Conservative minority administration. Frankly, it was impossible to get a balanced budget passed, because sensible decisions would not be taken to either increase council tax or reduce spending. That led council officers to pursue a risky borrowing strategy in order to plug the gap. The lesson we should learn is not so much about the Government’s overall strategy on local government, but about the need for all of us, wherever we are in public life, to take sensible decisions based on positive outcomes for those we serve.

[*Dame Jackie Doyle-Price*]

I listened very carefully to what the hon. Lady said about special educational needs, and she is absolutely right: it is an issue that we really need to get to grips with. The Budget is great for providing plenty of knockabout between the Front Benchers, but her speech reminds us that we really need to think in a more granular way about whether we are delivering the outcomes that we want for a mature, advanced society, and particularly about whether we are delivering the best outcomes for those who are most vulnerable and perhaps least able to speak for themselves.

We are witnessing some very real challenges for children with statements in our schools, for a whole host of reasons. One of them is that, for a while, there was a fashionable view in the educational establishment that children with special needs ought to be educated in a mainstream setting. That will work for many of them, but we will fail others, including others in the school, if we continue with this model. Overall, it has led to under-investment in special provision, which has resulted in so many schools having to manage more and more children with special needs. I have seen that at first hand in my constituency. We have reports of a massive post-pandemic increase in children with statements, not all of which are related to having been out of school; some of these things are genetic. There has been a massive increase in children presenting as non-verbal, and we have not really got to grips with why that is.

We need to acknowledge that the explosion in special needs is being absorbed by our school sector. Let us pay tribute to those working in the sector, who are doing their best. I have seen at first hand the real efforts being made in some of my schools to manage this issue, and to give the best possible education to all pupils. I recently visited Tudor Court Primary School in my constituency, where I was told that 13% of the school's intake now have a statement. I was also told that the figure is low compared with that for other schools, which strikes me as a significant indication that this issue ought to become a top priority.

I come back to the fact that we must, first and foremost, look after those who need our help the most, not those who shout loudest. I often say that this place works best for the pointy-elbowed middle classes. We really need to make sure that we focus on those who need our help the most.

**Karin Smyth:** The hon. Lady makes an excellent point about special needs provision in most authorities across the country, regardless of the politics of a place. The situation is really damaging for young people. Bristol City Council has become part of the Government's safety valve initiative, along with neighbouring Conservative-run councils and others. Does she agree that we need to take a serious look at this issue across the country to understand both demand and the provision that already exists, and that we need to work together for the benefit of children coming through the system and their families, who are so desperate for support?

**Dame Jackie Doyle-Price:** I agree, and we should embrace this outbreak of consensus. The hon. Lady is absolutely right, because we cannot tackle this in a silo. Ultimately, it is for the local authority to ensure that a statement of special educational needs is given, but equally,

local authority budgets are under pressure. I went to my local education authority a few years ago to talk about the need to progress a free school application for special provision, and I received a clear message: "We don't want to encourage that, because people will move here, and we would have to look after them until they are 25." We need to look at this at a high level to make sure that we deliver the provision that is needed across the board.

Turning to the substance of the Budget, I welcome the decision on national insurance, which is clearly no longer the contributory levy that it once was. The idea was that people bought credits towards their pension and out-of-work benefit entitlements, which have become much more universal, so national insurance makes no sense as a separate tax. That raises a philosophical debate about whether there ought to be a contributory principle for some services. In particular, we still await a long-term solution to funding social care.

Although I welcome the aspiration to remove national insurance, we still need to sort out social care funding. There is still uncertainty about how we fund social care, and local authorities are again left to pick up the pressure. It has been very convenient to give local authorities that responsibility, but we need to do our bit. Ultimately, everything has to be paid for. If we are to have mature and sensible long-term decisions at central Government level, we need to give local authorities the same space. While there is still uncertainty about how the cost of social care will be met, local authorities cannot make sensible decisions, and the disasters that the hon. Member for Halifax described will only become more common.

We need to look again at how to ensure that local authorities make mature and sensible decisions about their budgeting. The Audit Commission has been replaced by audit firms, and the frank advice that ought to be given has simply not been given. We used to have the surcharge, which was a very blunt instrument, to ensure that councillors made mature and sensible financial decisions, but now councillors have no stake.

We often say in this place that we have great champions for local communities, but we have to show leadership and maturity in making sensible decisions. When it comes to local councils, we have the same situation on speed. They have great local ward champions who view themselves as street-by-street spokespeople for every problem, but they perhaps do not properly recognise their corporate responsibility for making sensible judgments. Councils are multimillion-pound businesses that are there to deliver outcomes for the whole local authority area, not just individual wards.

As well as looking holistically, we need to make sure that, where local authorities get things wrong, there is an element of accountability outside the ballot box, especially because local election turnouts are so poor. That is all our fault. We are all politicians, and it is our job to motivate people to vote for us. I am often frustrated by the knockabout of political debate, which is a big turn off—it is sometimes a big turn off to sit here on a Wednesday lunch time. For people who are not engaged with politics, it is an even bigger turn off. The result is that, particularly in local politics, people zone out and switch off.

Even after the biggest failure in local government finance, the turnout in my local election in Thurrock was less than 20% in some wards. Is that not shocking? It tells us that the public are thinking, "Well, it doesn't

make any difference. It doesn't matter who I vote for. Nothing will change." We should all think about that as the general election approaches, because I detect the same mood out there.

**Grahame Morris (Easington) (Lab):** The hon. Lady is never a turn off for me. She is making some excellent points, not least in respect of SEND children and kinship carers. The needs of those individuals and groups should be addressed.

On local government finance, my local authority is a coalition of Conservatives, independents and Lib Dems. Heaven knows I have criticised it an awful lot, quite justifiably, but we should recognise that all local authorities, including mine and Thurrock, have had to deal with huge cuts over the past 10 or 14 years. My local authority has had to cut £260 million from its revenue spend. I was looking at some figures, and would it not be more sensible to change council tax—

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. We have quite a lot of time this afternoon, but that is an incredibly long intervention. I am looking forward to the hon. Gentleman's speech in due course.

**Dame Jackie Doyle-Price:** I acknowledge that there have been cuts to local authority budgets, but the root of this is that so much local authority funding comes from the centre. Where is the accountability? As far as local electors are concerned, the council can spend only what it is given. Given the cuts, it is incumbent on councils to make sensible decisions. They cannot have their cake and eat it. They have to live within their means.

Given the rainbow coalition that the hon. Member for Easington (Grahame Morris) has just described, I suspect that there is an awful lot of playing to the gallery. We expect our councillors to be more mature.

**Sir Christopher Chope:** Does my hon. Friend agree that one of the problems is that we gave local authorities a power of general competence, and that we should have concentrated their mind on the things that they really have to do?

**Dame Jackie Doyle-Price:** Yes, I agree. With hindsight, that was a big mistake. It was done with the best of intentions. Given that local authorities were in a new set of circumstances, there was a desire to give them freedom to be more relevant and to have fewer constraints, but it has given licence to risky behaviour. We will see further consequences of that in due course.

Clearly, we would all like to be in a much better place with regard to the strength and growth rate of our economy and the state of our public finances, but we need to reflect that the last 15 years have been challenging. We have had three significant shocks that have cumulatively made us poorer than we would like to be—that is just a fact. The 2008 financial crisis had to be managed, and we have had the consequences of the pandemic; one way or another, we locked down our economy for the best part of two years, which has clearly had a massive impact on growth. The billions that we spent on keeping people in their jobs still have to be paid for. There is also Ukraine. Not only do we need to support the people of Ukraine, but we need to address the consequences for energy prices.

Returning to the need for responsible leadership, we should level with the public about what these things mean. The public are not stupid, and they are not deceived by spin and rhetoric. They know that these shocks have consequences. If we do not treat people with the respect that they deserve by levelling with them, they will show us the same lack of respect. They understand that this all needs to be paid for. If we do not face up to that, we will end up compounding the challenges created by those political choices.

I return to the financial crisis. Clearly, there was a need for a massive intervention to prevent the whole banking system collapsing, but we got addicted to quantitative easing. The correction that should have taken place following that financial crisis never happened, because, guess what, we do not want middle-class people who vote to have a reduction in the value of their property. By sticking with that policy, we ended up with interest rates that were artificially low for a very long time, which completely distorted asset class prices. That meant that everyone put all their investments into property, which has contributed to massive inter-generational unfairness, because people cannot now afford to buy a house. Does that not just show the short-termism and the failure to get real, explain things to the public and make long-term financial decisions that will do the most to grow this country? We all bemoan the lack of growth in our economy but if we have generated a system where there is more profit to be made by investing in housing than in business and wealth creation, this is where we end up. We all need to make a determined effort to be more long-term in our decision making and not just pursue the retail benefits of going up a few percentage points in the opinion polls.

We spent billions during lockdown to keep people in their jobs, but, again, that has to be repaid by the taxpayer. People do understand that; they know that nothing can be made for free. We also need to address the wider consequences of what we did in lockdown, because there is a longer-term impact on our nation's productivity. We were all psychologically damaged by being taken out of social circulation for two years, and we have ended up with work practices that are not always the most efficient. Worst of all, we have an expectation that the state will deal with every problem. Again, we need to get back to having the leadership that says, "We've all, collectively, got to fix this problem." Fighting covid is the equivalent of fighting a war. After the second world war, everyone knew that there was going to be a massive effort to get our country back together again. We have pretended, never more so than on public services, that the situation is easier than it is.

I hear over and over again about underfunding, but what does that mean? If there is not enough money to deliver what people are expecting, we have to be honest about that and cut our cloth; we have to recognise that nothing can be delivered without being paid for, so we must either increase taxes or look at what we are delivering. We all want to get to a position where we are much richer and can pay for a lot more, but concessions will have to be made before we get to that place after the shock we have had to deal with.

We also need to have a much more honest debate about what we should be spending our money on. The situation in Ukraine clearly illustrates the need to spend more on defence. Since 1989, we have taken our eye off

[*Dame Jackie Doyle-Price*]

the ball, but we now face a more challenging and unstable world. To keep our energy prices low and stable, the best measure is to invest in defence at an increased rate.

The two biggest challenges that face us are perhaps not the focus of mature debate or leadership by this place. First, there is no doubt that the public think we have too much immigration, on which we have become dependent as a source of cheap labour. From 2006, the UK's openness to immigration from eastern Europe had a very positive effect on growth, but it was "growth" as in the overall quantum. The impact on individual productivity, earnings and GDP per capita was poor, because earnings were depressed. Overall, the resentment towards immigration comes from a lot of those people who found their earnings diminished as a consequence. We think about the "Auf Wiedersehen, Pet" generation of builders and labourers who earned lots of money by going overseas. Post-2006, they found that their earnings were depleted because people here were choosing to employ Lithuanians and Poles, because that was cheaper labour. Naturally, they will have a clear view that immigration has reduced their earnings.

**Peter Grant:** The hon. Lady's account is completely inaccurate. Often UK employers have employed workers from the European Union because the labour has not been available here. That is why, for example, we now have a crisis in recruitment to social care professions; we have stopped the Europeans coming in and there is nobody in the UK who is able to do the work.

**Dame Jackie Doyle-Price:** On social care, the hon. Gentleman has a fair point, but I do not think that what he says is true as regards HGV drivers, builders, labourers or anyone else in the construction industry. It is true that we have relied on cheap migrant labour to deliver social care, but that is largely because we have not valued social care as a profession. While we have had that abundance of cheap labour in the sector, we have also been able to kick the can down the road about how we fund social care and our later stage of life, so the impact has been not just on earnings but on allowing policymakers to be lazy about grappling with these difficult issues.

**Danny Kruger (Devizes) (Con):** My hon. Friend is making an important speech, with the authentic voice of common-sense Conservatism, which we need to hear much more of. The point she makes about the depressive effect on wages of the high immigration so far this century is incredibly important and relevant to the debate we are having about the workforce. Does she agree that at least our party has a plan to reduce legal migration substantially in the years ahead, which is more than we hear from any Opposition party?

**Dame Jackie Doyle-Price:** I do agree that we have a plan, but I say to my hon. Friend that it has to be more than words—it has to be delivered on. I am sure he would agree on that. He will have heard, as many of us have, about how many industries have lobbied us to ensure that such and such a profession is added to the skilled workforce list. Those employers do not want to pay those higher wages and we, as politicians, need to be robust about that and say, "You know what, we genuinely want to deliver a high-wage, high-skilled economy. If you

want to employ HGV drivers, you are going to have to pay them the money they deserve." That is how we will reward aspiration and hard work by the people of this country, and, overall, we will have better growth. It is not going to be painless getting there, because some employers will have to start paying higher wages and that will filter through to higher prices. But that is how we correct our economy and become the great world leader that we should be. We should be the powerhouse of the G7; given the skills and abilities within our country, we should be leading the world. We have allowed ourselves to become impoverished by quick fixes, to be brutally frank.

I come to my final issue. I have said for a long time that the biggest challenge facing this country is the lack of affordable housing and the failure to build enough new homes. I welcome the continued emphasis by the Government on this issue, but we are still failing to deliver. Yesterday, the Chancellor mentioned new investment to facilitate new housing in Barking and Canary Wharf. If we are to learn from what can go wrong, I encourage him to travel a few miles east to my constituency, to Purfleet. It sits on the River Thames and it has a railway station that can take people to Fenchurch Street in the City of London in 45 minutes. We have been talking about building 3,500 homes in Purfleet since 2008. If they were constructed on the River Thames, 45 minutes from central London, these homes would have sold themselves. Purfleet Centre Regeneration Limited, a public-private partnership, was developed to deliver these homes. It had £70 million-worth of public land gifted to it. It was granted £5 million in 2015 to kickstart the works, and it subsequently received £70 million in housing infrastructure funding. The first house was promised to be constructed by 2018. We are now in 2024, and we do not have a single new home after all that public money.

I want the Government to register that while it is great to see capital funding being made available, with all these wonderful brochures with nice plans for new homes, nothing is being delivered. I wonder whether there is something wrong with how we approach these things. From where I am sitting, I can see consultants who have managed to earn a pretty penny over the past eight years out of Purfleet, but we have achieved nothing except the disappointment of the public. The public have supported and got behind these proposals, but have found their hopes and ambitions dashed. They deserve better. They have been seriously misled by a number of people. It is not for me to apologise to the people of Purfleet—I have done my best to call out the fact that the emperor had no clothes for a very long time—but the public gets very disillusioned when promises given by politicians come to nothing. If we really are to deliver more new homes, then we need to look at why we have not realised the ambitions from such projects in the past.

1.41 pm

**Rushanara Ali (Bethnal Green and Bow) (Lab):** After 14 years, we needed a sober and serious plan to revive our economy, boost productivity, and encourage entrepreneurship and investment to power serious economic growth. We needed a Budget for growth. Instead, what did we get? We got reckless gimmicks and political trickery.

When the country is crying out for renewal and investment in public services, this Budget puts party before nation. After 14 years of Conservative rule,

our economy has been wrecked and vandalised. Before yesterday's tinkering around the edges, we knew that public debt as a share of national output was at its highest since the 1960s. Debt interest payments are at their highest level since the second world war. The economy is smaller per capita than when the Prime Minister took over after the mini Budget fiasco, when his predecessor and the then Chancellor crashed the economy. This will be the first ever Parliament in which living standards, as a measure of real household disposable income, have fallen.

The Conservatives now expect us to rejoice in their planned expenditure of £9 billion on tax cuts, which will be funded by increased borrowing. This will be dwarfed by the £27 billion of tax rises that came into effect last year, and the further £19 billion that is due to come into effect after the election, because of the choices and the decisions that they have made.

Let us look at the impact of these measures on different groups. Research by the Women's Budget Group shows that single men will gain, on average, close to £500 more a year than lone mothers from the combined national insurance cuts in the autumn statement and spring Budget. The Institute for Public Policy Research estimates that half the tax cuts will go to the wealthiest households, and just 3% to the poorest.

We also heard the Chancellor boast yesterday of the Conservative party's intentions to scrap national insurance altogether. Without any plans to fund this, we would see a £46 billion black hole in the country's finances every year. That is deeply irresponsible. The Conservative party should have learned its lesson, having crashed the economy with the omnishambles of its mini Budget and its £45 billion of unfunded tax cuts, which came at a very high price, particularly in relation to costs and mortgage hikes. And people are still living through that crisis, while the former Prime Minister remains in denial, as she goes off and earns huge amounts of money, dining out on having crashed the economy. This is why my right hon. Friend, the shadow Chancellor, has committed to upholding and strengthening the role of the Office for Budget Responsibility. Only Labour can deliver the economic stability that this country desperately needs and put an end to the Conservative party's fantasy of unfunded and unsustainable tax cuts.

**Steve McCabe:** I just wonder whether there is any scope for a special "crash the economy" tax, so that we can claw back some of the money that the former Prime Minister has earned from her speaking tour.

**Rushanara Ali:** For a start, the former Prime Minister could certainly donate her earnings to the millions of children now living in poverty—poverty that was worsened by her crashing the economy. The parents of children in my constituency are having to work even more to make ends meet, particularly to pay their mortgages, which in some cases have doubled. That is the consequence of the rot that she and her Chancellor caused by crashing the economy.

**Matt Western:** On a more serious note, reports allege that, ahead of that mini-Budget, the then Chancellor briefed certain hedge fund managers and they made significant financial gains off the back of it. Surely there should be some comeback on that

**Rushanara Ali:** My hon. Friend makes an important point. Those reports were well publicised at the time, and it is shocking that there has not been an investigation or an inquiry into what happened. Shockingly, the then Chancellor and Prime Minister continued to behave as if they had done nothing wrong, as if we should be grateful that they were in charge at the time. They continue to go on speaking circuits, gaslighting the British public, having crashed the economy and ruined their lives. We are still paying for that. The time cannot come soon enough for this episode to be over, for a fresh start with a new Labour Government.

Of the current Chancellor and his Budget, the former Treasury Minister David Gauke said in an article in the *New Statesman* that the Budget was a "work of fiction". He said:

"He wants to be prudent and responsible, and he wants to cut taxes. The reality is that he cannot do both."

I have a lot of time for the current Chancellor, who inherited an awful situation, but he has not faced up to the reality of needing to be responsible. His former colleague set that out in the article. It is not Labour that is attacking the decisions of the current Chancellor; it is his own former colleague, who was a respected Treasury Minister.

When it comes to growth, one does not need to be an economist to know that the Government's economic policy is failing. Wages have fallen behind and, according to the Resolution Foundation, real wages will only return to 2008 levels by 2026. That is nearly two decades of lost pay growth, nearly two decades of people not seeing an improvement in their living standards, and nearly two decades of people having to face real-terms wage cuts. By contrast, real wage growth across the OECD as a whole has risen by almost 9%, on average, over the same period. This is costing British workers an average of £3,600 per year. It means that they have had less to spend and, on top of that, they have had to live through the mini-Budget crisis, made in Downing Street, and the cost of living crisis that came after that.

The House of Commons Library shows that UK food and alcoholic drink prices were nearly 7% higher in January 2024 than the previous year, based on the CPI measure of inflation. What does that mean in practice? In constituencies such as mine, and up and down the country, it means millions more children living in poverty during the last 14 years, children in this country going hungry because of the failures of this Government, and parents having to work more hours just to keep their head above water. That is the consequence of what the Conservatives have done to people's lives in this country.

The Budget leaves those who earn £19,000 or less worse off. That cannot be right. The Office for Budget Responsibility's forecasts show that GDP will grow by just 0.8% in 2024 and 1.8% in 2025. What about productivity? The Government have talked about the productivity puzzle for a very long time, but they have not managed to address it. In the last quarter of 2023, productivity was estimated to be 0.3% lower compared with the year before, according to the Office for National Statistics. What we have, and have had, is sluggish productivity, flatlining growth, stagnant wages and rising prices. No wonder our country is in recession.

As a consequence, the Government have presided over declining investment in our public services. We have seen the spectre of queues for dentist appointments;

[*Rushanara Ali*]

people stuck in hospitals because of the failure to invest in local government and social care; the police struggling to cope because of underfunding and cuts in police numbers; the criminal justice system facing massive cuts and, as a result, people not getting justice; major infrastructure projects cancelled, such as HS2, which means that investors have lost confidence; and so much more. I could go on, but I appreciate that others want to speak.

The question is whether people feel better off than they did in 2010 when the Conservative party came into government. The answer is no, because they are working longer hours and working harder. After austerity, which damaged our public services, and after the mini-Budget crisis, which crashed our economy and cost £60 billion to begin with, along with mortgage increases, food price hikes and much else, people are not better off. Of course, we have not mentioned partygate, the abuse of power, the billions wasted in personal protective equipment contracts, and the money wasted in fraud. The billions that we could have used to support people instead went to waste, and in particular cases went into corruption, which has not been addressed.

We have seen an endless queue of Chancellors and Prime Ministers, one after another, experimenting on our country and letting people down. Political and economic instability is causing huge distress to people in our country. What do they have to show for it? A cost of living crisis, often made in Downing Street, and a sticking-plaster Budget designed to help the Conservative party to remain in power. People can see right through it; they will not be fooled by what has been provided. We need a serious Budget for productivity and growth—no more wasting opportunities and people's talent. We need a Government focused on national renewal, and an economic strategy for growth, which we did not get yesterday.

We could have had a sustainable programme for supporting the small and medium-sized businesses that power our economy—99% of our businesses are in that sector. They could be supported much more to grow our economy. We could have seen much more support for those in the homebuilding industry by reforming the planning system. We could have had more investment in green industries and generating green jobs; a new national wealth fund to unlock billions in private investment; a skills revolution in the form of setting up new technical excellence colleges; and investment in the younger generation, and their skills, education and early years. We could have seen a shift in making work pay, with a genuine living wage, banning zero-hours contract and ending fire and rehire.

Those are some of the things that the country desperately needs. We have seen none of that. We have seen no vision for the future—for renewing our economy and our society. Those are some of the things that we could, and would, deliver if we had the privilege of getting into Government. It is time for change. It is time to end the misery and destruction being caused by this Government. It is time for a change in Government.

1.55 pm

**Rachel Maclean** (Redditch) (Con): It is a privilege to follow the previous speakers, and the hon. Member for Bethnal Green and Bow (*Rushanara Ali*). Today's theme

is making work pay. I believe that this is one of the key challenges facing our country. Conservatives believe in conserving, but what is it that we seek to conserve? In a word, freedom. As Ronald Reagan said:

"Freedom is never more than one generation away from extinction. We didn't pass it to our children in the bloodstream. It must be fought for, protected, and handed on for them to do the same".

There is nothing more important to the cause of individual freedom for human beings than the opportunity to work. It is the only moral way to achieve financial security. It is the path to a better life. It is not the meaning of life, but there is no meaning in life without work. It is:

"The force that through the green fuse drives the flower",  
as Dylan Thomas said.

God put Adam and Eve on Earth to work. I believe that was a wise decision, because good, hard, challenging, stressful and important work, done well, makes people happy and purposeful. It is not just a means to an end for generating taxes; the true gifts of life are to be found in the struggle on the hard road. We Conservatives are not blind to the reality of human nature. We do not pretend that people are not motivated by financial incentives. It is not selfish to want to earn more for ourselves and to work hard for it. I believe that in the Budget that was set out yesterday by the Chancellor, Mrs Thatcher would have found much to be pleased with. In 1975, she said that

"the person who is prepared to work hardest should get the greatest rewards and keep them after tax...we should back the workers and not the shirkers...it is not only permissible but praiseworthy to want to benefit your own family by your own efforts".

How right she was in 1975, and how right we are as Conservatives to do that now.

That is why I welcome the Budget measures, especially the cut in national insurance, which will save the average worker £900, and the average self-employed worker—we have a lot of them in Redditch—£650 per year. Combined with the changes to high-income child benefit and the childcare support that we have previously talked about, the reduction in inflation, and the economy starting to turn a corner after a very difficult time, I know that those measures will be welcomed by hard-pressed families in Redditch juggling work and home life.

Of course, the welfare state and benefits are necessary in today's world. Our fellow citizens rely on us when they are sick, or struck down by life's blows, or cannot sustain themselves, but the pandemic has had a worrying impact, and I have seen a loosening of the links of the social contract between all our citizens as a result. We cannot ask a shrinking pool of workers to pay out of their taxes for a growing cohort of people who cannot or will not work. Benefits must only ever be a last resort for those truly unable to work—never a lifestyle choice caused by faulty wiring in our system.

It is tempting to view the Budget as a single event. It happens over a day, and there are headlines in the media. We look at it through the obsessive lens of our 24-hour news cycle and social media feeds, but we should not judge it in that way, and nor should we look at the events happening in our country as unique. We are not an outlier. Every country around the world has suffered from the pandemic, and the energy crisis caused by the war in Ukraine. As my hon. Friend the Member for Thurrock (*Dame Jackie Doyle-Price*) rightly said,

the public are not fooled—they definitely understand and can see what is going on. They can also see that, over the course of 14 years, it is the Conservatives who have made huge strides in reversing Labour’s “something for nothing” culture. We have ensured that welfare is truly targeted at the people who really need it, meaning that we can be more generous to really vulnerable citizens.

After all, Keith Joseph first articulated the concept of the cycle of deprivation, and he set about helping people to break out of it. A Conservative Government implemented the life-changing universal credit reforms so successfully being rolled out across our country. Those reforms were conceived and led by my right hon. Friend the Member for Chingford and Woodford Green (Sir Iain Duncan Smith). That was the true genesis of the value that work must always pay.

Every time we have made reforms to welfare, the Opposition parties have howled that we are cruel and heartless. It is totally fake outrage. The true moral failure is to let people languish on benefits and not expect any better from them. That is Labour’s legacy, and we saw record levels of unemployment in every age group when they last left office, in particular among young people and women. We were prepared to take the hard decisions about universal credit. I have the scars on my back from standing here to defend the Government’s decisions at the time. But guess what? The apocalypse did not arrive.

Instead, we now see record numbers of people in work, including record numbers of women and record numbers of women over 50. Government analysis has consistently shown that universal credit is having a positive impact on labour market participation for all groups, including single parents and other vulnerable groups who face the most barriers when returning to work.

**Jim McMahon:** Most people who experience the benefits system will understand and support the need for a more simplified one that works around working people. The hon. Lady must also accept, however, that that was not the design of universal credit that met such opposition. The five-week wait limit before entitlement was drawn, for example, meant that people were getting into debt unnecessarily when they were entitled to the benefit earlier. She must accept that even given the principle of a simplified system, the way it was done was not right.

**Rachel Maclean:** I do not accept that, and I do not wish to rerun all the previous debates. The Government have listened to a lot of the issues involved in the roll-out of an incredibly complicated system, and the evidence speaks for itself. Universal credit has helped more people get into work, and work is always the best route out of poverty.

Before I move on, I will make a few comments about mental health conditions. A category of people in our country are the economically inactive, which is sad to me and many of us, because those people are fundamentally not free—they are dependent on the state. My concern is that the number of working-age adults who are out of the labour market because of long-term sickness has been rising since 2019, from about 2.2 million people then to about 2.5 million in the summer of 2022. I understand that that started before the covid pandemic.

The biggest relative jump in economic inactivity due to long-term sickness is among the under-35s, whose main complaints are depression, bad nerves or anxiety. I have two psychology degrees, and I fully understand mental illness and mental ill health. I also believe in using words precisely. I am therefore alarmed to see the conflation of the terms depression and anxiety together with “bad nerves”. Bad nerves? Both anxiety and depression are clinically recognised conditions; bad nerves is not.

Government statistics, obtained following several questions that I posed to the Department, do not break down the number of people self-reporting under each condition, and there is no data or information on how that concept of bad nerves is defined, assessed, treated, understood or prevented as a separate condition from depression and anxiety. That is because there cannot be. Having “bad nerves” is a totally meaningless phrase. No one knows what it is, so how can people decide if they are unfit to work if they have it? I have bad nerves about standing to speak in this Chamber, and my constituents have bad nerves when they are navigating the day-to-day challenges of juggling work and family. The phrase sounds like something out of a good housewife manual in the 1950s.

I simply do not believe, frankly, that bad nerves is a reason to be on sickness benefits, and yet figures from the labour force survey indicate that 1.3 million people are economically inactive due to some combination of bad nerves, anxiety and depression. We do not know how many are off because of each condition or how many are off because of bad nerves. I think it would be a good idea for the Department and the Ministers I can see on the Front Bench to understand on a more granular level what conditions are preventing our constituents getting back into work, so that we can target more efficiently the taxes of our constituents who are working hard for long hours and paying into the system, so ultimately reducing the bill.

**Alex Cunningham:** Did the hon. Lady detect anywhere in the Chancellor’s statement or the Red Book where he actually says, “We will put more resources into dealing with mental health services”?

**Rachel Maclean:** Over my time as a Member of Parliament, I have detected many statements by many Ministers on the Treasury Bench about investing in mental health services and back to work services, nationally and in my constituency. Redditch has a brand-new local mental health hub, delivered by the Conservative Government, and the Conservative borough council led by the excellent Mr Matt Dormer.

It is worth observing that a total of 2.6 million people reporting those conditions are actually in work, and that is a credit to our mission to support people back into work, which ultimately is the best way to improve their mental health. I have a concern that following the pandemic, we have possibly seen a trend to over-medicalise some of the normal ups and downs of daily life. It is almost as though it were possible to live in a state of blissful utopia and that if there were any interruption to paradise, that is a condition requiring help. That is just not true.

The struggle of life defines us and builds our character. Taking away individuals’ opportunity and responsibility to face their fears by overprotecting them is the worst

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way to develop resilience, as any parent knows. The human condition is a state, mostly, of pain and fear. If we are fortunate, we will experience love and happiness in some small interludes, and we must appreciate those.

I want to be very clear, however, that I do not criticise anyone who is suffering from any mental health condition—I do not—including bad nerves, whatever that is. If we have a poorly designed system with poor labelling, it is not people's fault if they respond to the structural incentives that we have designed, but we must not have bogus, badly defined phrases and cod psychology as a pathway to a lifetime on benefits. I really hope that the Minister will return to that in the summing up.

**Danny Kruger:** My hon. Friend is giving a very brave and eloquent speech. Does she agree that there is a real problem with overprescription in the NHS? Doctors of people who have mental health difficulties respond too quickly with a chemical response. In fact, what would often be best is to encourage them either to work or to take part in social activities, which the Government support through the social prescribing programme.

**Rachel Maclean:** I thank my hon. Friend for that observation. I hesitate to agree with him definitively, because I just do not have the evidence, but I strongly agree with the basic point that we should not reach straight for the chemical solution. We should look at other solutions that are clinically much better for people, including the social prescribing to which he refers.

I could highlight many issues in the Budget that I know would be welcomed in Redditch. I have campaigned long and hard for the Alex hospital and the Conservatives have delivered an £18.8 million operating complex, now open, ensuring that we are making progress in cutting the waiting lists. People can get operations closer to home and can get home quicker, and they can have more lifesaving surgery closer to their homes. I was glad to see the emphasis yesterday on productivity gains in the NHS, as well as pouring in money. Constituents know that healthcare is expensive and valuable. Staff time and public resources must be properly stewarded and not wasted.

Yesterday, there was an unexpected but welcome announcement—a delightful one—by the Chancellor: £5 million to spend in Redditch on cultural projects. That will be massively welcomed in our area, where the arts play a huge part in our local life. I will talk to local and community groups about how we can best use that. We have plenty of potential destinations, including the Palace theatre, Arts in Redditch, our new library complex—also boosted by Government levelling-up funding—and many more.

