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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY DEBATES

(HANSARD)

Monday 1 December 2025

The following abbreviations are used to show a Member's party affiliation:

Abbreviation	**Affiliation**
Alliance	Alliance Party of Northern Ireland
Con	Conservative Party
DUP	Democratic Unionist Party
Green	Green Party of England and Wales
Ind	Independent*
Lab	Labour Party
Lab/Co-op	Labour and Co-operative Party
LD	Liberal Democrat
PC	Plaid Cymru
Reform	Reform UK
SDLP	Social Democratic and Labour Party
SNP	Scottish National Party
TUV	Traditional Unionist Voice
UUP	Ulster Unionist Party

*The term "Independent" may denote—

Members who have been elected as Independent candidates without affiliation to a political party; or

Members who have been elected after standing for a political party but no longer have the party Whip in the House of Commons.

House of Commons

Monday 1 December 2025

The House met at half-past Two o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Oral Answers to Questions

EDUCATION

The Secretary of State was asked—

Defence Technical College: Swindon

1. **Will Stone** (Swindon North) (Lab): If she will hold discussions with the hon. Member for Swindon North on the potential merits of setting up a defence technical college in Swindon. [906628]

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): Rolling out technical excellence colleges is one way that Labour is rewiring our skills system, to unlock opportunity for our young people and drive growth for our country, and alongside techs for construction, clean energy, digital and advanced manufacturing, they will build the talent pipeline to deliver our industrial strategy. Applications for defence technical excellence colleges will open shortly, creating pathways for engineers, cyber-experts, and technicians.

Will Stone: I thank the Minister for his response. Recently I have been engaging with fantastic defence companies such as Rowden Technologies. Its owner, Rob, is keen to support me setting up a technical college in Swindon to support our emerging drone cluster, so will the Minister meet me to see whether we can push that further?

Josh MacAlister: I appreciate my hon. Friend championing the work of local businesses such as Rowden's, and other defence industries across the UK, and I will gladly ask my noble friend the Minister for Skills, who I am sure would welcome the opportunity to meet him in the coming weeks.

Sexual Consent and Relationships Education

2. **Ian Roome** (North Devon) (LD): What steps she is taking to improve education on sexual consent and relationships. [906629]

The Parliamentary Under-Secretary of State for Education (Olivia Bailey): The Government's new relationships, sex and health education guidance will help to ensure that young people learn about healthy, respectful relationships, and understand that consent is essential. That supports our unprecedented mission to halve violence against women and girls within a decade.

Ian Roome: Many parents are concerned about how schools address the sensitive issues of consent and sexual violence. What action is the Department taking to ensure that those subjects are being taught in schools by appropriately trained professionals, to safeguard both pupils and teachers?

Olivia Bailey: That is exactly what our new RSHE guidance aims to do, to give schools the support they need to ensure that our young people are taught about healthy relationships, and to learn about critical concepts such as consent.

Alistair Strathern (Hitchin) (Lab): I know the Minister will share my concerns about some of the rise in regressive attitudes to sex, relationships and women among some subsets of young men, but far from being the drivers of that problem, young men should be the solution. Fantastic groups such as Beyond Equality show that at their heart, by giving young men spaces to explore their own sense of self, manhood, and healthy relationships on their own terms, they can have incredible and transformative impacts on gender attitudes to sex and a wider relationship ethos. How can we ensure that as part of our reforms we create more opportunities for those spaces at the heart of every young child's education?

Olivia Bailey: I thank my hon. Friend for his question and for all the work that he does on this important topic. I agree with him wholeheartedly, and I very much hope and expect that our work with schools to ensure that healthy relationships are taught in them will mean that young men get the exact space that he is asking for.

Child Poverty Strategy

3. **Jim Dickson** (Dartford) (Lab): What recent progress the child poverty taskforce has made on publishing a child poverty strategy. [906630]

7. **Kate Osamor** (Edmonton and Winchmore Hill) (Lab/Co-op): What recent progress the child poverty taskforce has made on publishing a child poverty strategy. [906635]

The Secretary of State for Education (Bridget Phillipson): Tackling child poverty is a moral mission for the Labour party, because we believe that someone's background should not determine what they go on to achieve in life. Scrapping the two-child limit will mean that we can deliver the largest reduction in child poverty in a single Parliament, and we will publish the child poverty strategy in the coming weeks.

Jim Dickson: The Government's very welcome decision to end the two-child cap on benefits will, alongside free school meals and breakfast clubs, transform the lives of 2,500 children living in my Dartford constituency, and contribute to our manifesto goal of tackling child poverty. Will the Secretary of State tell the House when more schools in Dartford will be eligible to join the roll-out of free breakfast clubs to primary schools across the country?

Bridget Phillipson: Labour's free breakfast clubs have already served 5 million meals, including in Knockhall primary school and Sedley's primary school in Dartford. Applications are now open to join the next wave from

April, with 2,000 more schools set to join in the next financial year, making the clubs available to half a million more children. I encourage eligible schools to get their applications in by the end of the week, so that we can give children in Dartford, and across our country, the best start to their day.

Kate Osamor: I welcome the announcement that the two-child benefit cap will be scrapped, lifting hundreds of thousands of children out of poverty. However, according to the Institute for Public Policy Research and Praxis, there are an estimated 382,000 children in poverty whose families are subject to no recourse to public funds and who will not be helped by that measure. Will the Secretary of State promise me that the child poverty strategy will include extra assistance for migrant households?

Bridget Phillipson: I am grateful to my hon. Friend for raising her concern. We are working with the Home Office and with colleagues across Government in developing the child poverty strategy. We will focus on ensuring that vulnerable children are protected and their welfare is safeguarded, and that vulnerable migrant children receive the support they require.

Sarah Dyke (Glastonbury and Somerton) (LD): Rural areas have deep pockets of deprivation, and nearly 18% of children in Glastonbury and Somerton live in poverty. How will the Minister ensure that the child poverty strategy sufficiently focuses on child poverty in rural areas?

Bridget Phillipson: I recognise the particular challenges faced by many rural communities, and I am grateful to the hon. Lady for raising them. We have been considering such matters through the development of the strategy. The taskforce has been working across Government, including with colleagues in the Department for Environment, Food and Rural Affairs, to understand some of the challenges. We are expanding childcare and new free breakfast clubs, and the lifting of the two-child limit will make a big difference to children and their life chances in every corner of our country.

Shockat Adam (Leicester South) (Ind): Teachers across Leicester South, where, in some areas, child poverty is unfortunately near 70%, tell me that student anxiety and poor health are rising, partly driven by insecure, damp and cold housing. Schools are unfortunately being forced to act as frontline welfare services, absorbing pressures that should never fall on teachers alone, such as helping people to fill in forms. Will the Minister reassure them that the child poverty strategy, which is to be published this week, will address the link between child poverty and poor health?

Bridget Phillipson: Yes, we are looking at that question and at the issue of temporary accommodation that the hon. Member raises. This is a cross-Government strategy and not for the Department for Education to solve alone, although the lifting of the two-child limit is an investment not just in our children and their life chances but in our schools and education. I have heard too many stories of teachers and staff across the country having to pick up the pieces because of wider societal failure. Ending the two-child limit rights that wrong, and invests in our young people.

Post-16 Vocational Qualifications

4. **Gareth Snell** (Stoke-on-Trent Central) (Lab/Co-op): What steps her Department is taking to increase the number of vocational qualifications for post-16 learners. [906631]

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): Our curriculum and assessment review recommended the introduction of new V-levels, which will simplify the qualification landscape while giving students choice and flexibility. The Department for Education is now consulting on plans to introduce the qualifications. We are also proposing the introduction of new T-levels.

Gareth Snell: I draw the House's attention to my entry in the Register of Members' Financial Interests as a governor of the City of Stoke-on-Trent sixth-form college. The Minister will know that the further education sector welcomes V-levels to fill the gap between T-levels and A-levels, but he will also know that the Department is continuing with a programme of defunding some existing BTECs before the V-levels come online, meaning that some young people will be denied the opportunity of the right course for them during their FE career. Will he seriously consider freezing the defunding programme until V-levels are online, so that we protect student choice for students now and in the future?

Josh MacAlister: I thank my hon. Friend for raising this important issue, and I will be happy to ask my noble Friend in the other place to meet him. The qualifications that we are defunding are large qualifications that directly overlap with T-levels. The Government's policy is very clearly to back T-levels as a good choice for students in colleges.

Wera Hobhouse (Bath) (LD): In Bath, our economy depends on highly skilled workers in engineering, the creative industries and the digital sector. Employers tell me time and again that the current apprenticeship system simply does not deliver the pipeline they need. Will the Government be serious about growth by replacing the broken apprenticeship system with a more flexible skills and training levy, as well as guaranteeing apprentices at least the national minimum wage?

Josh MacAlister: I thank the hon. Member for this timely question, following the Budget last week, when the Government made the welcome decision to change the apprenticeship system by fully funding apprenticeships for small and medium-sized enterprises, which will open up opportunities for many more. The latest data shows that under this Government, apprenticeship starts, progression and completion are up, up, up.

Universities: Chinese Influence

5. **Sir Gavin Williamson** (Stone, Great Wyrley and Penkridge) (Con): What steps her Department is taking to help prevent Chinese influence in universities. [906632]

The Secretary of State for Education (Bridget Phillipson): The UK wants a consistent and mutually beneficial relationship with China. We should be frank about where we disagree, but also find targeted opportunities to collaborate. We are clear that any attempt by a foreign state to intimidate and coerce universities in the UK will not be tolerated. My Department is working with vice-chancellors to further our resilience.

Sir Gavin Williamson: I thank the Secretary of State for her answer; I know that she takes the issue of Chinese influence incredibly seriously. The free speech legislation brought forward by the previous Government required the monitoring of bodies that are supported by the Chinese or funded and supported by the Government of China. That was dropped. Will the Secretary of State look at bringing it back?

Bridget Phillipson: I recognise the right hon. Gentleman's long-standing interest in this area. Our national security is of the utmost importance, and the Office for Students already has extensive powers to require information from providers to investigate any breaches. If we are to introduce new reporting requirements, we must ensure that they add value without being overly burdensome, but I can be absolutely clear to the right hon. Gentleman and to this House that we expect universities to be alert to risks and to take action.

Mr Speaker: I call the shadow Minister.

Nick Timothy (West Suffolk) (Con): We know that academics at British universities have been harassed by Chinese agents and pressured by their own administrators to censor their work. Sheffield Hallam, for example, blocked research by Professor Laura Murphy into the treatment of Uyghur Muslims in Xinjiang. Ministers make noises, but we have not yet had any action. Following on from the question from my right hon. Friend the Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson), when will the free speech legislation be enacted? Will Ministers commit to closing down every single Confucius institute in the country?

Bridget Phillipson: The hon. Gentleman references a particular institution, and the House will appreciate that I am not in a position to comment, given the ongoing investigations in that area. I can be clear to this House that any attempt to intimidate and coerce universities will not be tolerated. I should also be clear that as a country, we welcome Chinese students. Chinese students enrich our campuses and our communities. They will always be welcome, but where there is evidence of concerning behaviour or attempts to intimidate, universities can and must take action.

National Curriculum Reform

6. **Jessica Toale** (Bournemouth West) (Lab): What steps she is taking to reform the national curriculum. [906633]

The Minister for School Standards (Georgia Gould): With huge thanks to the work of Professor Becky Francis and the wider team, we are reforming the national curriculum to ensure that it sets up young people for success in a changing world. We are raising standards in oracy, reading, writing and maths, equipping every young person with the knowledge, skills and breadth of education they need to succeed. We will also deliver a digital national curriculum to ensure that teachers can teach a broad and rich curriculum, linking subjects and knowledge.

Jessica Toale: Last week during UK Parliament Week, I visited LEAF Studio, a specialist sports and performing arts school and sixth form in my Bournemouth West constituency. While all schools have welcomed the curriculum modernisation, I have a specific question from Mr Jones at LEAF Studio: will drama be made more accessible for children in the curriculum?

Georgia Gould: I can absolutely reassure Mr Jones that drama is included within English in the current national curriculum and is compulsory up to the age of 16. The Government plan to strengthen curriculum content for drama and English and ensure that GCSEs and arts subjects are fit for purpose. I know how much brilliant work drama teachers do, and how that supports children with self-expression and confidence, hopefully setting them up for many careers, including the one we are all here doing today.

Lee Anderson (Ashfield) (Reform): Year 9 students at Quarrydale academy in Ashfield are currently studying politics, and on their display board they had the words "extreme right-wing parties", "Nazi party" and "fascism". At the side of those words, they had pictures of Mussolini, Adolf Hitler, my hon. Friend the Member for Clacton (Nigel Farage) and me. Does the Minister think that should be on the curriculum?

Georgia Gould: We have strict rules about political impartiality within our education system and we are clear about those rules. All schools should apply them.

Mr Speaker: I call the shadow Minister.

Saqib Bhatti (Meriden and Solihull East) (Con): Last month's curriculum review demonstrated that the Government are fixated on watering down the curriculum, whether that is scrapping the English baccalaureate or changing Progress 8. These changes will lower standards for our children and harm them in the long term. The Minister thanked Professor Becky Francis, and she was right to do so, so why have the Government ignored the independent curriculum review and decided to change Progress 8 and lower outcomes for our children?

Georgia Gould: I am surprised that the Conservatives are continuing to attack this curriculum review when it has been broadly welcomed by businesses, by schools and by education leaders. Our response has also been broadly welcomed. The review strengthens standards, forms a new statutory year 8 reading test and improves access to triple science. It will engage young people who have fallen out of education. It includes a strong focus on standards and a focus on breadth—we want our young people to have both. The previous Government did not invest in the arts, and we are continuing to invest and rebuild in the arts in our curriculum.

SEND Pupils: Suspensions and Exclusions

8. **Cameron Thomas** (Tewkesbury) (LD): What recent assessment she has made of trends in the number of suspensions and exclusions among pupils with SEND. [906636]

The Parliamentary Under-Secretary of State for Education (Olivia Bailey): We back teachers to take the necessary steps to keep classrooms safe and calm, which starts with early identification and help. That is why we are focusing on support given to children and families in the early years, and why our upcoming schools White Paper will transform support for children with special educational needs.

Cameron Thomas: While the suspension rate for pupils without identified special educational needs declined by 75% in the 2024 autumn term, suspensions for pupils with an education, health and care plan increased, according to the Department for Education's own data. I have previously urged the Government to tackle this crisis centrally, as local authorities across the country continue to prove to be unable to manage. With their SEND reforms already delayed until 2026, how will the Government bridge this divide to ensure that every child is able to succeed at school?

Olivia Bailey: I thank the hon. Gentleman for his question and for his interest in this important issue, and I recognise the statistics to which he refers. The Government take the issue extremely seriously and we will be setting out our plans in the White Paper in due course. We are investing in the early years, which is my own area, and ensuring that we have the Best Start in Life family hubs in our communities and SEND-trained professionals, so that we can identify special educational needs early and give children the support that they need before problems escalate.

Mr Speaker: I call the shadow Minister.

Saqib Bhatti (Meriden and Solihull East) (Con): The Minister will be aware of the horrific case of Harvey Willgoose, who was stabbed to death by a fellow pupil who had previously brought an axe into school. Parents are rightly worried about such situations, so does the Minister agree that safety must come first and that any child who brings a knife into school must be expelled, regardless of their background—no ifs, no buts?

Olivia Bailey: The case that the hon. Member raises is absolutely horrific. If a child has brought a knife into school, I do not think that there is a headteacher anywhere in the country who would think that that child should continue to be in school.

Mr Speaker: I call the Liberal Democrat spokesperson.

Caroline Voaden (South Devon) (LD): In July, the Secretary of State promised a better SEND system, with strengthened support, improved access and more funding, yet even a charitable interpretation of the Office for Budget Responsibility's analysis of the Government's decision, announced at the Budget, to absorb SEND funding into core budgets shows several billion pounds of unfunded SEND commitments. Parents around the country are worried that the support that they have fought hard for their children to receive may now be taken away. Will she explain how she will deliver strengthened support, while seemingly having to cut billions from SEND funding through upcoming reforms? Can she guarantee that children will not lose support because of this change?

Olivia Bailey: I thank the hon. Lady for her question, but I encourage her to read the documents from the Treasury and the OBR. I am glad to have the opportunity to clarify the matter, given the wilful misrepresentation of the situation by the Conservative party. Those deficits are council deficits—they will not be coming from the schools' budgets. In fact, over the course of this Parliament, this Government will be investing more into SEND. It is irresponsible for Opposition Members to cause such concern to families when they know full well that what they are saying is wrong.

Attainment in Schools

9. **Connor Naismith** (Crewe and Nantwich) (Lab): What steps she is taking to help increase levels of attainment in schools. [906637]

The Minister for School Standards (Georgia Gould): The Government's mission is to open up opportunity for every child and we are working with schools across the country to strengthen attainment. That includes regional improvement for excellence and standards teams, recruiting 6,500 teachers, a refreshed high-quality curriculum and tackling barriers to attainment, including child poverty.

Connor Naismith: I am concerned about attainment levels across secondary schools in Crewe, where, on average, only about 46% of pupils achieve a grade 4 in English and maths. Will the Minister meet me to discuss what further support we can provide to our hard-working school leaders and teaching staff to help raise outcomes and ensure that every child in Crewe gets the opportunities that they deserve?