I am particularly proud of the record of my local council, which is led by Councillor Matt Dormer, who instigated a council house building programme that has delivered 19 council houses. I always appreciate the fact that we need to go further, but that is a significant move because they are the first true council houses built in Redditch for 29 years. For all the years that it was in control, Labour did not build a single council house, even though they are much needed.

**Dame Jackie Doyle-Price:** Hear, hear!

**Rachel Maclean:** I am glad to hear the “Hear, hear” from behind me. We all know that those council houses are a route for local families to have a decent home, put down roots, build and raise their families and better themselves through work. It is a platform for the life that they can build for themselves—that is the Conservative way.

Ultimately, I observe that, as Roger Scruton reminded us:

“A free economy is an economy run by free beings. And free beings are responsible beings.”

Our plan for work is making our country a place for free and responsible people to realise their full potential. It sets out a pathway to freedom through work, and it will make work pay. I strongly welcome it and will back it in the voting Lobbies.

2.10 pm

**Karin Smyth** (Bristol South) (Lab): Families in my constituency have felt the consequences of the Government's political chaos and economic incompetence. Five Prime Ministers, seven Chancellors and 11 plans for growth have all left them worse off than they were 14 years ago. The Budget will not change that, and, crucially, the Government know it.

If the Conservatives had grown the economy at average OECD rates, households would be an astonishing £5,000 better off each year. That sum would make a huge difference to families in my constituency. It could have provided some financial security to them, helping them to pay their bills, support their families, and maybe even have that holiday—but no. Instead, families in Bristol South are struggling to make ends meet. Food prices are still 25% higher than they were two years ago. Rents are up by 10%. We know that people are experiencing higher mortgages as a result of the mini-Budget. The tax burden remains the highest in a generation. Working people have paid the price for the 14 years of Tory chaos.

The Government's failure to grow the economy has gone hand in hand with the cuts to local spending that we have heard all about today. People are paying more and getting less. They are being forced to make do with struggling public services. Parents know that schools have had their per capita funding cut. People know that there are fewer police on the street. They know that bus routes have been cut. Crucially, they know when they try to get local appointments that the health service is under increased pressure. Everyone knows that they have lost out. Everyone has seen that the Government have taken resources away. Young people, families, the vulnerable—all left without vital support and local facilities after the past 14 years.

Councils of all political stripes have declared bankruptcy because the Conservatives' piecemeal funding has failed local government. As we heard earlier, the movement of resources from local government to national Government has devastated councils' ability to run local services. Some 900,000 people who were working in local government have moved to national Government, as we heard from my hon. Friend the Member for Oldham West and Royton (Jim McMahon).

Bristol's Labour-run council has managed to maintain some vital services despite—not because of—the Conservative Government. As my right hon. Friend the shadow Chancellor said earlier, it is a deep irony that the Government—having taken away all those resources

and, crucially, given the scale of waste and the fraud that we have seen at national Government level—are now starting to tell Bristol and other local councils how to run our local services. It is absolutely astonishing. The idea that they can start telling local councils how to run services is for the birds.

The Budget has done nothing for people in Bristol, but the council is still able to maintain basic services. We have protected the most vulnerable. There are 12,500 more homes, 14,000 dwellings have planning permission, we are on track for more affordable housing, and we are accelerating the delivery of council-owned homes. If we had a Labour Government working with that Labour council, we could really transform lives. If we were in government, we would rebuild the foundations of local government, working in partnership with councils, not against them, through long-term funding settlements to develop stronger, more secure and prosperous local economies.

To kick-start growth across the country, we need to invest in the workforce. A decline in skills and training is holding Britain back. As my hon. Friend the Member for Leicester West (Liz Kendall) announced this week, that is why we are so focused on helping people—particularly young people—back into work, giving them the chance to have a good, healthy life with new skills, specialist employment support, new careers advice and work experience, proper early mental health support and real opportunities, particularly for disabled people coming back into work.

Employers desperate for skills know that we are not training people in the skills of the future. The Tories failed apprenticeship levy has prevented employers from doing the best for young people in particular, as I saw at first hand at my jobs and apprenticeships fair last week. While £1 billion of funding from the levy goes unspent, the Budget has again failed to deliver the levy changes that are needed. Labour has listened to businesses that are concerned about the levy. Our reformed growth and skills levy will give employers greater flexibility to use their funding so that people can gain new skills and access better jobs. We need to match the skills needed in our local economy to young people in particular, but also to people who are retraining, so that we can get the growth that we need to drive better prosperity. By developing skills for the jobs of the future, we can unlock growth in the economy.

In our approach to growth, we want to grasp the green agenda. We will establish GB Energy. Clean power created right here in Britain will mean more jobs and lower bills for households. Our national wealth fund will invest in industry to fund green initiatives. People and businesses in Bristol are desperate to transform our economy and get new skills, particularly in the construction industry, to build environmentally sustainable houses, as well as in digital and cyber. Where the Tories have ignored the potential offered to us by growth in green industries and jobs, Labour will invest in our future.

Under the Conservatives, people's living standards have fallen. Families, and young people in particular, cannot afford to get on the housing ladder. Prices in the shops have risen, and the tax burden is the highest in 70 years. Yet the Prime Minister and the Chancellor still came here yesterday full of smiles, laughing and saying, "Frankly, you've never had it so good." My constituents know that that is completely false. No number of Tory

Budgets can rewrite the past 14 years of economic failure and the damage that it has done to our society. People need fresh hope, a sustainable plan for growth and a Labour Government who will put Bristol and our country first.

2.18 pm

**Damian Collins** (Folkestone and Hythe) (Con): The Chancellor of the Exchequer made one announcement in the Budget statement that has not been referred to today but is relevant given the contributions made so far: the Government will sell the last of their remaining stake in NatWest bank, formerly the Royal Bank of Scotland Group. Of course, we all remember that the Royal Bank of Scotland Group, once the world's largest bank, ran out of money and would have collapsed if not for a complete Government bail-out. It would have gone down and taken with it the livelihoods, jobs and mortgages of millions of people in this country, having an effect on the entire banking system. It has taken us nearly 16 years to get to a position in which the Government can sell their stake in the bank and return it to fully private ownership.

That is an important benchmark, because it is easy to pretend—as a number of hon. Members have tried to do—that 2010, when the Conservative party was elected, was a year zero and there were no issues from the past that we had to deal with. We came into government on the back of that banking crisis. Both parties acknowledged that the bail-out of the banks was necessary, inevitable and the right thing to do, but it came with a cost attached. It came with the recognition that the huge amount of increased Government debt required to take that stake in the banks would at some point have to be paid back, and that the massive shock to the global economy and our economy and the recession it created would lead to consolidations in public spending.

However, it was the Conservative party—working in coalition at the time—that had to put those plans in place. We inherited no detailed plan from the Labour party; no difficult political decisions were made about where spending would be cut or how debt would be repaid. That was entirely left to the Conservative party to do, and that is what we did. We fixed the roof when we had the chance to do so, and because we controlled debt and got it falling again, when the next shock came in the form of the covid pandemic—nothing anyone could have predicted or known about—we were in a position to respond. We could increase borrowing again to make the necessary decisions to protect people's jobs and homes, create the furlough scheme and give the economy the support it needed. We could make those decisions because we had regained international trust in the British economy and in our Government, and we could borrow money to do so.

**Matt Western:** Will the hon. Gentleman give way?

**Damian Collins:** I will in a moment.

Yes, borrowing has gone up, and taxes have gone up to pay for it. That is an inevitable consequence of those two massive global events that took place: one under the last Labour Government; and one under the Conservative Government in the shape of the covid pandemic. I do not remember the Labour party ever criticising the furlough scheme or the support that was put in place, or suggesting that it should not have been done.

**Jerome Mayhew** (Broadland) (Con): They wanted more.

**Damian Collins:** My hon. Friend is quite right: if anything, Labour wanted the lockdown to carry on longer, meaning that the debts would have been even higher. Had the Conservative party not put the public finances back in order, we would have started that pandemic with much higher levels of debt than we did. The necessary decisions were made to put the economy right.

The borrowing has gone on because of the need to pay for covid. It has been complicated by a war in Ukraine—again, I have not heard any Labour Members say that we should not have supported the Ukrainian people.

**Jim McMahon:** The hon. Gentleman's speech is giving the impression—I understand why—that the world was rosy up until covid came and that the problems followed afterwards, but before covid, there were 2 million more people on the NHS waiting list than under the previous Labour Government. The NHS was in a fragile state, as was the national debt, which was over £1.5 trillion before covid hit. The hon. Gentleman cannot say that that is strong foundations.

**Damian Collins:** No, I did not say that at all. What I said was that we picked up the pieces of an international banking crisis, with no plan from the previous Government for how that would be paid for. It was entirely down to the Conservative party to find that money. The criticism was that the previous Labour Government were increasing borrowing before the banking crisis hit. They were already borrowing for political reasons—to sustain spending they could not afford—and then had to bail out the banks on top of that. If Members are going to criticise the past 14 years of Government, let us start where the problem started, which was before we came into power. We were required to pick up the pieces of the mess we inherited.

There are big things that happen, which require responsible Governments to take big, responsible decisions. That sometimes means that they have to put up taxes in order to pay for borrowing to get through a crisis. Let us not pretend that that is not the case, but the question is whether Governments have a serious, credible plan and whether they are prepared to be honest with the British people about what that plan entails. On the back of the pandemic, we have had to put up taxes and borrowing to pay for that. We have done that, and we are now at a decision point. As the economy recovers and the OBR projects that debt will fall, what can we do? What path should we go down? As the Chancellor has set out, the priority of this Government is to recognise that because taxes had to go up to pay for the pandemic, we want to reduce taxes when we can. We want to lift that burden from the British people and start to reduce taxes.

If any hon. Members want to come in at this point, I am happy to give way.

**Matt Western:** I will, because I was trying to intervene a few moments ago, as the hon. Gentleman will hopefully recall. My point was simply going to be that during the mid-2010s, there was a fantastic opportunity to invest in our infrastructure—repairing our schools and so on—when interest rates were at a record long-term low, and that opportunity was missed. Does the hon. Gentleman not regret that?

**Damian Collins:** I do not agree with that. Just looking at my own constituency, we have had two brand new secondary schools built, a big new special needs school, and primary schools as well. There has been investment in most school buildings, and we have seen a huge amount of investment in the infrastructure of this country. References have been made to the decision not to complete the northern leg of high speed 2. Of course, that money is not being taken out of infrastructure spending—it is just being spent on different things. That is a point that has not been made.

As the economy recovers and debt is predicted by the OBR to fall, we have a decision to make. The priority of the Government is to reduce taxes, and they have done so through the national insurance cuts made in the autumn statement and again in the Budget: a 4% cut in national insurance, and yes, a longer-term ambition that that tax may go altogether. That is not an unfunded commitment; it is saying, "That is the priority. That is the decision we would take—the direction we would go in."

**Jim McMahon:** Will the hon. Gentleman give way?

**Damian Collins:** In one moment. What we have heard in today's debate—particularly from the shadow Chancellor, the right hon. Member for Leeds West (Rachel Reeves)—is that Labour would go down a different path. Labour would spend more; they call it investment, but basically, Labour would spend more. Labour's priority is not to cut taxes. It is begrudgingly going along with the tax cuts we have announced because it does not want to oppose them, but there was certainly no statement made today that suggested Labour would seek to cut taxes.

Labour would seek to spend more, so that is the choice for the British people at the next election and moving forward: as the nation recovers from the shocks it has been through, and as the Chancellor has got the discretionary money to spend, do we give that money back to the British people? Do we let them keep more of what they have earned, or do we just spend it on their behalf? That is the classic separation between our parties, which has existed for generations. The belief to which the Labour party is still wedded is that growth is created—something that we both want to see—by the Government spending more. What has been demonstrated over the decades is that by backing the British people, and their ingenuity and hard work, we generate the growth we need. That is the separation that we see now.

The shadow Chancellor said at the beginning of her speech that she would not make unfunded commitments on spending or taxes, but she has done so today, because now that the money from the non-doms is no longer available to fund the things that Labour wanted to spend it on, there is no plan in place. On the radio this morning, she said that she would find the money; today at the Dispatch Box, she said that there would be a detailed piece of work to seek it out, but we still do not know what the plan is. The only thing the Labour party could point to today that would increase revenue is taxes on private schools, which will not pay for much at all, so we have an unfunded commitment to spend more—we do not know how; I imagine that it will be borrowing more, but it could be taxes going up—and some specific unfunded commitments. The Labour party will not say where the money will come from, but what it has said today, loud and clear, is that cutting taxes is not its priority. There has been no ambition today to say that we should cut taxes at all.

**Jim McMahon:** I thank the hon. Gentleman for giving way twice. He has mentioned a number of times the need to repay any debt and borrowing. He will know that part of the borrowing for HS2 was going to be serviced through the revenue from HS2 ticket sales, and through moving more freight off-road and on to rail, to be carried by the track that was freed up. Is he absolutely confident that the new transport projects, including on potholes, that will be funded by the spare capital that has been freed up will be serviced through revenue, or will that be a funding gap in the future?

**Damian Collins:** I am confident that the robust plan that the Government set out for spending that money on other transport projects will deliver.

What I would say about High Speed 2 in the north—based on my own constituency experience in Kent, where we have High Speed 1—is that Folkestone in my constituency has benefited enormously from high-speed rail. I believe that these big infrastructure projects deliver benefits in time that are sometimes intangible and difficult to predict at the beginning. However, for HS1, the train only goes at high speed on the high-speed line as far as Ashford. The same rolling stock then runs on the traditional railway to Folkestone, Dover, Canterbury, Ramsgate, and other places on the Kent coast. A high-speed rail service that runs at high speed on the high-speed line from Birmingham to London, but with those trains starting elsewhere in the north of England, will still deliver huge benefits in reduced journey times and attracting other investment. That has certainly been our experience in Kent, and that is why I have always supported high-speed rail for the north: I think it can deliver the same thing. I still think it will deliver big benefits for the north-west, even though the trains will only go on the high-speed line from Birmingham down into London.

In addition to the points I have made about the very clear difference between the two parties with regards to taxing and spending—whether we want to cut taxes, or put spending up—I will focus on one or two specific things. The Chancellor noted in his speech that Britain has become a global centre for television and film making. Sometimes, that is said as if it is a happy accident; that, despite the fact that people could have invested anywhere in the world, they decided through serendipity to invest in the UK. The reason that the UK now has this leadership position, which is not one that we had in 2010, is that we have invested in making it happen. We have recognised that in a highly global market, production tax credits mean that people will bring production investment to the UK, rather than taking it elsewhere in the world. That generates revenue for the Treasury—my hon. Friend the Member for Christchurch (Sir Christopher Chope) is not in his place, but that is another great example of Mr Laffer's curve at work. When we reduce the tax burden, the investment goes up, and the revenue goes up with it.

That has had huge benefits for this country: the investment in our creative industries, the jobs that people have in studios and film production—jobs that simply did not exist before—and the fact that we remain a massive global centre for investment. We have introduced tax credits for high-end television production, animation, video games, orchestras and touring exhibitions. I was very pleased to see in the Budget yesterday that those

tax credits will be extended to smaller-budget independent productions, which will massively open up opportunities for smaller film companies to attract investment.

However, the big thing we have seen is the investment in studio space. Britain rivals any place in the world for studio size, which makes it, after California, the global home of film and television. One of the barriers to further investment in studios—I am thinking of a very exciting and ambitious studio project just outside my constituency in Ashford, an investment that will benefit the whole of east Kent—is that if someone builds a film studio on derelict land, which studios are often on, the business rates cost would go up massively. Is that fair, given that the uplift was generated by massive external investment? If the Chancellor recognises that, and gives new studios a 40% reduction in business rate uplift for 10 years, it will unlock a further pipeline for investment, allow us to consolidate our global leadership, and be a huge boost for the creative sector in this country.

I want to mention nuclear technology and small modular reactors. I have a constituency interest in this: Dungeness nuclear power station is in my constituency, and it would be an ideal site for small modular reactors. The Government have launched a competition to design them, and the Chancellor is encouraging people get their tenders in. I hope that we will consider that the benefit is not just us producing the clean energy that we need for the future, but us backing British industry. A British-designed and built SMR manufacturing process in this country will meet our needs, but this could also be a fantastic export industry for Britain.

I urge the Government and the Chancellor to carry on backing this new nuclear technology, to support the design competition, and to back one of the bidders. Ideally, a British company such as Rolls-Royce would be great, but there are other excellent bidders. The Government should also support the roll-out of this technology. Through their civil nuclear road map, they have established how they intend to do that, and they acknowledge that they need more nuclear sites. As a result of the road map and the consultation on it, I hope that other sites, such as Dungeness in my constituency, will be identified where this technology can be deployed.

Huge investment in green energy and new nuclear has been delivered under this Government. In 2010, when we came into government, we still had not completed the national policy framework on nuclear energy, and there had not yet been any decision about where nuclear would go. The new fleet of power stations, and the investment—and there is a lot—has entirely taken place under this Government, which is something I wholeheartedly support.

In closing, a number of hon. Members have talked about housing, and a lot of important points were made about levelling up in the Budget, and in the statements released by Ministers alongside it. New house building is incredibly important for delivering economic growth, and growth of our communities. I was very pleased that Folkestone town centre was a beneficiary last year of a significant levelling-up investment. I encourage the Department for Levelling Up, Housing and Communities and Homes England to continue their discussions with Folkestone and Hythe District Council about backing the new garden town proposal in Otterpool Park in my constituency, which will not only deliver homes that people need, but create a great many new jobs in east Kent for the coming decades.

2.33 pm

**Matt Western** (Warwick and Leamington) (Lab): It is a pleasure to follow the hon. Member for Folkestone and Hythe (Damian Collins). I absolutely concur with his points about the creative sector; it is one of the absolute gems of the UK, and we need the concerted efforts of those not just in the Government but across the House, and the support of our universities and colleges, to ensure we have the stream of investment to deliver talent. I echo his points on nuclear development, and particularly on the work of Rolls-Royce.

If the public were listening yesterday to the last-chance Chancellor, they would be forgiven for assuming that they have never had it so good. The Chancellor conveniently forgot to mention the kamikaze Budget in September 2022, when the right hon. Members for South West Norfolk (Elizabeth Truss), and for Spelthorne (Kwasi Kwarteng), crashed the economy, forced up borrowing rates and caused mortgage market mayhem, leaving average mortgage payments £240 a month higher, and businesses struggling with higher rates of interest. The Chancellor now seems to think that we are seeing Lamontian “green shoots”, ignoring the economic wreckage wreaked by the Government’s own vain ideological vandalism after an economic experiment that cost the UK £30 billion. When I say “Lamontian”, I am of course recalling the damage of a previous Conservative Government in the early 1990s.

In his first Budget 16 months ago, the Chancellor promised a “Budget for growth”. Call me a stickler for detail, but what did we get? A recession. The Prime Minister may try to blame covid and Russia’s illegal invasion of Ukraine, but the truth is that our growth is the lowest in the G7, and there is absolutely no reason why the UK should be more affected than any of those nations. Meanwhile, Mayor Andy Street is presiding over the worst-performing region for growth in the United Kingdom. There is a pattern emerging.

I asked the Secretary of State for Work and Pensions about this earlier, and it seems that he confirmed that, nationally, we have had seven consecutive quarters of negative growth per capita—in other words, output per individual—which is further contributing to 14 years of failure, including a decade of decay. That is underlined by the fact that real incomes will be lower at the end of this Parliament than at the start. The Joseph Rowntree Foundation has found that households’ average earnings at the start of this year were £2,400 a year lower than at the start of 2021. In the 12 months to September, more people in England were made homeless than bought their first home, and the years of austerity have led to 4.2 million children living in relative poverty.

Yesterday, the Chancellor announced this year’s spring Budget, with a plan to “grow the economy”. Instead, we got a Budget of what I would view as deception, delusion and dithering. The Chancellor did not address any of the urgent issues facing the country right now. It was as though he was rearranging the deckchairs on the Titanic. There was nothing on reinforced autoclaved aerated concrete in schools, hospitals and our universities, nothing on dentistry, nothing on the contaminated blood scandal, and nothing on the Post Office Horizon scandal.

Yesterday’s Budget was more an act of smoke and mirrors. The Chancellor claimed that GDP had risen, that growth was on the up, and that taxes were falling, because he wants to set October 2022 as year zero.

However, the public know differently, because they have seen 24 tax rises and are feeling the highest tax burden since world war two. The Resolution Foundation has found that tax rises of around £20 billion were introduced in the last year, and that the Government have a further £17 billion of tax rises set to come into effect immediately after the general election. Meanwhile, unprotected Departments such as the Home Office, the Ministry of Justice and DLUHC—local government—will, by 2028-29, face a real per capita spending cut of around 18%. Likewise, the Ministry of Defence will face major cuts.

The Government must be honest about their mistakes. They have to be realistic about the state our country is in, and they must address these issues with long-term solutions. Instead, what they presented us with yesterday was, to put it simply, weak. It was weak on energy prices, which continue to dominate household bills. The Chancellor’s extension of the windfall tax to 2029 fails to address the fact that 6.5 million households, including tens of thousands in my constituency, were living in fuel poverty in October 2023. Meanwhile, British Gas’s profits increased tenfold to £750 million last year. I am afraid that the Government are not doing enough.

The Budget was weak on the housing system, which is broken. The Chancellor offered nothing for those on low incomes in the shape of social rent properties, which are so needed in areas such as Warwick, Leamington, Whitnash and the villages in my constituency. The Government are yet to meet their target to build 300,000 new homes in England. Meanwhile, the Chancellor’s solution was to scrap tax breaks for owners of holiday let properties. I agree with that, but it is not enough. Despite the OBR forecasting that real household disposable income per head will fall by 1.5% in 2024, the Chancellor has offered an extension of just six months to the household support fund. That is not enough. The private rental sector is breaking, and people are broken.

The Government are weak on finding long-term solutions to these issues. Overnight we learned that the Chancellor has offered £46 billion of unfunded tax cuts. Once again, the Conservatives are gambling with the public finances and economic stability. They cannot make these promises lightly; we saw the impact of that 15 or 16 months ago.

The Government are weak on supporting the needs of motorists. A paltry £50 a year in potential saved fuel duty pales in comparison with the Government’s insurance premium tax take, based on the astronomic increases in insurance premiums. The insurance premium tax was another tax introduced by a Conservative Government. Meanwhile, 23,000 car drivers a year are making insurance claims for damage from Government potholes. More parochially, I was interested to hear that Warwickshire County Council will receive a devolution deal, though no detail was provided on what that means for the leadership of our area. That is of concern, because the county council is already unable to fulfil its obligations. I will follow that proposal closely.

Elsewhere in his speech, the Chancellor claimed that the Government are doing a great deal for small businesses, yet last year the Office for National Statistics reported that more than 27,000 more businesses closed than opened in the UK. The Federation of Small Businesses’ latest quarterly survey shows that a greater proportion of small businesses expect their performance to worsen over the coming year than expect it to improve. The Chancellor’s increase in the threshold at which small

businesses have to register for VAT does not compensate for the seven years for which the threshold has been frozen. Again, it is not enough.

Business investment is faltering. Interest rates are sticky, at a base of 5.25%, although they are likely to fall, just marginally, later this year. That ensures that the UK's already woeful productivity remains worse than that of all our major competitors. For years, successive Conservative Governments have rejected the need for an industrial strategy. Although I welcome the Chancellor's investment in life sciences yesterday, the Government are failing to harness the extraordinary power and innovation of our higher education sector. Labour will do better.

Despite all that, the Conservatives still claim that they have done a good job. It concerns me that they may believe that. We have suffered 14 years of them putting their party first and our country second. We have suffered 24 tax rises, while ordinary people struggle to pay their mortgage, put food on the table, get GP appointments and register with non-existent NHS dentists. They are struggling in Rishi's recession—a Prime Minister who floats loftily above us in his chopper, burning up taxpayers' money, contactless with the people below. I am afraid that the public view this Government as out of touch, out of ideas and in denial about how they have let our economy go into recession, our schools, hospitals, universities and infrastructure crumble, and our people suffer. They do not feel the cost of that failure, but the rest of us do.

The people want change. They have lost confidence in the Conservatives and they look to Labour—a changed party—to bring stability, strategy and sense to the governance of this country. The country is scarred by 14 years of failure that have spawned a decade of decay. Labour will reduce NHS waiting times and introduce emergency dental appointments and free breakfast clubs. It will establish GB Energy for cheaper, cleaner renewable energy, an industrial strategy council and a national wealth fund, and it will close the energy windfall tax loopholes. That is what the country needs and the public want. They want to see their doctor. They want an NHS dentist in their community. They want their schools to be fully open, and they want their roads resurfaced.

The public will see through the Government's attempt to steal Labour's clothes; evidently, they do not quite fit the Prime Minister. First, they borrowed our suggestion for a furlough scheme. Then it was our NHS workforce plan, followed by a watered-down version of our windfall tax. Now, they are hijacking our non-dom tax. However, they remain silent on climate change and the need for a green new deal. We need a plan, a project and an ambition. Let us look to what Biden is doing in the US, and the growth that the US is enjoying of 5%; it is right up there with China and India. Where are we? Flatlining at 0%.

The Government have had more resets than my broadband router, and are even more unreliable. The public are disconnected and tuned out. They do not want to wait a minute longer. For the sake of the great British people, let us have a general election, and may it be on 2 May.

2.45 pm

**Sir Geoffrey Clifton-Brown** (The Cotswolds) (Con): I am delighted to have caught your eye in this important Budget debate, Madam Deputy Speaker. I am also

pleased to follow the hon. Member for Warwick and Leamington (Matt Western), although I disagree with almost every word he said. That is the nature of this place—we are entitled to debate these matters.

I have listened to the speeches from Opposition Members today. Both they and most of the financial commentators who have criticised the Budget—I totally agree with my hon. Friend the Member for Folkestone and Hythe (Damian Collins) on this—have failed to mention that we have been through two catastrophic world shocks: namely, the pandemic and the unexpected war in Europe, in Ukraine. They have had catastrophic effects on our economy. I ask all the Opposition Members who have criticised the Budget this: would they not have spent the money on the furlough scheme or the business loan scheme? Would they not have helped people out with energy loans? Of course they would have, so they would be in exactly the same place as we are, grappling with today's economic problems.

A number of measures in the Budget are to be warmly welcomed, and I will come to one or two of them. I am particularly pleased that inflation has come down from a high of 11.4% to 4% today, and it is forecast to be below the Bank of England's target of 2% by the end of this year. That is the most important thing we can do for the cost of living of all our constituents, above all tax reductions or anything else. I warmly welcome that. I will turn to some of the individual measures in the Budget, before moving to public sector productivity measures. After that, as my hon. Friends on the Front Bench will not be surprised to learn, I will mention the tourist tax.

My constituents will welcome a number of measures set out in the Budget, particularly the cut in employee national insurance contributions. Taken with those of the autumn statement, they amount to £900 for the average working person in this country earning £35,000. I suggest to everybody across the House that that is a significant increase in the take-home money that our constituents will see in their pockets today. That, combined with the number of our constituents who are self-employed—a particularly important and growing sector—means £650 for someone earning £28,000, which is also warmly welcome. That will encourage our hard-working constituents to work longer hours and become more productive.

As my right hon. Friend the Chancellor said yesterday, national insurance is a double tax on working people. National insurance combined with income tax is an unfair tax arrangement for working people. If we are to start making tax cuts, which I hope we will, it must be right to try to drop one or other of them, and that is why I warmly welcome the cut in national insurance.

**Stephen Kinnock:** Will the hon. Gentleman give way?

**Sir Geoffrey Clifton-Brown:** Let me make one important point, which I hope the hon. Gentleman will consider when he intervenes. Yesterday the Chancellor said that, through our tax cuts and by raising the personal allowance, the tax on ordinary working people today is at its lowest level since 1975, and possibly since the war, although we do not have records to prove that. It is lower than in America, France, Germany or any G7 country. The ordinary working person's tax burden through national insurance and income tax is extremely low at the present time.

**Stephen Kinnock:** It is clear that the tax burden is actually the highest it has been in 70 years. The hon. Gentleman raised a point about national insurance contributions. I assume that he has seen the email that the Chancellor of the Exchequer sent to all Conservative party members, making it clear that the plan is to scrap NICs in the next Parliament. Does he accept that that is the Government's plan, because it is in that email in black and white? Does he also accept that that would leave a £46 billion black hole in the public finances?

**Sir Geoffrey Clifton-Brown:** I think the hon. Gentleman is misrepresenting what my right hon. Friend the Chancellor said yesterday. I have *Hansard* here. I cannot look through it quickly enough to give the exact wording the Chancellor used, but he basically said that when the economy is in a fit state to so do, and when economic conditions allow, such a move is an ambition—that is not a promise or a commitment to anything at all; it is just, as my right hon. Friend said, a commitment to travel.

**Stephen Kinnock** *rose*—

**Sir Geoffrey Clifton-Brown:** I will give way to the hon. Gentleman, but I hope he is not going to misrepresent what the Chancellor said. I will have to get it in *Hansard*, but I will give him one more chance.

**Stephen Kinnock:** As the hon. Gentleman will be aware, I am an avid reader of the Chancellor's emails to Conservative party members. He states:

"We want a simpler, fairer tax system where you only pay tax once. If we stick with our plan that's working, we'll be able to make progress towards that goal in the next Parliament."

If that is not a commitment to scrapping NICs in the next Parliament, leaving a £46 billion black hole—why do they not just own up to it, and then explain how they are going to fill that black hole?

**Sir Geoffrey Clifton-Brown:** I am grateful to the hon. Gentleman for intervening a second time, because I now have the exact words from *Hansard*. The Chancellor said:

"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."—[*Official Report*, 6 March 2024; Vol. 746, c. 852.]

I do not think it is as the hon. Gentleman is saying. I think he is misrepresenting the words of my right hon. Friend the Chancellor, and I hope he will not persist with that line of questioning.

**Jim McMahon:** I think we can all recognise a Conservative campaign headquarters rebuttal on its own Chancellor when we hear it. The substantive point was that the NICs cuts mean there is a lower tax burden, but we must be clear for the record that that is not correct. This is the highest tax burden since 1948. The hon. Gentleman must recognise that freezing the personal tax allowance has a significant impact on all taxpayers.

**Sir Geoffrey Clifton-Brown:** Again, I hope we will not have my right hon. Friend's welcome ambition to reduce national insurance traduced in the way that it has been.

I do not think we will get very far by continuing that argument. Indeed, you will probably reprimand me, Madam Deputy Speaker, if I go too far down that rabbit hole.

I was going on to say that it is not just workers, through the reduction in national insurance, who will benefit from this Budget, because of course pensioners will too. Pensioners will see a significant increase in their pension through the triple lock of a huge 8.5% this year. Together with the enormous rise in the personal income allowance that we have introduced over the years, from £8,500 to £12,500, that will affect not only those on the basic state pension but also those who earn a little bit of income on top. They will see that our measures have considerably benefited the amount that they receive in their pocket.

Moving on to our commitment to families, we recognise the importance of easing the financial strain, especially for parents. I have listened closely to those constituents in the Cotswolds who have contacted me about how they have had to tighten their purses since the covid pandemic, when so many found their work interrupted, as well as about the cost of food and energy price rises in the years following. People in rural areas will be particularly pleased to see another freeze on fuel duty, because they rely very much on having to use their cars.