Georgia Gould: I know how hard the leaders, teachers and support staff in Crewe will be working, and we want to get behind them to deliver outcomes for students. We will support schools to use formative assessments in writing and maths, and introduce a new statutory reading test for all year 8 pupils, to prevent children slipping through the net. Of course, I will be delighted to meet my hon. Friend to discuss this further.

Tom Tugendhat (Tonbridge) (Con): I welcome the ambition for greater attainment, but does the Minister agree that cancelling the large programme uplift funding for schools offering the international baccalaureate, as the Government have recently done, has left year 11 students, particularly at schools like Tonbridge grammar school, which I have the privilege to represent, somewhat lost and therefore struggling to achieve the attainment of which she speaks?

Georgia Gould: Colleges can continue to fund the international baccalaureate. We are focused on raising standards for all students, and we are already seeing the difference that that is making in increased attendance and increased investment in the school system.

Adoption and Special Guardianship Support Fund

10. **Alison Bennett** (Mid Sussex) (LD): What assessment she has made of the adequacy of the adoption and special guardianship support fund. [906638]

17. **Lisa Smart** (Hazel Grove) (LD): What assessment she has made of the adequacy of the adoption and special guardianship support fund. [906645]

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): I appreciate the strength of feeling regarding the adoption and special guardianship support fund. Last month, I met campaigners, adopters and those running adoption services to discuss their views. This year, we have invested £50 million in the adoption and special guardianship support fund, and we have approved applications for nearly 14,000 children since April. I want to work with families and those delivering adoption support towards a positive and sustainable solution for the future.

Alison Bennett: Alison Roy is a constituent of mine. She is a therapist and works with adopted children. Last week, she drew to my attention the BBC Radio 4 programme "File on 4" on the impact and state of adoption, which highlighted that more than 1,000 adopted children have been returned to care in the past five years. Does the Minister think that per-child cuts to the ASGSF will help or hinder keeping children with their adoptive families?

Josh MacAlister: I thank the hon. Member for drawing the attention of the House to a very powerful radio documentary, which I listened to last week. We do not have perfect data on this issue, but the data that we do have shows that cumulative adoption breakdowns have been at a rate of 4.8% over the past 12 years. I think that is too high, and it is the view of the Government that it is too high. We want to ensure that we get adoption support right for families, and I will go through a process of engagement with those who work in the sector and families affected to ensure that we can make improvements to it in the future.

Lisa Smart: I am an adoptive auntie, and I know the power that comes to young children when they are in a stable, loving family and the impact that that can have on their lives. One of my constituents from Romiley tells me that despite a likely diagnosis of foetal alcohol spectrum disorder for two of her three adopted children, their therapy funding will soon come to an abrupt end, and there is no clarity on whether it will be extended. The only way she can see for her family and for many others like them to achieve safety, security and certainty for their children is through that support. Will the Minister update the House on whether they plan to extend the adoption and special guardianship support fund? If so, will they consider making a multi-year funding guarantee to offer adoptive families and—let us face it—some of the country's most vulnerable children greater certainty about future support?

Josh MacAlister: We want to ensure a sustainable, long-term future for adoption support in this country. I will set out plans in the near future that will hopefully address a number of the concerns that the hon. Member has mentioned. That sits on top of the really quite widespread changes and improvements we are making to children's social care, with £2.4 billion of investment over the next three years to ensure that earlier family help is there for all families, regardless of their legal status, whether they are an adopter or a birth parent.

Rachael Maskell (York Central) (Lab/Co-op): I met people from my regional adoption agency just last Thursday—I thank them and all their partners for their excellent work—who raised the adoption and special guardianship support fund, recognising that the quantum in resource is not there and that the demand is so high. Will the Minister meet the all-party parliamentary group on adoption and permanence to talk about the future of the fund and work with people who have lived experience to ensure that we get it right in the future?

Josh MacAlister: I know that my hon. Friend has been a long-standing campaigner and champion for these issues. When I was doing the independent review of children's social care, she was a powerful voice advocating for support for adopters, and has continued to be one. I will gladly speak to and meet the all-party parliamentary group.

Eton Star Sixth Form: Oldham

11. **Jim McMahon** (Oldham West, Chadderton and Royton) (Lab/Co-op): What her planned timetable is for making a decision on the proposed Eton Star sixth-form college in Oldham. [906639]

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): In 2017, the Government's spending watchdog estimated that free schools would create 57,500 surplus places. This Government took the sensible, pragmatic decision to pause a number of proposed free schools due to real concerns about value for money. We recognise the need for clarity, and we will provide a substantive update on this project and others in the mainstream pipeline review very soon.

Jim McMahon: The previous Government announced the free schools for sixth-formers programme over two years ago. It is now over a year since this Government announced a review of that programme, meaning that the local authority, alongside parents and other sixth-form providers, has been waiting over two years to find out whether Eton Star sixth-form college will go ahead. Can I urge the Government to give clarity on that programme before Christmas?

Of course, that deals with academic education, but vocational education in my town is important too. Can I ask the Government to pay some attention to the mismatch between apprenticeship vacancies and when children are leaving school? So few vacancies are advertised in July and August; the highest number of vacancies is in February, six months after young people have left school. Surely there is a mismatch?

Mr Speaker: Maybe they all go straight to university.

Josh MacAlister: Thank you, Mr Speaker. I thank my hon. Friend for raising that point. As somebody who was a teacher in Oldham, I know many of the institutions he is referring to, and I particularly know about the great work that is done by Oldham sixth-form college and the secondary schools in his constituency. We want to make sure that where we are spending significant sums on capital investment, which the Budget and the spending review allow us to do, it reflects the Government's priorities around special educational needs and extra school places. We want to get that right, and we will provide an update very soon to my hon. Friend and others.

Free School Applications

13. **Paul Holmes** (Hamble Valley) (Con): What her planned timetable is for decision on existing free school applications. [906641]

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): As was mentioned earlier, the Government took the sensible, pragmatic decision to pause a number of free school applications in order to consider real concerns about value for money and to make sure new places are created in parts of the country that need them.

Paul Holmes: Parents and pupils deserve a school system that builds on success, not one that holds it back. The coalition Government opened 24 free schools in 500 days, yet this Government have spent over 400 days reviewing 44 already-approved schools. Free schools outperform non-selective state schools at every key stage, so why are this Government blocking more children from accessing a good education?

Josh MacAlister: There is a very simple answer to that question: the last Government left us with crumbling school buildings and a limited capital budget to allocate across the entire school estate. We have to balance rebuilding crumbling school buildings—which, as the National Audit Office and others have highlighted, were in a deteriorated state—with the need to prioritise extra school places in parts of the country that need them. That is what the country expects from us.

Mr Speaker: I call the shadow Minister.

Nick Timothy (West Suffolk) (Con): The special needs budget mess is not the only uncertainty caused by this Government. The special needs White Paper is overdue, and 44 approved mainstream free schools and a number of approved special needs schools are in limbo. Schools, trusts or councils that want to open new special needs schools do not know the policy, the budget, or whether they will be allowed to open at all, so by what date will we get the White Paper? When will we get an answer to the budget mess, and when will we be told whether those free schools can go ahead? The Minister has just said "very soon", but we had been promised an answer before Christmas. Will he get on with it?

Josh MacAlister: The reason this Government need to create a policy and a budget for this system is that it was left in a complete mess—not that many months ago, the former Education Secretary described it as a "lose, lose, lose" situation. Getting the special educational needs system right and fixing it will take time, but we have already put £740 million of capital into the system. As the hon. Member highlighted, there is a list of special school projects; we are looking through those projects now, and will make a decision very soon.

Speech and Language Therapies

14. **Josh Fenton-Glynn** (Calder Valley) (Lab): What steps her Department is taking to help ensure that specialist speech and language therapies are available to children with education, health and care plans. [906642]

The Minister for School Standards (Georgia Gould): The Department is working closely with the Department of Health and Social Care and NHS England to improve access to community health services, including speech and language therapy for children and young people with special educational needs and disabilities, and we have extended the early language support for every child programme.

Josh Fenton-Glynn: Currently, about 60,000 children are waiting for their first speech and language therapy appointment, and some are waiting for over a year. As with a lot of SEND problems, this happens because health and education are not working that well together. Can the Minister tell me what we are doing to bring allied health professionals—including speech and language therapists—closer to schools, so that families do not fall through the cracks?

Georgia Gould: I welcomed the opportunity to discuss this issue with my hon. Friend last week, and I am grateful for his work on the Health and Social Care Committee on the subject. We agreed about the need for partners to work together to fix the SEND system, and I will be working closely with Ministers from the Department of Health and Social Care to move towards a better system which works for all.

Iqbal Mohamed (Dewsbury and Batley) (Ind): My constituency sits in Kirklees, which continues to face some of the most severe pressures in the country in relation to high needs and SEND provision, including long waits for EHCP assessments and strained specialist support. What additional resources will the Department provide to ensure that children with special educational needs and disabilities in areas such as my constituency receive timely and proper support?

Georgia Gould: In this financial year we have already put £1 billion into the high needs budget and £740 million into specialist places around the country. We are committed to helping schools to provide an inclusive service, and we will be setting out more plans in the schools White Paper.

SEND: Funding

15. **Clive Jones** (Wokingham) (LD): What steps she is taking to provide adequate funding for special educational needs provision. [906643]

The Minister for School Standards (Georgia Gould): We are committed to investing in improving the SEND system, and, as I said a moment ago, we have invested an extra £1 billion in the high needs block and £740 million in specialist places. The core schools budget for 2026-27 will total £67 billion, an increase from £65.3 million in 2025-26. That additional funding will provide an above-real-terms per-pupil increase in overall schools funding, which will take per-pupil funding to its highest ever level and help us to transform the SEND system.

Clive Jones: In Wokingham there are not enough SEND places for pupils, which means that they have to travel outside the borough and sometimes a long way from their homes to go to school. In 2022, Wokingham bid for two SEND schools and were given those two schools, but nothing has happened since then; the Government have still not committed any funding to the schools. Will the Minister tell me now when the funding will be released so that the council can start building them?

Georgia Gould: We are absolutely committed to the education of children in their local communities, and I have seen the difference that the £740 million we have put into specialist places has made: children can now be educated in resource bases linked to schools. In relation to the two schools that the hon. Gentleman mentioned, as the Under-Secretary of State for Education, my hon. Friend the Member for Whitehaven and Workington (Josh MacAlister), said earlier, we hope to provide those answers as soon as possible.

Mr Speaker: I call the Chair of the Education Committee.

Helen Hayes (Dulwich and West Norwood) (Lab): This morning I visited the Nido Volans Centre, a specialist college in my constituency, and enjoyed a delicious cup of tea made by two students, Marco and Jason. Nido Volans means "Fly the Nest", and the college provides education and training on independent living and employability skills for young people with special educational needs and disabilities up to the age of 25. Will the Secretary of State join me in celebrating Natspec's The Power of Specialist FE Awareness Week, and will she assure me that the Government's SEND reform proposals will fully recognise the vital role of specialist colleges and the need for sustainable funding, so that every young person who can benefit from a specialist college placement has access to one?

Georgia Gould: I should very much like to celebrate this week, and I agree about the importance of access to specialist colleges and helping children into work. I have visited specialist providers and seen how proud headteachers are to be helping children into supported internships and helping them with their next steps. They are doing incredibly important work. Our schools White Paper examines how we can help children with special educational needs to thrive into adulthood.

Lincoln Jopp (Spelthorne) (Con): On 16 June I asked the Secretary of State what she understood to be the drivers behind the phenomenon of the exponential rise in the number of children with special educational needs. She replied:

> "My Department, and the Department of Health and Social Care, are keen to understand…the drivers".—[*Official Report*, 16 June 2025; Vol. 769, c. 11.]

May I ask what work the Secretary of State has done in the intervening six months, and what she understands better today than she did on 16 June?

Georgia Gould: Again, we are absolutely committed to supporting children with special educational needs, and to understanding why we are seeing increases. Much of the evidence suggests that we are much better at diagnosing and understanding their needs, which is a positive development, but we are continuing to work with colleagues in the Department of Health and Social Care to review the evidence and understand how we can best intervene and support children—and, critically, not have to wait for a diagnosis, but be able to support children at the point when needs emerge.

Kim Johnson (Liverpool Riverside) (Lab): I really welcome the Government's increasing funding for SEND. However, almost 8,000 children in Liverpool now require an EHCP. The number has doubled over the past three years, with many parents struggling to find a school place that meets the needs of their child. Can the Minister please provide assurances to the Liverpool Parents and Carers Forum that the plan in the Budget to move the financial responsibility for SEND from local authorities to the Department for Education will be given the funding it needs to provide support to children who need it, including for earlier intervention, adequate specialist places and inclusive mainstream support?

Georgia Gould: I can assure my hon. Friend that we are already investing in special educational needs, and we will continue to invest in special educational needs.

Reading: Pre-school Support

19. **Mr Jonathan Brash** (Hartlepool) (Lab): What steps her Department is taking to help support families to read with their child before they start nursery and school. [906647]

The Parliamentary Under-Secretary of State for Education (Olivia Bailey): Learning to enjoy books is a critical foundation for every child. As we get ready for the National Year of Reading in Hartlepool and across the country, our new "best start in life" family hubs will support families to read, and new books and libraries for schools will ensure that the benefits of reading reach right into adulthood.

Mr Brash: My constituent Lyndsay Hogg has successfully brought a Penguin little library to her community in Hartlepool. It is designed to celebrate Penguin's 90th anniversary, and the aim is to promote the joy of reading. Hartlepool borough council's leader, Labour's Pamela Hargreaves, inspired by Lyndsay's brilliant work, has promised to expand this excellent idea right across the town. Does the Minister agree that this fantastic initiative will help families with access to books and inspire a love of reading, and will she commit to visiting Hartlepool to see these little libraries for herself?

Olivia Bailey: I do agree. I would love to visit, and I congratulate Lyndsay Hogg and Hartlepool borough council on this brilliant idea. "Matilda" is one of my favourite Penguin books, and it is a perfect allegory for our times: smart women who love reading standing up to snake oil salesmen and bullies.

Mr Gagan Mohindra (South West Hertfordshire) (Con): Reading to children at the start of nursery and school is especially important for those who suffer from special educational needs. As we heard last week, the Office for Budget Responsibility has questioned the £6 billion that has been taken away from local authorities. I know that the whole House wants to resolve the issue of SEND, so can the Minister give an assurance about when we will get further details to make sure that, by 2028, the whole sector knows how each child will get the best provision possible, especially those in South West Hertfordshire?

Olivia Bailey: I have answered the hon. Gentleman's question already, so I will simply say that this Government are completely committed to ensuring that every child gets the best possible start in life, including by repairing the broken system of family support services, which were decimated by the Conservatives, and by ensuring that every single child has the opportunity to read, to talk to their friends, to play, to communicate, to get ready for school and to have the best possible start in life.

SEND: Classroom Accessibility

20. **Vikki Slade** (Mid Dorset and North Poole) (LD): What steps her Department is taking to make school classrooms more accessible to children with SEND. [906648]

The Minister for School Standards (Georgia Gould): I have seen the difference that fully accessible schools make for young people. Pupils have proudly shown me the sensory spaces that they use to self-regulate, and schools have helped create inclusion hubs, supporting young people to thrive. The Department has invested £740 million in high needs capital to support children and young people with SEND, including through adapting classrooms to improve accessibility.

Vikki Slade: Over the last 16 months, I have visited most of my 42 schools—some more than once—so I have seen some really effective use of occupational therapy principles, such as removing sensory triggers and updating lighting and layouts. At Colehill first school, the staff have simplified and rectified the décor throughout the school, and are looking to invest in wooden and natural materials to create a calming environment. However, schools in Mid Dorset and North Poole receive over £2,000 per pupil per year less than those in other parts of the country, so there is little left for this sort of project. Given the focus on inclusion, what can the Minister offer in terms of smaller capital grants to fund this work?

Georgia Gould: I thank the hon. Member for sharing those wonderful examples of best practice. That is the work we want to do to ensure that all our schools are inclusive, and there is obviously a lot to learn from her constituency. The Under-Secretary of State for Education, my hon. Friend the Member for Whitehaven and Workington (Josh MacAlister), will bring forward an estate strategy, and we will continue to invest in specialist places within mainstream schools.

Baggy Shanker (Derby South) (Lab/Co-op): Failed, humiliated and made to feel too much trouble for schools to look after—that is how one Derby mum says she and her son, who has cerebral palsy, felt when, after a staggering 14 months out of school, he was offered a school place that still did not meet his needs. Does the Minister agree that we urgently need to invest in schools to ensure that their facilities are fit to enable children with special educational needs to attend fully?

Georgia Gould: I am so sorry to hear that story. Sadly, I have heard too many such stories, of children kept out of education because schools are unable to meet their needs. That is the legacy we inherited, and that is why we are investing £740 million in improving the accessibility of our school buildings.[1]

1.[*Official Report*, 10 December 2025; Vol. 777, c. 5WC.] (Correction)

Curriculum and Assessment Review: Progress 8

21. **Damian Hinds** (East Hampshire) (Con): What discussions she has had with the chair of the curriculum and assessment review on her proposals to change the progress 8 measure. [906649]

The Secretary of State for Education (Bridget Phillipson): Last month, the independent curriculum and assessment review published its final report, and I would like to reiterate my thanks to Professor Becky Francis and the panel for all their work. We will reform progress 8 to balance a strong academic core with breadth and student choice, so that every child can both achieve academically and thrive personally, and we will consult on this shortly.