I am pleased that the threshold for the high-income child benefit charge has risen from £50,000 to £60,000. It will directly impact nearly 500,000 families, providing an average boost of £1,300 per household, empowering families and ensuring that every child has the support they need to flourish. I welcome the British ISA, which allows for a £5,000 investment. It should have been more. I also welcome the incentivisation of nuclear investment assets. Rather than hitting savers, we bolster economic resilience and pave the way for a brighter future for generations to come. I welcome the disclosure moves for local government pensions that will encourage investment in UK infrastructure projects.

Our commitment to families and businesses remains unwavering, from child benefit to increasing VAT registration from £85,000 to £90,000. That should have been more, but it will help a number of businesses.

**Stephen Hammond (Wimbledon) (Con):** One of the key measures yesterday, alongside what happened in the autumn statement, was the extension of full expensing relief to leased assets, which will drive up growth. Growth is now even tracked. As a percentage of GDP, business investment is now the highest it has been for many years, substantially higher than in the whole time Labour was in power.

**Sir Geoffrey Clifton-Brown:** My hon. Friend is entirely right. The Chancellor's announcement in the autumn statement of £10 billion for full business expensing was one of the most important economic announcements of this entire Conservative Government. He is trying to address the problem of leasing that my hon. Friend just asked about. That is contained in the Red Book and the Chancellor is now looking at that important piece, so I welcome my hon. Friend's intervention.

Before I turn to public sector productivity, let me put it in context. Paragraph 2.14 is one of the most important paragraphs in the Red Book. It says that over the next 25 years, growth will be at 1.7% but spending will be

at 2.5%. That is unsustainable and every Government in the next 25 years will have to address that. When average growth is 1.7% and health spending in modern, civilised countries like ours is growing at 4%, that too is unsustainable. So we have to do something to address public sector productivity.

From my role as Deputy Chairman of the Public Accounts Committee, I know that one of the quickest and easiest ways to deal with that is to increase the use of digital methods, as the Committee found when we visited Denmark. The Danes have their health service properly digitalised and they are a long way ahead of the NHS. Everything from booking patient appointments, patient experience in hospitals, procurement of equipment and medicine, and everything to do with the health service is digitalised. It works incredibly efficiently. That is why I welcome the £3.4 billion for NHS digitalisation. Such investment in productivity can yield huge dividends in future outputs.

It is not just in the health service where digitalisation can have an impact. The Secretary of State for Levelling Up, Housing and Communities is currently consulting on a relatively small investment in the digitalisation of the planning system. Every business, everywhere, wanting to do anything, complains about the slowness of the planning system and that local authorities do not have enough planning officers. Digitalisation will cut some of the bureaucracy for planning officers, allowing them to take better and quicker decisions. It will help productivity enormously and have a huge knock-on effect for businesses.

As I promised the Minister, I will now turn to tax-free shopping—he would be disappointed if I did not mention this subject as there was disappointment that there was very little mention of it in the Budget. There is a small mention in the Red Book and the OBR has produced a separate report, which I will come to shortly. In the debate on the autumn statement, in response to an intervention I made, the Chancellor said:

“We changed policy on this issue a year ago because it cost around £2.5 billion a year and we did not think we could afford to continue it, but we are looking again at the numbers in the light of the most recent data and we can see what has happened to comparative shops in Paris and Milan. We will review this to see if it is still that expensive, and I hope that it is not.”—[*Official Report*, 22 November 2023; Vol. 741, c. 349.]

Yesterday's OBR review was not a full review. All it did was review its very limited 2020 forecast and its own figures, with no reference to how badly the UK is performing relative to our continental competitors. The OBR made no mention of the costs and benefits to the Exchequer of extending the scheme to EU visitors, and the OBR has never been asked to look at that.

I give the Government credit where credit is due. We have a new doctrine in the OBR, and it starts to address some of the points that my hon. Friend the Member for Christchurch (Sir Christopher Chope) was making. The Chancellor said 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.”—[*Official Report*, 6 March 2024; Vol. 746, c. 849.]

If they can do it for the cut in capital gains tax, why can they not do it for the reintroduction of the tourist tax?

I will acquaint the House with one or two figures, because I have some figures for what is going on in the real-world economy. If the Minister will bear with me,

I am not sure the Treasury is truly taking them into account. When he and the House hear the figures, they will begin to think we should be investing in this. First, let me refer to two independent reports. One is the well-respected and well-renowned forecasting by Oxford Economics, which predicted that restoring VAT RES—the VAT retail export scheme or, colloquially, the tourist tax—could increase GDP by £6 billion. Another report predicted £7 billion. We are dealing with huge stuff here, and a potential huge benefit, so I cannot see why the Government will not at least do a proper study.

We know from our figures that British businesses lost out by £1.5 billion in 2022 and by even more in 2023. The measure would benefit many of our big retailers, hospitality venues, airports and cultural destinations, particularly tourist destinations, such as the Cotswolds. The report also shows that Britain is losing out on a £10 billion EU market, and that the measure would give the Exchequer a net benefit of £500 million in VAT alone.

The figures on how we compare with our competitors are stark. In 2022, spending by American visitors to Britain was at 101% of the pre-covid level of 2019, but guess what? In France, it was 226%. In Spain, it was 206%. In Italy, it was 190% of pre-covid levels, as compared with our level pegging with the situation pre-covid. This is big stuff, and I cannot understand why the Treasury will not study it properly. In 2022, spending by visitors from the Gulf Co-operation Council states in Britain was only at 65% of 2019 levels, but it was 198% in France, 158% in Spain and 166% in Italy. Those are not my figures, but figures from real traders that have given the Association of International Retail their actual figures audited from their books. They are not made up. I gently suggest that the Chancellor and the industry—industry would fund it, if necessary—jointly commission a proper independent study into the full impact of tax-free shopping on British businesses, the economy and the Exchequer, so that we can have a real evidence-based decision on this huge and important area. Will the Chancellor meet me and industry representatives to discuss it further?

I am delighted that we have seen inflation fall from 11.1% to 4%. Wages are rising, mortgage rates are starting to fall and interest rates will hopefully fall towards the latter end of this year. It has been a tough few years. Pandemics and wars cause economic strains that few countries have managed to avoid. I was vocal last year on rising energy and food prices, which are a regressive cost hitting low earners the most. I am pleased now to see the cost of living easing.

The people of The Cotswolds want to see their hard work pay, the innovation of small and medium-sized businesses encouraged, and public services such as schools and the NHS well funded but operating efficiently. However, those services can improve only if our economy is strong and thriving and the UK is seen as the best place to do business. That is why I am so pleased that yesterday my right hon. Friend the Chancellor's Budget covered so many world-leading sectors, including the creative economy, unicorns, artificial intelligence, and the financial and pharmaceutical sectors. We have much to be proud of in so many sectors, and the Chancellor did a lot yesterday to encourage every single one of those businesses, with their innovation and energy. I commend his Budget.

**Several hon. Members rose—**

**Madam Deputy Speaker (Dame Eleanor Laing):** Order. Before we proceed, I hope that we can manage the rest of the day without having a formal time limit, but approximately 90 minutes is left for Back-Bench contributions, so I hope that Members will take about nine minutes each. That is quite a long time—it is not curtailing debate to take nine minutes or so each—and if we can do that, we will not need a formal time limit. If we cannot achieve that by simple courtesy and arithmetical calculation, I will impose a formal time limit.

3.6 pm

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): Thank you, Madam Deputy Speaker; I shall of course be guided by you.

It is now almost 14 years since I first had the immense honour and privilege of being elected to the best job in the world—Member of Parliament for Newcastle Central—but over those 14 years it has been heartbreaking and outrageous in equal measure to see the consequences for my constituents of Tory economic failure. First, we had austerity: the cruel gutting of communities, public services and jobs, which dampened growth instead of driving it. Tory austerity is why the Resolution Foundation tells us that the average wage will not return to its 2008 level until 2026.

We then had covid: a global pandemic, but one that disproportionately impacted the very communities—the poor, the black and minoritised, the unwell and infirm, and the disabled and disadvantaged—which austerity had undermined and weakened, while straining our NHS to breaking point, yet members of the Conservative Government saw it as an opportunity to help their mates get rich. My hon. Friends in the Opposition have destroyed the fake Tory fig leaf that everything was rosy before covid.

Then we had a cost of living crisis made in Downing Street, with energy and food prices, mortgages, rents and transport costs all soaring. The Budget was the Tories' last chance to try to repair the damage they had done and stop the rot, and what did we get? More of the same failed economic policy that has plunged us into recession.

My constituents work incredibly hard to provide for themselves and their families, and local businesses are also working hard through the Tory economic gloom. We can see that in our fantastic start-ups, spin outs and scale-ups and Newcastle's world-renowned hospitality sector, which offers so many from all over the world a great Geordie welcome as well as adding £361 million of gross value added each year to my constituency. I note that UKHospitality said that the Budget offered little for this sector with so much growth potential.

Labour Members believe that work should pay; the Tories' broken economic model increasingly means that, too often, it does not. The average person in the north-east is £11,500 worse off since 2010 than if the economy had grown at the rate it did under Labour. Shamefully, child poverty across the north-east of England has climbed by more than a third since 2014-15 according to the End Child Poverty coalition. Increasingly, those children's parents are in work. The North East Child Poverty Commission found that the proportion of north-east children in poverty who are from working families has risen from 56% to 67%—more than 10 percentage points—in under a decade. I put on record my gratitude

to both those organisations and to other researchers for their work. I only wish that the Government would take their evidence as seriously as it demands.

Madam Deputy Speaker, I would like to wish you and all women, as well as our allies, a happy International Women's Day for tomorrow. I also want to highlight the particular struggles of women in my region. Our economic troubles and the running down of public services have meant that many Geordie women face spiralling problems with debt, poverty and housing and are struggling to access mental and physical healthcare. In its recent report, *Changing Lives*, a charity working with vulnerable women in the north-east, found that

"women living in the North East are more likely to live shorter lives, to spend a larger proportion of time living in poor health, and to die prematurely from preventable diseases."

At-risk women in the north-east are 1.7 times more likely to die early as a result of suicide, addiction or domestic murder, compared with the average for England and Wales.

That is just a disgrace—a Tory disgrace—and it perfectly demonstrates the human cost of bad government. If we had had Labour's workforce plan in place, the NHS back on its feet and able to provide consistent, high-quality care and productivity improvements, Labour's new deal for working people to give people security in work, and action on housing, poverty and bills, the difference that that would have made would have been life-changing and lifesaving.

I was disappointed to hear nothing in the Budget about the Government's approach to the loan charge scandal. A constituent who retired after a lifetime of hard work is being bombarded with letters from HMRC threatening him with retrospective demands and a possible bill of £50,000—we can imagine how he is enjoying his retirement. The issue absolutely needs an independent review.

The Chancellor and the Government have failed my constituents, failed to make work pay and failed to get the economy growing. The tax burden is at a 70-year high, so I of course welcome the cut to national insurance contributions. However, Rishi's tax double take means that households will be £870 worse off on average.

I also welcome the new devolution deal for the north-east, but my constituents would be much better off if the Conservatives got the basics right in our economy, providing the vital change we need in housing, energy, industrial strategy, transport and so on. The North East Mayor, who will be elected in May, will have a difficult job to fix the Tory's mess. Fortunately, Kim McGuinness, our excellent Labour candidate, is determined to hand power to our communities and to create real opportunity for everyone who lives in the north-east, and a Labour Government would be the partner she needs.

This Budget has been determined by politics and by attempts to manage Tory divisions and to desperately save the skin of Tory Members, instead of doing the responsible thing. Look at the way the Government have adopted some of the Opposition's proposals on non-dom tax regimes—not as part of a long-term plan, but because they have been bounced into it.

My constituents do not care about Tory infighting; they are sick of it. They want to see real action to kick-start our economy through stability, reform and investment. That is what Labour is offering. Our industrial strategy would bring together our excellent universities

across the north-east, our skilled workforce and our deep capital markets to turbocharge growth in constituencies such as mine. In fact, we have a plan for the life sciences —“A Prescription for Growth”, which I highly recommend —to help grow the economy and get the NHS back on its feet.

Labour would support businesses in Newcastle through our plans on business rates, skills and the planning system and would get Britain building again. We would bring bills down by switching on Great British Energy, a new British company that will create new, high-paid jobs across the north, reduce bills and leave us less dependent on tyrants such as Putin.

This morning on Radio 4’s “Today” programme, the presenter interviewing the Chancellor set out just some of the facts and figures that demonstrate Tory economic failure. The Chancellor responded by saying that such a characterisation was unworthy of the BBC—well, he had just been called “the fiscal drag queen”, which clearly annoyed him, but that is no excuse for saying that facts, figures and evidence are unworthy of our national broadcaster. The Government would do better in reminding their Ministers—in particular the Secretary of State for Science, Innovation and Technology, whose libel bill the taxpayer has just paid—that facts matter.

Labour’s evidence-based, mission-driven Government would give the people of Newcastle upon Tyne Central our future back. Yet again, this Budget will only hold them back. We need a general election, and a change of Government.

3.15 pm

**Danny Kruger** (Devizes) (Con): I have enjoyed the debate, which has been useful; we have heard important contributions from both sides and I welcome the constructive tone. However, I do think that the comments just made by the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) reflect a Labour party committed to ever-increasing public spending while simultaneously complaining about the high tax burden that the country labours under. That comes without any commitments to reduce taxes further than we are—in fact, the party just makes ever-increasing spending commitments.

**Chi Onwurah:** Will the hon. Gentleman give way?

**Danny Kruger:** I am very happy to.

**Chi Onwurah:** When did I ask for increased spending? Will he clarify that now, for the benefit of the House?

**Danny Kruger:** Well, we heard repeated complaints about the underfunding of services and the requirement for improvements. That is what the hon. Lady believes in. If she is happy to say that she does not believe in additional spending, I will be delighted to hear it.

**Chi Onwurah:** I thank the hon. Member for giving way again. As he knows, we have set out our spending commitments, and crumbling services are a consequence of the Tories’ absolute failure to give growth to our country and our fantastic businesses, which can drive economic growth across our country.

**Danny Kruger:** We have made repeated investments in public services, but I recognise that there are all sorts of problems across our country. On the subject of crumbling,

there is also a major hole in the Labour party’s public finance plans following yesterday’s Budget. We look forward to seeing how it will plug the new hole in its plans.

I made the remarks because I think there is a common recognition across the House that improvements need to be made to our economy. There have been significant challenges to the UK in recent years. I was pleased to hear yesterday that significant improvements are now under way: inflation is falling, wages are rising, mortgage rates are starting to come down and debt is on track to fall. All that is welcome.

I also very much welcome the combination of the autumn statement and yesterday’s Budget, which together have seen cuts to national insurance totalling £20 billion, benefiting the average worker by over £900, and a tax cut of around £650 for the average self-employed person. I recognise the points about fiscal drag; we have to acknowledge the reality there. But given that the thresholds have not been raised, the tax reductions are welcome.

I particularly welcome the changes promised for the high-income child benefit charge by the raising of thresholds and halving of the rate at which child benefit is withdrawn. That important step will benefit some families by an average £1,260. That is welcome, as is the commitment to end the unfairness on single-earner families altogether by April 2026. I welcome those significant developments.

I particularly welcome the extension to the household support fund. I have been calling for that on behalf of Wiltshire Council, to which I pay tribute for its really good work in supporting households in need with essentials such as food and utilities. That extension is a really important development. The Chair of the Work and Pensions Committee, the right hon. Member for East Ham (Sir Stephen Timms), made the interesting suggestion that the household support fund should be made permanent. I recognise that there are voices on my side of the House who think that it is only a sticking plaster measure during these difficult times. I actually agree with the Chair of the Select Committee: it is important to ensure that local authorities have discretionary funding that they can use. They should be accountable to their local residents for how they use that money. I would like to see the money raised locally as well, but the principle of a discretionary fund for local government is important.

There are obviously still significant concerns about the state of the economy, and I am somewhat concerned by the obeisance and genuflection that the Chancellor feels obliged to make towards the Office for Budget Responsibility. I recognise that he would have liked to have done more in the Budget if the OBR had allowed him. It is the wrong way round to outsource responsibility for fiscal forecasting to an unaccountable body in this way. It is wrong that he regards the only measure of the Budget’s success to be whether the OBR gives it a green light. Fundamentally, we are restricting the reforms that we need to make in this country.

I come to a broader concern. I welcome the Budget, and all its measures are good and helpful, but there remain profound and powerful structural problems with the model of our economy, all of which started before we came into power. It is a cross-party responsibility. The Liberal Democrats, the Conservatives and Labour are all responsible for the structure of the economy under which we operate in this country, and I will describe it briefly in the following terms. We have had cheap money and decades of artificially low interest

[*Danny Kruger*]

rates, followed by money printing from the Bank of England that went on too long, creating chronic asset inequality in our country. Essentially, there has been a transfer of wealth from poor to rich. We have had cheap labour, creating low wages, and we have pressure on housing, public services and community cohesion that has been caused by importing millions of people from abroad to work for low wages in our economy. We have an economy built on cheap imports: we burden our own producers with costs while we import cheap products from abroad that are made to lower standards. I regret all these conditions in our economy.

The result is huge geographic inequality, a long tail of unproductive businesses and, I am afraid, too low real-terms wage growth. I suggest that all this is endemic to the economy, which was made by Labour and the 2008 financial crisis, but which has not been sufficiently addressed over the last decade and a half by the Conservative Government. We fixed the damage that was done to the public finances under Labour—imagine what the party would have done if it had been in power after 2010—but we did not change the economic model.

I am glad the Budget indicates that the Government are committing to reforms in the right direction. I particularly welcome the recognition that debt will fall during the next Parliament if we are in charge—it is impossible to see how the Opposition will get debt falling without policies to drive growth and improve public sector output. That is a good commitment. I also welcome the commitment to improve public sector productivity, and my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown) made some very important points about the way in which we need to improve output and efficiency in the NHS. I particularly welcome the Government's focus on improving private saving and investment.

I want to quickly mention the Wiltshire economy. In my wonderfully beautiful, traditional and old-fashioned-looking county, we have some of the most hi-tech businesses in the UK producing really innovative products for the global economy. A highly positive story is developing in Wiltshire, led by the agritech sector. One of the great benefits of our new Brexit freedoms is that we can liberalise and enhance the opportunities for biotech and agritech, but we need more, and I will quickly run through what they are.

First, I welcome the minor uplift of £5,000 in the VAT threshold for businesses. I regret that we could not do more, and I particularly regret that the reason we could not do more is, as I understand it, due to the Windsor framework. We are effectively tied into the EU's VAT regime, because we do not want to diverge from Northern Ireland in GB—quite rightly—but I regret that we could not raise the VAT threshold to significantly more than £90,000. We should find a way to make that possible.

Secondly—other hon. Members have made this point powerfully—we need to grow our rates of house building significantly. I would like to see more new towns being created. I would also like to see land reform to get the cost of land out of the price of housing, which seems to be the fundamental blocker, particularly on housing in rural areas. We should greatly enhance and expand community land trusts, which have such a useful role to play not just in urban settings but in rural settings, to create low-cost, affordable housing for local families.

We also need to reform the labour market. Today's debate on enhancing the world of work is so timely and relevant to the reforms that the Government are trying to bring about. I welcome all that the Secretary of State for Work and Pensions, whom I met this week, is doing to get more people into work. We have a chronic problem with economic inactivity. Significantly, millions of people are not able to contribute to the economy and to their own prosperity. There are major disincentives to work and train, fuelled by our high-migration economy, which is simply a subsidy to employers at the expense of working people.

It is very good that the Government are focusing on GDP per capita, which is the fundamental measure, despite the poor record of GDP per capita in recent years, as Opposition Members have pointed out. There are many reasons for that poor record, but the primary reason is the high rate of migration. Low-paid workers have driven down contributions and income per capita. I welcome the work that the Government are doing to get people off benefits and into employment, particularly through the WorkWell programme.

I finish with a plea on behalf of Wiltshire and the whole country. More than anything, I regret the Budget's slow and frankly insignificant uplift in defence spending. It is a good thing that more money is now going into the defence budget, and I welcome the commitments that have been made in recent Budgets, but the increase of less than 1% in the defence budget yesterday was disappointing, given the current global crisis and the historical underfunding of our armed forces under many Governments. I am proud to represent the British Army's largest garrison, on Salisbury plain. It would be a great thing for the nation and for Wiltshire to see the significant investment in the Army that will be necessary for our security. It would also boost our economy.

**Several hon. Members rose—**

**Madam Deputy Speaker (Dame Eleanor Laing):** We will try an eight-minute formal time limit, which does not prevent Members from taking interventions.

3.27 pm

**Steve McCabe** (Birmingham, Selly Oak) (Lab): Listening to parts of this debate, I wonder what universe some Conservative Members have been occupying for the last four years. In fact, I wonder whether someone has been slipping soma, or something, into their tea. The House will recall that soma is the magic potion that is fed to the characters in the Aldous Huxley novel "Brave New World" to quell their unhappiness and blind them to the realities of life around them. That is how it feels listening to parts of this debate.

Try as they might, this Government cannot escape responsibility for the state of our economy, the cost of living crisis and the damage they have done to family budgets and to the people they have plunged into debt. In my pre-Budget survey, Selly Oak constituents were clear: 93.3% wanted the Chancellor to prioritise the cost of living crisis—he has not; 70.7% wanted him to concentrate on growing the economy—he has not; and 67.7% were against apparent giveaways followed by public service cuts—that is exactly what he has done.

This is not a tax-cutting Budget because, as we have heard, tax is still going up. The Chancellor is presiding over the highest level of tax for 70 years, and he has the

effrontery to prance around pretending to be a tax cutter. He is a bit like a Prime Minister who professes a love for equality while boasting of transferring funds from poor areas to rich areas.

People are not stupid. They know that the continuing freeze on allowances means that they are paying more. People like teachers and nurses are now paying higher rate tax and, since the Tories came to power, the average income tax paid by pensioners has risen, with 1 million more sucked into the tax system in the last year.

And, of course, there are the hidden costs. A prudent Chancellor would have put something aside for the contaminated blood scandal, the victims of the Post Office Horizon nightmare, the WASPI—Women Against State Pension Inequality Campaign—women debacle and the LGBT ex-service personnel. Those are all things that he should have sorted by now but has ignored, probably deliberately. Perhaps he is planning to leave those issues for someone else.

If the Chancellor wanted to grow the economy, he would have done more to help small business. For example, Attic Brew in my constituency is a popular little business that, having weathered covid, has created about 40 full-time and part-time jobs, but it struggles with high energy bills and taxes, which hit sales of locally produced beer. I acknowledge the alcohol duty freeze, but he did nothing about energy bills or reducing duty on draught beer and cider, which would have done far more to help small independent producers. That is how to reward work and enterprise.

Growing our economy is the only way to get enough money to pay for good public services. Where in the Budget was the support for skills investment, which is essential if we are to grow and provide jobs for the future? I heard Conservative Members laugh yesterday at the idea of GB Energy, just as they used to laugh at a non-dom tax. GB Energy will allow us to take control of our energy sector and protect us from hostile powers, and will help to wean us off fossil fuel. Labour knows the value of that, because we have done it before. When we created the British National Oil Corporation, we created a structure that could have rivalled the Norwegians for providing dividends and a sovereign wealth fund for our people, had not the Tories squandered the proceeds of North sea oil receipts. They understand the needs of oil giants, but they show little understanding of, or care for, the needs of ordinary people and small business.

Finally, we have seen the classic Tory deception. The Chancellor ended his Budget speech by planting a story about something that he will probably not do. He wants us to talk about the total abolition of national insurance, an unfunded proposal worth more than the tax bonanza from the right hon. Member for South West Norfolk (Elizabeth Truss), which almost wrecked our pension funds. Of course, that assumes that he is promising to scrap only employee NI. If he were also considering employer contributions, we would be talking about a black hole of not £46 billion, but £178 billion. We can see why we need clarity from these people about what they are actually promising.

**Stephen Kinnock:** My hon. Friend is making an excellent speech. Does he think that it is extraordinary, given what happened after the so-called mini-Budget, that the Conservative party seems to have learned nothing and

is still making all sorts of unfunded commitments, which could wreak havoc on our economy, just as happened last time around?

**Steve McCabe:** This is extremely serious, and I am not surprised that the Conservatives are trying desperately to get away from it, because we can all see the risks that are posed.

This is a Budget based on the kind of fantasy reality that could well have come from an Aldous Huxley novel. We have a Chancellor with nowhere to go, representing a Government no one believes. It is time to let the people decide.

3.34 pm

**Sally-Ann Hart** (Hastings and Rye) (Con): Hastings and Rye is a vibrant and dynamic place that is home to amazing and resilient tourism, retail and hospitality businesses, hundreds of small and medium-sized enterprises, and a robust manufacturing sector specialising in vacuum and precision engineering. However, it has pockets of deprivation. That is why I welcome the measures taken by the Chancellor in yesterday's Budget, which is bolder than it seems, reflects a dose of optimism and a good dollop of resilience, and builds on policies that have halved inflation, reduced debt and promoted a growing economy. I particularly welcome the measures taken to support hard-working families. The Budget addresses the cost of living burden by reducing employee national insurance contributions by another 2%; they have gone from 12% to 10%, and now to 8%. It is giving thousands of people in Hastings and Rye a tax cut—a cut of over £900 for the average worker.

Let me take this opportunity to correct the shadow Chancellor and dispel the nonsense being spouted by Opposition Members. The Chancellor did not promise to abolish national insurance contributions yesterday. He expressed an ambition to do so, without compromising public services, but said that it could not be achieved any time soon, and would require responsible fiscal management. Cutting class 4 national insurance contributions from 9% to 6% will help self-employed people in my constituency, and alongside the duty freezes on fuel and pub pints and the extension of the energy price guarantee, it will help put hundreds of pounds back into people's pockets.

I also welcome the historic investment in early years and childcare, which will help hard-working families. The 2024 Budget builds on the significant strides made in 2023, when an unprecedented sum of more than £1 billion was allocated for early learning and childcare. The 8% increase in funding for early learning and childcare for 2024 will directly benefit our children, our hard-working families and the dedicated professionals who nurture our children's growth.

The enhancement of teacher training will, I hope, help to ensure early intervention and prevention of problems for all children, including those with special educational needs, so that they receive the support that they need to reach their potential. Addressing the unfairness of the child benefit system will benefit thousands of families in Hastings and Rye, promote equity and social justice, and ensure that families receive support based on their needs.

I also welcome the measures taken to help the most disadvantaged in my communities, such as the increase in the repayment period from 12 to 24 months for those on universal credit who are forced to take out advanced

[Sally-Ann Hart]

budgeting loans, and the fact that the £90 charge to take out a debt relief order will be scrapped completely. The household support fund was set up temporarily to help the poorest through the cost of living crisis with a one-off payment of £500, depending on circumstances. Its continuation for another six months is vital for a number of reasons, not least because it provides immediate relief to vulnerable households facing financial hardship. Its extension means that particularly vulnerable families in Hastings and Rye can continue to receive essential support during challenging times and avoid debt. However, it is worth noting that the fund is a temporary fix, and the Government need to continue their focus on longer-term solutions to address poverty and prevent families sliding further into financial distress. Work is the only route out of poverty. That is why the Department for Work and Pensions back to work plan and our family hubs, which support families in so many ways, are vital policy measures.

It is really good news that, despite the challenges posed by the pandemic and the war in Ukraine, our economy is showing signs of recovery. The OBR's revised growth forecasts for 2024 show a modest improvement from 0.7% to 0.8%. That may seem incremental, but it does signify progress.

Small and medium-sized enterprises are the backbone of our local economy. I welcome the £27 billion tax cut for businesses through the radical policy of full expensing, and through capital allowances reform. This move will drive investment, stimulate growth, empower our entrepreneurs, encourage innovation and create jobs in Hastings and Rye, but we need to encourage more local young people into science, technology, engineering and maths, further education and apprenticeships. University technical colleges and UTC sleeves will be a real step forward in providing skills for the future.

While tourism and hospitality have greatly benefited from generous Government support over recent years, including the extension of reliefs into 2024-25, I would have liked more of a boost for our tourism and hospitality businesses from the Chancellor; a clear pathway for reform of business rates in England up to 2026, including reliefs; and action on VAT. The British Retail Consortium said some time ago:

"We need a business rate tax that flexes with overall economic performance, is shared equitably across different industries and comes with positive incentives for business."

I will briefly mention student loans. We all recognise the punitive rates of interest paid on student loans by our graduates, and it is not feasible to write off all the debt. Could the Chancellor please ensure that no graduate pays interest at a rate higher than the average available commercially? That will help millions of graduates who deserve a fairer rate of interest, allow our young professionals some financial stability, and give them the certainty to make sound life choices.

Let us embrace this Budget with optimism. The last few years have not been easy for the British economy, with the legacy of covid, and war in Ukraine and the middle east. It is only because our economy was in a better state as a result of the Government's policies since 2010 that we could afford to protect people and businesses, and support Ukraine. Our economy is now turning a corner. We cannot allow the Labour party to

play fast and loose with our economy again, and take us back to the economic tatters of 2010, after all we have been through in the past few years. This Budget is a road map to a bolder, brighter future for Britain—a future in which businesses flourish, our families thrive, and our communities can stand resilient.

3.41 pm

**Jim McMahon** (Oldham West and Royton) (Lab/Co-op): It is interesting to follow the hon. Member for Hastings and Rye (Sally-Ann Hart). I will leave it there.

The test of any Budget is simple, and we all know it, in politics and elsewhere in life: are working people better or worse off? The fact is that Britain is worse off. There are higher taxes, lower wages and a stagnant economy. The tax burden is at its highest for over 70 years, since 1948, and the national debt is at its highest since the 1960s. Average households will still be £870 worse off after all the Budget measures, and this will be the only Parliament on record in which living standards fell lower at the end of it than they were at the start.

The real cruelty is not that the Budget was a missed opportunity for the Conservative party to gain some ground; it is that working people do everything that is asked of them and more, but that work is not rewarded. Real pay has gone up by just £17 a week over 14 years of Conservative Government. Compare that with the last Labour Government, under which wages rose by £183 a week over 13 years. Even the national insurance reductions pale into insignificance when we consider that the personal tax allowance freezes will take £41 billion from working people. In the end, working people are worse off, and they know it.

Working people know that the communities where they live and work, and that they care about and are invested in, are feeling the strain, as are public services. People are waiting longer for NHS treatment than ever before. Even before the pandemic, which has been used a number of times as a reference point, 2 million more people were on waiting lists than when Labour was last in office. Today, waiting lists stand at 7.6 million, impacting more than 6 million patients. What of the nation's productivity, when there is low life expectancy, which in some cases is going down, and when quality of life is compromised by pain, worry and stress? How can we talk about productivity in the economy when the nation is simply not well?

There is a firm poverty postcode lottery. The King's Fund reported that people who lived in the most deprived areas of England were twice as likely to wait more than a year for treatment as those who lived in more affluent areas. It is a postcode lottery on health, and an inequality that is not right in the modern age. There is no healthy economy without a healthy society. That the Chancellor does not get it is one thing, but for a Chancellor who was previously Health Secretary not to get it beggars belief, frankly.

We all know that health and social care are interlinked, and that people's wellness and the economy are interlinked. Labour will get the NHS back on its feet—we did it before and we will do it again—but we were disappointed not to see more interaction between health and social care yesterday. Like the Local Government Association, I was disappointed not to see a focus on adult social care.