Damian Hinds: Professor Francis was clear that the EBacc grouping should be kept in the progress 8 measure under the heading "Academic Breadth". The Government have overruled the review, which is quite a big thing to do. The Secretary of State herself used to be a student of modern languages. Have they learned nothing from their terrible error in 2004, or what does she have today against modern languages and humanities?

Bridget Phillipson: I do love modern languages, and I was a very keen student of them myself, but I am afraid that, as the right hon. Gentleman will know, the EBacc did not drive improved access to modern foreign languages. He knows that—he will have looked at the data. I do not think that the system as it stands provides the right balance: it unnecessarily constrains student choice, it affects students' engagement, and it has hampered progress in subjects that strengthen our economy and society. I believe in high standards, strong foundations and academic achievement, but I also believe that access to music, sport and vocational subjects should be the right of every child, not just the lucky few.

SEND: Specialist Schools

22. **Bob Blackman** (Harrow East) (Con): What steps she plans to take to provide new specialist schools for children with SEND. [906650]

The Minister for School Standards (Georgia Gould): The Department has invested £740 million in high needs capital in 2025-26 to support place creation for children and young people with SEND. Local authorities can use this funding to create specialist places in mainstream schools, enhance accessibility and provide special school places for pupils with the most complex needs.

Bob Blackman: I thank the Minister for that answer. The last Government approved the new SEND school in Harrow, which is supported on a cross-party basis and by all headteachers in Harrow. At the moment, young children have to travel an hour and a half each way to get to specialist schools, which is costing the taxpayer huge amounts of money, and that is unacceptable for those children with special educational needs. All we need is the Department to give its approval, and that school could go ahead and start almost immediately. If this funding is available, will she make it available to the London borough of Harrow to start the school that everyone wants?

Georgia Gould: The last Government approved a huge number of things that were not funded, which is why this Government were left with a black hole that we are sorting out. I have travelled around the country talking to parents, and we have heard time and again about how they were failed by the last Government. We are investing in the SEND system. In answer to the hon. Member's specific question about the school, we will be coming forward with more plans shortly.

Topical Questions

T1. [906653] **Joe Robertson** (Isle of Wight East) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Education (Bridget Phillipson): Labour believes that background should not determine what people go on to achieve in life. We see child poverty as a moral scar on our country. When last in government, we lifted 600,000 children out of poverty. During their time in government, the Tories plunged 900,000 children into poverty. The seismic decision taken at last week's Budget to remove the appalling two-child limit will lift 450,000 children out of poverty, and that will rise to 550,000 children along with other measures such as the expansion of free school meals. This will drive the largest expected reduction in child poverty in a Parliament, transforming life chances, investing in our children and delivering for schools.

Joe Robertson: The Government have taken responsibility for SEND funding away from local authorities such as the Isle of Wight council, but they cannot explain where the money is coming from. Surely the Secretary of State understands how concerned parents are up and down the country. She can reassure them right now and explain where the money is coming from, or is she, in fact, planning cuts?

Bridget Phillipson: I recognise the very real worry that parents across the country have about the system of support for children with SEND, which the hon. Gentleman and the Conservative party left on its knees. He would do well to reassure parents, not to scaremonger. I suggest that he goes away from here, reads the Budget document and what the OBR has to say, and does not listen to those on his Front Bench.

T2. [906654] **Dan Carden** (Liverpool Walton) (Lab): Archbishop Beck Catholic college in my constituency has lost £700 per pupil since 2011, while the number of disadvantaged pupils has risen from 38% to 52%. It is an excellent school with strong leadership, creating great outcomes for pupils. Will the Minister look specifically at the funding calculation for Archbishop Beck and say a little bit about how she is getting resources into deprived areas?

The Minister for School Standards (Georgia Gould): I am really grateful for the work of that school. I set out today the further investment we are putting into schools, including into special educational needs. We are focusing our funding on all schools, but particularly on supporting schools in the most deprived areas.

Mr Speaker: I call the shadow Secretary of State.

Laura Trott (Sevenoaks) (Con): There is a good reason why we have an independent economic forecaster in this country. That is because, thankfully, it does not let the Government get away with saying that £6 billion can be absorbed across Government at a time when the spending review has already allocated all the money. So let us have no more of this nonsense: where is the £6 billion coming out of? Is it SEND or is it schools?

Bridget Phillipson: Let me be absolutely clear: these are council deficits. They will not be coming from school budgets. Over the course of this Parliament, we are investing more in SEND. We are picking up the pieces of a system on its knees left behind by the party opposite. Either the right hon. Lady has not read what the OBR has to say, or she is wilfully seeking to mislead parents and to scaremonger. It was not a priority for her in her conference speech; it is not a priority for her now.

Mr Speaker: Sorry, but we cannot get away with "mislead"—that is like "lying". I am sure that the Secretary of State will wish to withdraw the comment.

Bridget Phillipson: Of course, Mr Speaker.

Laura Trott: The right hon. Lady can rail against the forecasts, the Tories, her own leaky Back Benchers and probably, privately, the Treasury all she likes, but the spending review has set departmental budgets for the year in question. There is not £6 billion down the back of the sofa, so unless she can say where else the £6 billion is coming from out of Government resource departmental expenditure limits—clearly, she just failed to do so—it must be coming out of schools or SEND. So let us try again: will she be straight with teachers, parents and her own Back Benchers, and tell us what is being cut? Is it SEND or is it schools?

Bridget Phillipson: I do not know whether the right hon. Lady listened to what I just said. It is not coming out of school budgets. *[Interruption.]* We are investing—

Mr Speaker: Order. Please—*[Interruption.]* Order. It is not helpful for the right hon. Member for Sevenoaks (Laura Trott) to speak back at me either—that is completely wrong. And if we are setting educational standards, I do not think this is a good way of doing it.

Bridget Phillipson: The OBR published projections about SEND costs alongside the Budget. They were hypothetical illustrations, which the right hon. Lady would know if she went away and read the OBR document. The Treasury has been clear that the cost will be covered across overall budgets, but we are investing more in SEND and more in capital. We are delivering for our children and will be setting out further plans for reform next year. If she wants to work with us to get this right, I would be grateful—

Mr Speaker: Order. Please, we need to get more people in. I call Lauren Edwards.

T3. [906655] **Lauren Edwards** (Rochester and Strood) (Lab): I understand that the 1,000 careers advisers the Government committed to introduce will now sit within jobcentres. Will the Minister outline how the Department will work with the Department for Work and Pensions to ensure that improving careers advice in schools remains a priority? Reaching children in primary schools now is incredibly important for promoting the technical career routes that our economy will rely on in future.

The Parliamentary Under-Secretary of State for Education (Josh MacAlister): I thank my hon. Friend for her question. My noble Friend the Minister for Skills is working across both Departments to ensure that we bring the very important work on careers and early entry to work programmes together across the Government. I have myself seen great collaboration between both Departments in my own constituency. The Government are still committed to improving work experience for children in secondary schools and early careers education as well.

Mr Speaker: I call the Liberal Democrat spokesperson.

Ian Sollom (St Neots and Mid Cambridgeshire) (LD): We found out last week that the international student levy will raise £445 million from our universities, but only 1% of that will go to the maintenance grants that Ministers have claimed to justify this damaging tax on our universities. Worse still, the flat fee design hits hardest the universities doing the most to serve students from disadvantaged backgrounds. Can the Secretary of State tell us whether more or fewer disadvantaged students will access university as a result of this policy?

Bridget Phillipson: We are investing the international student levy into support around skills and access to high-quality further and higher education colleges targeted at students who most need that support in subjects most closely aligned to our industrial strategy and Government priorities. That will make a huge difference to young people from not very well-off backgrounds, allowing them to access university. We are backing our universities with the measures that we have set out on tuition fee increases, which will give our institutions stability.

T7. [906660] **Tom Rutland** (East Worthing and Shoreham) (Lab): Under the Conservatives, too many children's life chances were scarred by poverty, but thanks to the choices made by this Labour Government last week, nearly 1,300 children in East Worthing and Shoreham are set to have their futures brightened. Does my right hon. Friend agree that it is only under a Labour Government that all children will get the best start in life?

Bridget Phillipson: The Conservatives might not be serious about tackling child poverty, but the Labour party is and always has been. This Government will lift 450,000 children out of poverty, alongside other measures such as Best Start family hubs, expanding childcare and new free breakfast clubs—*[Interruption.]*

Mr Speaker: Order. I think I have heard enough; I do not need a running commentary on whether somebody might or might not be a turkey. Okay, let us move on.

T4. [906656] **Ian Roome** (North Devon) (LD): Forces families sometimes find that a child's education, health and care plan is not automatically recognised when they are reposted to a new area, leaving children without provision. With the children's services White Paper due next year, will the Minister ensure that military children specifically are included and raise the issue of adopting the Ministry of Defence local authority partnership system with local authorities that currently do not use it?

Georgia Gould: I will look into the points that the hon. Gentleman has raised. It would be very helpful if he could write to me on those issues.

T6. [906658] **Sir Roger Gale** (Herne Bay and Sandwich) (Con): I think I must have missed something in the answers the Secretary of State gave to my hon. Friend the Member for Isle of Wight East (Joe Robertson) and the shadow Minister, my right hon. Friend the Member for Sevenoaks (Laura Trott). Schools in my constituency do not have enough money to pay for SEND pupils. It is no good the Secretary of State talking about capital expenditure with more on this and more on that—we need to know where the money is coming from to pay the revenue costs incurred by SEND pupils.

Bridget Phillipson: That is why we have put an extra £1 billion into high needs budgets this year. The capital the right hon. Gentleman so casually dismisses is in order to deliver more specialist places for children closer to home, including in mainstream schools. He must surely recognise that the system we have at the moment just is not working; I have heard from too many parents and too many schools that change is needed. If the Conservatives want to get serious about that change and work constructively on a big challenge we face, I would really welcome that. Sadly, however, we just get these cheap shots all the time.

T8. [906661] **Baggy Shanker** (Derby South) (Lab/Co-op): Earlier this year I met brilliant Derby apprentices at Alstom, who are building their futures as they build the future of our rail. However, persistently low start rates in the east midlands have left too many of our young people missing out on the opportunities that apprenticeships give. What steps is the Secretary of State taking so that young people can start the apprenticeships they need?

Josh MacAlister: My hon. Friend himself was an apprentice before entering this place, and he welcomed the Secretary of State to his constituency to open a construction technical excellence college not that long ago. The main thing that I took away from the Budget last week, which is extremely welcome, is that we will fully fund apprenticeships at small and medium-sized enterprises for people aged 16 to 24 from the next academic year, which will do a lot to answer my hon. Friend's question.

Wendy Morton (Aldridge-Brownhills) (Con): A game of strategy, tactics and sometimes outright brinkmanship might sound familiar to the Cabinet at the moment, but I am actually talking about chess. Meadow View primary school in my constituency has qualified for the London chess classic, which takes place tomorrow. Will the Education Secretary join me in congratulating the pupils on getting so far and wishing them luck?

Bridget Phillipson: I absolutely join the right hon. Lady in wishing those pupils the very best. It is a wonderful opportunity for all the young people taking part.

Sonia Kumar (Dudley) (Lab): Red Hall primary school in Lower Gornal is sited on either side of a busy road, connected by a zebra crossing. Children are put at risk each day as they cross between the sites, as there is no patrolling and frequent unsafe driving. I have urged the council to act. What work is my right hon. Friend doing with the Secretary of State for Transport to ensure adequate funding and support for road safety?

Josh MacAlister: If my hon. Friend writes to me with the details, I would be very happy to speak to colleagues at the Department for Transport.

Sir Julian Lewis (New Forest East) (Con): Despite the Secretary of State's robust answer on Chinese influence on academia, dare I set her a little homework? If she would like to take a look at the relevant section of the non-partisan Intelligence and Security Committee's report on China, published in July 2023, she would find a lot of interesting and worrying information in it.

Bridget Phillipson: I recognise the right hon. Gentleman's expertise and interest in this area, and I would be very happy to look at that report.

Callum Anderson (Buckingham and Bletchley) (Lab): I was pleased to see that the forthcoming curriculum reforms acknowledge the importance of financial capability for young people, but there is the immediate challenge of the scant financial education that exists now, which must be addressed. Can the Minister update the House on how the Department is working with civil society and the financial sector to ensure that young people are getting quality financial education now?

Georgia Gould: Young people always tell me how important it is for them to get a financial education. It is something we recognised in our response to the curriculum review, and that we are committed to working with civil society to deliver. If my hon. Friend has ideas of organisations that we can work with, we would be very open to that conversation.

Dr Ellie Chowns (North Herefordshire) (Green): In Herefordshire, families of children with special educational needs, and indeed Herefordshire council, have been waiting more than 18 months for an update on two crucial schools: a new free school, with specialist provision for children with autism spectrum disorder, and the rebuild of Westfield special school. Will the Minister meet me to discuss how we can make progress on ensuring that those vital school places are provided locally?

Josh MacAlister: As I have previously said to the House, it is really important that we get the policy regarding special educational needs and the future of the schools system in exactly the right place. We are getting there, and very soon I will be able to share an update on those projects. I would be happy to meet the hon. Member in the near future.

Rachael Maskell (York Central) (Lab/Co-op): City of York council has gone from "requires improvement" to "outstanding" in all areas due to the innovation it is driving. In particular, it has been working on halving the number of children in social care, ending the use of agency workers and setting up a SEND hub. The director of children's social care would like the Secretary of State to visit. Will she come to York and see what we are doing?

Bridget Phillipson: I was recently in York with our hon. Friend the Member for York Outer (Mr Charters), but I would be delighted to return and to talk about the brilliant progress that the council has been making in those important areas.

Blake Stephenson (Mid Bedfordshire) (Con): My constituents want politicians to work on a cross-party basis to improve SEND education. Is the Secretary of State committed to working cross-party, and if so, what steps is she taking to do that?

Bridget Phillipson: I would love to do that, but sadly what we have heard from the Conservatives this afternoon demonstrates the challenge we face as a Government in engaging seriously on these big and deep questions. We will always engage with Members of Parliament from across the House as we bring forward reforms, but I suggest that the hon. Member asks his hon. Friends to get serious about making change happen.

Jim Shannon (Strangford) (DUP): The NSPCC revealed that in 2022-23 some 9,000 sexual abuse offences that were recorded by police involved an online element. What has been done in schools to improve children's safety online and to ensure that whatever changes need to be made are made now?

Josh MacAlister: Strengthening our child protection system is a key priority for this Government. Very soon we will bring forward plans for the child protection authority. The Children's Wellbeing and Schools Bill contains a number of measures that would make a big difference to the safety of children across the UK, although those measures are unfortunately being blocked and frustrated by colleagues in other corners of this House.

Damian Hinds (East Hampshire) (Con): There is nowhere in the DFE budget from which £6 billion could possibly come other than the core schools budget, so either SEN funding is being cut, the core schools budget is being cut—that implies 5% per head—or the Secretary of State has an explicit agreement with the Chancellor for the money to come from somewhere else, or from new taxes. Which is it?

Bridget Phillipson: It is not coming from the core schools budget—I could not be more clear. It will come from across Government budgets, and it is a matter for the next spending review. *[Interruption.]* It is! Alongside that, we will set out reforms in the new year to improve outcomes for children with SEND—something that the right hon. Member and the Conservative party failed to do over 14 years. They should hang their heads in shame at what they left behind.

Mr Speaker: Order. Given that the following statement arrived late, Front-Bench Members need extra time to read it, so we will suspend the House until 3.42 pm.

3.35 pm

Sitting suspended.

Office for Budget Responsibility Forecasts

3.42 pm

The Chief Secretary to the Treasury (James Murray): I would like to make a statement to the House on two separate but related matters. The first is regarding communication with the public in the lead-up to the Budget. I understand that this is a topic that has held much interest and speculation over the weekend and I would like to take this opportunity to give a formal statement to the House on the Government's position. Secondly, the Government have also today received the results of the Office for Budget Responsibility's investigation into the early release of the "Economic and fiscal outlook" at the Budget last week. I know that the House will be concerned to know the findings of that report, and I will turn to that in a moment.

On the first point, the Chancellor has been consistent and up front with the public about her considerations in the lead-up to the Budget last week. First, she was clear on her priorities at the Budget, which were to cut NHS waiting lists, to cut the cost of living and to cut our debt and borrowing. The Budget delivered on those priorities. Secondly, she was clear on 4 November that a lower productivity forecast would mean lower tax receipts. The OBR confirmed at the Budget that tax receipts are £16 billion lower as a result of the reduced productivity forecast.

Thirdly, the Chancellor was clear on 4 November that she intended to build more headroom. She has done that, with headroom against the stability rule of £21.7 billion. Fourthly, she was clear in the summer that the policy decisions we took on welfare would need to be paid for at the Budget, and the Budget document shows those decisions costing £6.9 billion in 2029-30. Finally, the OBR has now confirmed that the Chancellor knew on 4 November that she had only £4.2 billion of headroom against her fiscal rules, meaning that once the cost of those policy decisions was accounted for, there would be a deficit of £2.7 billion against the stability rule.