Let me focus on Oldham, a borough of nearly a quarter of a million people—good, decent people who should have been front and centre of this Budget. There, like everywhere else, they know that good public services are the foundation of a good economy, not a burden placed on it. They know the cost when public services are overwhelmed by demand, staff are under immense pressure, and those they love do not get the care they need.

Many MPs will know this from our surgeries, but not that long ago, if people were having a struggle with housing, adult social care, SEND support or a range of other different public services, it would have been the exception and not the rule that they were found to be in a difficult position. Now, however, we all know that when people come to us to say that they have a housing crisis, we have to reply, “That’s the rule for many; it’s not the exception any more.” When people say that the person they love cannot get adult social care, we say, unfortunately, “That’s the rule now for too many; it’s not the exception any more.” When parents come and say that they are fearful for their children because they have not got the SEND assessment and support needed, we say too often, “That’s not the exception any more; it’s the rule for too many people.” The public service infrastructure for too many people has completely been eroded.

In many places the market has completely failed. We see that in adult social care and in children’s services, where the cost of placements is significantly impacting on local authority budgets. Then we come to temporary accommodation, which has to be mentioned. In Oldham, the cost of temporary accommodation has increased from £1.9 million to £6 million in just a few years. That is not the real story, of course; that is just financial pressure. The real story is that behind every figure is a family, a family in desperate need. In Oldham, 1,000 people are in temporary accommodation, including 500 children—500 boys and girls in temporary hotel accommodation, sharing a room, mixed gender, mixed age groups and often in mixed hotels, where the hotels are not even block booked to stop private clients being able to access the facility. That is not right, it is not safe and it reflects a broken market.

In the end, we need to rewrite the British contract, because it has failed too many working people. The idea that if people roll their sleeves up, work hard and make a contribution, they can get on in life and build something for themselves and their family, has been taken away from people. More than that, the generational progression that should be there has been denied. I look at my children growing up now and I see a housing market that is moving further and further away from them, not closer. People in my community see that the good, well-paid, skilled working-class jobs are something of the past and not the future. That fundamentally hits at the heart of the British contract, so we need a different way. As chair of the Co-operative party, I would say that we should be looking at many examples in the co-operative movement.

Ownership matters. We have seen a complete hollowing out of ownership in our communities. Look at our high streets and our town centres: we do not even know who owns the building that has been boarded up for 10, 15 or 20 years. Ownership matters.

On energy, we see that people are paying more and more for their gas and electricity to oligarchs and offshore interests, when here we are not building something that we can own together. That is where the Labour

party is setting out a different path. With onshore and offshore renewables through Great British Energy, we can own something together, where we get to share its value, where we can take back control of our energy supply, our energy security and our energy bills.

In the end, this comes down to the Government deciding to choose a path and a course. I think that some of those issues should be beyond politics. Part of the problem with British politics is that things follow the parliamentary cycle far too much, when some are far more structural, such as adult social care and the future of health and social care. There should be a bigger response to that than whatever the Chancellor of the day thinks at a moment in time. Greater consideration should be given to the future world of work, and ensuring that work pays and gives people the opportunity to live a decent life. When we do not have that big politics and those big ideas, I am afraid we end up in the same situation that we found ourselves in yesterday: frankly, vacuous and without ideas.

3.49 pm

**Grahame Morris** (Easington) (Lab): It is a pleasure to follow my hon. Friend the Member for Oldham West and Royton (Jim McMahon). My constituents, like his in Oldham, have a sense of disappointment about the Budget’s failure to address many of the challenges that they and others in former coalfield and industrial areas face.

Taxes in the UK are unfairly distributed, penalising our poorest communities. Rather than supporting our fragile regional economies, Government policies and decision making take money and resources out of our communities. Data from the Office for Budget Responsibility show that, despite the headline cut to national insurance, the UK’s tax burden is the highest it has been in 70 years, and that it rises every year of the forecast period. It is true that anyone in my constituency living on the national minimum wage—earning around £20,000—will receive an extra £148.60 a year, or £12.38 per month, from the reduction in national insurance.

However, we need to look at the overall tax burden. Around 40% of that extra income will be lost to the increase in council tax. My council’s website, which gives some examples, says that those living in a band A properties will be charged £61 more next year. Of course, that figure will be much higher once we have added increases to parish police and fire precepts. The problem is compounded in areas that, like mine, have a small council tax base because the majority of properties are in bands A to C. Indeed, the additional money that councils raise will not even cover the rising costs, so we will have to pay more but see services cut.

Durham County Council will receive—I have checked this figure—£130 million less in revenue support in 2024 compared with 2010. Indeed, a survey by the County Councils Network found that 95% of local authorities are increasing council tax by the maximum permitted 5%. In east Durham, that means that our poorest communities are paying the most. Here is an interesting example: a band A property in Easington Colliery faces a council tax bill of £1,671, which is not far short of the Prime Minister’s £1,824 council tax bill for his band H flat in Downing Street. If the Prime Minister were paying council tax on a band H property in Horden in my constituency, his council tax would be £5,157.88.

[Grahame Morris]

Despite our property prices being significantly below the national average, our poorest communities, and residents in my constituency, are facing council tax bills similar to that of the Prime Minister. Council tax is a new poll tax in all but name.

I often feel like a lone voice advocating for a proportional property tax, but I should not be, because it would benefit 77% of UK households. Proportional property tax is a flat tax—a charge of 0.48%—on a property's current value. It would effectively be an annual economic stimulus to the regional economies worth £6.5 billion a year, increasing disposable incomes of households in the poorest communities, which do not enjoy the same levels of public and private investment as households in London and the south-east. Services that take up the largest part of Durham County Council's budget are adult social care and looked-after children. Those are important services, but they should be funded nationally based on a needs assessment.

Those costs should not fall on local taxpayers, particularly as we have seen a rise in some councils and service providers effectively outsourcing those with complex needs by moving their people into our poorest communities. If the Minister is not aware of that issue and wants to understand how councils in the south are gaming the system at the expense of my constituents, I recommend that he reads an article by the *Express* journalist Zak Garner-Purkis—I do not normally recommend the *Express*, but he is an excellent journalist.

Far from giving our communities a chance, the Government's policy, taxation and investment decisions are widening the economic divides in our country through higher taxes and a lack of public investment, which impact on the private sector's willingness to invest in my constituency. Of course, there would be opportunities if we had the right investment and growth policies. We have large areas with derelict and run-down housing that would be ideal for redevelopment and the creation of decent family homes, but we have a tax and investment system that holds back our regional economies and deprives them of opportunity. We have a Government who refuse to take any steps to address widening economic disparities—I thought that was the whole purpose of levelling up.

There are other national issues that affect my constituency, including the NHS: there are long waits in A&E, and NHS dental provision is collapsing. We have over-subscribed schools, a lack of home-to-school transport, and schools in a poor state of repair—not only those affected by RAAC or asbestos, but some quite new schools built by disreputable construction companies that have fleeced the taxpayer.

The Conservative party has now had 14 years, either in government by itself or in coalition with the Lib Dems and others, to improve the opportunities for constituencies such as mine. However, 14 years on, the problems that our country faces today are just as deep-rooted and extensive as ever. The Chancellor and the Prime Minister say that they are proud of their record. Well, I think my constituents have reached the same conclusion as many others. They say it is time to put that confidence to the test. If this Government have a shred of integrity, we should be going to the polls on Thursday 2 May for a general election. The Chancellor's Budget has lifted the lid on 14 years of Tory economic

failure: taxes are still rising, prices are still going up for consumers, mortgages are going through the roof, and the Chancellor did nothing yesterday that is going to change that. We need a Government that can rebuild Britain. It is time for change. It is time for a general election.

3.57 pm

**Stephen Kinnock** (Aberavon) (Lab): It is a real pleasure to follow my hon. Friend the Member for Easington (Grahame Morris).

We on the Labour Benches talk a lot, and rightly so, about the Conservatives crashing our economy and sending mortgages up by almost £3,000, rent up by 10%, and food prices up by 25%. We talk a lot about the fact that the Prime Minister is utterly blinkered about the truth that he has gone from being a low-growth Chancellor to a no-growth Prime Minister, with the introduction of Rishi's recession, and that working people are paying the price in this cost of living crisis. We talk a lot about Tory waste: the fact that the Prime Minister has blown £7 billion on covid loan fraud, and £500 million on a Rwanda plan that has flown three Home Secretaries to Kigali, but not a single asylum seeker. We know that the tax burden is at its highest level for 70 years, while debt has rocketed and is still going up.

However, we should probably talk more about the underpinning mismanagement of our economy and the broken economic model that has seen Tories under-investing, turning our country into a stagnation nation. We have a record high NHS waiting list of more than 7 million people; schools that are literally crumbling because the Prime Minister cut the school building budget when he was Chancellor; 90% of crimes going unsolved, with rape victims waiting three years for their day in court; and three times as many children living in poverty today as did six years ago. The reality is that the past 14 years have been an omnishambles. As a result, nothing in this country seems to work any more, yet the British people are being forced to pay more and more for less and less.

What ideas have the Conservatives put forward to fix this mess? None whatsoever. Instead, they resort to pilfering Labour's policies like some sort of embarrassingly bad tribute act. When the cost of living crisis hit, we knew we needed to support households through it, so we proposed a windfall tax on the excess profits of oil and gas companies. The Conservative party eventually caved in and delivered that policy, but poorly and riddled with loopholes.

This week, the Government have made a feeble attempt to mimic our policy of ending the non-dom tax loophole. Just think: if they had acted when Labour first suggested ending this loophole two years ago, they would have generated £6 billion for the policy areas we suggested. They could have delivered 3.8 million extra operations, 1.3 million emergency dental appointments and free breakfast clubs for nearly 4.5 million children. The Conservatives are followers, not leaders. They are slogan-mongers, not servants of the people. They believe in government by gimmick rather than the hard graft of governing in the national interest.

Labour, meanwhile, is taking a long-term responsible approach to get our economy back on its feet and growing again, which is why we have our five core missions. We will get businesses growing and put demand back into the economy, starting with our new house building

programme for 1.5 million homes over five years, creating new jobs and getting young people and families the housing they need. We will deliver clean energy by 2030 and switch on Great British Energy. Our transition to a modern economy will deliver half a million good jobs, lower household bills and make our energy supply secure from Putin. We will get the NHS back on its feet and fit for the future, and bring down waiting times with the biggest ever workforce expansion, including 17,000 more doctors and nurses and 2 million more available appointments. We will put 13,000 police back on the streets, and halve the number of incidents of violence against women and girls. We will spread opportunity for young people everywhere by shattering the class ceiling through better early years provision and improving technical education.

Instead of the Government's hands-off, "Not my problem, gov," approach to the economy, we can deliver an active industrial strategy, backing our businesses to make, buy and sell more in Britain. This includes Labour's £3 billion steel renewal fund. With that, I am urging Tata Steel to step back from the cliff edge, which would cost 2,800 people their jobs in Aberavon and Wales, and not do anything that cannot be undone before the next general election. What a disgrace it is that the Conservative Government have given £500 million to Tata to make 2,800 people redundant. We will work with industry to secure a bridge to the new economy, so that steel companies can seize the opportunities of the future and Britain can maintain its sovereign capability to make its own steel from scratch. This is a vital security issue in the dangerous and turbulent world in which we live. If we want to get Putin's boot off our throats, we have to sustain our vital steel industry.

We on these Benches are also committed to supporting small businesses. We will legislate to tackle late payments, unlocking £20 billion in unpaid invoices. We will scrap business rates, and replace them with a system that is fairer for bricks and mortar businesses. These are the kind of growth measures we need to get Aberavon, Wales and Britain firing on all cylinders.

Last year, the Prime Minister said, "We've turned the corner," and promptly plunged Britain into a recession, with an economy smaller now than when he entered Downing Street, mortgages through the roof, house building fallen off a cliff, worklessness rising, homelessness never higher, crimes going unsolved and rape victims waiting years for their day in court. We have rivers full of sewage, which is the perfect metaphor for the stench of decay that is emanating from this clapped-out Government.

Households are £870 worse off on average under Sunak's—the Prime Minister's—tax plan. With just 5p given back for every 10p taken from our constituents, he is giving with one hand and taking twice as much away with the other. That is not a plan; that is a scam. It is a con from this Government, who have run out of ideas, run out of energy and run out of road. We need an election this spring, and we need a Labour Government who will rebuild our public services, re-energise our economy and get our country back on track.

**Several hon. Members** *rose—*

**Mr Deputy Speaker (Mr Nigel Evans):** Order. Let me remind Members that we do not use the Christian names or surnames of current serving Members. I think

the hon. Member for Aberavon (Stephen Kinnock) knows what I am referring to, but I did not want to stop him in his flow. All hon. Members are incredibly bright, and I am sure that they will think of another way of making their point.

4.4 pm

**Alex Cunningham** (Stockton North) (Lab): Fourteen years of Tory Government and they still cannot find a Chancellor who understands poverty, inequality and the need for public services. Despite the latest one being a former Health Secretary, he does not understand health and the role it plays in our society. I remind Government Members that they cancelled the new hospital for Stockton in 2010, and health inequalities in my area have since widened, despite the tremendous work of NHS workers and others.

Today I will try to help the Tories understand the consequences of their 14 years in power: over a decade of austerity and, now, "somebody's" recession. At the weekend I was appalled to hear that life expectancy in the north-east compared with the rest of the UK will continue to fall for the next 50 years. A report by the Institute for Public Policy Research North's stated that wealth, health, power, opportunity and systematic inequalities are just a few of the reasons why the north-east is set to see the north-south life expectancy divide endure for decades. It stated:

"The number of years you can expect to live in good health in the North and Midlands would be two-and-a-half years shorter than the South and three-and-a-half years shorter than in London.

Extending these overall trajectories, the gap in healthy life expectancy between the North and the all-England average would not close until 2056/57 while the gap between the North and South East would endure until 2079/80".

After 14 years of Conservative Government, nothing has happened to close the gap, and national comparisons are widening further. It is even worse locally. People in the town centre ward in Stockton are expected to live 16 years fewer than those down the road in Ingleby Barwick.

That news comes after reports of a huge increase in child poverty, people being unable to see a GP for weeks on end, dental appointments that are simply not available, and waiting lists for operations stretching and stretching. Some appointments for operations that took just a few weeks in 2010 now take many months or, in some cases, over a year. I welcome the new diagnostics centre being built in Stockton, but it is only one small piece of a very large jigsaw of provision needed to do the best for our people. The author of the report and IPPR North research fellow Marcus Johns has confirmed that urgent action is needed to tackle the inequalities. He said:

"No one should be condemned to live a shorter, sicker, less fulfilling, or poorer life simply because of where they were born... It's hard to avoid the conclusion we are headed in the wrong direction on inequality in health, wealth, power, and opportunity while local government finances languish in chaos."

Let me turn to another report demonstrating regional inequality. The North East Child Poverty Commission's February 2024 report highlighted that there has been no child poverty strategy for England or the UK as a whole since 2017. However, the proportion of north-east children in poverty from working families has risen from 56% to 67% in less than a decade. The report also found that the intensity of child poverty in the north-east is getting worse, with one in five children in our region now living

[Alex Cunningham]

below the deep poverty line, and more than one in 10 north-east children living in very deep poverty. Almost one in five north-east children is living in a food-insecure household, meaning that they do not have access to sufficient food to facilitate an active and healthy lifestyle.

Children in our region have been let down in a range of other childhood health measures, having either the highest or second highest rates in England of A&E attendance, emergency hospital admissions, and hospital admissions for asthma, diabetes and dental treatment. All of those are associated with higher levels of deprivation.

On children in care, the north-east has the highest proportion of looked-after children of any English region—113 per 10,000 children, compared with the England average of 74. In the Tees valley, all five local authorities are among the 20 areas with the highest rates of looked-after children in England. Indeed, the link between high rates of child poverty and social care interventions was flagged by the 12 north-east directors of children's services, which made a joint submission to the independent review of children's social care back in 2021. It said:

"Exceptional levels of poverty in the North East are driving dramatic rises in child protection intervention and the number of children in care. The cost of this cannot be afforded. Exacerbated by reductions in government funding, spending on early help has reduced at a time when it has been most needed. This vicious cycle can only be broken by different ways of working, backed up by adequate investment."

Do we not want the best for every child, whether they grew up in the south-east or the north-east? We will not have it unless every child's basic needs are met. It is deplorable that the Government, with their failure to act, have become complacent, with children in my region going to school hungry, unable to concentrate, unable to learn, and unable to have the future for which they have the potential. I am pleased that Labour is committed to ensuring that all primary school children have free breakfast clubs that set them up for the day, so that no child starts the day hungry and there is a safe space in which to be supported with friends.

There is another matter of great importance to Teesside. There is one area where there has been colossal amount of taxpayer investment in the north-east, but sadly, those same taxpayers are being robbed of the benefits of £0.5 billion invested at Teesworks. My advice to the Chancellor is to get the forensic accountants to pore through the books and reports, and they will find tens of millions of pounds that could have been reinvested in the people of Teesside, instead of being pocketed by two private sector businessmen, after the Teesworks Tory Mayor gifted them 90% of the asset.

Teesworks is probably one of the most important projects in the country, but private individuals will benefit most from the hundreds of millions in profits expected over the coming years—individuals who are yet to invest their own money. I have wondered how the tens of millions of pounds paid out in dividends to those two individuals could have been used on Teesside, where all our local authorities are being forced by the Government to cut services and hike council tax. If those local authorities had just £10 million each, they would not have to cut services and our social care could be given a major boost.

The Chancellor also needs to look at the 28 recommendations in his own Government's inquiry into the appalling way the Tees Mayor has been running his business—28 recommendations because of the lack of transparency, poor value for money, and a total disregard for proper process. Recently the Mayor landed us with a legal action bill in excess of £3 million against PD Ports. It leaves the legal fees of the Secretary of State for Science, Innovation and Technology looking like chicken feed. If the Chancellor is serious about value for money from taxpayers, he would show the guts that the Secretary of State for Levelling Up, Housing and Communities has failed to show, and order the National Audit Office to see exactly how the £0.5 billion of taxpayers cash has been used at Teesworks and who is deriving the benefit. I think he will discover that Teesworks is not working for our communities, and we have seen only a few hundred of the tens of thousands of jobs promised actually created.

In conclusion, we have had the years of austerity and we now have the Prime Minister's recession. The ramifications have been immense: appalling regional inequality, poor health, and a cost of living crisis, but above all, poverty on a scale we should be ashamed of.

4.13 pm

**Michael Shanks** (Rutherglen and Hamilton West) (Lab): It is a pleasure to follow a fellow Scot, my hon. Friend the Member for Stockton North (Alex Cunningham). A decade ago George Osborne—remember him?—stood in this place to deliver the first Tory Budget. He spoke about a Budget that recognised "the hard work...of the British people"

and set out a plan for Britain

"to keep moving us from a low wage, high tax...economy".—[*Official Report*, 8 July 2015; Vol. 598, c. 321.]

A decade later, after 14 years of Conservative Government, where are we? In a recession, whether the Chancellor calls it "technical" or otherwise, and with taxes higher than at any point in the past 70 years. We have had 20 years of lost pay growth, with the Resolution Foundation confirming that the average wage will not regain its 2008 level until 2026. Shamefully, this is the first Parliament since records began to see living standards fall—the most significant year-on-year decline in living standards since the 1950s. That is the reality of yesterday's Budget—a record of economic incompetence and squandered opportunity.

Will the public feel any change in their circumstances after their pockets have been raided by 25 tax increases, and with mortgages soaring, food bills continuing to go up and up, and wages stagnating? Who on earth will feel any better off in those circumstances? Given the lacklustre response from those on the Government Benches during the Budget yesterday and in today's debate—I have enjoyed it enormously, but there have been more contributions criticising the Budget than supporting it—it seems that they are not particularly impressed by it either, and no wonder. Less than 24 hours after the Chancellor stood up, the chaos has continued. We had a floated promise of a £46 billion cut to national insurance without a single thought given to how it would be funded, although I now hear that has been downgraded to the Chancellor expressing an ambition, which apparently is different. It is perhaps how Liz Truss expressed an ambition to crash the economy not that long ago.

**Mr Deputy Speaker (Mr Nigel Evans):** Order. I did say not to mention the name of current sitting Members.

**Michael Shanks:** I forgot she was a sitting Member, Mr Deputy Speaker; I apologise.

The Government are putting off any long-term spending plans to the next Government to avoid facing up to the reality that public services are crumbling. Shamefully, they are not putting aside a penny for the victims of the contaminated blood scandal or the victims of the Post Office scandal.

Minutes after the Chancellor sat down, we had the spectacle of the Under-Secretary of State for Energy Security and Net Zero, the hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) refusing to say whether he would back his own Government's plan to expand the windfall tax on the oil and gas industry. I am not sure if he is still on resignation watch or whether his chat with the Chancellor has moved him back to a stronger position, but yesterday, the Tories in the Scottish Parliament had a debate denouncing expanding the windfall tax, and the leader of the Scottish Conservatives, the hon. Member for Moray (Douglas Ross) has said he will vote against it. This morning, the Chancellor said it would present a little local difficulty. This is utter chaos, less than a day after he delivered the Budget. With any other Government, at any other time, they would be the laughing stock of the country, but so low have our expectations fallen that it is not even getting the attention it should.

We should welcome the Government's conversion to Labour's economic plans, following where Labour has led on the non-dom tax loophole or expanding the windfall tax. Now it is only the SNP that is out on a limb, saying that it does not support increasing a tax on the £1 billion a week profits from oil and gas, while happily putting up taxes for those earning £29,000 a year. In SNP Scotland, teachers, plumbers, police officers and nurses pay more; oil and gas giants do not.

**Peter Grant:** The hon. Member mentions the specific case of nurses. His colleagues were reluctant to acknowledge the fact that nurses in Scotland start off with much higher pay than those in England. I did some checks while others were speaking. A newly qualified ward sister in Scotland on 2023-24 rates, even allowing for slightly higher income tax on part of their earnings, is taking home £31,884 a year. His or her equivalent in England is taking home £30,960. Why does the hon. Gentleman want nurses in Scotland to earn £900 less when moving to England?

**Michael Shanks:** I know I am in a different party to the hon. Member, but I am in the same country, so it concerns me how nurses in Scotland are treated, and they are paying more tax than their colleagues in England. That is the reality of the SNP's budget.

The truth is that a lack of economic growth across the UK means less for public services, despite the Scottish Government receiving almost £300 million in consequentials, including £237 million from increased spending in the NHS. I hope that the Scottish Government use that to invest directly in public services, and especially in Scotland's NHS, where statistics this week have shown a damning picture of the SNP's 17 years in power. The list of in-patients waiting more than 12 weeks has gone up

125 times in a decade. Cancer treatment within 31 days is three times worse than a decade ago. All the while, taxes are going up in Scotland and wage growth is stagnating.

The House of Commons Library has carried out some research that shows that weekly real earnings are lower today than in 2007 when Labour left office in Scotland and the SNP first came to power. The analysis shows that real wages continued to rise until 2010, when the Labour Government left power in the UK, but under the Tories and the SNP, the average Scot earns less in real terms now than they did in 2007. EY this week found that average employment growth in Scotland between 2024 and 2027 is expected to be just 0.8%, lagging beyond all other parts of the UK.

There are some really tough long-term issues in Scotland's labour market that we must wrestle with. Long-term sickness appears to be a particular factor in economic inactivity in Scotland, accounting for nearly 32% of inactivity compared with 27% across the UK. There are difficult demographic trends, too. These issues are not easily resolved, but they require a Government with a laser focus on the problem, not one from a hopelessly distracted party.

The Secretary of State spoke about levels of employment in the UK. Recent research by the Work Foundation and Lancaster University found that of those in employment, 21% are in extreme job insecurity—workers who experience involuntary part-time work, involuntary temporary forms of work and precarious work—and a further 33% suffer from low or moderate insecurity. In other words, more than half of people currently employed have a degree of insecurity in their work. The UK is becoming a less secure, precarious place for people to work, and part of the cause of low productivity and rising levels of in-work property is that problem. It is a challenge for us to wrestle with, but we must do so.

The Tories are the architects of this economic mess, ably assisted by the growing incompetence of the SNP. Neither can be the solution. Scots will rightly ask themselves after 14 years of the Tories and after 17 years of the SNP whether they feel any better off. The answer will come back: no. They will ask if public services and the NHS are better now in Scotland than they were 17 years ago, and the answer will be no.

The only way out of this doom loop of economic chaos, higher taxes and stagnant living standards is real change, with a Government focused on growing the economy, making work pay and turning the UK into a green energy superpower. That is the change that Scotland needs. That is the change that the UK needs. That is the change that Labour will deliver. We need a general election so that we can get on and do it.

**Mr Deputy Speaker (Mr Nigel Evans):** Liz Twist will make the last Back-Bench contribution, so anyone who has taken part in the debate should make their way to the Chamber now.

4.22 pm

**Liz Twist** (Blaydon) (Lab): Listening to yesterday's Budget, we could be forgiven for thinking that the Chancellor was living in a different universe from the rest of us. Wages are stagnating, taxes are rising, growth is stalling, and nothing the Chancellor announced yesterday has changed that. The OBR's own figures tell us that

*[Liz Twist]*

this will be the worst Parliament on record for living standards. After 14 years of economic failure, his legacy is less money in people's pockets and the highest tax burden since 1949.

The Chancellor tells us that absolute poverty has gone down and that growth can come only from a high-wage, high-skill economy, which we are supposed to believe his party is on the way to building. Let me tell him that that is not the reality that my constituents are dealing with.

The Chancellor may try to tell us that people are better off after cuts to national insurance contributions, but for every 5p that my constituents get back, they will be paying double that in extra tax according to his plans and the package. People are being squeezed further and further as prices continue to rise. Even a reduced inflation rate means that prices are going up and costing people hard. For those already on low pay, the benefit is even less. The cut is better for higher paid workers and comes at the cost of lower-paid workers, many of whom live in my constituency.

For generations, parents have hoped that their children would have it better than they did growing up. Of course, that has never been guaranteed, but for too many people today it is a far-off dream. There are 9 million young workers in this country who have never seen sustained average wage rises. This is the only Parliament on record where living standards have fallen. Consecutive Conservative Governments have seen inequality outstrip that seen in any other large European country, and our public services on their knees just as people need them more than ever.

Many of us in the House will recognise the stories behind these statistics in the constituents who come to our office doors in the most desperate of circumstances with nowhere else to turn. A report released in January by the Joseph Rowntree Foundation laid out the extent of rising poverty and destitution, which is hitting families with children and disabled members hardest. It said:

"This is a story of moral and fiscal irresponsibility",

and it is one that affects constituents in Blaydon and across the north-east. In the north-east, the proportion of children in poverty who are from working families has risen from 56% to 67% in less than a decade. That is the impact of Tory Government decisions on real people's lives day to day.

Times are really hard for people, and we know that there is a well-established link between socioeconomic factors, such as financial distress, and mental health problems, and vice versa. It was therefore disappointing to see nothing on offer in this year's Budget to tackle our mental health crisis, and organisations such as the Samaritans, YoungMinds and the Mental Health Foundation have all commented on that. Despite uncertainty and anguish in the sector about the ringfenced funding for local suicide prevention plans, which is set to run out this financial year, we did not hear a word about those plans on Wednesday. Nor did we hear anything about specialist mental health support in schools, suggesting that the Government's aspirations remain limited to covering just 50% of schools. The hon. Member for Redditch (Rachel Maclean), who is just walking into the Chamber, talked about people with mental health problems and

bad nerves. Would it not be great if we could tackle NHS waiting lists for mental health services so that people could get the support and diagnosis they need and could improve their lives?

In the meantime, the picture on social care also remains bleak, with the Government's ambition failing to meet the essential needs of older people, disabled people and their carers, and with local authorities struggling to balance their budgets. There is nothing to tackle that issue.

As a north-east MP, I noticed the Chancellor's reference to a deeper devolution deal for the north-east. I am pleased to see the north-east getting more powers, and many more powers are needed regionally. However, our aspirations in the north-east are even higher than those in this deeper devo deal, and I have no doubt that we will continue to press for even more measures to reduce regional inequalities.

If one thing was clear from yesterday's Budget, it was this: the Government are out of touch and out of ideas. Unable to face up to the crisis they have presided over, they are left spinning and scrabbling, trying to tell us that we are out of the woods, while our constituents feel the impact of the recession and tell us about it. The Government's plan has failed. It is time for a new approach. It is time for a general election.

**Mr Deputy Speaker (Mr Nigel Evans):** We come to the wind-ups. I call Liz Kendall.

4.28 pm

**Liz Kendall (Leicester West) (Lab):** Thank you, Mr Deputy Speaker. Yesterday, the Conservative Government's seventh Chancellor gave his second Budget—thankfully, the last before the general election. Ministers have repeatedly claimed that the economy has turned a corner, but they have driven it into a dead end. Our economy is smaller now than when the Prime Minister entered Downing Street. Not only was GDP per person down in every quarter last year, but it will be lower at the end of this year and lower, too, in four of the next five years. In this Parliament, we have had the biggest hit to living standards on record, and we have the highest tax burden for 70 years.

But people in this country do not need statistics to tell them the dire state we are in or that they are paying more but getting less. They see it every day in the higher cost of the weekly shop and in their gas and electricity bills. They see it in higher mortgages and rents and in soaring childcare costs. They see it in their crumbling school buildings and in the 8 am scramble to see their GP.

The argument I want to make today is that one of the central reasons why the Government have failed on the economy is that they have failed on work. For all the claims made by Ministers, the OBR lays bare the scale of their failure and the appalling cost to the British people.

The official unemployment rate is low, but that is not because a record proportion of people are in work. We are the only country in the G7 whose employment rate has not returned to pre-pandemic levels. Yesterday, the Office for Budget Responsibility revealed that our employment rate will be lower by the end of this year than it forecast in November; that the rate will be lower in five years' time; and that in 2028-29 it will still not be

back to where we were before the pandemic. That is the truth of what another five years of the Conservatives will bring.

The reality is that increasing numbers of people are leaving the labour market and not even looking for work. Whatever the Secretary of State says—he repeated it today—the OBR says that economic inactivity is increasing, not declining. It says that economic inactivity is proving more persistent than it previously thought. It is no longer declining from the post-pandemic high and has instead rebounded to a total of 9.3 million people—the highest in over a decade.

Much of the problem is driven by poor health, an issue raised by many hon. Members in this debate. On the Labour side of the House, we know that a healthy nation is critical to a healthy economy and that the Government are failing on both. Some 2.8 million people are now not in work because of long-term sickness—an all-time high. Many of them are over 50: often women struggling with bad hips, knees and other joints, often caring for elderly parents at the same time.

There has been an extremely worrying increase in young people out of work due to mental health problems, with many lacking basic qualifications. As the Centre for Cities has shown, all those problems are far worse in northern towns and cities, which the Conservatives promised to level up, but which have once again borne the brunt of their economic failure. In places such as Blackpool, Blackburn, Middlesbrough and Hull, if we include the hidden unemployed in the figures, it takes the official unemployment rate from 5% to 20%. The Labour party thinks that unacceptable.

The waste of individual potential is appalling, as hundreds of thousands of people who want to work are written off and denied help to get back on their feet. This is a waste for British businesses, which are desperate to recruit and need the talents of everyone in our country to grow and succeed. It is an appalling waste of taxpayers' money, too. Over the next five years, 600,000 more people will be on sickness and disability benefit, which will cost an extra £33 billion—more than our day-to-day expenditure on defence.