The combined effect of this information is that on 4 November, the Chancellor knew that the Government would be in deficit against the stability rule before any of this Government's priorities for the Budget had been delivered, or any additional headroom built. In the light of that information, and knowing about the OBR's productivity downgrade, the Chancellor knew on 4 November that challenging decisions would be required on tax and spend. The subsequent decision to freeze personal tax thresholds for a further three years shows that this was correct.

The Chancellor took the step of delivering a speech before the Budget, precisely so that she could be up front about the circumstances that she was facing and the decisions that she would need to take. She has been honest and consistent with the public in everything she has said.

Last Wednesday, before the Chancellor began her Budget speech, the Office for Budget Responsibility published its entire "Economic and fiscal outlook" online. Let me be clear: this is a very serious breach of highly sensitive information. It is a fundamental breach of the OBR's responsibility; it is a discourtesy to this House, and it should never have happened. The OBR rightly took full responsibility and issued an apology to the Chancellor later that day. It has conducted an investigation into how the report came to be published prematurely, and it sent its report, including its findings, to the Treasury and the Treasury Committee today at 12.30 pm. The report states:

> "We are in no doubt that this failure to protect information prior to publication has inflicted heavy damage on the OBR's reputation. It is the worst failure in the 15-year history of the OBR."

It adds that the

> "responsibility for the circumstances in which this vulnerability occurred and was then exposed rests, over the years, with the leadership of the OBR."

The report notes that this has

> "inflicted heavy damage on the OBR's reputation",

and caused significant disruption on Budget day,

> "to the Chancellor's disadvantage".

The report goes on to make it clear that a significant and long-standing issue has allowed external users to gain early access to the OBR's publication, which contains full details of its forecasts and the Chancellor's Budget.

In the days since the Budget, there has been speculation about the kind of error that led to the "Economic and fiscal outlook" being published early. The report today confirms that the cause was not

> "simply a matter of pressing the publication button on a locally managed website too early."

The report concludes that the cause of the OBR's error was "systemic issues", and that the investigation has made it clear that

> "the problem exposed last week was not a new one."

Indeed, the report reveals that the OBR's EFO in March was accessed before the Chancellor delivered the spring statement to the House. That underlines just how serious the situation is. Let me underline that as a Government, we take seriously the need to ensure that the OBR never allows this to happen again.

The report notes that common and fairly basic protections to prevent early access, including passwords and random-character URLs, were not used. It further notes that two configuration errors, which were not understood by the OBR's online publishing function, prevented the safeguards in its online publishing software from being effective.

I am also very concerned that the report notes that

> "it is very likely that the weaknesses that caused the premature accessing of the November 2025 EFO were pre-existing. Indeed, it appears that the March 2025 EFO was accessed prematurely".

These findings are very serious indeed. The fact that market-sensitive information was prematurely accessible to a small group of market participants is extremely concerning, and the fact that this may have been the case on more than one occasion makes the situation even more severe. We do not know at this stage the extent to which market behaviour may have been affected on this or other occasions as a result of information being available early.

I want to share one further bit of information from the report with the House. On the morning of the Budget, the first IP address to successfully access the EFO had made 32 prior attempts that day, starting at around 5 am. That volume of requests implies that the person attempting to access the document had every confidence that persistence would lead to success at some point. Unfortunately, that leads us to consider whether the reason they tried so persistently to access the EFO is because they had been successful at a previous fiscal event. At this time, we do not have answers to all those questions, but the Treasury will make contact with previous Chancellors, to make them aware of developments relating to previous fiscal events. The OBR has rightly conducted its initial investigation as quickly as possible, and it is right that both the Government and the Treasury Committee now take time to consider the report and its findings. The Treasury Committee will have the opportunity to carefully question the OBR tomorrow, at its post-Budget hearing.

Furthermore, in response to paragraph 3.4 of the report, which set out that the problem exposed last week is not new, I can confirm to the House that the Government will work in conjunction with the National Cyber Security Centre to take forward the recommendation that a forensic examination of other fiscal events be carried out—although I note that the report finds no evidence of hostile cyber-activity. In addition, the report says that the OBR

"could not, in the time available, carry out a deeper forensic examination of other recent Economic and Fiscal Outlook events and we recommend that such an exercise is, with expert support, now urgently carried out".

We will make sure that work is carried out urgently. We will look at wider questions of the systemic risk that this incident has uncovered, including the report's conclusion that the OBR's information security arrangements

"should have been regularly re-examined and assured by the management of the OBR."

This Government are committed to the independence of the OBR and its role at the heart of economic and fiscal policy making. The Chancellor and the whole of the Treasury value the independence of the OBR and our constructive relationship with it over the past 16 months, in challenging economic times. The strength of that institution is a vital pillar in the Government's economic and fiscal policy making, and we will respond to this matter with the seriousness it demands.

Mr Speaker: In the light of press reports on this matter, I remind the House of the rules and conventions relating to parliamentary language. As "Erskine May" sets out, unless a discussion is based on a substantive motion, certain personal criticisms, including accusations of lying or deliberately misleading the House, are not permitted. I know that the House will want to be at its best. We take this very seriously.

3.51 pm

Sir Mel Stride (Central Devon) (Con): I begin with the matter of the report on the OBR leak. We will of course study that report in detail, but as the right hon. Gentleman concluded by saying, "We will respond to this matter with the seriousness it demands", I seek immediate reassurance that this will not include scapegoating the OBR to distract from the serious questions surrounding the handling of the Budget by the Chancellor, Ministers, the Treasury and No. 10.

Let me turn to the other matters that the Chief Secretary to the Treasury addressed in his statement. We expect those in positions of power to act with transparency, openness and integrity, but it is increasingly clear that, in recent weeks, the conduct of people in Government fell short of those standards. That is not just my view; indeed, a member of the Cabinet is quoted in today's press as saying:

"The handling of this Budget has been a disaster from start to finish."

The impression has been given that there was a concerted attempt to paint an inaccurate picture of the public finances, designed to give political cover for policy decisions around increases in taxes and welfare spending. On 4 November, the Chancellor delivered a pre-Budget statement in Downing Street, in which she said that the OBR would be downgrading its productivity forecasts, meaning lower tax receipts. The Chancellor herself says that the statement was meant to set the context relating to the public finances and the need take difficult decisions on tax, but—this is the key point that the right hon. Gentleman did not address—she failed to mention that the net result, in the OBR's review of the economy, was that there was an increase in tax revenues, not a black hole. To quote the OBR's Budget report:

"In isolation, the reduction in productivity growth could have lowered revenues by around £16 billion… However, the boost to receipts from higher inflation and changes to the composition of nominal GDP growth…more than offset this."

The Chief Secretary to the Treasury argues that there was a need to increase headroom, but that was not the justification for tax rises that was given before the Budget—although it is effectively an admission that the decision to leave such a small amount of headroom in the previous two fiscal events was irresponsible. The Chief Secretary to the Treasury's argument fails to acknowledge that a significant proportion of the increase in taxes was used to fund policy decisions on spending, specifically on welfare.

On 14 November, the media were briefed that income tax rates would not be increased, following the improved forecast from the OBR. We now know that that was simply false. As I pointed out in my letter to the OBR before the Budget, the finalised pre-measures forecast came weeks before that, on 31 October. Even after the Budget, in a *Guardian* interview, the Chancellor said that income tax rises had remained on the table well into November

"because we didn't know the size of the downgrade, the productivity".

That is not true.

Since then, on Friday, the OBR took the unprecedented step of publishing its estimates for headroom in each of its pre-measures forecast rounds. As a result, we now know that at no point was there a deficit on the scale suggested to the media. Why did the Chancellor claim that she did not know the size of the headroom forecast by the OBR in November, when its final forecast was submitted on 31 October? At what point were the Cabinet informed that the forecast still showed a surplus, and why did the Chancellor suggest that the OBR's review of the economy had led to a significant deterioration in the public finances?

We now know that the briefings to the press were not just inappropriate but inaccurate. Those briefings can only have come from inside Government. Will the Chief Secretary to the Treasury finally give us a clear answer: was the Chancellor aware of those briefings, and did she authorise them—yes or no? Will he commit to a full investigation by both the permanent secretary and the Financial Conduct Authority into those briefings, and will he explain why the Chancellor chose to opine repeatedly on the OBR's forecasts before the Budget, when those forecasts were provided to her in strictest confidence?

[Sir Mel Stride]

The Chief Secretary to the Prime Minister claimed this morning that the OBR's publication on Friday was simply responding to a request from the Select Committee, but the OBR's report on Wednesday said that it had already planned to write that letter. Will the Chief Secretary to the Treasury confirm that it was, in fact, a proactive choice by the OBR to publish that information, which clearly suggests that the OBR was concerned that the record of who knew what, when, would otherwise be less than clear? It is a matter of profound regret that although the Chancellor chose to appear before the media yesterday, she did not see fit to appear here today. Her credibility is in tatters, and to the long list of her failings in respect of these matters should be added that of disrespecting this House.

James Murray: I was unclear from what the shadow Chancellor said at the beginning of his comments whether he, like us, values the role of the OBR in the Budget-setting process. We value its independence and we value its integrity. That is why we take what happened last Wednesday with the utmost seriousness, and we are determined to pursue it.

The shadow Chancellor went on to make a series of points, which I will address, but he fails to acknowledge that the productivity downgrade was real. The £16 billion hit to the forecast as a result of the productivity downgrade was real. I wonder why he does not want to acknowledge that. Could it be because the productivity downgrade was the result of things that his Government did over the 14 years that they were in office? Could it be the fact that the productivity downgrade was the result of a review by the OBR of policies including cuts to public investment, the mishandling of Brexit, and the record of the previous Government? That is perhaps why he does not want to acknowledge that point. The productivity downgrade by £16 billion was real. The need to build headroom was crucial. Both were principles that guided the Chancellor going into the Budget, as was the importance of cutting the cost of living, cutting NHS waiting lists, and cutting Government borrowing.

The shadow Chancellor will remember from when he was in government under the Conservatives that the process involving the OBR and the Treasury is an iterative one that runs until Budget day. When the Chancellor delivered her Budget, the "Economic and fiscal outlook", which, as we have discussed, was published slightly early, set out the context for the decisions that she took. The shadow Chancellor raised the issue of information security. I am sure that he will have received the letter from the permanent secretary sent on 25 November, which stated:

"As Permanent Secretary, I place the utmost weight on Budget security. I will continue to keep all aspects under review to ensure the integrity of the Budget process."

Finally, the shadow Chancellor asked where the Chancellor is today. I am very pleased to tell the House that the Chancellor has been at the Wales investment summit today, following the announcement yesterday of £1.4 billion of extra investment into Wales—just the latest in £16 billion of new investments announced since the summit was launched.

Mr Speaker: I call the Chair of the Treasury Committee.

Dame Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Thank you, Mr Speaker—*[Interruption.]*

Mr Speaker: Order. Members have to learn that they cannot run in front of other Members when they are speaking, please. It looks really bad on TV, and it is not courteous.

Dame Meg Hillier: I, too, welcome the fact that the OBR has put its report out so quickly, so that it can put its house in order and make sure this never happens again. I have been saddened and troubled by the number of leaks, advertent and inadvertent, during the Budget process. Will the Chief Secretary please assure the House that there will be proper discussion in Government about how to prevent them? I need only point him to the words of the permanent secretary at the Treasury to the Treasury Committee on 12 February this year, when he was very clear that leaks can be market moving and must not happen. Let us be clear that the Debt Management Office was still trading during the Budget process, and was selling gilts at a higher price as a result.

James Murray: Mr Speaker, I can reassure my hon. Friend, you and the whole House that this Government take the Budget process and their responsibilities to this House very seriously. As I mentioned earlier, the permanent secretary has made it clear that the Treasury puts the utmost weight on Budget security. The permanent secretary made it clear in his letter to the shadow Chancellor that he will continue to keep all aspects under review to ensure the integrity of the Budget process.

Mr Speaker: I call the Liberal Democrat spokesperson.

Daisy Cooper (St Albans) (LD): I understand that the Minister says he does not have all the answers to the questions about the incredibly serious security failings at the OBR, but has he requested or received any advice on whether the attempts to access the information might have reached a criminal threshold under the Criminal Justice Act 2003 or a civil level under market abuse regulations? Are there any other arm's length bodies, related either to the Minister's Department or to other Departments, that might now need to conduct a similar internal review into their security?

The Budget process has been a mess. There have been leaks on a level that has never been seen before and huge amounts of flip-flopping, which has created uncertainty for households and the markets and has led to businesses putting investment on hold. During the pre-Budget press conference, the Chancellor talked about a reduction in productivity growth, but failed to mention that tax receipts were higher than expected. Why did the Government omit to communicate that information?

Following Sweden's budget crisis in the early '90s, its Government changed to a system where the Swedish Parliament saw a draft budget and debated it at length, and Opposition parties could propose alternatives and amendments. Have the Government given any consideration at all to introducing a better system?

On the issue of omissions, on a number of occasions over the past year Ministers have repeated the claim that they would introduce permanently lower business rates for businesses in this country, but they omitted to say that business rates bills would go up because of the higher valuations. Pubs are now saying that their average increase will be £12,000 a year, or 76% over the next three years. Why did the Government omit to mention that?

James Murray: I refer the hon. Lady to the comments I made in my statement about how we are going to take forward the recommendations in the report. As I made very clear, this is an incredibly serious incident, and we take it incredibly seriously. We are going to move urgently to take forward the recommendations in the report.

The hon. Lady asks about other arm's length bodies and Government organisations. We take security, information security and cyber-security incredibly seriously right across Government, and the spending review focused on ensuring that all Departments and all Government bodies are adequately resourced so that they have the right information technology, cyber-security and information security for the future.

The hon. Lady referred to the Chancellor's speech on 4 November, where the Chancellor set out the challenges we are facing and the principles that would guide her going into the Budget: cutting NHS waiting lists, cutting the cost of living and cutting Government borrowing. That is exactly what she delivered in her Budget last week. On business rates—I suspect this is a debate for another day, rather than for this statement—I point anyone concerned about increases in their valuations towards the generous transitional relief, which will cap the increase in bills at 15% or less for most small businesses next year.

Luke Murphy (Basingstoke) (Lab): Having spent the past 18 months arguing that this Government have mismanaged the public finances, the Conservatives have now come to the House to argue that the public finances are fine after all. Their position is patently absurd. Due to the OBR's productivity downgrade, which was a direct result of the Conservative Government's decisions, the headroom available to the Government had been cut by 57%. Does the Minister agree that the Conservatives are right to be angry about the state of the public finances, but that they are on the Opposition Benches because they are responsible for it? The Chancellor is on our Benches, making decisions in the national interest.

Mr Speaker: Mr Murphy, I brought you in to ask a short question, not to give a full-blown statement. Please do not test the Chair too often.

James Murray: I thank my hon. Friend for his intervention. He is right to draw attention to the fact that the Conservatives want to completely distance themselves from their record in government. We have seen their record in government laid bare in the OBR's productivity downgrade. That investigation by the OBR resulted in a hit to the public finances to the tune of £16 billion. That was a real consequence for our economy, and we had to take real decisions to correct it.

Steve Barclay (North East Cambridgeshire) (Con): Mr Speaker, you described the chaos and leaks in the run-up to the Budget as a "hokey-cokey". Just today, the House had to be suspended because the statement arrived so late, on a Budget that was delivered so early that the Chancellor had not actually given it. That was a few hours after the Prime Minister had had to do a second launch to try to explain the Budget, a day after the Chancellor had toured the studios trying to say that she did not mislead people over it. Would it not have been clearer for the Prime Minister just to say that he was hiking tax to put up welfare?

James Murray: What is clear is that we delivered a Budget to cut the cost of living, cut NHS waiting lists and cut Government borrowing.

Jim McMahon (Oldham West, Chadderton and Royton) (Lab/Co-op): Is it not the case that after 14 years of the Conservatives telling the country that politics cannot make positive change, this Government have delivered answers on the two-child limit, apprenticeships, the future economy and decent public services? That is why the Conservatives' response is as it seems to be. However, this incident has not covered the OBR in glory. I hear Ministers expressing confidence in the OBR and faith in the role that it has to play in the future. Surely, though, this is the moment to say that it is on its last warning.

James Murray: My hon. Friend is right to point out that the OBR plays a critical role in the Budget process and an important role in the robust and transparent fiscal framework that underpins our approach in government. Indeed, the first Bill passed by this Government included the fiscal lock, which prevents the sidelining of the OBR that the previous Government did, causing chaos for people across this country.

Dame Harriett Baldwin (West Worcestershire) (Con): The leak of the Office for Budget Responsibility's economic and financial forecasts on Wednesday was obviously shocking, and it has rightly come up with a swift and complete report on how that happened. The partial information and the leaks from the Treasury over the many months in the run-up to the Budget were, in my opinion, equally shocking, and they caused real-life choices to be made in the economy and dampened confidence. Will the Chief Secretary to the Treasury therefore commit to an equally thorough and equally rapid leak report to be presented to this House?

James Murray: As I said earlier, the Government take the Budget process and our responsibilities to this House very seriously. As the hon. Lady is aware, the permanent secretary has committed to keeping all aspects under review to ensure the integrity of the Budget process.

Jim Dickson (Dartford) (Lab): As others have said, given that the "Economic and fiscal outlook" contains highly sensitive information on which billions of pounds can be traded, and given that the investigation report makes it clear that this was not the first time that confidential information had been released before a fiscal event, does the Minister agree that there might be a role for the National Crime Agency, alongside the National Cyber Security Centre, in looking into whether something untoward has taken place?

James Murray: As I set out in my earlier remarks, we will be taking forward the recommendations of the report. In particular, as my hon. Friend mentioned, we will be working with the National Cyber Security Centre

[James Murray]

to take forward the recommendation of a forensic examination of other fiscal events. The truth is that because of the early publication of the EFO last week, it has come to light from the initial analysis of the OBR that that also happened in March, but we do not yet know if it happened at previous fiscal events, including for previous Chancellors.

Wera Hobhouse (Bath) (LD): While the detail of whether the Treasury was dealing with a fiscal black hole or a fiscal lack of headroom will be rather lost on most of my Bath constituents, does the Minister agree that the weeks of speculation leading up to the Budget were very damaging, particularly to businesses, and that his Department could have done more to avoid that?

James Murray: I recognise that there was a lot of speculation in the media in the run-up to the Budget. From the Government's point of view, the Chancellor took a decision to set out her priorities and the challenges going into that Budget on 4 November. We set out the context around the productivity downgrade, the importance of building fiscal headroom, and the importance of cutting NHS waiting lists, cutting the cost of living and cutting Government borrowing.

Antonia Bance (Tipton and Wednesbury) (Lab): It is very worrying to hear about the repeated attempts to access the statement before it was given, and I wonder why Conservative Members are not a little more concerned, given that the same situation may have affected them. Does my right hon. Friend agree that if a Government left themselves with only £4 billion of headroom, they would be taking unacceptable risks with the UK's fiscal stability?

James Murray: My hon. Friend is absolutely right: imagine if I were trying to defend a Budget to the House that was delivered with just a few billion pounds of headroom—what message would that send about the UK economy? The headroom is there to reduce the cost of Government borrowing and to give us protection against future shocks that might come our way.

John Glen (Salisbury) (Con): On the process failure of the premature publication of the document, I think there is consensus across the House that it is damaging to the reputations of the UK, the OBR and the Treasury. I welcome the fact that the report says there are issues for the Cabinet Office, the Treasury and the OBR in respect of how documents are hosted. However, on the substantive issue of what the OBR had told the Treasury and the net overall effect of that, there can be no doubt. There may be a dispute about whether £4.2 billion was sufficient or not, but we know for certain that the OBR did not say there was a significant black hole that required a 2p increase in income tax, which was the consequence of the Chancellor's press conference. Does the Chief Secretary agree that the material distinction between those two issues must not be lost, and that he must face up to the reality of the overall net effect and the impression that was left?

James Murray: The right hon. Gentleman is a former Treasury Minister, so he will know the importance of the OBR's productivity downgrade and the impact that that has had on the forecasts. He will know that £16 billion is a significant downgrade to have had as a result of that productivity review, and he will know that were I here defending a Budget with just a few billion pounds of headroom, that would not be a position that any of us would want to be in.

Barry Gardiner (Brent West) (Lab): The Chief Secretary quoted the OBR review, which said:

"The ultimate responsibility for the circumstances in which this vulnerability occurred"

was

"with the leadership of the OBR."

Has anyone in the OBR leadership offered their resignation, or has that gone out of fashion?

James Murray: That is a matter for the leadership of the OBR. Let me emphasise how important the OBR is as an institution for this Government in providing a robust and transparent fiscal framework that underpins the stability we have returned to the economy.

Stephen Flynn (Aberdeen South) (SNP): Two weeks ago, from the Dispatch Box, the Minister said with a straight face to me that he would not take lessons on credibility. I understand the error of my ways now; I should have given those lessons to the Chancellor, because since then we have seen that she has not been entirely truthful with the public—as one of my constituents said to me today while I was travelling down from Aberdeen, she lied to the public. While she was doing that, my constituents were fearing for their jobs through the Government's punitive energy profits levy. Some 100 more jobs are being lost at Harbour Energy as a result of the Minister's policies. Why is it okay for them to lose their jobs, yet she keeps hers?

Mr Speaker: I think the right hon. Gentleman means the Chancellor.

James Murray: The right hon. Gentleman talks about the energy profits levy. Let me be clear: we know that oil and gas have a role to play in our energy mix for many years to come. We want to support that industry while we make the transition to clean power, and that is the role that the energy profits levy will play. We set out at the Budget how the energy profits levy will come to an end in 2030, or sooner if the price floor is triggered.

Ms Polly Billington (East Thanet) (Lab): My right hon. Friend will acknowledge, as he already has done, the importance of stability for families and businesses across this country. What we have called fiscal headroom is frankly money for a rainy day, and it is fundamental to being able to maintain that stability—something that was a failure of the Conservative Government for some time. Will he also acknowledge the importance of the way in which the bond markets responded positively to the Budget, for exactly the reason that it delivers us the stability we all need?

James Murray: While the Government do not comment on movements in the bond market, it was very important to us to create that extra headroom in order to bring down the cost of Government borrowing and ensure that we have that buffer for the future.

Sir Iain Duncan Smith (Chingford and Woodford Green) (Con): I have been here a few years and have seen the run to different Budgets. In line with the Chair of the Treasury Committee, the hon. Member for Hackney South and Shoreditch (Dame Meg Hillier), I have to say that this Budget has been utterly chaotic and appallingly dangerous. The reality is that the Minister said there was plenty of speculation in the media. It was not speculation; it was informed statements by the media of what they had been briefed from the Government. The Government know full well the damage that that has done to our reputation, and the unprecedented requirement of the OBR to publish its advice to them demonstrates the damage that they have done. Will the right hon. Gentleman come to the Dispatch Box in all decency and say, "The Government apologise for the mess that they have made"?

James Murray: I will come to the Dispatch Box and say that this Government take the Budget process and their responsibilities to this House incredibly seriously. As the permanent secretary has set out, he places the utmost weight on Budget security. As I have said to several hon. and right hon. Members, the permanent secretary will continue to keep all aspects under review to ensure the integrity of the Budget process.

Noah Law (St Austell and Newquay) (Lab): Does my right hon. Friend agree that some of the real-world and market impacts we saw last week underscore the importance of following proper process with the OBR? We saw the evidence to the contrary just three years ago, when the then Government chose to ignore and bypass the OBR entirely, causing interest rates and mortgage costs to soar.

James Murray: I thank my hon. Friend for drawing a comparison between the way in which we as a Government interact with the OBR and the way in which the Liz Truss Government interacted with the OBR. We value the independence of the OBR and the constructive relationship that we have had with it over the past 16 months. That is in stark contrast with the previous Government, who sidelined the OBR and caused economic chaos for families across the country.

Sir Julian Lewis (New Forest East) (Con): The Government will not apologise for this sorry and tangled affair, but will they at least learn a couple of lessons, such as the fact that there have always been very good reasons for observing total secrecy until Budget day and, secondly, when not in a financial black hole, do not start digging oneself into one?

James Murray: As the Budget documents and as the EFO makes clear, the downgrade in productivity was real. That was a £16 billion hit to economic forecasts, and it was a challenge that we inherited as a result of what the right hon. Member's Government did when they were in power. We took the right and necessary decisions to fix the public finances, making sure that we could do so without going down the route of uncontrolled borrowing—like his Government did—or the route of slashing public investment.

Paul Waugh (Rochdale) (Lab/Co-op): Mr Speaker, you were rightly furious last week when this OBR report was prematurely leaked to the public and the markets. It is clear from the independent report that this was an accident waiting to happen due to pre-existing cyber-security failures—pre-existing failures that may well have laid open previous Budgets to this kind of access, which should concern the Conservative party as much as any other party. This is about the integrity of the OBR.

The non-executive directors of the OBR, Baroness Hogg—who is totally independent—and Dame Susan Rice, both conclude that

"ultimate responsibility…rests…with the leadership of the OBR."

I would not expect the Chief Secretary to the Treasury to say whether he has confidence in the chair of the OBR, but is it not clear that those non-executive directors lack that confidence?

James Murray: It is clear that this is a very serious matter, and it is right that the Government respond to it with the seriousness it demands. As my hon. Friend made clear, this is not—to quote the OBR again—

"simply a matter of pressing"

the wrong button

"on a locally managed website too early."

This is a systemic issue and a far more serious one, and it deserves our serious attention.

Clive Jones (Wokingham) (LD): Under the last Conservative Government, we saw years of chaos, incompetence and mismanagement, and very often a lack of transparency and honesty with the British public. The Government promised change, and had a responsibility to deliver a clean break from the Conservatives' approach to government. Will the Minister acknowledge the damage that has been done to those efforts, and what steps will the Government take to rectify it?

James Murray: One of the reasons we take this matter so seriously is precisely the value that we place on the OBR. We see it as having a vital role in a robust and transparent fiscal framework, which is why we take last week's breach of information so very seriously.

Jayne Kirkham (Truro and Falmouth) (Lab/Co-op): It is really concerning that these leaks have happened before. I understand that the investigation is still under way, but could the OBR tell who was trying to access this information, and can my right hon. Friend confirm that this will be investigated fully? Can he also confirm when last there was headroom as low as £4 billion?

James Murray: My hon. Friend asks what the OBR report was able to conclude. It said that

"We could not, in the time available, carry out deeper forensic examination of other recent EFO events and we recommend that such an exercise is, with expert support, now urgently carried out."

That is exactly what the Government will be doing.

Simon Hoare (North Dorset) (Con): I think it should be recognised that events such as these allow Ministers and the wider Government to reflect on current circumstances. I am not seeking to scapegoat the OBR, but it is not the messiah—sometimes, it can be a very naughty boy—and it does have to revise its predictions at all times. Is it too traditional to suggest to this Government that the Treasury should be the office of budget responsibility, and that there are good brains in

[Simon Hoare]

the Bank that could be tapped into? Is now not a good opportunity to reflect on what advice the Government need, whether the OBR is fit for purpose, and whether it should be disbanded?

James Murray: I have a great deal of personal respect for the hon. Gentleman, but I take a different view of the OBR. We value the role of the OBR in a robust and transparent fiscal framework, and it is precisely because we value that role that we take last week's breach of information so seriously.

Rachael Maskell (York Central) (Lab/Co-op): To bring to a conclusion the ensuing debate about who knew what and when, does my right hon. Friend agree that he should publish a detailed timetable of the economic information that the Chancellor was in receipt of, including the return on tax receipts and the impact on wage growth?

James Murray: As my hon. Friend knows, the OBR has already published its forecasts at various rounds during the Budget process. The process is iterative between the Treasury and the Office for Budget Responsibility. I am sure my hon. Friend welcomes the fact that in the Budget, we cut the cost of living, cut NHS waiting lists and cut Government borrowing.

Sammy Wilson (East Antrim) (DUP): The Government have had a lucky break with the coincidence of the OBR's confession and report on its leak of the Budget details, which has given the Minister an opportunity to use the shame of the OBR to deflect from the real criticism that should lie with the Chancellor, who, weeks before, was using selective information and distorting the forecasts to cover up the fact that she was taking money from those who work to pay those who do not work. Is that not the real shame of what we are discussing?

James Murray: The real focus of the Chancellor has been on cutting the cost of living, cutting NHS waiting lists and cutting Government borrowing. I hope that the right hon. Gentleman, like all Members of this House, values the importance of the Office for Budget Responsibility and takes this matter with the same seriousness that we in government do.

David Pinto-Duschinsky (Hendon) (Lab): Like many other Members, I have been shocked by the early release of the OBR's "Economic and fiscal outlook" report, as this kind of error risks compromising the integrity of the Budget process in moving markets. The evidence that has now emerged that this was not the first time that the OBR forecast was accessed prematurely owing to systematic failures in its own cyber-security, is simply unforgivable. Given this appalling failure, which the chair of the OBR himself acknowledges is the worst failure in the organisation's history, can the Minister tell the House what he thinks it would take for the chair of the OBR to resign?

James Murray: Obviously, the questions about what is done by the leadership of the OBR are for the leadership of the OBR, but I can tell my hon. Friend that the Government take last week's information breach incredibly seriously. The fact that it was not simply a case of the wrong button being pressed on a locally managed website, the fact that it was a systemic issue and the fact that it had happened at least once before, in March this year—and who knows whether it had happened at previous events—underscore just how serious a matter it is, and just what a failing it represents.

Sir Gavin Williamson (Stone, Great Wyrley and Penkridge) (Con): We know that the Chief Secretary is a very thoughtful, intelligent man, and he will know that the press were being briefed extensively about what the Budget was going to say. They were not making it up. Where does the Chief Secretary believe that that briefing was coming from? Does he believe that it was coming from special advisers, does he believe that it was coming from Treasury officials, does he believe that it was coming from No. 10—or does he think that a Christmas elf had a hand in all this?

James Murray: I know that journalists from all publications need no encouragement to speculate on the contents of a Budget. Let me draw the right hon. Gentleman's attention to my earlier remarks: this Government take the Budget process, and our responsibility to the House, very seriously.

Mrs Sureena Brackenridge (Wolverhampton North East) (Lab): Like other Members on both sides of the House—I hope—I am deeply concerned and shocked by the fact that the OBR has leaked not just the autumn Budget but previous fiscal events: it is hugely concerning. Does my right hon. Friend agree that the Chancellor's decision to more than double fiscal headroom has been welcomed by markets and will strengthen UK resilience?

James Murray: My hon. Friend is entirely right to draw attention to the fact that not only doubling the headroom but getting it to £21.7 billion is a crucial step in strengthening the resilience of the UK economy and the public finances, helping to bring down Government borrowing and protect us from future shocks.

Richard Tice (Boston and Skegness) (Reform): It concerns me that the Minister has today, in this House, misled the House—inadvertently—on three separate occasions, as the Prime Minister inadvertently misled the British people this morning. Cutting borrowing is simply not the case. The OBR's numbers show clearly that over the next five years Government borrowing will increase by a net £504 billion, which is £60 billion more than was forecast by the OBR back in March. The Minister cannot even claim that it is a percentage of net debt, because all those numbers are increasing, so will he please correct the record?

James Murray: Borrowing falls in every year of this forecast.

Mr Speaker: I call Chris Vince.

Chris Vince (Harlow) (Lab/Co-op): Thank you, Mr Speaker. I am shocked to be picked so early, but I appreciate it.

I thank my right hon. Friend for his statement. The premature publishing of the OBR report is very disappointing; I think Members across the House can agree on that. It is particularly disappointing for me and for residents in Harlow, because it detracts from a Budget that makes a real difference to families in my constituency by freezing rail fares, freezing prescription charges, lowering waiting times for the NHS and—as the House knows, an area I am particularly concerned about—tackling tax evasion.

James Murray: Not only is my hon. Friend an excellent advocate for tackling tax avoidance and evasion, but he is absolutely right to point to the fact that what is important for people across this country is that this Budget cuts the cost of living, cuts NHS waiting lists and cuts Government borrowing.

Wendy Morton (Aldridge-Brownhills) (Con): It is deeply damaging and, dare I say, unprecedented that we find ourselves here today, listening to this statement about OBR forecasts, midway through the debate on the Budget. It raises more questions, not least because the Chancellor chose not to be here today to answer those questions. Why?

James Murray: I do not know whether the right hon. Lady missed my explanation of where the Chancellor was, but I am pleased to announce to the House that the Chancellor is in Wales today, at the Wales investment summit. She is there following yesterday's announcement of £1.4 billion of extra investment into Wales, and that is just the latest tranche of the £16 billion of new investment announced since the summit was launched.

Callum Anderson (Buckingham and Bletchley) (Lab): I thank the Chief Secretary to the Treasury for his statement. The integrity of fiscal forecasting depends not only on technical expertise, but on the public's confidence in the people who deliver it. Clearly, that confidence has been shaken in the past few days. Can he outline what governance changes he and the Department are thinking about enacting so that those overseeing the fiscal process meet the highest standards of conduct and scrutiny? Does he have confidence in the head of the OBR delivering them?

James Murray: I emphasise to my hon. Friend and all Members of this House that the Chancellor and all of us in the Treasury value the independence of the OBR and the constructive relationship we have had with it over the past 16 months, in challenging times. Obviously, the matter that we are discussing today—the early publication of the report last Wednesday—is incredibly serious. The reason we as a Government are taking it so seriously is that we want to preserve the integrity and independence of the OBR in the future.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I am very interested to learn that the Chancellor is in Wales today. Amid all the message manipulation, she leaves the Minister to explain exactly why the continued freeze on income tax thresholds will hit Wales badly: an estimated five times more Welsh workers will be pulled into the basic rate compared with in the UK as a whole. I can only presume that the Treasury consulted the Labour Welsh Government. Will he release their response specifically in relation to confidence and a cost of living hit?

James Murray: I am sorry that the right hon. Lady does not welcome the fact that the Chancellor is in Wales today to promote investment in Wales, but I can point her to the fact that the decision to lift the two-child benefit cap will benefit children in Wales, that the money off energy bills will benefit people in Wales, and that the changes to the fiscal framework will benefit people in Wales. The decisions that this Government took will cut the cost of living and make sure that we cut Government borrowing, which will benefit people right across the UK.