The impact on our economy is profound. Yesterday, the OBR said that

“higher and rising levels of inactivity”

are offsetting increases in the size and growth of our population, and will leave GDP in five years' time

“unchanged...and the level of GDP per person...lower.”

There it is in black and white: the Conservatives' failure on work is a drag on the economy, a drag on growth, and a drag on living standards and money for our vital public services. That is not good enough.

**Mel Stride** *rose—*

**Liz Kendall:** I will willingly take an intervention.

**Mel Stride:** I thank the hon. Lady. She is rightly not happy with the level of economic inactivity; that is why we are bearing down on it. Given that the level of economic inactivity was higher during every year of the last Labour Government, would she like to comment on their record on it?

**Liz Kendall:** I will not take any lessons from a Government who are overseeing economic inactivity at record levels. The number of people out of work due to

sickness is at a record level, resulting in soaring costs for individuals and livelihoods. If I were the Secretary of State, I would put in place a proper plan for reform, not offer half-baked programmes, rehashed and re-announced schemes, and more of the same empty rhetoric on benefits.

**Mel Stride:** If our plans are half-baked and rehashed, why has the OBR confirmed that by the end of the forecast period, 371,000 fewer people will be receiving the long-term sickness and incapacity benefits to which the hon. Lady refers? If our plans are half-baked, why will 371,000 fewer people be on those benefits?

**Liz Kendall:** The OBR says that there will be 600,000 more people on those benefits, and the total cost will be £33 billion. The Secretary of State tries to deny that the schemes are rehashed. Well, let us look at the reform to fit notes announced in 2023. Back in 2017, what did the Chancellor, then Health Secretary, announce? Reform to fit notes, taking them beyond GPs. The Government recently announced that there will be mandatory work placements. In 2011, what did they announce? A mandatory work activity programme. In 2017, the current Chancellor, as Health Secretary, said:

“We will appoint an Expert Working Group on occupational health.”

They are the same policies with the same failure. It is absolutely time for a change.

We do not have to go down this road; we can choose a different path. Under a Labour Government, we will do so. Our back to work plan will tackle the root causes of worklessness by driving down waits for NHS treatment, and we will recruit 8,500 more mental health staff. We will ensure that employment support is tailored to individual and local needs, by overhauling jobcentres to end the tick-box culture, and devolving employment support to local areas. In every part of the country, we will create more good jobs in clean energy and through our modern industrial strategy. We will make work pay and improve the quality of work, by ensuring a genuine living wage, banning exploitative zero-hours contracts, and strengthening rights to flexible working. And we will do more.

There are now 850,000 under-24s who are not in education, employment or training—one in eight of all our young people. That is a terrible waste for them and for our country as a whole. Given that half of all mental health problems start before people turn 14, we have to intervene earlier, so the first part of our offer to young people is about providing specialist mental health support in every school, and walk-in access in every community. That way, we will tackle one of the key drivers of worklessness before it takes hold. Secondly, we will deliver 1,000 new careers advisers, and good-quality work experience, so that young people leave school ready for work and ready for life.

Thirdly, we will overhaul skills by creating new technical excellence colleges and reforming the Tories' failed apprenticeship levy, which has seen apprenticeship starts by young people fall by a third. Our new growth and skills levy will help young people to get the skills that they need, including by offering them a second chance at basic skills and pre-apprenticeship training if they did not get the right qualifications at school. Fourthly, we will provide new employment advisers for young people in our young futures hubs. They will offer joined-up specialist help and support, because the old, one-size-fits-all

[Liz Kendall]

approach will not work when it comes to tackling this problem. Finally, we will overhaul access to work for young disabled people who want to work, so that they know what equipment, adaptations or personal support they will get before they start, giving them the confidence to take the plunge.

Our proposals are fully costed and funded, and will be paid for by scrapping tax breaks for private schools and closing the tax loopholes enjoyed by private equity fund managers. That is our offer to young people. This year, they and the rest of the British public face a choice: another five years of stagnation, low growth, high costs and worklessness under the Tories, or a long-term plan to get Britain building again, growing again and working again under Labour. The public know it is time for change. Let us have an election, and let us have the guts to have it now.

4.39 pm

**The Financial Secretary to the Treasury (Nigel Huddleston):**

It is my pleasure to close the first full day of debate on this spring Budget, which my right hon. Friend the Chancellor of the Exchequer brought before the House yesterday. I thank everybody for their contributions today.

The past few years have been a sobering lesson in living through history. They have not been easy for the British economy or the British people, as we face the challenges and the legacy of covid, war in Ukraine and, now, war in the middle east. We all know that we are in an election year, but it is important that we focus on the policies as well as the politics, and on the facts, not just the spin, so let us have a look at some of the facts.

Inflation has fallen from 11% last year to 4% now. We knew that reduced inflation was the single most important thing for helping families, and it has happened. Real wages are now rising, and some mortgage rates are starting to come down. The economy has also performed better than forecast. It is projected to grow by 0.8% this year and by 1.9% next year, defying expectations that we would enter a long recession.

The International Monetary Fund forecasts that the UK will have the third-fastest cumulative growth in the G7 over the next five years, and will grow faster than Japan, Germany, France and Italy. We are on track to meet our fiscal rules, underlying debt is forecast to fall as a share of GDP in the fifth year of the forecast, and by the end of the forecast, borrowing will be at its lowest share of GDP since 2001.

Of course, it is only because we responsibly reduced the deficit by 80% between 2010 and 2019 that we were in a position to provide much-needed support, to the tune of £450 billion, during the pandemic and the recent cost of living challenges that followed the invasion of Ukraine. As has been repeated by many colleagues, we did not hear the Opposition complain about that support.

The support inevitably led to higher taxes, because public expenditure was higher. How on earth did the Opposition think all those interventions would be paid for? This reality has been forcefully emphasised today by my hon. Friends the Members for Folkestone and Hythe (Damian Collins), for The Cotswolds (Sir Geoffrey Clifton-Brown), for Devizes (Danny Kruger) and for

Hastings and Rye (Sally-Ann Hart), all of whom made important contributions, but the job and the recovery are not yet done. Because of the progress we have made, though, the economy is turning a corner, and we have been able to afford tax cuts as part of our plan to reward work and grow the economy.

**Karin Smyth:** It is astonishing that on day two of the Budget, the Government still want to tell the country that it has never had it so good. Will the Minister address some of the points made by my hon. Friend the Member for Leicester West (Liz Kendall)? What does he say to those young people who cannot work because of disability or ill health? What does he say to women in their 50s who are not working? How does he propose to get those people back to work? We are the party of work, and we have heard a lot of myths today from Conservative Members. We believe in well-paid, good-quality work. The clue is in the name of our party. What will the Government do for those women, and for those young people with disabilities?

**Nigel Huddleston:** That is quite amazing. I opened my speech by saying, “Let’s focus on the facts.” Is Labour really claiming to be the party of employment? Every single Labour Government in history have left office with unemployment higher than they began with.

The Secretary of State for Work and Pensions outlined how we will help the very people whom the hon. Member for Bristol South (Karin Smyth) mentions. Far from saying that everything is fine and that people have never had it so good, we are being honest with the public by saying, “We know that you have been through an incredibly difficult time.” That is precisely why we intervened to such an extent, providing over £450 billion of support during the pandemic and since. It was out of necessity. That support was needed. It is important that we are honest with the British public that the money clearly needs to be paid back. We have higher taxes out of necessity, but as my hon. Friend the Member for Folkestone and Hythe said, we reduce taxes out of choice when we can. We increase them out of necessity, and we reduce them out of choice. The Opposition do not have that philosophy.

From April 2024, we are further reducing national insurance contributions, and employees across the UK will see their national insurance contribution rate cut from 10% to 8%. Alongside the cuts we already made to NICs at the autumn statement, this is a total annual tax cut of £900 for the average worker on £35,400 a year. Self-employed national insurance will be cut further too, to 6%; 2 million self-employed will also get a tax cut, worth, on average, £650 a year. Those measures will incentivise, encourage and support more people into work or to work longer hours. 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 latest cut to NICs is the latest step towards our long-term ambition to end the unfairness that means that if somebody gets their income for having a job, they pay two types of taxes—NICs and income tax—but if they get it from other sources, they pay only one. When it is responsible and when it can be achieved without compromising high-quality public services, we

will continue to cut NICs, making work pay. I believe that my neighbour, my hon. Friend the Member for The Cotswolds, outlined the precise wording from the Chancellor yesterday on that.

Of course, this should be seen in the context of our overall record on jobs, which is impressive. Since 2010, more than 2.5 million more people are in work. That is equivalent to 800 jobs created every day of the Conservative-led Administrations.

**Michael Shanks:** Does the Minister agree, however, that many of those jobs are part of a low-wage economy? The OBR, which he cited, said that in the 13 years of the Conservative Government pay has gone up by just £17 a week, which contrasts with the 13 years of Labour when it went up by £183 a week. Does he agree that many of these jobs are low paid and precarious?

**Nigel Huddleston:** The hon. Gentleman was clearly not listening yesterday to the Chancellor, who had a key focus on jobs. That is precisely why we are lifting so many people out of poverty and why we have had a focus on increasing the national living wage over the years. Let us not forget that the tax-free allowance was about £6,500 under Labour, whereas it is more than £12,500 now. We have lifted so many people out of paying tax altogether, and that has been a key focus and strategy of this Government.

**Jim McMahon:** On low income tax payers, by the Government's own assessment how many people have been brought into taxation because of the freeze on the personal tax allowance?

**Nigel Huddleston:** The hon. Gentleman is making an important point. I said earlier that, unfortunately, we have had taxes at a higher level than we want, but now we are in a position to reduce them. Reducing them and focusing on NICs is impactful for 29 million workers—anybody earning above £12,500. People now need to earn more than £1,000 a month before they pay any tax whatsoever.

As I said, when we came into power unemployment was near 8%, but it is now about 4%. We should not take full employment, or near full employment, for granted. We all know that every Labour Government have increased unemployment—that is not an impressive record but it is a consistent one.

I particularly want to reflect today on how our plan rewards hard-working families. The Government believe that people's careers should support rather than undermine another important role: parenthood. That is why at last year's Budget the Chancellor announced the biggest ever expansion of childcare from September 2025, extending the 30-hour free childcare offer to all children of working parents from nine months old. That will result in an extra 60,000 parents entering the workforce in the next four years. But to deliver on that we need to support the private sector to play its part too, so yesterday we confirmed that the Government are guaranteeing the hourly rate paid to childcare providers to deliver the free hours offer.

**Stephen Kinnock:** The Minister has not yet mentioned the Government's damascene conversion on scrapping the loophole for non-doms, but there is a point here

about what they could have generated. If they had listened to Labour and done that two years ago, it would have generated an extra £6 billion of revenue, which could have paid for free breakfast clubs for nearly 4.5 million children. So on the point of childcare, does he think that is relevant?

**Nigel Huddleston:** The hon. Gentleman gave quite a wish list earlier, which, by my calculations, could come out as being quite expensive. I do not know whether he has had conversations with the hon. Member for Leicester West, who is on his Front Bench.

On the hon. Gentleman's point about non-doms, we will be scrapping the non-dom status, but we will be replacing the system with one that is residency based, including measures that will encourage and incentivise further investment into the UK, because we will be implementing transition measures. I did not hear the Opposition talk about them. Those transition measures are likely to encourage £15 billion of additional investment into the UK. Non-doms at the moment pay about £8.5 billion in taxes. We want to welcome people, but we recognise that those with the broadest shoulders must carry the greatest burden. None the less, we want to be internationally competitive, and the new system that we have proposed will be.

Returning to the childcare measures that I outlined earlier, this commitment would mean over £500 million of additional investment in childcare over the next two years. This will give childcare providers the confidence to invest in expanding at a crucial time, to deliver the free childcare expansion and help bridge the gap between parents' career demands and their childcare needs.

This approach complements further changes that we are making to the tax system to incentivise parents to increase the hours they work. Yesterday, the Chancellor announced that from 6 April the high-income child benefit charge threshold will be raised to £60,000. In addition, the level at which child benefit is withdrawn completely will increase to £80,000. That was very much welcomed by many Members on the Conservative Benches, including my hon. Friends the Members for Devizes, for The Cotswolds and others. As a result, no one earning under £60,000 will now pay the charge. This will put pounds in parents' pockets, saving nearly half a million families with children an average of £1,300 a year. According to the OBR, this change will also result in an increase in hours for those already working, which is equivalent to around 10,000 more people entering the workforce full time.

**Peter Grant:** I am grateful to the Minister for giving way. One of the remaining injustices with the high-income child benefit charge is that a single person earning £60,000 will have to pay the charge, but a couple earning £59,000 each will not, because it is assessed on a single earning. Do the Government have plans to amend that anomaly? If so, when can we expect to see that happen?

**Nigel Huddleston:** If the hon. Gentleman had not intervened and given me just one more second, I would have said that, going forward, we will also consult on moving the high-income child benefit charge to a household-based system, to be introduced by April 2026. That point was also raised by my hon. Friend the Member for Christchurch (Sir Christopher Chope), who pointed

[Nigel Huddleston]

out the potential opportunities in other areas relating to household income. It is important, because our tax system is based on the principle of individual taxation, and there are many aspects of confidentiality and so on that are important in that as well. The Government will consult shortly on options to enable better targeting of economic support to households in times of crisis.

**Danny Kruger:** I, too, very much welcome that commitment to move towards a household basis for taxation. Does my hon. Friend recognise that most other countries, particularly European countries, operate on a household basis for taxation, because they recognise the obligations that families have to dependants.

**Nigel Huddleston:** Yes, I hear my hon. Friend but, as I have said, there are some challenges in moving to a household system. There will be a consultation and I am sure that he and others will participate in that, and we will have further discussion in the House.

**Karin Smyth** *rose*—

**Nigel Huddleston:** I do need to make some progress and respond to comments, and my right hon. Friend the Secretary of State was extraordinarily generous in taking interventions earlier on.

**Karin Smyth:** Will the Minister give way?

**Nigel Huddleston:** I am afraid that I cannot take any more interventions, as I have to respond to other colleagues' questions.

My hon. Friends the Members for Christchurch, for The Cotswolds and the right hon. Member for Leeds West (Rachel Reeves) and others talked a lot about the tax burden. It is important to point out that, taken together, this Budget package and the autumn statement will reduce the tax burden by 0.6% in 2028-29. The tax burden is forecast to be lower than expected in the autumn. The tax system is competitive, when compared with other European nations, such as Germany, France and Italy, which have much higher tax-to-GDP ratios.

The hon. Member for Glenrothes (Peter Grant) and others raised the point about green policies and green energy. Of course, the UK has halved its emissions since 1990, which is faster than any other G7 country. Since September alone, companies have announced plans for £30 billion of new energy investment, and the Budget delivers on the green industry support announcements in the autumn statement 2023, including an additional £120 million for the green industries growth accelerator and other measures.

My hon. Friend the Member for Redditch (Rachel Maclean), who is my constituency neighbour on the other side, not only proudly quoted Margaret Thatcher, which of course always goes down well among Conservative Members, but gave her considered insight into mental health and resilience. She also mentioned productivity, as did several other Members, which was a key theme of the Chancellor's speech yesterday.

My hon. Friend the Member for Thurrock (Dame Jackie Doyle-Price) and others made important points about the role of local government and local government

finance. On 24 January, the Government announced an additional £600 million for local authorities in England. Taking into account that additional funding, the final local government finance settlement for 2024-25 is a 7.5% increase in cash terms on 2023-24.

Several hon. Members mentioned the importance of house building, which of course is a priority for this Government and a central part of our plans for growth. We are on track to deliver 1 million new homes in this Parliament, and have already delivered more than 233,000 homes on average each year since 2019.

The hon. Member for Bristol South said that there is nothing in the Budget for the people of Bristol South. I respectfully suggest that the national insurance cuts that we announced in the Budget will impact thousands of her constituents. She may not appreciate or value that, but I assure her that her constituents will.

**Karin Smyth:** Will the Minister give way?

**Nigel Huddleston:** Very briefly.

**Karin Smyth:** My point was about the changes that we do not yet really understand in the Budget, and their effect on women in particular. Will there be an equality impact assessment showing how these changes will affect women?

**Nigel Huddleston:** As the hon. Lady knows, there are always tax information and impact notes—impact assessments—as part of the budgetary process.

My hon. Friend the Member for Folkestone and Hythe, in his very strong contribution, reminded us of not only the context in which we took power in 2010, which was far from the golden legacy that the Opposition received in 1997 when they took power, but the challenges that we have faced in power over the last few years. He was also very enthusiastic, as I am, about the opportunities and progress of the creative industries. That is exactly why we have focused on them, and provided more support measures in the Budget, following on from several measures over the last few years. The creative industries are vital to our economy and future growth, growing on average at about double the normal pace of the economy.

I have to call out the comments of the hon. Member for Warwick and Leamington (Matt Western) regarding the West Midlands Mayor, Andy Street, who has done so much to grow and attract investment in the west midlands. I gently remind the hon. Gentleman that the Labour council is not without its problems in Birmingham.

**Matt Western:** Will the Minister give way?

**Nigel Huddleston:** I will happily follow up with the hon. Gentleman, but not now.

My hon. Friend the Member for The Cotswolds mentioned VAT RES, which I was absolutely expecting. He made some really important points in many areas. I will happily follow up with him regarding VAT RES. The Government are considering the OBR's findings about VAT RES, in the context of the wider public finances, but the Chancellor has expressed that he is always happy to receive further representations.

The hon. Member for Halifax (Holly Lynch) mentioned several areas, including SEND, which other colleagues mentioned as well. We know that it is a really important part of the education system and our overall social provision. The Government are investing an initial £105 million over the next four years in building new special free schools, and 20 successful alternative provision free schools as well.

I am aware of the time, so I will conclude my comments. I genuinely thank all Members for their contributions. There have been some extremely interesting contributions today. The hon. Member for Leicester West (Liz Kendall) outlined her vision of a clear choice, which I think we might be hearing quite a lot over the coming months. I do believe that there is a clear choice this year: sustainable economic recovery, sound finances, lower taxes, more productive public services, support for businesses and households, optimism, confidence and opportunity for all with the Conservatives, or reckless spending, unfunded promises, higher taxes, pessimism and negativity from the Labour party, with no hope, no clue and no plan. We have a plan, it is working, and I encourage everyone to stick to the Conservatives, and not to risk a Labour Government.

*Ordered, That the debate be now adjourned.—(Mr Mohindra.)*

*Debate to be resumed on Monday 11 March.*

## Pavement Parking

*Motion made, and Question proposed, That this House do now adjourn.—(Mr Mohindra.)*

5 pm

**Liz Twist** (Blaydon) (Lab): I rarely have the chance of speaking two times on one day in quick succession.

I am glad to have secured this debate, but I am sad that we are having to revisit the topic. My first Adjournment debate in this House on 6 June 2018 was on pavement parking. I am sorry that nearly six years on, we are still only talking about preventing it. I am by no means the only person to have raised this subject, as the Minister knows. Since that debate, we have had promises to resolve the problem, a few Government announcements and even a consultation three years ago—but still no Government response, much less any action.

Guide Dogs set out well what has been happening. It pointed out that it has supported private Member's Bills in the House of Commons in 2014 and 2015, which contributed to the Department for Transport decision to commission research on pavement parking. The Department subsequently held a consultation on managing pavement parking between 31 August and 22 November 2020, exploring three options: first, to improve the traffic regulation order process by which local authorities can already prohibit pavement parking; secondly, a legislative change to allow local authorities civil parking enforcement powers to enforce against unnecessary restriction of the pavement; and, thirdly, a legislative change to introduce a London-style pavement parking prohibition throughout England. Guide Dogs supported all three, but it strongly emphasises the third option, to introduce a law across the rest of England.

**Afzal Khan** (Manchester, Gorton) (Lab): I thank my hon. Friend for securing this important debate. In Manchester, pavement parking continues to prevent people from participating in everyday life, especially vulnerable and disabled people. Back in May 2023, I petitioned Parliament to outlaw pavement parking across the country. That had huge support from my constituents and local authorities, but the Government have done nothing about it. Does she share my concern that the Government continue to show their contempt for the people of Britain by failing to enforce simple measures that would greatly benefit the public?

**Liz Twist:** I absolutely agree with my hon. Friend.

The argument for a pavement parking ban needs little restatement. All the organisations that have contacted me since I secured this debate are largely in agreement. They say that pavement parking puts pedestrians in danger, including disabled and older people, as well as parents with children, and that the Government must take action. Locally, I know, there are major issues with the school run for parents and children negotiating parked cars. From my constituents who raised this issue, I know it is clearly one that is deeply felt. I am sure that they are not alone in that in Blaydon. Residents regularly tell me about the problems pavement parking causes outside the little shops in Winlaton, along the high street in Birtley or even just up from my home along the main road in Ryton.

[Liz Twist]

Guide Dogs UK has done a lot of work on this issue because pavement-parked vehicles pose a particular risk to people with sight loss, blocking their routes, creating trip hazards and forcing them to walk on to roads full of traffic which they cannot see. Research by Guide Dogs has found that virtually all people with sight loss have been forced to walk in the road due to pavement-parked vehicles. Some 80% of respondents said that pavement parking affects them weekly, while one in five said that they had been injured as a result of it. A third of people with sight loss said that they are less willing to go out alone just in case they come up against vehicles blocking their path. It is deeply unjust that people with sight loss should have their everyday lives disrupted because of this issue.

In my last Adjournment debate, I talked about my experience of meeting Margaret and Laurel, constituents of mine who are both visually impaired, and taking a walk with them blindfolded, or with restrictive glasses, on my local street. At the time, they told me that they had lost confidence in going out alone, and that their independence was at risk because of the number of vehicles parked on the path. I had the chance to catch up with Laurel ahead of this debate, and I am sad to say that little has changed for her in the past six years. She shared with me the following message:

“Where I live, all the houses are built in the 1950s and many don’t have their own drive. As a result, everyone parks their cars on the pavement. You can’t get past them, and often Tasha, my Guide Dog, and I have to walk in the road. It’s not just the one car we have to get past—I frequently have to go in the road to get past a few of them, which is so frightening as you can’t hear bikes or quieter cars. If I try to get past without going on the road, I find that I often hit my head on the wing mirrors, which is unnerving in itself.

I want to be independent and use the pavement without having to get help, but there are so many cars about that it’s getting harder all the time. I recently went to catch the bus but found there were cars parked each side of the bus stop pole, stopping me from waiting there, and preventing the bus from pulling up. I had to step out into the road to get to the door of the bus, which was nerve racking. You don’t know what might be coming towards you and you are putting yourself and your guide dog in danger. Because I’d had to step down into the road, the step onto the bus wasn’t at the height I’m used to, and I missed it and fell, really hurting myself. The driver didn’t help and just said he’d report the problem.

On another occasion when I was coming home, the bus got to my stop and struggled pulling into the curb because of the cars. The driver actually stopped right in front of the pole so that it was right in front of the doors when they opened. If I’d got out, I’d have walked straight into it but fortunately, my son was with me on that occasion, and he grabbed hold of me to stop me.

I feel really angry because people parking on the pavements just don’t realise what problems they cause Tasha and I when we’re out, and I want someone to stop this happening.”

The focus of my debate is the problems that we are having in my Blaydon constituency, which, as the Minister knows—it is next to his constituency—is in the north-east. I note that the north-east deeper devolution deal, which was published yesterday, contains a section that addresses pavement parking. The North East Mayoral Combined Authority’s stated intention to develop a consistent approach to enforcement is laudable, and I know that my local authority, Gateshead Council, has previously looked at what it can do to help with the problem, but identifying streets and issuing traffic regulation orders

is a lengthy, impractical and costly process, and local authority civil enforcement officers have few powers where there are no lines or signs present. That is why so many organisations and local authorities have called for a system that allows for blanket prohibition, such as the one that currently operates in London, with the potential to allow for exceptions where local geographies or street designs make them necessary.

The national consultation was set up to consider what the Government could do to support councils to take action on this issue. I gently remind the Minister that that consultation took place in 2020, and it stated that a summary of responses would be published within three months of its closing. It has now been 1,285 days since the consultation closed, but we are without a substantive update. That is without considering the dawdling that took place prior to the consultation, which I understand the Government had initially planned for early 2017, or—to look even further back—the time that has elapsed since the hon. Member for North Dorset (Simon Hoare) introduced a private Member’s Bill on this issue in 2015.

In a debate in the House of Lords only a few weeks ago, the Under-Secretary of State, Lord Davies of Gower, told that House:

“Yes, it is time and I am hopeful that in the not-too-distant future we will come out with a report on this.”—[*Official Report, House of Lords*, 21 February 2024; Vol. 836, c. 607.]

I can understand that the 15,000 responses that I believe were submitted need to be looked at, and that considering them takes some time, but from hearing those words from Lord Davies, one could be forgiven for assuming that the Government were just running a tad over the deadline. We are now more than three years on, and it is disappointing that the Government cannot promise us anything better than vague hopes for a response.

**Afzal Khan:** I thank my hon. Friend for being generous in giving way. A recent Sustrans report found that 49% of people in Greater Manchester wish to walk or use their wheelchair more, and 40% want to cycle more. Does she agree that if the Government banned pavement parking nationally, that would improve the accessibility of our footways, make our streets safer, and encourage people to choose active travel alternatives to cars?

**Liz Twist:** My hon. Friend makes an important point. We are all looking to develop active transport policies, and making it easier for people to walk on pavements and use public transport safely is a real issue, so I very much welcome that report.

As I have said, 15,000 responses might be a lot of paperwork to get through, but they also suggest a high level of public engagement and interest in this issue. The Government owe it to disabled people, as well as the wider public, to ensure that they complete this process. As such, I ask the Minister whether the Department for Transport will commit today to urgently publish the response to the consultation on managing pavement parking, and to set out a timetable for introducing legislation.

Everyone should feel safe and confident when using pavements in their local area, but so many people, including many families walking to school, are suffering. People like my constituents Laurel and Margaret are suffering from social isolation and a loss of independence due to the lack of action on this issue. People with

disabilities must not be an afterthought, so I hope that the Government will stop taking them for a ride, crack on and address their concerns.

5.12 pm

**The Parliamentary Under-Secretary of State for Transport (Guy Opperman):** I congratulate the hon. Member for Blaydon (Liz Twist), who is my constituency neighbour, on securing this Adjournment debate on what is genuinely a very important issue—I do not diminish it in any way whatsoever. I acknowledge that the hon. Member for Manchester, Gorton (Afzal Khan) has also previously raised this matter in the House. I have had my brief for about 100 days, and have taken the trouble to read transcripts of the previous debates.

I am also acutely conscious that a vast amount of evidence has been provided by a large number of organisations. Like the hon. Lady, I have met Guide Dogs UK, and I know that this is a very serious issue that affects individuals up and down the country in a genuine and serious way, including people who are disabled, those who have children, those with prams and buggies, those who are walking their dog and those who are engaging in active travel, for which I am also the Minister. We have increased the budget for encouraging active travel by 10, and we are trying to persuade people to get behind it, so I do not want to diminish the importance of this issue in any way. I acknowledge that it is very serious.

As the hon. Member for Blaydon knows and has previously outlined, there has been a total ban on pavement parking in London since 1974. However, to be fair, successive Governments of different political persuasions have decided since 1974 that there should not be a nationwide ban. That is partly because London is clearly a different environment from other parts of the country, particularly in terms of rurality. However, she will also be aware—I am repeating things that both she and the hon. Member for Manchester, Gorton know—that there are traffic regulation orders, as well as prescribed traffic signs and bay markings.

To give some context, the Transport Select Committee's report in September 2019 was highly detailed and took huge amounts of evidence, and to a certain extent triggered the Government to respond. That Committee sought reform of the TRO process, a change in the legislation governing the enforceable offences of obstructive pavement parking—as I will deal with later, that legislation is not simple by any stretch of the imagination—and consideration of a nationwide ban in some shape or form.

As a result, and following consideration and, rightly, extensive debate in the House on an ongoing basis, there was the consultation. As the hon. Member for Blaydon says, 15,000 people responding to a Government consultation is probably more than any other that I am aware of—certainly in the transport space. When I was the Employment Minister, I was not aware of such detailed consultations. Clearly, there are some that do generate more than that, but this was not just on the three main points, because bear in mind that there were 15,000 responses on 15 different issues. That produced, as she rightly outlined, thousands of pieces of individual feedback, all of which need to be read and analysed. An awful lot of different Departments need to consider different matters, and local authorities are utterly key to that, as is the Department for Transport and the like.

I want to make the point that we understand the issues, and if we did not understand them before the consultation, we most definitely do now. There are obviously inherent dangers for all pedestrians, and the hon. Lady rightly identified the particular situations for her constituents, for whom I have genuine sympathy. However, it must be recognised that many towns and cities—as was clearly set out in the Transport Committee report and the consultation the Government undertook—are not designed to accommodate today's traffic levels, and in some locations the pavement is the only place to park without obstructing the carriageway, not least because there needs to be a free flow of traffic for the emergency services, which is a factor that the Government have to consider.

**Liz Twist:** I understand that issue, and I understand that one of the proposals is to have a blanket ban, but allow opt-outs in particular circumstances. That is clearly necessary, and I do not think anyone is arguing that there are not circumstances in which that would be the case. However, this is sounding as though we are not getting to a conclusion and that we are not going to have a decision on this issue, because it is too difficult. Is that right?

**Guy Opperman:** No, I think that is a slightly unfair, with great respect. I endorse entirely the comments of my noble Friend Lord Davies of Gower, who responded to that specific point in the House of Lords very recently. He specifically said that the Government were coming to a conclusion very soon. I have unquestionably become aware of that since having taken up this post, and it will unquestionably be decided in the very near future. I do not want the hon. Lady to walk away from this debate thinking that this is not under consideration.

As the hon. Lady knows, existing legislation allows local authorities to introduce traffic regulation orders to manage traffic. Examples are one-way streets or banned turns, and the TROs also allow local authorities the freedom to decide if and how they wish to restrict pavement parking in their local area. However, we acknowledge—and the consultation clearly shows—that the process of making a TRO can be time-consuming and burdensome for local authorities, and it is clear that that requires reform. What reform looks like is not simple, but we unquestionably feel there is a capability to do that. There is also scope to reduce the cost of this process, because there is undoubtedly a lot of bureaucracy and time that goes with it. If one could introduce a digitised, non-paper-based system, that would speed up applications and clearly make communication better. There is a clause to make that change in the Automated Vehicles Bill, which is going through the House and had its Second Reading earlier this week, and that will make it quicker and cheaper for local authorities to implement TROs.

The second recommendation was about unnecessary obstruction of the road. There are already some criminal offences in this space, and we are looking at how we amend the regulations to make unnecessary obstruction of the pavement enforceable by local authorities, while leaving obstruction of the carriageway, rightly, as a criminal matter. This would label civil enforcement officers to address instances of unnecessarily obstructive pavement parking, as and when they find it. The enforcement of these offences would be more targeted than for a general prohibition of pavement parking.

**Afzal Khan:** The Minister has accepted that we have laws in London but not in the rest of the country. Would it not be consistent to have the same law across the board? After all, London is not the only important city. Cities such as Manchester or Birmingham are also important.