Laurence Turner (Birmingham Northfield) (Lab): The OBR is a valuable institution, and the "Economic and fiscal outlook" is by far the most important document that it produces. Today's report makes it clear that the OBR's IT infrastructure was a point of critical failure that should have been identified as far back as 2013. Does the Minister agree that the chair of the OBR now cannot credibly lead the investigatory and reconstruction work, and that he should resign?

James Murray: Events are moving quickly, and I understand that the chair of the OBR has resigned. That is what I understand from messages passed to me.

Dr Luke Evans (Hinckley and Bosworth) (Con): Through the morass of leaks, one thing is crystal clear: this Labour Government broke their manifesto commitment. The Chancellor said:

> "I am asking everyone to make a contribution",—[*Official Report*, 26 November 2025; Vol. 776, c. 393.]

then went around the studios at the weekend saying,

> "I am asking ordinary people to pay a little bit more".

She is not asking; she is telling the public. Will the Minister come to the Dispatch Box and confirm that if my constituents say they will not pay their taxes, they will not face any criminal or financial repercussions?

James Murray: The Chancellor was clear at the Budget last week that we were taking the fair and necessary taxation decisions to ensure that everyone makes a contribution, but that the contribution of working people is kept as low as possible thanks to the other choices made. Increasing tax on property income, increasing tax on properties worth more than £2 million and reforming gambling taxation all mean that we can keep taxes on working people as low as possible.

Andrew Pakes (Peterborough) (Lab): The report on the OBR leak makes deeply worrying reading. I welcome the resignation of the chair of the OBR, because leadership on these issues matters. It turns out that the leak was not unprecedented as we thought last week. It has leaked other documents, and it may need to go back further to look at that. Such leaks could have led to speculation and costs running into millions. Does my right hon. Friend know how many times this has happened before, and if not, does he know when we will know that information? More importantly, does he know how many times the OBR Budget report was viewed externally before the Chancellor delivered the Budget last week?

James Murray: I thank my hon. Friend for his question, and he is right to draw attention to the seriousness of what happened last week. The initial report by the OBR

[James Murray]

sets out just how many times the report was accessed and shared before the Chancellor had given her Budget speech. There were 32 attempts to access it, starting at about 5 am that day, and it was then shared multiple times before the Chancellor had delivered her Budget speech. We do not have all of the answers to his questions, and the OBR has acknowledged that in the limited time available it has not done forensic analysis of what happened at all previous fiscal events. We know that the EFO for the March 2025 spring statement was certainly accessed. What we will do as a Government is work to make sure we have full information, and urgently find out what was shared—or rather what was inadvertently shared—at previous fiscal events.

Dr Ellie Chowns (North Herefordshire) (Green): We have had plenty of disagreement today, but I think it is clear that there is consensus that truth and accountability matter. I draw the attention of the House to the campaign by Compassion in Politics for a targeted legal measure that would make it an offence for any politician or candidate to mislead the public deliberately on a matter of verifiable fact. This is being taken forward in Wales, and it has long-standing cross-party support in this House. Will the Government support those of us who are campaigning for a political truthfulness Bill to rebuild trust in politics?

James Murray: This Government take the role of the independent adviser on ministerial standards incredibly seriously and abide by his rulings. We know what damage the previous Government did to trust in politics. It would be foolish to suggest that no Government at any point in the future will ever face difficulties, but it is how the Government respond to those difficulties that matters. This Government have shown that we respond in a way that is transparent, fair and brings an end to any sense that people have behaved improperly.

Peter Swallow (Bracknell) (Lab): On 3 September, the shadow Chancellor stood at the Opposition Dispatch Box and claimed that the hole in the public finances could be as much as £40 billion. As it happens, that was not the case, not least because of the Chancellor's steadfast commitment to stabilising our economy. Does the Minister not agree that it is a bit rich for the Conservatives to go around claiming that people are talking down the economy and talking up the gap in our public finances, when the only people doing that are them?

James Murray: My hon. Friend is right. I do not hold out any hope that the Conservatives will speak with any consistency or do anything other than try to talk down the British economy. In stark contrast, we are cutting Government borrowing, increasing the headroom, and making sure we have stable public finances and a stable economy, because it is on that basis that we can boost investment and growth.

Sir John Hayes (South Holland and The Deepings) (Con): The demeanour of a good Chancellor should be somewhere between an undertaker and an oncologist—a reassuring presence and no words wasted—not a party entertainer trialling a few tricks before they go on stage, which is what this Chancellor did before the Budget. In seizing back control from the OBR—which is unaccountable and unelected, and should never have been set up in the first place—will the Minister recognise that, unless the Treasury and Ministers are straight with the public, no one will be trusted?

James Murray: The right hon. Gentleman and I disagree about the role of the OBR. We value its role in a transparent and robust fiscal framework. Madam Deputy Speaker, during this debate Richard Hughes has offered his resignation. May I put on record, on behalf of the Government, our thanks to him for his dedication to public service?

Josh Fenton-Glynn (Calder Valley) (Lab): It strikes me that much of the criticism from the Opposition Benches is rooted in the decision to increase funds to raise the headroom. I know that forecasts are a job for the OBR, but given that it is busy at the moment, could my right hon. Friend advise me on what the likely impact on the markets would have been of having headroom of just £4 billion?

James Murray: My hon. Friend is right to draw attention to the fact that, had I been here today defending a headroom of £4 billion or less, it would have been a completely impossible task. This Government are determined to ensure that we increase headroom to give us greater stability. By increasing it to £21.7 billion, we have done just that.

Sarah Bool (South Northamptonshire) (Con): If the Chancellor really takes the integrity of the Budget as seriously as the Chief Secretary to the Treasury says, she would not have leaked so much of it to the media beforehand. There is speculation and then there is being spoon-fed. The only principle guiding the Chancellor was keeping her Back Benchers happy and the only cuts were to confidence. Will the Chief Secretary set out exactly what steps the Chancellor will take to clear up this mess? Will she come back before this House, and will she refer herself to the Financial Conduct Authority?

James Murray: I do not quite understand the hon. Lady's question. When we got into office in July last year, our task was to fix the mess of the public finances that the Conservatives had left. At this Budget, the OBR's productivity downgrade revealed further damage—deep scars—that her Government's actions caused to our economy as a result of slashing public investment and mishandling Brexit, so if anyone wants to come to this Chamber and apologise, might it be her?

Steve Race (Exeter) (Lab): First, I express my concern about the findings of the leak report, which are completely unacceptable, especially as they are apparently so systemic. The OBR productivity downgrade reduced revenues by £16 billion. Why does my right hon. Friend think productivity growth has, since 2010, so consistently underperformed against forecasts—and in other countries too?

James Murray: I thank my hon. Friend for his question on the OBR productivity downgrade, which has clearly played a really important and difficult role in this Budget process. What the OBR's review of productivity made clear is that under the previous Government the decision to cut public services and cut public investment, and the mishandling of Brexit, left deep scars on our economy. Those are deep scars that we had to take decisions at this Budget to correct.

Sarah Dyke (Glastonbury and Somerton) (LD): At last year's autumn Budget, the Chancellor claimed that 75% of farms would be unaffected by agricultural property relief and business property relief, a figure that has been widely disputed. This year there is yet more confusion over the figures, with the Chancellor implying that public finances were significantly worse than the OBR assessment suggested. After years of being ignored and taken for granted by the Conservatives, how can rural businesses have confidence in this Government's economic strategy if key figures are inaccurate or misrepresented?

James Murray: I have taken part in a number of debates in this Chamber and in Westminster Hall on the changes to APR and BPR that the Government introduced at the Budget last year. We have debated the figures extensively. Some of the difference in people's figures stems from the fact that we are talking about estates, which is the right measure when we are talking about inheritance tax, rather than the value of farms themselves. I also hope that the hon. Lady will have seen the change we made to the system at this Budget through the spousal transfer.

Mike Wood (Kingswinford and South Staffordshire) (Con): As the Chief Secretary to the Treasury will know, the "Ministerial Code" requires Ministers to be

"as open as possible with Parliament and the public".

Exactly when did the Chief Secretary learn that the Chancellor did not face the shortfall that the Treasury was briefing to the press?

James Murray: As a Treasury Minister, I have obviously been involved in discussions with the Chancellor and the Prime Minister's team throughout the Budget process. We developed these policies collectively to cut the cost of living, cut NHS waiting lists and cut Government borrowing.

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): The Prime Minister said this morning that politics is about choices. The Chancellor chose not to disclose the improved tax outlook from the OBR when she addressed the country on 4 November; the Chancellor chose to overstate the challenges with the public finances; the Chancellor chose to withhold the more positive forecasts from her Cabinet colleagues; and the Chancellor chose not to be here today to answer questions on her conduct in office. Does the Minister agree that the Chancellor's position is untenable and that she should now choose to resign?

James Murray: The Chancellor chose on 4 November to be up front with people about the challenges we face. At the Budget, she chose to cut the cost of living, cut NHS waiting lists and cut Government borrowing.

Dr Kieran Mullan (Bexhill and Battle) (Con): I feel I should declare at the start of this question that I am one of the few people in the Chamber who apparently is not shocked at what has been going on this week. I am also not shocked that a Labour Cabinet member has said:

"The handling of this Budget has been a disaster from start to finish".

Can the Chief Secretary tell us which Labour Cabinet member said that, and can they have a bigger role in the next Budget?

James Murray: Can the hon. Gentleman tell us why he backed Liz Truss for leader?

Jim Shannon (Strangford) (DUP): The Chancellor announced that her plans aim to fund public services, avoid austerity and invest for the future, portraying a positive future and spending that seems manageable. Meanwhile, the OBR forecasts that if borrowing increases in the short term, it could have a potential impact on future spending in terms of welfare and debt interest, which could erode the economy. What steps will the Treasury take after the Budget to ensure that, through the Chancellor's plans, we are not sacrificing long-term stability?

James Murray: Long-term stability is at the heart of the fiscal rules that the Chancellor introduced at the Budget last year, which were met at the spring statement earlier this year and were met again at the Budget last week. As many hon. Members have mentioned today, the fact that we are meeting those fiscal rules with far greater headroom—£21.7 billion in this Budget—gives us greater stability, helps to bring down the costs of Government borrowing and protects us from future shocks.

John Lamont (Berwickshire, Roxburgh and Selkirk) (Con): Andy Haldane, former Bank of England chief economist, has said that the Government's "repeated mistakes" and misinformation about the public finances have sucked all the energy from the economy. Chief Secretary, the former chief economist is correct, isn't he?

James Murray: As we said at the Budget, not only were we setting out to cut the cost of living, cut NHS waiting lists and cut Government borrowing; we were also focusing on growth through public investment in transport, energy, roads, railways and all the infrastructure that businesses need to invest to boost jobs and growth across the country. We invested in every part of the country, with a focus on Wylfa in Wales, Grangemouth in Scotland, the Oxford-Cambridge corridor and the northern growth corridor, because we know that growth has to happen right across the country to benefit people in every part of the UK.

Sir Alec Shelbrooke (Wetherby and Easingwold) (Con): There has been too much obfuscation today between what the Office for Budget Responsibility did in leaking its report early and the fact that the Office for Budget Responsibility told the Chancellor before she made her statement about there not being the fiscal black hole that she made out. There were leaks to the press, and Mr Speaker stood in this Chamber and admonished the Government for leaking. It was not speculation in the press; this has been nothing but "Jackanory". How can this Government start to rebuild trust with the public when they are simply trying to do smoke and mirrors and not face up to the fact that they kept leaking to the press?

James Murray: I do not know whether the right hon. Gentleman heard what I said earlier when I underscored how importantly Ministers in this Government take the Budget process and how importantly we take our responsibilities to this House. I referred earlier to the words of the permanent secretary at the Treasury about the fact that he will

"continue to keep all aspects"

of Budget security

"under review to ensure the integrity of the Budget process."

Harriet Cross (Gordon and Buchan) (Con): The forecasts are meant to help the Government to decide what to do, but there was nothing in this forecast of oil and gas revenues, which explains why the energy profits levy was kept. We have seen a £6.2 billion downgrade in the expected revenue from oil and gas to the end of the Budget period—a 40% decrease in just a year from what it was bringing in—while production is down 55% and 33% for gas and oil over the period. None of that is to do with the size of the basin; it is all to do with the fiscal and regulatory regime that this Government are imposing on the North sea. It was announced today that 100 jobs are going at Harbour Energy, and there will be more to come. Every job loss from now on is on this Government, because they know exactly what the oil and gas sector has been saying to them—it has been saying exactly the same to me, too, but I have chosen to listen. Why have the Government decided on the back of the OBR forecast to keep the EPL, when they know the impact it is having on jobs, investment and production and the future of the North sea?

James Murray: I can reassure the hon. Lady that since we won the election I have spent many hours with the oil and gas industry in Aberdeen. It is exactly why we confirmed in the Budget last week that we will end the energy profits levy in 2030, or sooner if a price floor is triggered.

Lincoln Jopp (Spelthorne) (Con): When did the Chancellor first brief her Cabinet colleagues on the realities of the OBR forecast?

James Murray: The Chancellor obviously spoke to Cabinet on the day of the Budget, as is the normal process, to let them know what was coming in the Budget later that day.

Blake Stephenson (Mid Bedfordshire) (Con): The Chief Secretary to the Treasury failed to answer a critical question raised by my right hon. Friend the shadow Chancellor and a similar question raised by the hon. Member for St Albans (Daisy Cooper), so I will ask the question in a slightly different way. Does the Minister agree that the FCA must urgently investigate whether conduct has fallen short of, in particular, part 7 of the Financial Services Act 2012 and article 12(1)(c) of the UK market abuse regulation, and does he agree that no stone should be left unturned in that investigation?

James Murray: The Chancellor has now delivered her Budget, and the Office for Budget Responsibility has published its figures. We have been clear that we were focused on cutting the cost of living, cutting NHS waiting lists and cutting Government borrowing.

Jerome Mayhew (Broadland and Fakenham) (Con): It has been dragged out of the Government that there was no black hole of £20 billion to £30 billion in the run-up to the Budget. In fact, there was a surplus. That means that Treasury insiders were deliberately misleading the press, the markets and our constituents in the run-up to the Budget, when they intended all along to raise taxes on working people to fund increased welfare. Why is the Minister continuing to take the public—our constituents—for fools?

James Murray: I cannot work out if the hon. Gentleman is implying that he thinks a few billion pounds of headroom is acceptable, because the Government certainly do not think it is. We think that having £4.2 billion or less of headroom is not an acceptable position for our economy to be in. We had the result of the OBR productivity downgrade, which had hit revenues by £16 billion, and that is why decisions were necessary to restore the public finances and meet our priorities going into Budget.

Dr Neil Shastri-Hurst (Solihull West and Shirley) (Con): The British public are, by nature, a forgiving people. However, does the Chief Secretary to the Treasury not recognise that obfuscation of the kind we have seen over the weekend deeply damages public confidence?

James Murray: I hate to break it to the hon. Gentleman, but I doubt the British people will forgive the Tories for Liz Truss's record in office.

Iqbal Mohamed (Dewsbury and Batley) (Ind): According to the latest House of Commons Library briefing and the economic forecasts, the freeze on the income tax threshold is projected to raise over £38 billion per year by 2029-30. For comparison, the Institute for Fiscal Studies estimates that by 2030 the freeze will raise approximately £8 billion annually, which is similar to adding 1p to the basic rate of income tax. Does the Minister agree with the Chancellor's statement that she met Labour's manifesto pledge not to raise income taxes, and does he agree that she misled the public and this House?

James Murray: No. The Chancellor—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. I believe that the hon. Member was trying to say that the Chancellor inadvertently misled the House, but he did not say the word "inadvertently"—

Iqbal Mohamed: Apologies, Madam Deputy Speaker.

Madam Deputy Speaker: Noted, but we need to be mindful of our language at all times.

James Murray: At the Budget, the decisions the Chancellor took on tax were fair and necessary. Yes, we are asking everyone to make a contribution, but we have also taken decisions on increasing property income taxation, asked people with properties worth over £2 million to contribute more, and changed the way that gambling companies are taxed. All those decisions meant that we were able to keep the tax burden on working people as low as possible.

Iconic Trees and Nature Education

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

4.54 pm

Joe Morris (Hexham) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for a register of iconic trees; to make provision about the designation and protection of trees on that register; to require the Secretary of State to review the provision of nature education in England; and for connected purposes.

It should hardly be surprising that, as the Member of Parliament for Hexham, I am often called the hon. Member for the Sycamore Gap. The summer of 1991 saw many landmarks: it was the summer I was born, "Robin Hood: Prince of Thieves" was released, and Bryan Adams introduced the Sycamore Gap to a transatlantic audience. It is a profound honour to represent a constituency whose identity is forever marked by the legacy of the Sycamore Gap: a reminder of our rich heritage, the strength of our community and our enduring hope.

Planted in the late-1800s by the previous landowner John Clayton, that sycamore tree stood in an idyllic dip along Hadrian's wall. It was not just visually iconic; it became a cultural symbol, popularised by numerous paintings, photographs and private moments, and that infamous 1991 film. As the film's director, Kevin Reynolds, captured, the Sycamore Gap was

"one of the most quintessentially idyllic spots in the world…I found it so special and I wanted to share with people how special it was."

He is most certainly right.

That iconic tree touched the lives of so many, and not only in the north-east but right across the world. It was a picturesque destination for hikes, stargazing and family walks, and it was popular for sentimental moments, such as marriage proposals or the scattering of a loved one's ashes. It provided an opportunity to connect with over 1,900 years of north-east heritage, with its situation along Hadrian's wall. There really is, and was, no place quite like it. The legacy of the Sycamore Gap hardly needs recounting. Hon. Members across the House will agree that the Sycamore Gap tree was not just a landmark; it was a majestic symbol of resilience, of north-east identity and of belonging.

It is difficult to put into words the events that took place on the evening of 27 September 2023. The felling of the Sycamore Gap tree sent shockwaves that not only went through the north-east but reverberated right across the world. For many, it felt like an attack, with a beloved landmark taken from us overnight and a piece of our shared identity toppled. Communities throughout my constituency and beyond mourn not just a tree, but the memories, the heritage and the sense of place that it embodied. It illustrated the true fragility of the natural and cultural treasures that we so often take for granted.

In one night, a devastating and barbaric act of vandalism toppled a landmark that has symbolised north-east heritage for centuries. But if there is one thing to note about the north-east's spirit, it is its resilience. Communities across Northumberland and the north-east—a region that is so often overlooked—have banded together in solidarity, facing hardship head-on and standing stronger as a result. While grieving for a landmark lost, that resilience has translated into lessons learned.

I pay tribute to the outstanding work of the Northumberland national park and the National Trust, which have been working tirelessly alongside Historic England and the Hadrian's Wall Partnership to ensure that a fitting legacy for both nature and people can flourish following that terrible act of vandalism. At The Sill—the national landscape discovery centre—the largest section of the felled tree is now on public display. I had the pleasure of visiting it during the unveiling of the exhibition, recognising the lasting connection that the display will offer for future generations.

Just this week, saplings taken from the original Sycamore Gap tree are ready to be planted as part of the National Trust's "tree of hope" initiative. Each sapling will carry a message of hope and resilience, with 49 saplings—each representing a foot in the height of the tree at the time of its felling—being distributed right across the country. Last week, a sapling was planted in the grounds of Hexham hospital, offering a symbol for those visiting loved ones. A sapling will soon be planted to commemorate the tragic murder of Holly Newton in my constituency and to recognise the phenomenal work of Holly's mother, Micala Trussler, and her charity Holly's Hope. I take the opportunity once again to put on record my thanks and admiration for her dedication and campaigning to secure a change in the law, which I fully support.

As the closest school to the Sycamore Gap, Henshaw Church of England primary school will plant a sapling on its grounds, as will Northumberland national park in the new year. I look forward to visiting those sites throughout my constituency to pay tribute not just to the tree, but to the people and charities inspiring such hope and resilience.

The legacy of the Sycamore Gap will not just be reserved for Northumberland and the north-east, however. Saplings are being planted in constituencies right across the country. A sapling is being planted in Staffordshire to commemorate the Minnie Pit mining disaster, in Berkshire to honour Greenham common, and in Leeds to recognise the Rob Burrow centre for motor neurone disease at Seacroft hospital. The Sycamore Gap tree's legacy will prevail and so, too, will the lessons of environmental protection triumph.

One of the defendants expressed his delusional disbelief, claiming that it was "just a tree", but the tree was, and is, so much more than that. Trees are not "just trees". Our planet is intrinsically dependent on them. They are vital to sustaining our planet, cleaning our air and supporting our biodiversity and ecosystems. They are homes to nature, wildlife, birds and insects. Without them, our planet would falter. There is also a reason that trees appear so often in our culture and literature: for their symbolic significance. In Greek mythology, the tale of King Erysichthon claimed that the felling of a tree represented a moral failure. In the final book of "The Chronicles of Narnia", the destruction of trees in Lantern Waste alludes to the end of the world. Without trees, our heritage would flatline, our ecosystems would fail and our history would be forgotten.

I am therefore calling for a register of iconic trees, from the Ankerwycke yew in Berkshire associated with the sealing of Magna Carta and the Major oak in Sherwood Forest, legendary home of Robin Hood, to the Fortingall yew in Perthshire and the Crowhurst yew in the churchyard of St George's church—the list goes on. Such trees can and should be classified as iconic for

[Joe Morris]

holding widely recognised cultural, historical, ecological and symbolic significance. Alongside a register of iconic trees, a curriculum review can and should incorporate the value of understanding the legacy of trees and the role they play in local communities, and allow nature to be an educator for future generations. Teachers and schools have a unique role to play in facilitating children's connections with nature so that they too can understand how to protect our local heritage and engage in climate protection.

Tony Gates, chief executive officer of the Northumberland National Park Authority, has said:

> "The felling of the Sycamore Gap tree has shown just how much nature and landscape mean to people and to their very wellbeing… We are determined to honour the spirit of Sycamore Gap through opportunities to connect with the tree, and to create a legacy for both people and nature."

This Bill would not be possible without the outstanding work of Northumberland national park, the National Trust, and local organisations and individuals right across the Hexham constituency. I thank every single person for their dedicated commitment to honouring the legacy of the Sycamore Gap tree, and I hope that any Department for Environment, Food and Rural Affairs Ministers on the Front Bench will note the contribution of the Northumberland national park and look favourably on a rethinking of the national parks funding formula.

Though the Sycamore Gap tree has fallen, its legacy stands unshaken. It is our solemn responsibility to honour that legacy, to recognise the hope, endurance and unity that it inspired and to safeguard the iconic trees that shape our national landscape and ensure that they are cherished, protected and never consigned to memory alone.

Question put and agreed to.

Ordered,

That Joe Morris, Michael Wheeler, James Naish, Laurence Turner, Leigh Ingham, David Smith, Dave Robertson, Markus Campbell-Savours, Feryal Clark and Sir Alec Shelbrooke present the Bill.

Joe Morris accordingly presented the Bill.

Bill read the first time; to be read a second time on Friday 16 January 2026, and to be printed (Bill 339).

Ways and Means

Budget Resolutions

INCOME TAX (CHARGE)

Debate resumed (Order, 27 November).

Question again proposed,

That income tax is charged for the tax year 2026-27.

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

5.3 pm

The Secretary of State for Energy Security and Net Zero (Ed Miliband): It is a privilege to open this Budget debate on a theme of paramount importance to our country: the cost of living crisis facing Britain's families. Whatever our party, we should take a step back and think about the history of the last two decades since the financial crisis, during which we have seen: the stagnation of real wages, only this year getting back to their 2008 levels; the worst progress on living standards in the last Parliament since records began in the 1950s; an epidemic of in-work poverty such that, according to the Resolution Foundation, seven out of 10 families with children who live in poverty now have someone in work; home ownership falling from two thirds of young people in the early 1990s to less than half today; and the biggest rise in energy bills in generations earlier this decade when Russia invaded Ukraine, on top of public services facing strains as never before.

Each of those on their own would cause people to doubt whether this country really works for them. Together, they represent a perfect storm that makes people question their basic assumptions about our economy, society and country. This is the condition-of-Britain question of our time, and it is the backdrop against which this Government were elected 17 months ago. The mission—the driving purpose of this Government and this Budget—is to tackle that crisis. That starts from an understanding that this crisis is due to not accidental circumstances but a governing ideology, and that our response must be to change course in three ways.

First, we need to make fair choices that favour ordinary working people, not the rich and powerful, who have been favoured for too long. Secondly, we must invest in and rebuild our public services and infrastructure so that we never return to austerity, which was such a disaster for the social and economic fabric on which so many people rely. Thirdly, we must endeavour to change our economy so that it produces more good jobs at good wages that sustain a decent living for people, ending the hollowing out of our economy and our communities. That is what this Government are about; that is what this Budget seeks to deliver.

First, then, I want to talk about fair choices. An illuminating chart—I love charts—on page 33 of the Budget Red Book shows the impact of decisions since the 2024 autumn Budget. It shows the progressive approach of my right hon. Friend the Chancellor. It shows that every decile will be better off as a result of her measures, except the richest 10%, with the greatest gains as a percentage of income to lower and middle-income families. That includes raising the national living wage and the national minimum wage, freezing rail fares for the first time in 30 years and freezing prescription charges, as well as two measures I want to focus on.

The first measure is lifting the two-child limit in universal credit, which goes to the heart of the affordability crisis that so many face. I think we need to have a debate about this issue. According to a Department for Work and Pensions document published on the day of the Budget, since its introduction in 2017, the two-child cap has put 300,000 children into relative poverty. That is the equivalent, as the document says, of 100 children every single day—more than three primary school classes each day being pushed into poverty. It is also part of a wider picture. According to the Joseph Rowntree Foundation, 7.1 million low-income households—one in four across the UK—have gone without essentials in the last six months, in one of the richest countries in the world. That is why we have acted on the two-child limit. Two million children will be helped, and 450,000 fewer children will be in poverty by the end of the Parliament.

As I understand it, the Conservatives oppose the policy change because they claim it is about helping people out of work who are undeserving. We need to unpack this false claim. The inescapable fact that the Opposition want to run away from is that around 60% of families impacted by this policy are in work, not out of work. These are people for whom work simply does not pay, like in the case—highlighted by the Child Poverty Action Group—of Shauna and her husband, who have three children. Shauna's husband works full time and she says,

> "This will make a big difference because we've had to incur debts. Hopefully it will mean I can cover the last bills that come in each month instead of being in the red. I could buy a new mattress for two of my children. They can feel the springs on the mattresses they've got that they've had for many years."

That is the condition-of-Britain question.

How does the Leader of the Opposition describe Shauna and her husband? She calls them "Benefits Street". These are people working all the hours God sends, working hard, trying to do the right thing: the very people the Conservatives claim to stand up for. How dare she!

Dr Luke Evans (Hinckley and Bosworth) (Con): When it comes to making decisions about poverty, it is difficult, so I would be grateful to understand the Secretary of State decision to change the winter fuel payments, which the Government's own analysis said put 100,000 people into relative poverty and 50,000 people immediately into absolute poverty. Those are decisions that he and his Government made because they were concerned about the finances of the country. The Opposition now have similar concerns with regard to the child benefit cap changes, and yet the Government have made a different decision. Could he explain the reasons why there is a difference?

Ed Miliband: Well, the hon. Gentleman's question is out of date, because, in case he had not noticed, we changed the policy on winter fuel payments. Let me just say this to him: he will have to answer to his constituents. Some 1,500 children in his constituency will be helped by our changes to the two-child cap, and he is saying, "Rip that help away." Let us have the argument about this.

Sir Ashley Fox (Bridgwater) (Con): Will the Secretary of State give way?

Ed Miliband: I will in a moment.

On the one hand, 60% of these people are working—and the Conservatives do not really want to explain why they want to cut help for those people. But let us discuss the 40% of households that are not working and will be impacted. What we are seeing here—I am old enough to remember—is a re-run of the last Tory Government and their attempt to blame the poor for their poverty. Leaving that aside, however, what the Conservatives are actually saying is, in truth, that they believe in punishing the children of people who are out of work and on benefits—

Andrew Bowie (West Aberdeenshire and Kincardine) (Con): That is absurd.

Ed Miliband: The hon. Gentleman says from a sedentary position that that is absurd, but it is not. The Conservatives believe in punishing children—

Wendy Morton (Aldridge-Brownhills) (Con): Will the Secretary of State give way?

Ed Miliband: I will give way in a moment—let me make my point.

The Conservatives believe in punishing children for having another brother or sister. Children with only one sibling—two children in total—get the full amount, but if they have two siblings, they do not. How is that fair? How is that right? As the Chancellor said very powerfully in her Budget speech, is that good for our economy and our society? Of course it is not.

Wendy Morton: If the policy is so good, how will the Secretary of State explain to working people that they will be £18,000 worse off than those on benefits? How can that be fair?

Ed Miliband: This is all about working people, as I tried to explain earlier in my speech. Sixty per cent of people—*[Interruption.]* Please listen for a second. Sixty per cent of families who will benefit from the measure are in work. If the right hon. Lady wants to ask about the Chancellor's wider Budget strategy, let me say that I absolutely fully support it, because it was a fair Budget. Yes, it did raise taxes on those with expensive homes—a policy that I advocated for 10 years ago, as a matter of interest—as well as on gambling companies and on landlords. *[Interruption.]* Members should read the Red Book. The measure is part of a fair Budget. By the way, the Conservatives will have to explain to people up and down the country why they want to leave hundreds of thousands of children in poverty. That is not fair or right, and it is bad for our country.

Several hon. Members *rose—*

Ed Miliband: I will make a bit more progress.

The second policy I wish to focus on is the Chancellor's decision to take £150 off the cost of energy bills—that will be important for families across the country. It has been possible only thanks to a principled decision that she made to shift the cost of some levies into public spending, which is itself possible only thanks to her Budget decisions, including raising taxes on the wealthiest, moving into public spending 75% of the cost to households

[Ed Miliband]

of the renewables obligation, and abolishing the energy company obligation, with £1.5 billion extra allocated for the warm homes plan.

I notice that the Conservatives now seem to claim that that was their idea in the first place, but there is a crucial—

Harriet Cross (Gordon and Buchan) (Con): Will the Secretary of State give way?

Ed Miliband: I will in a moment—let me develop my argument.

The Conservatives say that this was their idea in the first place, but there is a crucial difference: they proposed abolishing the renewables obligation—

Andrew Bowie: Yes.

Ed Miliband: But they had with no way of paying for it. "Yes", says the hon. Gentleman. This is quite extraordinary—all the sins of opposition combined into one. The Conservatives had 14 years to do it, but they never did, and suddenly it is such a great idea to just abolish the renewables obligation.

Andrew Bowie: Yes.

Ed Miliband: "Yes", says the hon. Gentleman—although, of course, he was an Energy Minister and he never did it. *[Interruption.]* He looks a bit sheepish now, doesn't he? That is rare for him. Basically, I think the Conservatives' argument is that they would just rip up all the contracts that the Government have signed—including lots of contracts that the Conservatives themselves signed—sending a message to every investor in Britain that the British Government will not honour the contracts that they sign. If it had been a remotely serious policy, they would have carried it out when in government, but it was not a remotely serious policy, because they are not a remotely serious party; that is the truth. In fact, it is all more Liz Truss. They will the ends; they want the cut in energy bills, which is good, but they do not have the foggiest idea of how to pay for it. Taken together, the choices made in the Budget, including on energy, will make life more affordable for people, and will begin to tackle the problems that I have outlined.

Harriet Cross: We are talking about £150 off energy bills that are already £200 higher than when the right hon. Gentleman came into government, and £300 was meant to come off those bills. Will bills be higher or lower than when he came into government last year?

Ed Miliband: If we look at the average of bills in 2025 versus 2024, they are lower. I hope that the hon. Lady will support our cuts to energy bills in April, when they come in.

Dr Ellie Chowns (North Herefordshire) (Green): Will the right hon. Gentleman give way?

Ed Miliband: Let me make a bit more progress. My second point is about public spending. In the spending review and the Budget, my right hon. Friend the Chancellor made the crucial decision not to return to austerity. She could have made a different choice and cut public services—I think that is what Conservative Members would go back to doing—but we know the impact of that approach from the last 14 years. This is about the living standards of millions of people across our country who cannot buy their way into private health care or private schools. This can be hidden by the smokescreen that Conservative Members want to put up, but the Chancellor has made the incredibly important decision to invest in the future. That has enabled the Government to cut NHS waiting lists by more than 200,000, roll out free breakfast clubs in schools, expand free school meals, fund the expansion of free childcare, and announce the biggest boost to investment in social and affordable housing in a generation. Conservative Members are back to austerity.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State very much for what he is saying, but on the £150 energy dividend for people across the United Kingdom, the Red Book lacks detail about how the policy will work in Northern Ireland. Perhaps he could indicate whether the support will be £150 in Northern Ireland, as it will in England. We must ensure that people receive the same in Northern Ireland as they do on the mainland.

Ed Miliband: The hon. Gentleman asks an important question; let me write to him with the detail on his point. We want as many people as possible across our country to benefit from this policy. By making different choices from those made in the past, my right hon. Friend the Chancellor is able to invest in the long term. She is delivering the highest levels of public investment that this country has seen in four decades.

Jerome Mayhew (Broadland and Fakenham) (Con): At the last general election, the Secretary of State and all his colleagues said that they would raise taxes by £7 billion, and that their plans were fully funded and costed. What democratic mandate does he claim to have for increasing taxes by £66 billion, and debt by a further £70 billion?

Ed Miliband: The mandate that the British people voted for was a mandate to change this country, given the problems that we inherited from the last Government.

Several hon. Members *rose*—

Ed Miliband: Let me develop my argument, because this point is crucial: we can tackle the affordability crisis that people face only by investing in the future. Our vision of what makes an economy succeed is different from that of Conservative Members. We believe that public investment crowds in and does not crowd out private investment; that the only route to economic success is a Government who support industry and workers with a proper industrial strategy; and that rights at work and strong trade unions are not an impediment to a good economy but an essential ingredient of it. Nowhere is that more apparent than in clean energy. Since the election, we have seen the largest public investment in home-grown clean energy in our history, leveraging private sector investment—that is the point—of more than £60 billion. We have the largest nuclear building programme in half a century, with Sizewell C, small modular reactors, and fusion at West Burton, which the Conservatives failed to deliver. There is funding for carbon capture in Teesside, Humberside, Scotland and the north-west, which the Conservatives failed to deliver, and we have the first new publicly owned energy company in more than 70 years in Great British Energy, which they opposed.