**Guy Opperman:** This option has challenges. Parking offences currently subject to local authority civil enforcement are violations of clearly defined restrictions indicated by traffic signs and road markings. By contrast, unnecessary obstruction that could not be indicated by traffic signs or bay marking as an obstruction is a general offence, which may occur anywhere. That is difficult to define and will require case-by-case assessment. The Department will likely need to issue very specific guidance to steer local authorities on what might be deemed unnecessary obstruction in order to prevent inappropriate and inconsistent enforcement.

The third option is a national prohibition. That is being considered, but there was considerable pushback against it in certain circumstances. As the hon. Member for Blaydon outlined, one would have to assess how it would possible in circumstances where there are significant and large local authorities, particularly rural ones, which would struggle to make the specific decisions on exemptions. However, we are looking at that particular situation to make a decision on where pavement parking would be necessary. A local authority would have to limit the necessary exemptions, and install traffic signs and bay

marking to indicate all the places where pavement parking was to be permitted. That would be extremely difficult, particularly in rural areas. However, it is not by any stretch impossible.

Consideration also needs to be given to whether a ban would be disproportionate. I mentioned the rurality issue, but I want to finish on one key point. One can talk about the relative merits or otherwise of local government, and whether the London approach is the panacea that we all seek to say it is, but this is ultimately about the personal responsibility of the vehicle owner. I really want to ram home the point that, as is set out in the gospel, “do unto others as you would have done to yourself.”

**Liz Twist** *rose—*

**Guy Opperman:** I will not take a further intervention. It is unquestionably the case that we need to send a strong message to the drivers of this country that it is incumbent upon them to park responsibly, to look after their neighbour, and to be conscious of the wider impacts of their decision to own a car, so that in their street and community, they are accommodating the people who are struggling.

*Question put and agreed to.*

5.22 pm

*House adjourned.*

# Westminster Hall

Thursday 7 March 2024

[GRAHAM STRINGER *in the Chair*]

## BACKBENCH BUSINESS

### LGBT History Month

1.30 pm

**Elliot Colburn** (Carshalton and Wallington) (Con): I beg to move,

That this House has considered LGBT History Month.

It is a pleasure to serve under your chairmanship, Mr Stringer. LGBT History Month was in February, and as co-chair of the all-party parliamentary group on global LGBT+ rights, which I am delighted to co-chair with the hon. Member for Wallasey (Dame Angela Eagle), I thank the Backbench Business Committee for allowing time for us to discuss the topic. It has become something of an annual debate, so I do not want to repeat too much of what we have said before. However, having looked through *Hansard* at some of our previous debates on the topic, it is a shame that we have to repeat a lot of what has been said on what we need to do in the UK and around the world to further advance the rights of LGBT+ people.

I want to stress a point that we as colleagues in this place have made on a number of occasions. LGBT+ people have always existed; we did not just pop out of the ground in the 1960s and 1970s and start marching through the streets of London and other cities. I worry about that idea sometimes, particularly with the rhetoric around trans people that has developed over the last few years. During the debate on the Conversion Practices (Prohibition) Bill last Friday, one colleague justified not supporting taking that Bill to Committee by saying, “Well, you know, we just never saw anything about trans people when we were younger.” Of course not—they were not allowed to be public. As LGBT+ people, we were legislated to stay in the closet. The law did not allow us to be open and free, so of course we did not have the ability to be open and free as we are today. That is a bit of a ridiculous argument.

I will begin by talking about some of the positive steps that have been taken around the world since we last held the debate. The International Lesbian, Gay, Bisexual, Trans and Intersex Association maintains a database of laws around the world, which includes dashboards showing which countries criminalise same-sex acts, and a chart showing decriminalisation year by year. When we were here last year, we celebrated the fact that Antigua and Barbuda, Barbados and Saint Kitts and Nevis decriminalised same-sex acts. I am delighted to report that in 2023 the Cook Islands, Mauritius and Singapore joined their ranks.

Same-sex marriage was legalised in the last 12 months in Andorra, Slovenia and Estonia. Same-sex civil unions have been proposed or passed in Latvia, Poland, Czechia, Hong Kong and parts of Japan. Conversion therapy bans have been proposed or passed in Portugal, Norway, Tasmania in Australia, Switzerland and the Netherlands.

Other laws to improve the lives of LGBT+ people, such as adoption rights, anti-discrimination laws, advances in the rights of trans people to gender recognition and others, have been passed in places such as New Zealand, Colombia, Australia, Mexico, Cuba, Taiwan, Paraguay, Thailand, Iceland, Georgia, Italy, Cyprus, Germany, South Korea, Pakistan and more.

There is much to be positive about and we welcome that progress around that world. However, a point that has been made by colleagues in other debates is worth repeating: we cannot take progress for granted. We cannot assume that the hard-fought rights and freedoms that we have managed to achieve, in not only the countries I mentioned but the UK, are set in stone and that there is no chance of them ever being reversed. In this House we have spoken about some of the disgraceful measures taken around the world to row back on the rights of LGBT+ people, such as Uganda’s Anti-Homosexuality Act, with other African nations such as Ghana looking worryingly close to doing the same.

In fact, anti-LGBT+ laws have been passed or proposed in countries such as Bulgaria, Bahrain, Russia, Belarus, Niger, Nigeria, Puerto Rico, Kenya, Hungary, Iraq, Lebanon, Malaysia, Oman, Jordan and Burkina Faso. There have also been worrying developments in countries where we would assume that things were only heading forward, particularly in Italy and Spain, and a huge swathe of state-level anti-LGBT laws in the USA.

LGBT+ rights have become increasingly politicised, and we can see that happening in the UK as well. Of course, we have made incredible progress and I always want to champion that. In the last decade alone, we can talk about the successes of same-sex marriage, becoming a leading country in eradicating new HIV transmissions, LGBT content in relationships, sex and health education, and more. There is still a lot to do, however, and I am afraid my right hon. Friend the Minister will not be surprised to hear me speak mainly about the need to make progress with banning conversion therapy.

I was incredibly disappointed that last week we did not manage to persuade the Government or the House to allow a very compromised Bill—so well compromised, in fact, that it was not necessarily universally welcomed by the LGBT+ community. Yet the fact that it was not even allowed to go to Committee stage so we could thrash out some of the challenges and finally make progress towards banning such abhorrent practices was disappointing indeed.

**Olivia Blake** (Sheffield, Hallam) (Lab): Does the hon. Gentleman agree with me that it is disappointing that the UK did not feature on any of the lists he mentioned, apart from the last one, obviously? Would it not be good, since we have a whole history month, for the Government to come back to the table quickly with a conversion therapy Bill?

**Elliot Colburn:** I could not agree more with the hon. Lady. The Bill we were debating last week was the product of extensive hard work and compromise, including meeting people who were both sceptical and incredibly pro banning the practices. The Bill attracted criticism from those in favour of a ban because, unlike in other countries such as Norway, it does not carry a jail sentence. None the less, it was an attempt to try and bring everyone together, take the heat out of the debate

[Elliot Colburn]

and allow us to finally make some progress. That did not happen; the Government were not keen to support it and it was talked out.

**Dame Angela Eagle (Wallasey) (Lab):** The hon. Gentleman and I both attended the debate last Friday. Was he as disappointed as I was that, despite how modest the Bill was and how reasonable it attempted to be, some of the arguments against it were so unreasonable?

**Elliot Colburn:** I agree with the hon. Lady and my co-chair of the APPG. She is absolutely right and I think it demonstrates that, sadly, no matter how much engagement and how much compromise is made, there will be those who are not interested in banning such practices. They do not see a ban as necessary; in fact, they are against it because they believe it will infringe on certain rights. I do not believe that argument for one minute. The only thing that banning conversion practices achieves is to stop people being subjected to harm—harm that is still legal here in the United Kingdom. That is why we have to continue with progress towards a ban.

There have been so many promises since the proposal was first made by the LGBT action plan in 2018 and yet, we have still not had sight of a Bill. We are often told it is complicated. No one is saying it is not, but we delivered Brexit faster than this and I argue that that was slightly more complex. Also, we are not working from a blank slate; there are many other examples from around the world where this kind of legislation has been successfully enacted and has not had the chilling effect that we are often warned about in terms of infringements on the freedom of speech and the rights of women, for example. That just simply has not happened in any example that I have looked at globally where such a ban has already been passed.

We have had ample time to bring forward a Bill. It has been promised in two Queen's Speeches and at the Dispatch Box and yet there always seems to be a new reason to delay. The latest is that we are now waiting for the outcome of Dr Cass's review into child and adolescent healthcare when it comes to treating people who are trans. However, Dr Cass has explicitly stated that her work should not be used as an excuse to delay passing a ban, and I argue that we must not delay any longer. We cannot go into an election without passing such a ban because it would represent a huge breach of trust. I feel slightly unfair targeting the Minister with this, because I know how supportive he is on this issue, but I sincerely hope he can pass the message back to those who might be less so to urge them to get on with it.

I worry that this issue has become part of a wider targeting of the LGBT+ community, particularly the trans community, on which there is an increasing focus, alongside the erosion of protections in law. I worry that this is not just the beginning; I am very concerned, as I am sure many of us are, that the targeting of LGBT+ people and the attempt to erode their rights is the first step on a journey to erode many of our hard-fought rights, not just for LGBT+ people, but for many people across the UK. We are seen as a convenient battering ram at the moment.

I hope that we can come together to continue to fight the erosion of our rights. It is a fight that LGBT+ people did not ask for, and we want no part in. I hope

that, in this election year, parties can commit to not using these issues as wedge issues, and that they can instead focus on the issues that actually matter to people. Otherwise, I fear that once the election has come and gone, we will be back here again asking for the same thing. As much as I love seeing the Minister and spending time with him, maybe we can cross out this date in our diary for next year. I would like us to make some progress so that we do not need to bother him again, and repeat ourselves.

I end on a happy note: I hope that everyone had a happy LGBT+ History Month.

**Graham Stringer (in the Chair):** Hon. Members who wish to speak should stand to indicate that wish, in the usual manner. I call Dame Angela Eagle.

1.41 pm

**Dame Angela Eagle (Wallasey) (Lab):** It is a pleasure to serve under your chairmanship, Mr Stringer, in a room that is, for once, warmer than it is outside. Clearly, something is working better than it used to.

Today's debate comes after LGBT History Month, due to, I think, logjams in Back-Bench business. It is an opportunity to celebrate the many events that have happened in the last month, in schools, libraries, pubs, clubs and across our country. LGBT History Month is a huge, ongoing event that has many different facets across the country.

It is also a time for us to remember our past, when we were, as my co-chair of the APPG on global LGBT+ rights, the hon. Member for Carshalton and Wallington (Elliot Colburn), has said, more hidden than we are now; to celebrate the present and the progress that we have made; and for us to be clear-eyed about some of the potential problems we may face in the future.

**Marsha De Cordova (Battersea) (Lab):** As my hon. Friend highlights, LGBT History Month was last month. Its theme was paying tribute to contributions in the field of medicine and healthcare. She may be aware that the Mayor of London recently named one of the overground lines that goes through my Battersea constituency Mildmay, after the hospital that played a pivotal role in healthcare for those suffering in the HIV and AIDs epidemic, which in fact became Europe's first hospice for caring for people with AIDs-related illnesses. Does she agree with me that it is right to recognise our history and the progress being made, but also highlight the fight for equality and justice going forward?

**Dame Angela Eagle:** I certainly agree.

**Graham Stringer (in the Chair):** Order. I remind hon. Members that we are not pushed for time this afternoon. Interventions should be short and to the point.

**Dame Angela Eagle:** It is a great luxury not to be pushed for time these days in the House and, Mr Stringer, you tempt me; but let us see how we get on.

I particularly welcomed the Mayor of London's announcement about the renaming of the overland train lines after what I think are progressive causes, one of which my hon. Friend the Member for Battersea

(Marsha De Cordova) just mentioned, and a pretty fantastic football team—even if they have to keep proving themselves over and over again.

As I was saying, this is a time to remember the past but also to be clear-eyed about some of the potential problems that face us, as a global LGBT community as well as a community in this country. This debate gives us a chance to do that. LGBT+ History Month 2024 celebrated the community contributions to medicine and healthcare, as my hon. Friend said in her intervention. It also highlighted the community's blighted history in getting access to healthcare, as well as the ignorance, prejudice and inequality that came about as the AIDS pandemic—which is a pandemic and has killed millions of people—raged around the world. All that we got was prejudice and ignorance, and the only thing that helped to make any progress in those grim times was the self-help that the community came together to provide in very many inspirational ways.

Hopefully, we are in more enlightened times now, although I have to say that I have heard similar arguments about the threat that LGBT people present resurfacing again in political discourse. It happens more abroad than here, but it rears its ugly head on occasion here, too. That is an alarm bell that we should all be listening to. We should all be ready to fight because, as my hon. Friend said, a battle for equal rights and equality in the law or for equal access to goods and services, and being able to live a life that is not blighted by prejudice, ignorance or the fact that one is a particular thing—be it black, Asian and minority ethnic, be it a member of a particular faith, or be it LGBT—is all really important. When we fight together to improve the prospects of everyone who might be subjected to discrimination, we create a better, fairer and more equal society in which people's human rights are properly recognised and prejudice is pushed to the sides.

LGBT History Month is really all about remembering. It is also, I think, about teaching some of the younger members of our community, who breeze through life, never had to be in the closet and have never been subjected to the quite extraordinary vitriol that used to be a regular feature of the media in the 1980s. They do not really understand how far we have come and what gains had to be fought for and made. They take it all for granted, which is fantastic—I hope that they can continue to take it for granted—but I always think that if we do not know our history, there is an increased chance that we will have to repeat it.

It is, then, an important time to reflect on the huge legislative progress that we have made in campaigning for our rights and against prejudice—the kind of progress that I thought was probably unimaginable when I was marching against section 28 in the 1980s. Some of us are old enough to remember Margaret Thatcher's conference speech in 1987. I used to watch all the conferences, including the TUC's—they were all televised, constantly, at the time. I was a bit of a junkie when it came to seeing what was happening, and I remember watching the speech in which she declaimed that children were being “cheated of a sound start in life” due to the fact that they were “taught that they have an inalienable right to be gay.”

It is not about a right to be gay; it is about being what you are and being able to live a life that is authentic to what you are, not having to hide away or be berated for who you are, and not being frightened to walk the streets.

Some of us who are old enough do remember the prejudice-laden tabloid coverage and the bullying that that involved, as well as the weaponisation of prejudice for electoral purposes that led to the enactment of section 28, which made the lives of LGBT+ pupils and teachers in schools a misery for generations. Gradually, though, in the face of often open media hostility, the last Labour Government changed all that in a series of landmark changes to the legal statutes that created circumstances in which, largely, LGBT+ people got their equal rights in law.

Many of those changes were hard fought for, including the Sexual Offences (Amendment) Act 2000, which reduced the age of consent for gay and bisexual men to 16. We had to put that legislation through Parliament three times and use the Parliament Act to get it on to the statute book, because the Lords simply would not pass it. Because we persisted with it, we were then accused on the front pages of the tabloids of being obsessed with buggery. Everything is created to make it look like you are the obsessive—the one who is trying always to go on about these things. There is no understanding that, actually, this is just a basic equality requirement that has to be there in law, otherwise that person will be discriminated against, regarded differently and treated differently. The world has not come to an end since we equalised the age of consent, despite some of the warnings, but it really had to be pushed.

Similarly, many here will remember the 2003 repeal of section 28, which talked about “pretended” family relationships and ridiculed LGBT people and their relationships and commitments to each other at a time when people could not get married or do any of the legal things that are available now. That legislation took us three years of persistence to finally repeal because the Lords would not pass it. Every time we were nearly losing our local government Bills, which had increasingly important things in them, we had to keep leaving the change out and putting it in again. It took three years to get that sorted out.

The landmark Gender Recognition Act 2004 enabled transgender adults to achieve legal recognition in their acquired gender. That was because of important international court judgments that basically said they had a right to that. I suspect that the fact that the Gender Recognition Act has been on the statute book for 20 years has passed by quite a lot of people who have suddenly discovered that they are worried by transgender people. The fact is that transgender people were not really visible at all until after the Act was passed. It is an example of how our society gets kinder and more equal if people feel that they can present as they really are. That is what transgender people have been doing since then, until, for various reasons, that has become problematised in the last few years.

As well as that Act being put on the statute book, we had the Civil Partnership Act 2004, which established a new legal relationship for same-sex couples. Some people say that that was then upgraded, but I do not because I still have a civil partnership. I have not got married yet, partially because the Catholic Church does not recognise same-sex marriages and my partner will not do it anywhere else. It is important that we have recognised that civil partnerships can also apply to heterosexual people, because many worry about the baggage that comes with the chattelisation of women in a marriage.

[*Dame Angela Eagle*]

I know many feminists who felt that way, and are more than happy to have a civil partnership rather than a marriage in that sense. We are creating circumstances in society in which people's loving relationships can be recognised, validated and made sound in law so that there is not a problem if somebody dies, is ill or needs to have an official connection as next of kin. That is really important.

The Equality Act 2010 included sexual orientation and gender reassignment as two of the nine protected characteristics. I think it is a pretty good Act. I know that various people have problems with it at the moment, but I think it is a well-balanced piece of legislation that does not need change. The Marriage (Same Sex Couples) Act 2013 legalised same-sex marriages at a time when the party of the hon. Member for Carshalton and Wallington realised that it had got a bit left behind and that it ought to come into the modern world. The vast majority of them are still there, but not all of them, it seems, as we saw last Friday.

All that change was thanks to having a progressive majority Labour Government in the 1997 to 2010 period. We passed progressive legislation that made people's lives easier and demonstrated that their relationships, their loves and what they did in their lives was properly respected. However, the progress has not been linear—progress very rarely is—and the community faces threats now that are reminiscent of what I hoped we had left behind in the 1980s. For four consecutive years, between 2015 and 2019, Britain was ranked the best place to be LGBTQ+ in Europe, in the Rainbow Europe index, but we are now 17th. There has been a cocktail of anti-LGBT hate crime on the streets, and anti-LGBT diatribes have featured increasingly in the media and some political discourse. Some members of the Government are trying to use that for their own purposes, when it comes to modernising and reform. I am not pointing the finger at anyone in this Chamber, because I know we are among friends, but there are some issues.

Police-recorded hate crime on the basis of sexual orientation is up 112% in the past five years, and against trans people it is up 186%. In Merseyside, where my constituency of Wallasey is, reported hate crime based on sexual orientation is up 162%, and against trans people it is up 1,033%. So let nobody say that the problematising of LGBT people, particularly trans people, does not have consequences on the street, because it does and they are often very brutal.

We need to try to marginalise the people who think that a divisive war on woke is the way they can win the next election, shore up the blue wall or do any of the things they think they are doing by problematising trans people in particular and painting them as a threat. They think what happens on social media is real, and that those provocations are anything other than that—they are often generated by bots and agents provocateurs outside our country in order to divide us. It is called hybrid war, and it is not something we should indulge in.

I am disappointed—I hope the Minister might be able to cheer me up—that the Conservative Government dropped their LGBT+ action plan and dismissed their LGBT+ advisory board. Having such voices at the centre of where policy is made is always very important. The Minister for Women and Equalities, the right hon.

Member for Saffron Walden (Kemi Badenoch), has not seen any LGBT+ organisations except those that are gender critical in any of the meetings she has had when she has been formulating Government policy. That is, to say the least, regrettable.

The problems around modernising the Gender Recognition Act and the manifesto promise to ban the abusive practices of conversion therapy need not have happened, but we are where we are and we have to find a way through. There has been an authoritarian far-right backlash evident across the world, encompassing President Putin all the way to Steve Bannon, Trump's guru, and a lot in between. We need to see what is going on globally and connect it to how the trans issue has been used as a wedge issue in order to take the "T" out of LGBT and destroy progress in this area.

Just last week hon. Members were lining up to stop a very mild private Member's Bill. It was so mild that I wanted it to be toughened up considerably, were it ever to reach Committee stage. But we could not even get it there, nor would the Government even allow opinions on it, despite the sponsor bending over backwards to try to create a situation where the Bill could get to Committee. We have had Members of Parliament talk about LGB people, erasing the "T", and equating conversion practices with families having a normal conversation about their children growing up and exploring ideas about themselves and their identity. That is not what conversion practice is. It is easy to recognise torture and abuse when we see it. Torture and abuse is definitely not a conversation.

This year, whether the Prime Minister likes it or not, there will be a general election. Labour will offer the country the chance to pick up on legislating to protect the LGBT community with a comprehensive, trans-inclusive ban on conversion therapy. I would have liked to get it done sooner, but it will happen. We just have to make progress. It is very sad that, as the hon. Member for Carshalton and Wallington said, it has taken longer than the Brexit negotiations. That should make us stop and think about what has been going on. We will also strengthen the law so that anti-LGBT+ hate crimes are treated as aggravated offences, and there will be a much-needed modernisation of gender recognition processes, which are humiliating and overlong.

Progress on LGBT rights around the world was summed up very well by the hon. Member for Carshalton and Wallington. There are still 67 countries that criminalise homosexuality, 51 that restrict freedom of sexual and gender expression and 11 that apply the death penalty for same-sex offences. Uganda and Ghana have passed the two most recent pieces of anti-LGBT legislation that feature capital punishment. Just last week, Ghana passed its Promotion of Proper Human Sexual Rights and Ghanaian Family Values Bill unanimously. Even thinking about the title, there are a whole load of assumptions in there that are interesting to say the least.

That Bill criminalises being gay, prohibits adoption for gay people and forcibly disbands all LGBT associations. For same-sex intercourse, one is likely to be jailed for up to three years. For producing, procuring or distributing material deemed to be promoting LGBT activities, it is six to 10 years. For teaching children about LGBT activities, it is also six to 10 years. Just yesterday, on Ghana's independence day, LGBT+ protestors demonstrated in solidarity outside Ghana's high commission against this appalling Bill.

Uganda's Anti-Homosexuality Act passed last year. It includes the death penalty for the offence of "aggravated homosexuality"—whatever that is—life imprisonment for the offence of homosexuality and up to 20 years in jail for promoting homosexuality. A report was compiled late last year by the Strategic Response Team, which is a coalition of Ugandan LGBT+ rights organisations, which have been criminalised for even existing in their own country and have to operate in very difficult circumstances. They found that between May, when the Act became law, and September there had been 180 cases of evictions, 176 cases of torture, abuse and degrading treatment, and 159 incidents of discrimination.

All of those were against both real and perceived LGBT+ people. We have to remember that just because something is anti-LGBT+ legislation, it does not mean the people caught by it are necessarily LGBT+. They are marginalised or focused on for whatever reason the authorities feel that they wish to focus on them. We have heard that the first person arrested who faces capital punishment under the law was not even gay. They were homeless, and they were arrested for being shirtless, which was because they were poor, and they were charged under the legislation. The Ugandan authorities are using the law to brutally criminalise the LGBT+ community, but also to go for any marginalised groups they want to attack. It is one of those catch-all things that they can put people in jail for. As is often the case, an attack on one minority is only ever the beginning of attacks on many others.

On our own European shores, over a fifth of countries lack broad protections for LGBT+ people—again, mentioned by my friend the hon. Member for Carshalton and Wallington. Discussions in schools on LGBT+ issues are outlawed in Russia, as is being LGBT+, and in Hungary, Lithuania and Latvia. In Poland, nearly 100 municipalities have self-declared as LGBT-free zones. I hope that President Tusk, who—thank goodness—has just been elected in Poland, can start to undo some of the damage done in this area by the previous long-standing regime.

Across the Atlantic, the American Civil Liberties Union is tracking 474 anti-LGBTQ Bills in state legislatures across the country. That was the number as of yesterday, but it is probably out of date already because several get promulgated every day. Florida's so-called "Don't say gay" law bans discussion on sexual orientation or gender identity in schools for children under 10—that is their very own section 28. That is being exported by American Christian groups, which ploughed more than \$280 million into campaigning against LGBT+ rights and abortion rights worldwide between 2007 and 2020, targeting communities and Parliaments around the world with their well-funded and co-ordinated doctrine of hate.

The legislation in Uganda and Ghana is peculiarly similar because it was drafted in that context. That does not arise spontaneously; it is well organised, and it has to be fought. Britain, as a country that respects international human rights and has better standards on that, ought to be financing some of the battles to prevent the spread of that pernicious and damaging ideology.

Britain has to get back on the international stage to advance LGBT rights across the globe and has to support those campaigning to change those unacceptable laws at home. I know that the international development Minister, the right hon. Member for Sutton Coldfield (Mr Mitchell), is very aware of that, and we as an APPG

have been to see him about it. It would be interesting if the Minister said a bit about whether there is funding to help to support a battle against those worrying developments on the African continent.

We have made progress, stalled and progressed again, and are going forwards and backwards in a non-linear way. There are challenges ahead, but we have to redouble our efforts not only to be proud of who we are and proud of our communities, but to try to create a circumstance where once more Britain leads the world in LGBT+ rights.

2.9 pm

**Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): It is a pleasure to serve under your chairpersonship, Mr Stringer, and to follow two excellent speeches by the hon. Member for Carshalton and Wallington (Elliot Colburn) and my hon. Friend the Member for Wallasey (Dame Angela Eagle). They have said many things that I agree with. I will touch on a few of those things but will also cover some other areas.

I join everybody else in belatedly wishing everyone a happy LGBT+ History Month. It is important, and I want particularly to thank the individuals who set this up many years ago. It allows us to reflect on where we were, where we are, and where we have to go. It also enables us to look at aspects of the LGBT+ history of this country and the globe. I declare my interest as a member of the all-party parliamentary group on global LGBT+ rights and as co-chair of the LGBT+ parliamentary Labour party group with my hon. Friend the Member for Wallasey, who is sitting next to me.

It is worth reflecting on the hard evidence of how far we have come in a positive direction. The latest British Social Attitudes Survey report came out in September last year, and it details many of the positive changes in attitudes of the last 40 years. In 1983, only 17% of people believed that same-sex relations were "not wrong at all"; that is 67% today. The proportion of those who said that same-sex relations were "always wrong" has fallen from 50%—half of the population—to just 9% today. That is still far too high and amounts to nearly one in 10 people, but it shows the progress we have made as a result of campaigners, activism, Governments taking leadership and decisions on these issues, and change within organisations that have previously been extraordinarily conservative themselves, including in parts of many faith communities. I say that as a Christian. There has been huge changes within the Church—again, it still does not go far enough for my liking, but there has certainly been a lot of progress. We have many more inclusive places of worship and places of faith across this country than we did in the 1980s, for example.

However, it is also important to reflect on the negatives and where we are actually going backwards. That same survey showed that, since 2019, the proportion of people who described themselves as

"not at all prejudiced against transgender people"

has fallen from 82% to 64%. That is just since 2019—in the last five years. That is quite a rapid decline in support for, and awareness and acceptance of, those with transgender and non-binary identities. It should be a wake-up call and a worrying call to us all to see such positive changes in some aspects of rights but such backsliding on others in just a few years. The reasons why that has happened in this country, but not in all

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countries across Europe or the globe, have already been accurately reflected on. These changes are happening for a reason. Many of us have touched on it in debates in this place before. It is deeply concerning and worrying, not least when it is combined with hate crime statistics and the very sharp, violent and in some cases tragically life-ending circumstances that we have heard debated in this place in recent weeks.

I do not say this as any reflection on the two Conservative Members present, the hon. Member for Carshalton and Wallington and the right hon. Member for Pudsey (Stuart Andrew), because I know that they are very strong advocates and have spoken out bravely against challenges in their own party over recent years, but I will always look back. I have a poster on my phone that somebody once sent to me. It was issued by Conservative central office in Smith Square in the 1980s. At the top, it says, "Labour Camp", and it depicts people holding up banners in the street, reading "Gay Sports Day" and "Gay Lib", followed by:

"Do you want to live in it? Think about it. Conservative."

It was published privately by central office—the headquarters of the party, not by some activist or individual—in the 1980s. I know that is not the party as it is today, and I sincerely hope that it would never publish that sort of material in the future. It certainly would not be approved by the Members in this room from the party, but I worry about the language and divisive rhetoric of those who are perhaps auditioning to be a future Conservative leader or seeking to take their party in a very different direction.

One of the hallmarks of the work of the APPG on global LGBT+ rights and of many of the forums in this place and in our parties is our unity on basic principles of human rights, equality, and inclusion, regardless of huge divisions on other matters relating to the running of the country. There is unity on the fact that we should not have that kind of division, language and problematisation of minority populations in this country. I know that the two Conservatives here do not take that approach. They believe in an inclusive and open party, but it is a big problem to hear senior figures saying some of the things they have done in recent weeks. In our party, we know all too well that when things are being done and said that are completely unacceptable, it takes bravery and courage to speak up and stand up and be counted when it matters—even when that is on somebody's own side. I certainly hope we will see a pushback against that kind of language. We do not want to go back to those days when Conservative party headquarters was putting out material like that.

I would like to reflect a little on my own constituency and some of the fantastic organisations and groups, not only in Cardiff South and Penarth, but across Cardiff and the Vale of Glamorgan. They are testament to our current vibrant LGBT+-inclusive communities and have been key to shifts and changes in social attitudes and behaviours in recent years. I think particularly of Pride Cymru, which organises our annual Pride parade in Cardiff, and our local Prides. Over the last few years, I have been able to attend a number of local Prides in Wales. They simply would not have happened when I was a young person growing up, completely repressed and closeted in south Wales. Llantwit Major, where I went to school—a town in the neighbouring constituency

of Vale of Glamorgan—held its own Pride a little while ago. There was even an LGBT flag flying from the church. I literally could not have believed that as a child growing up in that town.

I was also proud to march alongside many others at Barry Pride. I went along to Newport Pride; again, that would have been unthinkable a few decades ago. And we all come together for the national celebration in Cardiff. I really pay tribute to all the volunteers and organisers who do such incredible work with Pride Cymru. It draws on the history from the early days of the Mardi Gras in Cardiff, right through to what we see today, which is vibrant, inclusive to all people, all ethnicities, all races, all religions, all ages—it is a festival of inclusivity. It is a lot of fun, with great music—a great day out for all. Those festivals and coming together have been key and are indicative of the progress that has been made.

I also want to pay tribute to the key figures of the LGBT+ community, some of whom have great historical knowledge and perspective. There are two I want to mention today. The first is my very good friend and neighbour—I declare an interest, because she sometimes feeds my cat—the wonderful Lisa Power, who was one of the original founders of Stonewall, an original operator on the LGBT+ Switchboard and a former director of policy at the Terrence Higgins Trust. She is also a historian of the LGBT rights movement in the UK and has written some fantastic books and articles. She has been part of a team researching LGBT+ history and lost venues and locations in Cardiff and Wales. It is fantastic to be able to see how that heritage has developed over time.

Russell T. Davies is also a key figure on the scene, not only for his work on "Doctor Who" and other leading series, but, critically, his work on the series "It's a Sin", which showed very powerfully a few years ago the remarkable struggles of those who were involved in HIV campaigning and wider LGBT+ campaigning, which was so critical in the 1980s, and the tragic circumstances that many went through. It is by getting those stories to the screen and reminding people what happened that we can achieve progress going forward. Those are just two key people I wanted to mention from our local community.

Today, we see Cardiff and Vale of Glamorgan as a hub of excellent TV and film production, including queer and LGBT-inclusive TV and film production. I think particularly of "Doctor Who"—filmed in my own constituency, with BBC Studios, Bad Wolf and now Disney+—which has always had an inclusive approach to LGBT+ characters. In recent times, it was a real pleasure to join Ncuti Gatwa at the premiere with the BBC just before Christmas—many MPs went along to that fantastic event. There is also the famous series "Sex Education" on Netflix, which is filmed largely in my constituency. It is a hugely popular worldwide hit and is rooted in Cardiff and the Vale of Glamorgan; some of it is also filmed in Newport.

I want to pay tribute to some of our incredible local venues. I mentioned the lost venues, but we are very lucky to have so many vibrant venues in Cardiff, with new ones opening up. Recently, we had a new venue open, the Dock Feeder, just down from the new canal in Cardiff, which is an uncovering of the old Dock Feeder canal. We are trying to do something similar to Manchester, although not quite on that scale. It is really positive to see. There are venues like the Golden Cross—I declare an interest as a regular visitor; there is Mary's, Pulse and so many others. These venues are the lifeblood of

our LGBT+ communities. It is important that we recognise the role that venues have played in providing safe spaces and places not only for expression but for bringing together LGBT+ communities, particularly in the past when being a member of those communities could have landed someone in a lot of trouble, or worse. Those venues still play a crucial role and it is important that we protect and recognise them as safe and welcoming spaces for the LGBT+ community.

I think of places such as the Queer Emporium in the centre of Cardiff, which provides an awful lot of material and clothing and which is, again, a safe place for people to meet. Also, we have the wonderful LGBT+ societies at our universities in Cardiff, organisations such as Glitter Cymru, those that work with black and minority ethnic communities in particular and the work done by specific organisations on issues not only affecting the LGBT+ community but more broadly, such as Fast Track Cymru, which is doing work to end HIV transmissions and wider work around sexual health in south Wales. I wanted to touch on some of those because it is important we recognise and celebrate not only what all those organisations have done in the past but what they are doing today.

I will now come to some of the issues already covered by my hon. Friends. On conversion therapy, I share the sadness, concern and disappointment at the failure of the very reasonable Bill put forward by my hon. Friend the Member for Brighton, Kemptown (Lloyd Russell-Moyle) to progress through the House and some of the quite divisive and unhelpful speeches heard during the debate. Conversion therapy is abuse, and it is a vile and abhorrent practice. I have met survivors of conversion therapy and know what damage it has done to them. I do not want to name individuals, but there have been really harmful mental health impacts, such as self-harm and suicidal thoughts, and the lifelong impact of forcing someone to try and deny who they are.

The practice needs to be stamped out. It is hugely disappointing that the Government have not moved on the matter and I hope the Minister can say a little bit on that when he gets up. It was deeply disappointing that the House did not allow that reasonable Bill to make progress. However, I am pleased that if a Labour Government were elected, we have made clear that we would implement a fully inclusive ban on conversion therapy in all its forms. It is crucial we do that sooner rather than later and I am astonished that the practice still goes on in this country in 2024. It needs to be ended.

We have already talked a little about hate crime. I led a debate in this place just a few months ago on the subject and we have heard some of the statistics. It was deeply disappointing that the Minister at the time used the word “hysterical” in referring to some of the comments made in the debate. Hon. Members from all parties had spoken up against hate crime in a non-partisan way, telling real stories that had affected their constituents and other people up and down the country, and the statistics bear that out. To then have that slightly dismissive response from a Minister was deeply disappointing—it was not the Minister who is here today. I hope he can reassure us that that is not the position of the Government and that they take hate crime seriously.

As has been reported, we have seen a 11% increase in hate crimes against trans people in just a year, a 186% increase in the last five years and although there was a slight fall in crimes against people on the basis of

their sexuality last year, that is masked by a 112% increase in hate crimes in the last five years. Again, I am sorry to have to declare an interest, but I too have been victim of an aspect of homophobic assault in my constituency. I have also experienced online and other abuse, as I am sure many other hon. Members have. It is a sad fact that these days, particularly for those of us in public life or in the public eye more generally—I think of people in all lines of work, such as journalists, public officials and others—if someone is a woman, if they are black, if they are brown, if they are Jewish, if they are Muslim, if they are gay, if they are trans, if they are lesbian, the reality is that they will face a substantially higher level of abuse and, I am afraid to say, risk as a result of their work. That has to end; it has to stop. Frankly, social media companies and others need to do a lot more to crack down on the matter, but unfortunately, it is being fuelled by the divisive rhetoric and language being used by some in senior public positions. That has a real-world effect on the ground.

We also know from the Government’s own reporting that they believe there is significant under-reporting and fewer than one in 10 people who are victims of hate crime in that way are actually reporting it. I know that my own police force in south Wales takes these matters very seriously, and I commend it on its work in this area. It does not get everything right, but it has certainly been active and proactive on the issues. However, that is not the case in all parts of the UK. Trust levels in the police in some parts of the country are not what they should be, not least in the Metropolitan police. After some of the incidents in the past, we all know why that might be.

I do not want to go into this too much, because of my shadow Front-Bench role, but the global statistics on LGBT+ issues are of grave concern, not only in relation to the UK, which, as has been said, has fallen from first to 17th in the Rainbow ranking since 2015, but because of what we see in a number of countries across Europe, Africa and globally. That is before we mention places such as Russia, China and so on.

I share the great alarm at some of the recent developments that we have seen, particularly in countries in Africa. There are real questions to be asked, if those worst fears are realised in due course, about the terrifying impact that that will have on citizens in those countries. People will also ask serious questions about trade and investment. Businesses will be asking questions about where they choose to trade with, the sorts of relationships that they choose to have and the safety and security of staff, tourists, others and even Members of this House; I have travelled to one of those countries as part of a delegation. I would certainly think carefully about my involvement in such a visit in the future if I thought that I would be penalised for being who I am, at risk of jail or worse.

There are serious questions that need to be considered. I certainly hope that those things do not come to pass in the way that they have been travelling at the moment and that those countries will think again. However, our primary concern must be for those who, just like in this country, exist and have always existed; they should not be criminalised or subject to the types of abuse and punishment that they face. We need to ensure that we always listen to those activists about the best ways in which we can work with, assist and empower them to go forward and have their circumstances heard.

[Stephen Doughty]

As I said, there are deep concerns in a number of countries across Europe as well. I engage regularly in these matters. Indeed, we have seen many of our UK overseas territories move forward in areas of inclusion and equality over the years. However, there are some discrepancies, particularly with regard to equal marriage, civil partnerships and other rights for LGBT+ individuals. I believe firmly in the autonomy of, and devolution of responsibility to, our overseas territories, but being part of the British family comes with responsibilities, which include the upholding of basic human rights and equalities.

I will end by saying, as others have, that we see worrying backsliding. Progress clearly cannot be taken for granted. We have only to look at the powerful book written by my hon. Friend the Member for Rhondda (Sir Chris Bryant) about the experiences of secretly gay Members of this House in the relatively—for the time—permissive environment of Berlin in the 1930s, which changed subsequently and dramatically. That ended with LGBT people alongside 6 million Jews, Roma, Gypsies and others being taken to concentration camps. I am not suggesting that we are suddenly on the brink of that in this country, but we must all learn from those terrible examples in history where progress, open-mindedness and inclusivity seemed to be on the way, but were closed down suddenly and rapidly. We have seen that happen in a number of other countries.

We still have far too much to do in this country and, indeed, even in this place. I am pretty sure that if I asked to be married in a same-sex wedding in the Chapel of St Mary Undercroft, I would not be permitted to do so, because it is an Anglican church. I might be lucky and be able to get a blessing now, but that is direct discrimination in this building against Members of this House. I took the young son of a friend on a tour recently. I took them into the beautiful Chapel of St Mary Undercroft and explained that, and the child said, “The Church is mean”. I said, “I am afraid it is on this”—I say that as a member of the Church. The reality is that unless we see progress in all our institutions and all parts of society to fully respect and include every member of society, regardless of their sexuality, gender identity or other protected characteristics, then we still have a very long way to go.

I am very proud that our party has set out a number of key commitments were we to form the next Government. We saw a radical reforming Labour Government in 1997 in this area that made huge changes, whether that was on section 28, civil partnerships or the GRA. I am pleased by what my colleagues have set out regarding GRA modernisation, a ban on conversion therapy, and aggravated offences on hate crime. I am pleased by what my Labour colleagues in Wales have done on an inclusive curriculum, an LGBT+ action plan, and clear commitments to all of the community. That is the sort of society that we need to build—a society where everybody can be who they want, and one where we can all be who we want to be in this House too. That is why moments like LGBT History Month are so important.

2.30 pm

**Olivia Blake** (Sheffield, Hallam) (Lab): I thank my glass ceiling-smashing hon. Friend the Member for Wallasey (Dame Angela Eagle) and the hon. Member for Carshalton and Wallington (Elliot Colburn) for

calling this important debate, and for being visible and an inspiration to young LGBT+ people across the UK. I was happy to support it when it was proposed as a Backbench Business debate, and I thank the Committee for allowing us time to discuss this important issue. It is important that we continue to make LGBTQ+ people and the issues that affect us visible, and that we continue trying to build a world where we are not only tolerated but celebrated for who we are. That seems truer now than it has in a long time.

I am married to a Roman historian, so I could bore everyone senseless on the LGBTQ+ history going back to Roman times and much further, but I will not. Instead, I will focus on my short life instead. I was born in March 1990, three years after the parliamentary debate on section 28. In the decade before I was born, attitudes to LGBT+ people had shifted dramatically. In 1983, as my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) mentioned, 50% of those questioned by the British social attitudes survey believed that sexual relations between two adults of the same sex were always wrong. However, by 1987, that proportion had risen to 64%.

The horrifying truth is that, in the years immediately before I was born, society became less tolerant of LGBTQ+ people. That is frightening, because it shows that attitudes do not automatically become more progressive over time. The shift in opinion did not fall out of the sky; it was driven by the debate on section 28 and a Prime Minister who, as my hon. Friend the Member for Wallasey already mentioned, said that no one had an “inalienable right to be gay”.

In the years that followed my entry into the world, things began to change. While I attended secondary school, when I was 13, section 28 was repealed, and new rights for trans people had been enshrined in law, as has been mentioned. As I grew up in the decade that followed that, I saw a wave of legislation affirming the rights of LGBTQ+ people. I am so proud to be a Member of Parliament for the party that brought in so much of that legislation. It is the accumulation of those things that led me to the firm belief that we absolutely do have an inalienable right to be gay. I am not alone. Where once, 64% of people thought that same-sex relationships were always wrong, now 67% of people believe that they are never wrong.

That is why now is a frightening time for people like me. I grew up under progress, and now for the first time since I have been alive that progress is not only stalling but feels like it is going backwards—and backwards quickly. It was only in 2018 that the then Minister for Women and Equalities, the right hon. Member for Portsmouth North (Penny Mordaunt) told the House that,

“trans women are women and trans men are men.”—[*Official Report*, 3 July 2018; Vol. 644, c. 184.]

Obviously, things have changed since then, and not for the better. Now we are more likely to hear a joke at the expense of trans people from the Dispatch Box than an affirmation of their identity. Despite the lessons we should have learned from section 28 and the damage that it did, we are still haunted by the premise that some people do not have the inalienable right to be who they are.

That has consequences. As has been mentioned, hate crimes against trans people went up by 11% last year, nearly double those committed in 2010-11. It also has consequences for the wider community. In the previous

year, we have seen far-right and fascist pickets outside LGBTQ+ events, and while there has been a reduction in hate crime directed at LGBTQ+ people in the last year, I think that probably has more to do with reporting. If we look back over the past two years, there has been an overall increase of 37.5%, and anecdotally, I know that people are feeling much less safe.

Britain is part of a pattern. Across the United States, we have seen shootings at LGBTQ+ venues, alongside legislative attacks on queer culture and performance spaces. In Poland, anti-LGBTQ+ zones that ban symbols like pride progress flags, which show that a place is safe for queer people, have now been banned, making it harder for people to live freely and in supportive spaces. In Hungary, section 28-style laws that ban the depiction of LGBTQ+ people in culture are causing havoc. In Australia, fascists are marching to strip trans people of their rights. In Italy, Giorgia Meloni's post-fascist party has banned municipal authorities from registering the children of same-sex couples. How have we got here? Our steps towards progress, both domestically and internationally, are faltering, and we are being pushed backwards.

I also have hope. Three years before I was born, more people than not thought that being gay was morally wrong. Now attitudes have changed. To turn the tide, we must learn the lessons: to support and celebrate people, not force them into the closet; to treat people with dignity and respect, not as objects of fear or ridicule; and, whatever anyone may say, to insist on their inalienable right to be gay, lesbian, bisexual, trans, queer, or every other identity represented by the pride progress flag.

2.37 pm

**Kirsten Oswald** (East Renfrewshire) (SNP): It is a pleasure to serve under your chairship, Mr Stringer, and I am grateful to the hon. Members for Carshalton and Wallington (Elliot Colburn) and for Wallasey (Dame Angela Eagle) for their leadership in the debate today. It is a pleasure to speak in the annual LGBTQ+ History Month debate, and to reflect on the journey that has been made and also on where change still needs to come. I welcome the opportunity to speak about the positive progress that we see in a whole range of areas, but as the hon. Member for Carshalton and Wallington pointed out, there is no inevitability about progressive change. We can all see this playing out. We can see the statistics showing hate crimes against LGBTQ+ people rising, and we need to be prepared here to speak out and to speak up for their rights.

It is quite extraordinary to think that it was only 10 years ago that same-sex couples were allowed to marry, and that only came 10 years after civil partnerships were introduced, which same-sex couple could enter into. It is almost inconceivable that those changes, which I think are so overwhelmingly accepted as part and parcel of partnership and marriage, were made so very recently. I think the hon. Member for Sheffield, Hallam (Olivia Blake) put it very well when she called for us not just to tolerate but to celebrate LGBTQ+ communities. It is true that we have come a long way in relatively recent times, but we have obviously been playing catch-up because change was well overdue. It is beyond time for further change, such as a ban on conversion practices, which we have heard so much about today. The SNP Scottish

Government are very clear on the need to act to end conversion practices and to ensure that everyone, regardless of their identity, is protected from them. That is progress that we need to see all across these islands.

I am very sorry that I was unable to join the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) last week in the debate on his private Member's Bill—the Conversion Therapy (Prohibition) Bill—but I saw enough to think that unfortunately this place did not come away looking particularly good. We need to be able to discuss and listen to others without some of the heat that seems to be inevitable at the moment. Unfortunately, that heat is ramped up to some extent by the U-turning, stopping and starting, and obfuscating on this topic from this Government—not this Minister—and by the desire in some quarters to polarise, demonise or to problematise, as the hon. Member for Wallasey described. It is a clearly a direction of travel that is mirrored and influenced by increasing populism and division across the globe. But we do not need to do those things, and we do not need to accept that direction of travel as inevitable. Nobody benefits from it, and it causes such significant worry and harm to LGBT communities.

That worry exists with good reason when we look at the statistics. Hate crimes based on sexual orientation are reportedly up 112% from five years ago, and hate crimes against trans people are up 186% over that same period. I was struck by what the Law Commission's hate crime report said about how members of Governments and legislatures across the UK should not engage in "culture war" targeting of the trans community, or use their positions to stir up fear and hostility towards trans people, and that all Governments across the UK should commit to addressing the causes of rising LGBTQ+ hate crimes. Surely it is difficult to argue with that.

Amidst all this, it is really important that we do our best in this conversation to make sure that young people are provided with constructive and conclusive education. I am always really proud to stand up in this place and talk about the exceptional work that the Time for Inclusive Education campaign has done to deliver that inclusive education in Scottish schools. That is important and welcome to me as a mum, and I know that my views are shared by the vast majority of parents—a recent survey found that 70% of parents support the national LGBTQ+ inclusive education programme.

I have said before that the current situation is a far cry from my school days, and it was interesting to hear the hon. Member for Cardiff South and Penarth (Stephen Doughty) reflect on his school days. It was admittedly not yesterday that I was at school, but it was really clear to me when I was that no child in my school was LGBTQ+. I went to a perfectly nice school, but I was at school in the 1980s, when section 28 was big news.

The hon. Member for Wallasey spoke powerfully about the hugely difficult times in the 1980s and the terrible impact they had on people. I, too, looked back to what was being said at that time, and it is very easy to see why people felt that they should keep their identities hidden. Margaret Thatcher said in her 1986 Conservative party conference speech that

"children are being cheated of a sound start in life"

due to

"being taught that they have an inalienable right to be gay."

[Kirsten Oswald]

It is quite hard to read and say that now. Of course gay people have an inalienable right to be gay—because they are gay. In my school, the truth of course was that many pupils were gay. There were LGBT+ pupils in the school, but they felt they needed to keep that to themselves and move on in their lives, and move on in time, before making that known. We cannot go backwards, to a time when being LGBT+ was some kind of taboo—how can it be taboo to be yourself? I think the attitudes of young people will be instrumental in making sure that that rowing back, which some people would unfortunately like to see, will not happen.

I want to mention someone who is a real inspiration to young people, and to some of us who are a bit older as well—someone who is a change maker and very much to be admired. In September 2022, Zander Murray became the first senior Scottish footballer to come out as gay. He currently plays for Bonnyrigg Rose, a professional club in Scottish League Two, and he is a bit of a goal-scoring machine. He is now the first openly gay player in Scottish football since Justin Fashanu.

Since he has come out, Zander has been really passionate about and committed to being a role model to the sporting community, and to empowering young people—particularly footballers—to be their true authentic selves. That is incredibly powerful and important. To quote Zander:

“Whilst growing up, unfortunately I felt my life in football and my sexuality could not coexist. I felt that I needed to keep it hidden and fight against it for years which resulted in numerous missed opportunities and internal struggle. Fortunately, I am now at peace with myself and more importantly I have found an amazing community that I want to stand up for and be an active ally for. It is now really important that I play my part to ensure no one experiences what I did and that all young LGBT+ people know that football and any other sport is a place where they can thrive.” That is surely a sentiment that all of us would agree with.

Zander is clearly making a huge difference. He is retiring at the end of this season, and I have no doubt that he will continue to make a positive difference and be a really important voice in this conversation. We all need to engage in that conversation a great deal more—not just the people in this Chamber, who I know do so with good will and enthusiasm at all times. We need a much broader conversation that people such as Zander will be able to inspire others to take part in.

2.44 pm

**Ashley Dalton** (West Lancashire) (Lab): It is a pleasure to serve under your chairpersonship, Mr Stringer. I congratulate the hon. Member for Carshalton and Wallington (Elliot Colburn) and my right hon. Friend the Member for Wallasey (Dame Angela Eagle) on securing this important debate, and thank them both for their efforts in doing so. [Interruption.] Have I done something wrong?

**Dame Angela Eagle:** No, I was just saying that I am not right hon.

**Ashley Dalton:** Oh, I assumed you were! Apologies.

LGBT History Month is an opportunity for us to look back and remember what we have achieved. My hon. Friend the Member for Wallasey highlighted the fact that it is an opportunity to know our history so that

we might be less likely to repeat its mistakes, and pointed out that the Government’s LGBT action plan and advisory panel are now things of LGBT history—perhaps not the kind of history we would want. As the hon. Member for Carshalton and Wallington pointed out, LGBT people have been around since time immemorial. We are not new. But we are still debating LGBT rights on at least an annual basis, and we must be ever vigilant about how fragile the rights we do have can be.

LGBT History Month is also an opportunity to reflect on the current state of LGBT+ rights both at home and overseas, and there is much to celebrate. I am delighted that same-sex couples can finally receive at least a blessing from the Church of England. Religion and religious expression is as intrinsic to the identity of some people as sexuality. The fact that same-sex relationships can now be recognised by the Church of England is a long-awaited milestone for the LGBT+ community, and one we all hope will be followed by more progress in this area in the years to come.

I was also pleased that the Government decided last summer to expand the scheme to pardon people who served in the military and were convicted of homosexual activity, including allowing female veterans to wipe their offences from the record. Sexuality is not a crime, as the last Labour Government recognised when they first lifted the ban on LGBT+ people serving in the armed forces in 2000. I am glad that the Government issued an apology to all LGBT+ personnel impacted by the ban. It is a step in the right direction, but we are still waiting for news on the progress of financial reparations and other recommendations in the independent review. Will the Minister provide an update on that today?

In Europe there have been several advancements in LGBT+ rights that are worth highlighting. Greece became the first Orthodox Christian country to legalise same-sex marriage in February, and Latvia will join its neighbour Estonia in legalising same-sex marriage this year. Several European states, including Norway, Portugal, Cyprus, Ireland and Belgium, have achieved what this country has so far failed to do by passing bans on so-called conversion therapy across their nations. It is with much disappointment that I mark LGBT History Month in this House today with no ban on conversion practices on our statute book.

However, the international picture on LGBT+ rights is far more mixed. Across the globe, LGBT+ individuals remain criminalised, persecuted and at risk of death. Last month, Russia began enforcing new legislation criminalising the display of “extremist symbols” such as the pride flag. In Saint Vincent and the Grenadines last month, courts upheld laws criminalising gay sex, while in Uganda, as has been noted, merely identifying as LGBT was criminalised in 2023.

In some nations where the legal system may not directly persecute or diminish the rights of LGBT+ people, societal attitudes may do so. In South Africa, which remains the only nation in Africa where same-sex marriage is legal, 59% of South Africans still oppose same-sex marriage. Similarly, a minority of the Greek public supported gay marriage when polled late last year. Those figures are a stark reminder that although legal progress may have been made, the LGBT+ community continues to face the same or similar attitudes to the ones that once legally prohibited the free expression of our sexuality.

My hon. Friend the Member for Battersea (Marsha De Cordova), who is no longer in her place, raised the recent recognition of Mildmay Mission Hospital in the renaming of London underground lines, and its deep connection with the LGBT community through its provision of services to those affected by HIV and AIDS, particularly at a time when prejudice was rife, even in our NHS.

Last summer marked a decade since same-sex marriage was introduced in this country—a significant moment for the LGBT+ community—but many LGBT+ people will not feel able to celebrate that anniversary, because although it is welcome that anti-LGBT+ hate crimes have fallen 5% over the past year, hate crimes motivated by transphobia have increased by 11% over the same time, and the rate of violent hate crimes targeting all groups has not fallen.

My hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) mentioned the importance of venues in providing safe places for LGBT people to meet, congregate, socialise, network and build a community. The hon. Member for East Renfrewshire (Kirsten Oswald) highlighted the importance of role models, particularly in sport and popular culture, for young people who are LGBT—and, I would argue, also for those who are not. Too many members of the LGBT+ community still do not feel able to be who they are in public, and hide their identity or sexuality. The statistics on anti-LGBT hate crime do not tell even half the story, because the Government's own figures acknowledge that 90% of anti-LGBT hate crime goes unreported.

It is the responsibility of us all in this place to make our country a safer place for LGBT+ people. Last week, we had an opportunity in Parliament to start the ball rolling on an inclusive ban on conversion practices. I am glad to see the Minister here for this debate. I know that he has personally been very supportive of a ban, so it was a shame that he could not be in the Chamber last Friday.

My hon. Friend the Member for Cardiff South and Penarth also told us about the large and rapid decrease in people saying they are not prejudiced against trans people. We have to consider how the language and leadership, or lack of it, shown on the Government Benches might contribute to that. My hon. Friend the Member for Sheffield, Hallam (Olivia Blake) reminded us that the shift in public opinion in the late 1980s away from general support to more negative views of LGBT people and same-sex relationships came in the context of the section 28 debate. That is a reminder that progress is not inevitable and that we can go backwards as well as forwards.

It appears that the Government have no immediate plans to bring a ban on conversion practices to the House. Will the Minister tell us whether he supported the Bill last Friday? The Government may choose to sit on their draft conversion therapy Bill for fear of unleashing a Back-Bench rebellion that could bring down the Prime Minister, but Labour has a proud record of leading the way on LGBT+ rights. It was Labour that repealed the appalling section 28; introduced civil partnerships, which paved the way to equal marriage; ended the ban on LGBT+ people serving in our armed forces; equalised the age of consent; gave LGBT+ couples the right to adopt; introduced the Equality Act; made homophobia a hate crime; and brought forward the Gender Recognition Act. That record made our country a safer and more

hospitable place for LGBT+ people to grow up, work, love and thrive. The next Labour Government will continue that work.

It is Labour that will legislate to give longer sentences to criminals found guilty of LGBT+-motivated hate crimes, deliver a new deal for workers that tackles the workplace harassment of LGBT+ people, and put a full loophole-free trans-inclusive ban on conversion practices on the statute books. It is Labour that will always treat LGBT+ people fairly and with dignity, respect and, crucially, equality.

2.54 pm

**The Minister for Equalities (Stuart Andrew):** It is a pleasure to serve under your chairmanship, Mr Stringer. I, too, thank my hon. Friend the Member for Carshalton and Wallington (Elliot Colburn) and the hon. Member for Wallasey (Dame Angela Eagle) for securing the debate, which is an important one for so many reasons. For too long, the history of LGBT people's lives, their stories and their love were hidden. The achievements of people, including the advancements and breakthroughs that they made, were recorded but never acknowledged or celebrated, simply because they were LGBT.

We have had some really thoughtful contributions this afternoon. In opening the debate, my hon. Friend the Member for Carshalton and Wallington rightly talked about the international changes that have happened—some good; some really very worrying indeed—and how we cannot take progress for granted. The hon. Member for Wallasey agreed, reminding us that we need to be mindful of the risks that exist and that by fighting together we can make sure that progress continues to be made.

The hon. Member for Cardiff South and Penarth (Stephen Doughty) talked about Pride events in Wales and how things are different today, including in villages. As someone who grew up on the Isle of Anglesey back in the 1970s and 1980s, I remember that if you wanted to go to a gay club, you had to travel miles into Llandudno on the first Monday of the month. It really has been interesting to listen to the debate, although one of the most shocking things I heard was that the hon. Member for Sheffield, Hallam (Olivia Blake) was born in 1990, which makes me feel incredibly old.

As the hon. Member for Wallasey said, it is important for us as LGBT people to remember our past and understand it, to celebrate our present and to create our future. Those are the principles of LGBT History Month, and they are the principles that I and many people here in Parliament are proud to stand up for today, in a House that has more LGBT people than ever before.

We have rightly remembered many of the battles for rights and the fact that persistence was often the way to ensure things happened. Whether it be in respect of section 28, the gender recognition certificate, the age of consent or equal marriage, the remark by the hon. Member for Wallasey about the sky not falling in was very true indeed. In fact, I remember that after the equal marriage debate people were very quickly boasting that they had been to a gay wedding, and celebrating that fact.

The theme for LGBT History Month this year is the celebration of the contributions made by LGBT people in the fields of medicine and healthcare. We are asked to

[Stuart Andrew]

look “under the scope” and recognise the invaluable contributions of LGBT people across the medical and healthcare sectors—including in our world-renowned NHS—which have often been overlooked, so for a moment I will reflect on that.

The UK has long been known for trailblazing healthcare professionals, and I am proud that this debate gives me a chance to pay tribute to some of those trailblazers who were LGBT. Dr Sophia Jex-Blake was a 19th-century Scottish physician who was most widely known as Scotland’s first ever practising female doctor, and for her pivotal role as a member of the Edinburgh Seven. Sophia devoted her life to the advancement of women’s rights in the field of medicine and helped to lead the campaign to secure women’s access to university education. After qualifying as a doctor, she helped to found two medical schools for women, in London and Edinburgh, at a time when medical schools were training only men.

Sophia retired to Sussex in 1899, where she moved in with Dr Margaret Todd, a fellow physician who many believe was her partner. Sophia was never openly a lesbian, but upon her death Margaret published Sophia’s private writings, many of which confessed her love for women.

Another extraordinary and hidden story is the life of Sir Ewan Forbes. On the surface, his life might appear to be one of genericity. Born into an aristocratic family in Aberdeenshire, Ewan graduated as a doctor in his early 30s and began practising as a local GP. Not long afterwards, he married Isabella Mitchell. From a young age, Ewan was open about his transgender identity, at a time when being trans was not understood and certainly was not socially acceptable. Although registered female at birth, Ewan recognised that his legal sex was not his true self and, with the support of his family, was believed to have undergone pioneering gender-affirming care.

Upon marrying his wife, Ewan sought to make the marriage legal by seeking legal gender recognition in 1952. Although a taboo topic at the time, it was relatively smoothly awarded upon that request. However, Ewan’s legal recognition was later questioned when his older brother died and he was set to inherit the fortune and become a baron. At the time, this was seen as scandalous, as many did not accept the legal gender recognition. Ewan took the case to the Scottish Court of Session and won. Despite the case being conducted in secrecy, it marked a pivotal moment in transgender rights. The fascinating details of Ewan’s life were recently recorded in a book, “The Hidden Case of Ewan Forbes”, which is a much-recommended read.

As others have said today, we should think not just about the past, but the future, and the present day. That gives me an opportunity to pay tribute to my colleague, Dr Michael Brady. Michael is a sexual health and HIV consultant at King’s College Hospital, as well as NHS England’s first ever national adviser for LGBT health, where he leads work to tackle health inequalities faced by the LGBT community.

Michael has long worked for better healthcare for LGBT people. Alongside his role as national LGBT health adviser, Michael spent 15 years as the medical director at the Terrence Higgins Trust. He played a huge role in advocating for the national roll-out of pre-exposure

prophylaxis—PrEP—the HIV prevention drug. He consistently strives to improve healthcare provision and outcomes for LGBT people in his everyday role. I pay tribute to all the others we could mention under the theme of LGBT History Month.

I come on to some of the other points raised today, including the international picture. I absolutely recognise the great strides that many countries have made—colleagues have raised many important points—but, clearly, there are some awful things still happening. As many have mentioned, the laws in Uganda, Ghana, Hungary and Russia are extremely concerning.

I assure hon. Members that, as a Government, we continue to raise these issues whenever we have the opportunity. The Foreign, Commonwealth and Development Office has a new five-year, £40 million LGBT rights programme. That programme will hopefully transform the lives of millions of LGBT people around the world, by reducing the violence and discrimination that they experience, and by offering support to those who campaign, sometimes very bravely in hostile environments.

**Kirsten Oswald:** I am interested in the Minister’s point about the situation in different countries overseas. What are his reflections on the situation for LGBT+ people in Rwanda? Is he able to tell us his thoughts in relation to his Government’s plans there?

**Stuart Andrew:** My view is very clear. Wherever there are challenges for LGBT people, we have a duty to raise them at every point. That is not just in Rwanda. There are lots of other countries in which we have lots of different agreements. It is important to raise the issues, even with good friends of ours, when we think that they are making decisions that are not in the best interests of the community that we all want to support.

**Elliot Colburn:** I pay tribute to the FCDO’s work in this area. I was invited by the British embassy in Prague to go and speak with our sister party and parliamentarians in Czechia last year, to persuade them that the sky would not fall in if they passed legislation for equal marriage. I pay tribute to the work that our officials are doing internationally in this area.

**Stuart Andrew:** I absolutely agree with my hon. Friend. That is exactly the opportunity presented by the work of our colleagues in the FCDO in helping us to share our experiences. There are challenges bringing through these pieces of legislation and these reforms. I remember all those emails coming in when we were having the equal marriage debate, but the next day, as the hon. Member for Wallasey said, the sky had not fallen in, and most people cannot even believe that 10 years ago LGBT people could not get married. That is what we need to do to spread the gospel, as it were.

The hon. Lady also mentioned how far we have come on HIV and AIDS. Given the topic of this year’s history month, it is important to talk about that. She rightly said we are all aware of the scars that the HIV and AIDS crisis left on so many in the LGBT community and on their friends and family, and sadly we lost far too many. Thanks to the advancement of medicine, HIV is a preventable and treatable condition that is no longer seen as the death sentence it once was. Instead, it is easily manageable, and people can live long, happy

lives post diagnosis. That is why I am pleased that we have committed to investing more than £4.5 million in our national prevention programme and to ending new HIV transmissions and AIDS and HIV-related deaths in England by 2030. It is an ambitious target, but we are on course for it.

Great progress has already been made through our national HIV action plan. NHS England has committed £20 million to expand opt-out HIV testing in emergency departments in local areas with the highest prevalence of HIV levels. That has helped identify more than 1,000 people with untreated or undiagnosed HIV in the first 21 months, which is truly fantastic. The message still needs to be that people need to keep testing, because the sooner someone is diagnosed, the sooner they can get treatment and live that happy and normal life.

I will move on to the issue of conversion practices—my favourite part. Hon. Members will know my personal views on the matter, and I am pleased to say there is a consensus among the vast majority that no one in this country should be harmed or harassed for who they are, and that extends to the threat of conversion practices. I want to make it clear that attempts at so-called conversion therapy are abhorrent. To stand up for LGBT people, it is key that we end any practice that falsely claims to cure or change a person's identity. We are clear on our stance that such practices are harmful and simply do not work. That is why we are still committed to publishing a draft Bill on this topic for pre-legislative scrutiny soon. That will include targeting efforts to change someone from or to being transgender. It is a sensitive area and one of great debate. I have always wanted to do this, but even I have recognised that there are challenges, and I have to be honest about that.

I pay tribute to the hon. Member for Brighton, Kemptown (Lloyd Russell-Moyle) for the considered way he presented his Bill. I am sorry that I was not there; I was at a ministerial meeting in Glasgow. As I say, I recognise the considerable effort he took in drafting the Bill and know that he did that with criticism from both sides of the argument. The Government still want to introduce their own Bill, and that is why there was that decision to oppose it. The Government have rightly taken time to carefully consider the issues and ensure that our Bill is as robust as possible. Moreover, it is right and proper that the Government present it for pre-legislative scrutiny, so that we can have a further safeguard, ensuring that it does what we expect it to do.

In the meantime, I am keen to remind the House that the Government fund a victims support service, run by the anti-violence charity Galop. That enables those at risk of or undergoing conversion practices to report their situation and access tailored support and guidance. I keep repeating that because I want people to know that there is somewhere they can go to get help should they need it.

**Dame Angela Eagle:** I know how difficult it is for a Minister to get the entire Government to agree to do what they want them to do, when they want them to do it. However, that formulation of words has been used many times and we are coming to the end of the Parliament now. Can the Minister give us even a hint of whether this Bill will appear at all, or will we have to wait until after the general election?

**Stuart Andrew:** As I said, it is our intention to publish a draft Bill, but I cannot give a specific date. The hon. Lady helpfully outlined some of the challenges she faced as a Minister. I assure her that it is our intention to publish a draft for scrutiny. Equally, I have heard the message from my hon. Friend the Member for Carshalton and Wallington and others, and I will certainly relay that.

All Members have mentioned the issue of violence and hate crime, which is incredibly important. We are aware that, sadly, many LGBT people in the UK and across the world still experience violence and discrimination just because of who they are. The sentencing following the horrific murder of Brianna Ghey recognised that her death was caused in part by hostility towards her transgender identity. Once again, I send my condolences to her family, and I hope that no other families have to endure what they have had to go through.

We expect the police to prosecute the perpetrators of violence and the courts to consider the aggravating factors when determining sentences, in line with our hate crime legislation. We have been doing more to tackle hate crime head on. We have made hate crime a priority offence in the Online Safety Act 2023, and under new legal duties of care, technology companies must prevent, identify and remove illegal content and activity online. That means that illegal content, including content that incites hate on the grounds of race, religion or sexual orientation, will be removed quickly when it appears. However, I recognise that this is still a worrying time. Since the many attacks last summer, I have made it a priority to meet the Metropolitan police and others to understand what they are doing to make people feel supported during the process of reporting crimes, and not like they are the ones being grilled.

I will end by sharing how proud I am to stand in this House, to represent my constituency and to hold my ministerial positions as an openly gay man. We must remind ourselves how far we have come in progressing LGBT rights, but we must remember that we have some way to go. The hon. Member for East Renfrewshire (Kirsten Oswald) referred to the footballer Zander Murray. As the Sports Minister, I am acutely aware that for many in the LGBT community, sport can sometimes feel intimidating. That is why making it more inclusive and welcoming as part of our strategy is a personal priority.

I hope that we can all take away the importance of remembering all those who came before us—all the LGBT people who made great contributions to the world around them, but were sadly forced to hide who they truly were, were never accepted or even persecuted for their true identity. Looking ahead, I look forward to the invaluable contributions of LGBT people that we are yet to see. If this year's theme of LGBT History Month shows us anything, it is that LGBT people can make changes that better the lives of all of us.

3.14 pm

**Elliot Colburn:** It is a pleasure to serve under your chairmanship at the end of this debate, Mr Robertson. I thank all participants, but particularly the co-chair of my APPG, the hon. Member for Wallasey (Dame Angela Eagle): I just assumed that she must be right hon. I am incredibly grateful for her friendship and diligent work in this area as we co-chair the APPG. I have been very lucky to share that privilege with her. It has been great for us to bring this issue to the House again today.

[Elliot Colburn]

I do not want to make the Minister feel even older, but I want to end on the point hon. Member for Wallasey made, that younger LGBT+ people have perhaps taken their rights for granted. As someone who was born in 1992—apologies to the hon. Member for Sheffield, Hallam (Olivia Blake)—I think that can sometimes be true. I am glad to say that I was very lucky. My school was very progressive in that sense, and I had a great childhood. I did not necessarily come up against some of the barriers that those who came before us did.

It is important for us to remember that we should continue to fight together. If we allow them to remove the trans from the rest of the LGB community, they will

come after us next. If we allow them to come after us next, they will surely go after women's reproductive rights and other human rights. We know that these things are intertwined. It is all heading in the same direction: the eradication of certain hard-fought and hard-won rights. I am grateful to the Minister for his considered response. I know that in him we have a friend, as the Government's chief gay, as it were. I appreciate him taking the time to respond to this debate today.

*Question put and agreed to.*

*Resolved,*

That this House has considered LGBT History Month.

3.16 pm

*Sitting adjourned.*

# Written Statements

Thursday 7 March 2024

## CABINET OFFICE

### Security and Intelligence Agencies: Contingencies Fund Advance

**The Parliamentary Secretary, Cabinet Office (Alex Burghart):** The Minister of State, Baroness Neville-Rolfe DBE CMG, has today made the following statement:

The security and intelligence agencies have presented a supplementary estimate for approval to Parliament in the central Government supply estimates booklet (HC 500, published on 27 February). Full details can be found on [www.gov.uk](http://www.gov.uk). As it will be some time before the associated legislation receives Royal Assent, the agencies are seeking an advance from the Contingencies Fund in order to meet contractual commitments.

Parliamentary approval for additional resource of £5,295,000, capital of £96,261,000 and cash movement of £66,444,000 has been sought in a supplementary estimate for the security and intelligence agencies. Pending that approval, urgent expenditure estimated at £168,000,000 will be met by repayable cash advances from the Contingencies Fund.

As the security and intelligence agencies are non-ministerial Departments, I am making this statement on behalf of their accounting officer to ensure that Parliament is informed of this advance from the Contingencies Fund.

[HCWS316]

## ENERGY SECURITY AND NET ZERO

### Sunnica Energy Farm: Development Consent Application

**The Secretary of State for Energy Security and Net Zero (Claire Coutinho):** This statement concerns an application for development consent made under the Planning Act 2008 by Sunnica Energy Farm for the construction and operation of a solar photovoltaic electricity generating station, situated across West Suffolk and East Cambridgeshire.

Under section 107(1) of the Planning Act 2008, the Secretary of State must make a decision on an application within three months of the receipt of the examining authority's report unless exercising the power under section 107(3) of the Act to set a new deadline. Where a new deadline is set, the Secretary of State must make a statement to Parliament to announce it.

The current statutory deadline for the decision on the Sunnica Energy Farm application is 7 March 2024.

I have decided to set a new deadline of no later than 11 April 2024 for deciding this application.

The decision to set the new deadline for this application is without prejudice to the decision on whether to grant or refuse development consent.

[HCWS322]

## FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

### Westminster Foundation for Democracy Review

**The Minister of State, Foreign, Commonwealth and Development Office (Mr Andrew Mitchell):** My noble Friend the Minister for the Middle East, North Africa, South Asia, United Nations and the Commonwealth, Lord Ahmad of Wimbledon, has today made the following statement:

I wish to inform the House that the Government have today published the independent public body review of Westminster Foundation for Democracy (WFD), an executive non-departmental public body of the Foreign, Commonwealth and Development Office (FCDO).

The Government launched this review in autumn 2023, and it concluded in December. The review was independent and formed part of the public bodies review programme, which delivers against the commitments made in the declaration on Government reform to increase the effectiveness of organisations to ensure they are set up in the best possible way to deliver.

The Government set out in the 2021 integrated review of security, defence, development and foreign policy our approach to shaping the international order organised around open societies and economies. The integrated review noted the role of WFD in helping us deliver the ambition to support strong, transparent and accountable political processes and institutions overseas, including parliaments and political parties.

The 2023 integrated review refresh reaffirmed our commitment to sharpening the UK's posture; shaping, balancing, cooperating and competing wherever we are active internationally to create the conditions, structures and incentives necessary for an open and stable international order.

The 2023 White Paper "International development in a contested world: ending extreme poverty and tackling climate change" stated our intention to harness the best of the UK's capability, including WFD, to create fairer, more inclusive, and accountable democratic systems around the world. It also suggested that increased funding could be made available to WFD, subject to the outcomes of the public bodies review.

The review reaffirms WFD's relevance and effectiveness. It also makes a number of recommendations for improvements with regards to the relationship between WFD and the FCDO; and WFD's governance, risk management, and efficiency. The Government accept all these recommendations, and will work with WFD to implement them.

We would also like to extend our thanks to the lead reviewer and the review team for dedicating much time and consideration to this review.

The publication will be placed in the Libraries of both Houses.

[HCWS320]

## HEALTH AND SOCIAL CARE

### Clinical Indemnities Reform

**The Parliamentary Under-Secretary of State for Health and Social Care (Maria Caulfield):** In December 2022, I reported on the steps we are taking to respond to the findings of the inquiry into the issues raised by disgraced surgeon, Ian Paterson. Today, I am reporting further progress on recommendation 10 of the inquiry report, which identified shortcomings in the clinical negligence cover system.

Clinical negligence cover is the system that enables patients to receive compensation if they are harmed during treatment through the cover held by regulated healthcare professionals such as doctors, nurses and dentists. The inquiry highlighted that Paterson’s private patients were unable to access compensation for the harm caused by his actions due to gaps in clinical negligence cover in the independent sector. These gaps do not occur in the NHS where cover is via a state scheme.

The Government’s implementation update on the inquiry’s recommendations included proposed policy options for recommendation 10. One of the policy options was to make the system more transparent through safeguards, such as the introduction of a code of practice for medical defence organisations which provide a particular type of clinical negligence cover called discretionary indemnity that many healthcare professionals purchase. Unlike regulated insurance, where terms and conditions are set out contractually, discretionary indemnity allows for discretion to be applied to accept or refuse claims.

Following engagement with patients and the wider sector last year, I am pleased that medical defence organisations propose to implement a sector-led code of practice by end of 2024. The aim of this code is to provide greater transparency around this system of discretionary indemnity.

For example, there will be more information on how decisions are made to assist healthcare professionals to pay patients compensation. The code will include an escalation procedure with an independent review of disputed claims assistance decisions. Importantly, the code will now offer healthcare professionals information on the basis of any decisions to decline claims.

We welcome the code as a meaningful step forward. The Department of Health and Social Care will evaluate its implementation, including the long-term impact on patients and healthcare professionals, to determine whether further intervention is required. I will provide an update on further steps to reform the clinical negligence cover system, such as addressing cover for criminal acts or when a healthcare professional has otherwise worked outside the terms of their cover, in due course.

Alongside this update, the report on a survey that the Government commissioned IFF Research to carry out into healthcare professionals’ clinical indemnity arrangements will also be published. A copy of the report will be placed in the Library of both Houses.

[HCWS318]

**Dental Patient Charges Uplift 2024-25**

**The Parliamentary Under-Secretary of State for Health and Social Care (Dame Andrea Leadsom):** The Department recently published our plan to recover and reform NHS dentistry, which will make dental services faster, simpler and fairer to patients and will fund around 2.5 million additional appointments (or more than 1.5 million additional courses of dental treatment). The plan sets out a number of actions that will improve access for patients, by helping the sector to recover activity more quickly, addressing underlying issues and setting out the action needed for longer-term reform of the system.

The National Health Service (Dental Charges) (Amendment) Regulations 2024 (“the Amendment Regulations”) were laid in Parliament on 1 March 2024 to increase national health service dental patient charges in England from 1 April 2024.

NHS dental patient charges provide an important revenue source for NHS dentistry and are typically uplifted on 1 April each financial year. In April 2023, the Department of Health and Social Care implemented the first dental patient charge uplift since December 2020. The economic climate at the time, along with an extended period between uplifts and increasing costs of delivering NHS dental care, meant that a higher than usual uplift of 8.5% came into force in April 2023. This allows a smaller uplift for 2024-25 without adversely affecting NHS budgets. It is important that current and future work to improve NHS dentistry is not undermined by the risk of reduced funding because of lower NHS dental patient charge revenue.

Therefore, from 1 April 2024, dental patient charges in England will increase by 4%. This means that a dental charge payable for a band 1 course of treatment will rise by £1, from £25.80 to £26.80. For a band 2 course of treatment, there will be an increase of £2.80 from £70.70 to £73.50. A band 3 course of treatment will increase by £12.30, from £306.80 to £319.10.

Details of the revised charges for 2023-24 can be found in the table below:

| <i>Band</i> | <i>Description</i>                                                                                                                                                                                                                    | <i>From April 2024<br/>(proposed)</i> |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 1           | This band includes examination, diagnosis (including radiographs), advice on how to prevent future problems, scale and polish if clinically needed, and preventative care (e.g. applications of fluoride varnish or fissure sealant). | £26.80                                |
| 2           | This band covers everything listed in band 1, plus any further treatment such as fillings, root canal work or extractions.                                                                                                            | £73.50                                |
| 3           | This band covers everything in bands 1 and 2, plus course of treatment including crowns, dentures, bridges and other laboratory work.                                                                                                 | £319.10                               |
| Urgent      | This band covers urgent assessment and specified urgent treatments such as pain relief or a temporary filling or dental appliance repair.                                                                                             | £26.80                                |

We will continue to provide financial support to those who need it most by offering exemptions to the dental patient charges for a range of circumstances. Patients will continue to be entitled to free NHS dental care if they are under 18, or under 19 and in full-time education; pregnant or have had a baby in the previous 12 months; are being treated in an NHS hospital and have their treatment carried out by the hospital dentist (patients may have to pay for dentures or bridges); receiving low-income benefits; or are under 20 and a dependant of someone receiving low-income benefits. Support is also available through the NHS low income scheme for those patients who are not eligible for exemption or full remission.

Whilst we recognise that this uplift follows a higher than usual uplift of 8.5% in April 2023, we consider that this is proportionate, as the cost of delivering NHS dental care continues to increase and dental patient charges have typically been uplifted by 5% each year, which is above the rate of inflation. The 4% proposed uplift creates a real terms increase of 2% since April 2023. Dental patients will benefit from the continued provision that this important revenue supports.

In addition, the Department is seeking an amendment to a previous change made to the National Health Service (General Dental Services Contracts) Regulations 2005 and the National Health Service (Personal Dental Services Agreements) Regulations 2005 in June 2023. This amendment seeks to clarify that the powers regarding unilateral rebasing of underperforming NHS dental contracts applies on a prospective only basis, in line with the views of the Joint Commission on Statutory Instruments.

By providing clarity in this previous amendment, NHS dental commissioners will be able to prospectively rebase persistently underperforming contracts and improve access to NHS dental care for patients.

These measures are in addition to the reforms announced in July 2022—the first changes to the dentistry contract since 2006. We are also working on further reforms to the 2006 contract and we expect to develop options for consultation with the dental profession in advance of a further announcement later this year. Any changes would be phased in from 2025 onwards.

[HCWS317]

## LEVELLING UP, HOUSING AND COMMUNITIES

### Local Authority Interventions: Sandwell, Liverpool, Thurrock and Tees Valley

**The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Simon Hoare):** All hon. Members will recognise the critical role local authorities play in providing services to their residents and being accountable to the communities they serve. I would like to update the House on actions the Government have taken in relation to four local authorities, which demonstrate the importance with which this Government see our role in ensuring the high standards that we set for local government are met. I am updating the House on the developments in the statutory interventions in Sandwell, Liverpool and Thurrock councils and on the Tees Valley Mayor's initial response to the independent review published on 29 January.

#### *Sandwell Metropolitan Borough Council*

Following evidence provided by a governance review from its external auditor, Grant Thornton, Sandwell Council has been under statutory intervention since March 2022. The review included statutory recommendations to the council and detailed years of governance issues, leadership instability, and a breakdown in trust, respect and confidence between members and officers. These led to some significant failures. The review led the Secretary of State to decide that the council was failing to comply with its best value duty and consequently directions were issued and commissioners appointed.

Given Grant Thornton's observation that "green shoots" of improvement had started to show at Sandwell, the intervention package was shorter and narrower than other interventions. I wish to update the House on the fourth and final report from the commissioners and the end of the intervention.

#### *The commissioners' fourth report*

Since the beginning of the intervention, the commissioners have been clear about the aim of the intervention, setting out in their first report their "12 proxies for success", as the House was updated on in the statement of

1 December 2022. These proxies brought together all the recommendations of the Local Government Association (LGA), CIPFA and Grant Thornton reviews, and commissioners reported against these proxies in each report.

On 20 December commissioners submitted their fourth report, setting out that the council is

"a far cry from the organisation first encountered"

in March 2022, and noting the considerable progress even since their third report. They observe

"the scrutiny and accountability systems, including performance and risk management, are robust and being upheld rigorously. The improvement work which was once seen as a standalone priority has now been interwoven with the "business as usual" strategic planning of the council."

They also praise the staff at the council,

"who were eager to...work hard to improve"

from the outset. They conclude that the council is now an organisation that is "resilient and agile enough to provide its services to residents whilst withstanding adversity, and one with the plans, aspiration and people to strive for excellence independently".

The commissioners conclude that

"the council is now meeting its best value duty and is capable of taking forward its improvement independently",

recommending that the directions be permitted to expire as planned on 22 March and that they too leave their roles at the council on that date. Having considered carefully the evidence, including triangulation with the council's own assessment of its progress and the follow up review from the external auditor, Grant Thornton, I am happy to update the House that the Secretary of State and I are satisfied that the council is now meeting its best value duty. Consequently, when the directions expire on 22 March 2024 the intervention will end.

The commissioners' fourth report and my response to them and to the leader of the council will be published on [www.gov.uk](http://www.gov.uk) today.

It is right that, as the commissioners acknowledge, improvement "is never finished": Sandwell is not perfect. However, the draft statutory guidance on best value standards and intervention, which we intend to finalise shortly following the consultation last summer, is clear that

"local authorities are not expected to be perfect before an intervention ends"

and that an intervention should

"resolve incidents of failure to the point where the authority can demonstrate that it now has the capacity and capability to sustain its own journey of continuous improvement without the need for further external involvement."

It will take continued, concerted effort for the council to sustain the rate of improvement, build further resilience and ultimately continue to improve outcomes for residents. The commissioners note that part of that striving for excellence will include the continued development of the council's partnership working with its neighbours, the wider local government sector and supporting its staff and elected members.

#### *Next steps*

To that end, I am pleased to note that the LGA will be working to support Sandwell over the next 12-18 months, to ensure a steady path out of intervention. As I said in the Chamber in the Adjournment debate on 18 January on the governance at Sandwell, "falling back into the

old ways...will not be tolerated.” We will keep a weather eye on Sandwell, and continue to be there to support, advise and encourage.

#### *Liverpool City Council*

On 13 December 2023, I announced that the Secretary of State was minded to change the scope of the intervention at Liverpool by returning certain functions to the council by March 2024, together with updating the directions as part of a planned and phased transition towards the end of the intervention. Today I am confirming that these proposals will be implemented.

The intervention started on 10 June 2021 following a best value inspection. Since then, the scope of intervention has changed, and there are five commissioners who can exercise functions relating to regeneration, highways, finance, and property and their associated governance.

When I announced to the House that I was publishing the commissioners’ fourth report, together with the Government’s response that the Secretary of State was minded to change the intervention, I invited representations on the proposals by 2 January 2024. Having considered carefully the two representations received (one from the council and one from a member of the public), and other relevant information, the Secretary of State has decided to implement those proposals.

Accordingly, the Secretary of State has returned certain functions to the council, recognising the progress made and as part of a planned and phased transition towards the end of the intervention. The commissioners will no longer exercise the following functions:

- all executive functions associated with highways, from 31 March 2024;

- the requirement from section 151 of the Local Government Act 1972, to make arrangements for the proper administration of the authority’s financial affairs, and all functions associated with the strategic financial management of the authority, from 31 March 2024, to include:

- the power to amend budgets where commissioners consider that those budgets constitute a risk to the authority’s ability to fulfil its best value duty; and

- providing advice and challenge to the authority in the setting of annual budget and a robust medium term financial strategy (MTFS) for the authority.

- all functions in relation to the appointment, organisation and performance of persons to positions the holders of which are not designated as statutory officers, and the designation of those persons for tiers 1 to 3 from today.

In addition, directions issued to the council today direct the council to undertake a range of actions to the satisfaction of commissioners, including to:

- allow commissioners to provide advice and challenge to the authority on strategic decisions related to its finance function, including the setting of annual budgets and medium term financial strategy;

- continue to build on improvements to rebuild trust with residents, in particular to improve FOI performance, report writing and systems to record delegated decisions;

- complete a review of the strategic risk management and implement a strengthened mechanism based on its recommendations;

- significantly progress the implementation of the corporate landlord model, commence the stock condition surveys to understand better the asset base, develop comprehensive asset management plans and produce a revised structure for the property directorate; and

- continue to establish and implement a cultural change programme which embeds a customer focus, performance management culture, systems and reporting across the organisation.

The Secretary of State has removed directions to the authority that commissioners have confirmed have been met and revoked the directions issued on 10 June 2021 and 8 November 2022. Outstanding actions have been retained in the new directions issued today, and commissioners will continue to exercise functions relating to governance, regeneration, property management and appointments (for directors of property, human resources/organisational development and statutory officers).

I also wish to put on record our thanks to Joanna Killian who will be leaving the commissioner team on 17 March when she becomes the chief executive to the Local Government Association.

The new directions, accompanying explanatory memorandum, representation from the council, and my response to the commissioners will be published today on [www.gov.uk](http://www.gov.uk).

The next commissioners’ report, due in March 2024, will provide a full assessment by commissioners of the intervention and will be vital to support our decision on how to proceed. I will update the House at that time.

#### *Thurrock Council*

Thurrock has been in intervention, with commissioners appointed, since 2 September 2022, after grave concerns were raised about the scale and commercial risk facing the council. On 1 March 2023 the intervention was expanded.

On 22 January 2024, commissioners submitted their third report on the progress of the intervention. This describes continued progress, with the council “owning its recovery” and demonstrating it is able to take difficult decisions. I am pleased to see the strengthening of member officer relationships and that all councillors agreed to adopt and commit to the enhanced improvement and recovery plan in October; it is important that there continues to be a whole-council approach to Thurrock’s recovery.

While the progress to date is to be commended, there is still much to do, including addressing ongoing governance requirements and ensuring the council has underpinning plans to implement its recovery, including a corporate plan and operating model. The financial situation should not be underestimated, with commissioners making clear that the challenge remains substantial.

There has undoubtedly been good progress at Thurrock, and it is imperative focus is maintained in the months ahead on the long-term priorities, to continue to build upon and drive the necessary improvements. The commissioners’ report and my response will be published today on [www.gov.uk](http://www.gov.uk).

#### *Tees Valley Combined Authority*

On 29 January my hon. Friend the Minister for Housing, Planning and Building Safety made a statement to this House alongside the publication of the report of the independent panel investigating the Tees Valley Combined Authority’s oversight of the South Tees Development Corporation and Teesworks joint venture.

The review was commenced in June 2023 following very serious allegations made in the House regarding potential corruption and illegality. As my hon. Friend confirmed, the independent panel found no evidence of corruption or illegality and the panel made several useful and important recommendations on governance and oversight.

Upon publication of the report the Secretary of State wrote to the Mayor and asked for an initial response to the report and its recommendations by 8 March: this was received on 28 February and also published by Tees Valley Combined Authority. The Mayor has accepted, in principle, all the recommendations for the combined authority and development corporation. His response proposed actions for each of the 26 recommendations for the combined authority, development corporation, and partners, as well as outlining actions he has already taken, including establishing a combined authority working group to take this forward. I welcome the independent support the Mayor is seeking from the LGA and the Centre for Governance and Scrutiny and have encouraged him to make full use of independent peer challenge and support.

I am encouraged by the progress within the first month and keen to give time now for the Mayor to develop his plans further and implement the changes required. These will enhance the successes of the Teesworks regeneration by ensuring governance arrangements and accountability are strong and transparent, and supported by robust scrutiny. Given the issues raised in the report, it is important that rapid progress is made that engages comprehensively with the substance of the report's findings to implement lasting change. To that end, I look forward to receiving further updates from the Mayor, which I have asked for initially after six months.

I am confident that the Mayor and his cabinet will implement successfully their plans and continue their important work regenerating and bringing new jobs to the Tees Valley. The Mayor's response to the review and the Secretary of State's reply will be published today on [www.gov.uk](http://www.gov.uk).

#### *Conclusion*

I want to acknowledge the work of the dedicated staff who deliver the important services of local authorities, on which local residents depend. I also want to thank the commissioners in Sandwell, Liverpool, Thurrock, and other councils in statutory intervention, for all they do. I will deposit in the House Library copies of the reports and associated materials.

[HCWS319]

### **Nationally Significant Infrastructure Projects**

**The Minister for Housing, Planning and Building Safety (Lee Rowley):** Building the next generation of road, rail and energy projects will be the cornerstone of the United Kingdom's future success. New infrastructure transforms communities, cuts congestion, and improves the resilience of our country for the long-term.

Over a decade ago, the Government turbocharged the delivery of new infrastructure by introducing nationally significant infrastructure projects consenting process for projects in England and Wales, and in some limited circumstances, Scotland. This has served Great Britain well for more than a decade and created a planning and consenting process that acknowledged the unique importance of a number of key projects across energy, transport and water. Since then, over 120 projects, from major offshore wind projects like Hornsea 2 to vital nuclear power generation such as Hinkley Point C, have successfully been approved, with many others constructed and operational, such as the East Northants Resource Management Facility and the Heysham to M6 Link Road—all for the benefit of Great Britain.

Building on the "National Infrastructure Strategy" of November 2020, and in recognition of changing circumstances, we launched a major programme of reform and improvement to our NSIP processes. While much is still being built successfully, the speed at which decisions are made has slowed and demands on the system are intensifying. Change is needed if we are to meet the growing demands on our country's infrastructure.

Last year we acted by publishing an action plan, setting out our plans to reform the way in which our major infrastructure is consented and we promised consultation on key elements of those reforms before implementation, following feedback from industry and interested parties.

Today, following the conclusion of that consultation, I am pleased to confirm the following major improvements to our nationally significant infrastructure projects consenting process in the future:

A major increase to the capacity within the planning system by better resourcing public bodies through costs recovery for the advice and services they give to applicants – with additional resources in place already and cost recovery being introduced from 1 April;

New secondary legislation to make vital changes to the legislative framework under which the system operates covering the way in which examinations are conducted – to support faster and more proportionate examinations for all projects – in force by the end of April;

Improvements to and strengthening of national infrastructure planning guidance to provide clarity for applicants and ensure that all users of the system are provided with the guidance they need to maximise the benefits of the system changes, and to help navigate applications more efficiently – live by the end of April.

A new pre-application process, designed to allow applicants to work with the Planning Inspectorate to speed up decision making and ensure that consultation is effective and proportionate, which will be available for any project which requests it from this Autumn, on a cost recovery basis;

A new fast-track route to consent, to enable projects which meet a quality standard to progress through the process in one year—available from autumn;

We have provided £3.5 million of taxpayer funds to support innovation and capacity in local authorities that are working, right now.

As we have said, clear policy is the foundation of a successful consenting system. We are close to fulfilling our commitment to updating our key national policy statements, with five revised energy NPSs now designated and an NPS for national networks published and laid before Parliament yesterday for intended designation next month. This is in addition to the new water resources NPS designated last year.

A copy of the consultation response on operational reforms to the nationally significant infrastructure projects consenting process will be deposited in the Libraries of both Houses.

[HCWS321]

### **SCIENCE, INNOVATION AND TECHNOLOGY**

#### **Space Industrial Plan**

**The Minister for Science, Research and Innovation (Andrew Griffith):** The Department for Science, Innovation and Technology recently passed the one-year milestone since its creation—a year in which we have firmly embedded

our mission and delivered against it, driving innovation that will improve public services, create new well-paid jobs, and grow the economy.

The UK is already ranked by the World Bank as the best place to do business among large European nations. Combined with the City of London and the research strengths of our universities, our space sector is poised to support our growth ambitions.

Our commitment to innovation and enterprise, backed by a globally competitive tax regime and smart regulation, uniquely positions us at the forefront of technological advancement and economic growth in space.

For the UK space sector, our “National Space Strategy” encapsulates not just my Department’s mission, but the whole of Government’s ambition to develop one of the world’s most innovative and attractive space economies. As part of that journey, we published “The National Space Strategy in Action” in July 2023, setting out our key next steps on the road to achieving that ambition.

Today we take another significant step towards unlocking growth and developing resilience in the UK space sector, with the publication of Government’s space industrial plan.

Building on the foundations of our national and defence space strategies, the space industrial plan is a joint civil and defence publication that sets out our new way of working with the commercial space sector, modernising our approach, and giving the sector greater confidence to invest. We set out clear, timed missions

and actions deliverable through a shared endeavour with the sector to address the long-term problems facing the nation: improving economic security and opportunity for everyone.

This plan sends a strong demand signal to, and provides clarity for, UK space companies and investors, giving them the confidence to invest long term in the sector. We have been decisive in sequencing the first five national space capability goals where we want the UK to excel, agreed by the National Space Council. These capabilities will support UK Government in fulfilling their commitments and legal obligations, target the specific needs of the citizen, and drive our future ambitions to unlock new markets. These capabilities are underpinned by a set of intervention areas, describing how we will utilise our main Government levers to shape the business environment in pursuit of our ambitions.

We have heard and understood the challenges facing UK space companies, and we want the world’s space entrepreneurs and innovators to come to the UK because it offers the best possible place to make their visions happen.

We are committed to making the UK the most attractive country for space industry investment, driving prosperity and security across the nation.

I will be placing copies of this publication in the Libraries of both Houses, and it will also be made available on gov.uk.

[HCWS315]

# ORAL ANSWERS

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Thursday 14 March 2024**

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