Pam Cox (Colchester) (Lab): In the east of England, we welcome the Government and private sector investment in Sizewell C, and a clean energy supply chain that will stretch from Suffolk through to Essex. Does my right hon. Friend agree that the Budget offers tax incentives to start-ups and scale-ups in that sector, which will help that supply chain to flourish and bring energy bills down even further?

Ed Miliband: My hon. Friend is absolutely right. When we recently announced the small modular reactor fleet at Wylfa in north Wales, we saw the huge opportunities, not just for the areas where nuclear power stations are being built, but rippling across the supply chain. That is why I am so proud of the investments that we have been able to make. What is the result?

Dr Chowns: Will the Minister give way?

Ed Miliband: I will not, for a few minutes. The result is new jobs building wind turbines at Siemens Gamesa in Hull, new jobs making transformers in Stafford, new jobs making heat pumps in Derby, and new jobs at Sumitomo's new factory at the Port of Nigg—some of the 400,000 additional clean energy jobs that we expect our mission to support by 2030. That is the difference.

What is the Conservatives' policy? They want to rip up the Climate Change Act 2008 and abandon net zero by 2050, which was their legacy. As a result, they have been roundly condemned by British business. Energy UK says that abandoning that target will scare off investors. The Confederation of British Industry says that it is a "backwards step", because the Climate Change Act is

"the bedrock for investment flowing into the UK".

Baroness May—they do not like to talk about her—called it a "catastrophic mistake". And get this: even Boris Johnson —rarely have I quoted Boris Johnson—says that

"in my party, it's all about bashing the green agenda, and personally I don't think we'll get elected on…saying what rubbish net zero is."

Normally—I have experience of this—Oppositions stick by what they did right in government, and trash what they did wrong. The right hon. Member for East Surrey (Claire Coutinho) is pursuing a novel approach to opposition: trash anything that they did right, and double down on everything that they did wrong. Nowhere is that more true than in our dependence on fossil fuels.

At this point, I express my sincere thanks to the right hon. Lady's colleague on the Front Bench, the hon. Member for South Suffolk (James Cartlidge), who sadly is not here. Last week, I was talking about the causes of the energy bills crisis of 2021. He shouted out—I checked *Hansard*—"Because Putin invaded Ukraine!". Obviously, he is one of the finest minds on the Opposition Front Bench, and he is right about that, but he has given the game away. This relates to affordability and this Budget debate. The lesson from the worst cost of living crisis in generations is this: it came about because Putin invaded Ukraine. What was the cause of higher bills? Why were we worse hit than many others? Because we were so exposed to fossil fuels. It was not the price of renewables that soared; it was the price of gas, including from the North sea, priced and sold on the international market. That is what happens when we do not have clean, home-grown power, and when we are at the mercy of petro states and dictators. What is the strategy of right hon. Member for East Surrey now? To double down on the Conservatives' failure. She literally says that we should cancel the allocation round 7 auction.

Claire Coutinho (East Surrey) (Con): Yes!

Ed Miliband: Yes, the right hon. Lady says. The Conservatives are the people who lost it all in the fossil fuel casino, and now they say, "Let me just have one more go at the roulette wheel. This time it will be different. Cross your fingers and hope for the best." Let us think about this. What are they betting on? In today's world, at this moment of all moments, with the world at its most perilous for generations, their policy is to cross their fingers and hope for everlasting peace in the world and no geopolitical instability.

Harriet Cross: Will the Minister give way on that point?

Ed Miliband: I will not.

Sir Ashley Fox: Will the Minister give way?

Ed Miliband: I have already given way to the hon. Gentleman. With Russia still at war in Ukraine, with deep tensions in the middle east, and with NATO being tested, this is ridiculous irresponsibility from the Conservatives. *[Interruption.]* The hon. Member for West Aberdeenshire and Kincardine (Andrew Bowie) should listen to this. We know that half our recessions since the 1970s have been caused by fossil fuel shocks, and the world is so much more unstable. Here is the worst thing of all: it was not the Conservatives' energy bills that they were betting with; it was the British people's. Families, business and the public finances are still paying the price of their failure, and there has not been a word of apology or contrition.

The right hon. Member for East Surrey now has to pretend that black is white, ignore the dangers, and claim that fossil fuels are cheaper, when actually strike prices for solar and onshore wind in last year's auction were nearly 50% cheaper than the levelised cost estimate of building and operating a new gas plant. The truth is that the Conservatives have learned nothing and must never be let near the levers of power again. The difference between us is that we make fair choices; they would double down on unfair choices. We invest in the future; they would return us to austerity. We are building an economic future for the country; they would destroy the economic opportunities and security of the clean energy economy.

To conclude, this is a Budget that, despite the challenges, provides a clear direction of travel on the biggest issue of our time: the affordability crisis. This is a Budget that shows a Government who are acting on the No. 1 issue

[Ed Miliband]

facing the British people. This is a Budget for fair choices, for investing in public services, and for creating a better economy. That is why this Budget deserves support in the Lobby tomorrow night.

Madam Deputy Speaker (Ms Nusrat Ghani): I call the shadow Secretary of State.

5.25 pm

Claire Coutinho (East Surrey) (Con): That was a fine performance, but anyone listening to it out there will think that the Secretary of State is in cloud cuckoo land. The Government have taxed working families up the wazoo. They have taxed tens of thousands of people out of their jobs. They are clobbering them left, right and centre with rising bills, and for what? It is not for growth—no, there is none of that coming—but so that they can go on a welfare spending spree.

In the election, Labour promised the public that it would not lift the two-child benefit cap, just like it promised that it would not raise taxes on working people. It has broken promise after promise, and it has fudged the reasons why, to say the least. In this debate, the Government want a thank you from the public because they have handed them back a tiny fraction of the money that they took from them. I can tell you that the public are thinking of a phrase that ends in "you"—

Madam Deputy Speaker (Ms Nusrat Ghani): Order. The shadow Secretary of State knows not to use the word "you" when she is obviously not referring to me.

Claire Coutinho: The public are thinking of a phrase that ends in "you", but the first word is not "thank". The Government want to talk about the cost of living, but they are clobbering low and middle earners with tax rises and higher bills. That is why the majority of the country says that this Budget will leave their family worse off. The majority of the country has also said that they think the Budget is unfair. The Secretary of State talked about fairness, but the public do not feel that it is fair, and they are right. All the things that hurt disposable income are up: inflation, bills and taxes are up. The things that help—growth and employment—are down. Household disposable income has been revised downwards because of this Budget.

Ms Stella Creasy (Walthamstow) (Lab/Co-op): The shadow Secretary of State wants to talk about fairness. One of the practical consequences of retaining the two-child cap was that in order to be exempted from it, 3,000 women had to declare to a Department for Work and Pensions official that they had been raped. *[Interruption.]* An Opposition Member is saying "wind up". Will the shadow Secretary of State clarify why she thinks that measure would be fair?

Claire Coutinho: The hon. Member makes an impassioned case, but why did Government Members not make it at the election? Why did the Government remove the Whip from seven Labour MPs who voted against keeping the cap last year? Why did the Government make all Labour MPs vote to keep the cap, including the Secretary of State? That is the question that Members need to ask. The Government want to be known for having helped people with the cost of living. They must think that the public are stupid. Everyone out there can see that everything that the Government are doing is making the cost of living worse. They do not understand the basics, and the situation is apparently so bad that No. 10 has been giving Back Benchers lessons about Government debt. Given that we have seen Labour Back Benchers cheer at two job-killing Budgets, perhaps the Government need to expand the curriculum.

Wendy Morton: Is it not the truth that we have in front of us not the Budget of the Chancellor, the Prime Minister or the Cabinet, but the Budget of the Back Benchers?

Claire Coutinho: My right hon. Friend is right, and here is the problem: this Budget might have made the Back Benchers happy, but it is not the Budget that they promised at the election. Let me help them. To start with inflation, we left Labour with inflation back under control at 2%. That took difficult decisions, which needless to say Labour opposed, but it was important to do that because inflation hurts: it picks the pockets of families who find themselves working just as hard but able to afford less and less. However, under Labour, inflation has doubled thanks to the choices it made at the last Budget.

We have now broken away from our international peers—Labour Members can check the graphs—and we have significantly higher inflation than Europe and the United States. In fact, we have the highest inflation of any major economy, and the OBR has said that, compared with March, it now expects inflation to be higher for longer. Why? It is because Labour has chosen to make the cost of energy and the cost of food more expensive, and to pursue policies that will push up rent. People's weekly shop is up because of Labour's choices: taxes upon taxes—a jobs tax, a packaging tax, a family farm tax. These are Labour's choices, and they mean that the average family will pay almost £300 more for their groceries this year. With Labour's war on farmers, is it any surprise that a pack of mince, a family staple, is up 40% this year alone?

Let us take housing: rent is going up by £700 this year for the average renter. Labour does not understand that a lower supply of homes to rent means higher rents, yet it is written in black and white in the OBR document that its new housing taxes risk

> "a steady long-term rise in rents".

Labour's choices mean that the cost of going away on a family holiday will set people back up to £400 extra because of its flight tax. Those choices mean that food will cost £300 more, rent will cost £700 more and holidays will cost £400 more—that is £1,400 more and I have not even got to energy bills or taxes yet. On energy, where do we even start?

Peter Swallow (Bracknell) (Lab): The right hon. Lady has repeatedly suggested that energy bills are going up—*[Interruption.]* If she does not believe me, perhaps she will believe Martin Lewis, the money-saving expert, who tweeted earlier today:

> "I've just got the new predictions for the April Price Cap, which is a cut in cost of 4.2%. Without the Budget changes, it would be predicted to be rising 3.5%."

Will she correct the record and explain why she does not support the work that we are doing to cut energy bills?

Claire Coutinho: I will come to what Martin Lewis says about the hon. Gentleman's party's policies in a second.

Labour promised £300 off energy bills, but bills have gone up by £200 instead. Going by his own election promise, the Secretary of State owes the public a £500 cut. Why have those bills gone up? It is because of the costs introduced by the Secretary of State for Energy Security and Net Zero. Hon. Members do not have to take my word for it—they can just listen to Martin Lewis, who says that wholesale prices have plummeted but energy bills are up because there are countless costs landing on those bills thanks to the Secretary of State—*[Interruption.]* The hon. Member for Bracknell (Peter Swallow) wanted to talk about Martin Lewis a second ago but he does not want to hear about him now.

Among those costs are the cost of backing up wind farms and switching them off when it is too windy, all the grid costs that are multiple times higher because of the system that Labour is creating, the warm home discount that everyone is paying for through their bills, the carbon tax that has gone up by 70% this year, and the tax on gas to pay for hydrogen that is coming in January. I am not sure whether Labour Back Benchers know about all these costs, but they add up to hundreds of pounds extra. No wonder the Secretary of State never did a costing; he did not want anyone to know the truth. He is piling hundreds and hundreds of pounds on to energy bills, and now he wants a round of applause for this £150 off them.

Paul Waugh (Rochdale) (Lab/Co-op): On that point, will the right hon. Lady give way?

Claire Coutinho: Let us talk about that £150. If someone has a gas boiler, the figure is £130. I remind the Secretary of State that that is almost everybody in the country. Oh yes, and if they pay tax, the amount has not come off—it has just been moved from their energy bill to their tax bill. Most importantly, that amount does not even touch the sides of what this Secretary of State will cost people in the end. Like so much of what Labour says, it is just sleight of hand. The real question is this: since the election, have bills gone up or down? The answer is up.

The Secretary of State should be honest that this policy was never part of his plan. It is not part of Great British Energy or clean power 2030—all the things that he promised would lower bills. In fact, it is a tacit admission that he has failed. The centre knows that his plan cannot lower bills. In fact, if the reporting is correct, the Secretary of State fought against the policy, but he has been forced into it, because his promise to cut bills by £300 has become a national embarrassment to them all. It is taxpayers who are bailing him out to the tune of £7 billion.

Lloyd Hatton (South Dorset) (Lab): Does the right hon. Lady not share the concerns already articulated by the Confederation of British Industry that simply to scrap the Climate Change Act and the important work of this Government in pursuing net zero targets would be a "backwards step"? That would actually be to the detriment of people's energy bills and inward investment into our economy and would kill off jobs. Those are the words of the CBI, after all.

Claire Coutinho: We can exchange quotes, but the hon. Gentleman might want to—*[Interruption.]* Let me respond. He can go and check the quotes of the most respected energy economist in the country, Sir Dieter Helm, who says that the Government's plan is locking people into higher bills for longer. One of the fundamental problems we have in this country is that energy costs are too high, and the Secretary of State is locking people into those higher prices for longer. If the Government truly want to cut bills for everyone, they should use our cheap power plan.

Do you know what is extraordinary, Madam Deputy Speaker? The Government have come up with a package that costs the Exchequer more, cuts bills by less and does nothing to cut energy bills for struggling businesses. Food bills are up. Rents are up. The costs of holidays are up. Energy bills are up. That is cost after cost after cost because of the Government's policies, and they want a round of applause for moving a fraction of those costs off energy bills and straight on to people's tax bills. Only people with the Labour party's grasp of numbers could think that that is a good deal. The Secretary of State says that there is an affordability crisis, but he does not explain the cause; the Government are the cause. That is before we even get to tax.

Taxes on student loans, taxes on income, taxes on saving, taxes on housing, taxes on driving, taxes on pensions, and even taxes on taxis—if Labour could, it would tax the air that we breathe. Taxes are rising more in this Parliament than in any since the 1970s. The freeze in income tax thresholds means that the average worker on £35,000 a year will lose £1,000 in tax by the end of the decade. That is an extra two weeks they will be working, not to feed their family but to pay for Labour's benefits bill.

Let us be clear. When the Government say that they are asking for a contribution, they are not asking, are they? It is not like anyone can say no. I do not know whether there has ever been a more irritating formulation of words than that phrase, which we have heard so much over this weekend.

There will be so many people out there who will look at this Budget and think, "Why do I bother? Why do I get up at 5.30 am? Why do I work overtime? Why do I barely see my family? Why am I going to pay more tax for people on benefits who are not working those hours?"

Kevin Bonavia (Stevenage) (Lab): The right hon. Lady says that people will pay for people on benefits, but some 60% of those people on benefits are working. Does she not agree that we are supporting people into work?

Claire Coutinho: Let me make this point to the hon. Gentleman. The average person on benefits in work is working 20 hours, sometimes less. Why should a family with kids who are not well off and are working 40, 50 or 60 hours a week be worse off than a family on benefits working far fewer hours?

I quit a job in the City to go to work for the Centre for Social Justice and work with people fighting poverty, and I have worked with struggling families in some way since I was 16. It is not compassionate to make welfare pay more than work. It is not a helping hand; it is a trap.

[Claire Coutinho]

The Government should also talk to the many couples who have put off having children or stopped at one or two children because they cannot afford it. Younger brothers and sisters simply will not be born. Those missing children are a personal tragedy for every couple who are having to make that choice, but there will be more of those decisions, because the Government are loading more and more costs and taxes on to hard-working families.

Lloyd Hatton: Can the right hon. Lady explain to the House what it would mean for the 1,360 children in her constituency, and the nearly 1,700 children in my constituency, who would remain in levels of relative poverty if we chose to pursue the two-child benefit cap for many more years, as she is suggesting?

Claire Coutinho: We have a fundamental difference in belief. Labour Members believe the best way out of poverty is welfare; I think the best way is jobs and growth, but the Government are killing those things.

The problem with the Labour party, as we can see from its policies, is that it clearly thinks the only answer to the cost of living is redistribution, even past the point at which there will be no one left to redistribute from. Conservative Members know that jobs, low taxes and low costs improve the quality of life, but the Government are killing those jobs—every month under them, parents are losing their jobs. What do Labour Members think the cost of living is like for those families who have lost their salaries under this Labour Government? There are 170,000 fewer people on the payroll since the election. Young people cannot get a foot on the jobs ladder—because of this Government, the cost of hiring a young person has gone up by £4,000. They say they are raising the minimum wage, but they are crushing businesses' ability to pay for it. The result is hiring freezes and redundancies, and for all those people just above the minimum wage who are also struggling, there will be no money left for wage progression. The best way to improve living standards is growth, but this was not a Budget for growth; it was a Budget for Labour Back Benchers. That is why it did not contain a single growth measure.

Labour's entire approach to the economy has been to raise the cost of basic goods, to raise taxes, and to crush wages and employment. The Government are expecting a shrinking group of hard-working taxpayers to pay for more redistribution, to cover the costs that they are choosing to impose on the public. In the words of one Labour Cabinet Minister, this Budget has been a "disaster". Those are not my words—according to a No. 10 source, they think they are the words of the Secretary of State. Labour will not be known as the party helping people with the cost of living; it will be known as the party that has broken its promises to working people, broken its promises on tax and on bills, and broken the social contract that sees work pay more than welfare.

Several hon. Members *rose—*

Madam Deputy Speaker (Ms Nusrat Ghani): Colleagues can see from looking around the Chamber that the speaking list is very long, so Back Benchers are on a speaking limit of six minutes.

5.41 pm

Rushanara Ali (Bethnal Green and Stepney) (Lab): This Labour Government are rebuilding our economy, rebuilding our public services and addressing the cost of living pressures that our constituents face. This Budget will make a huge difference to my constituents' lives, thanks to the cuts to energy bills, the freeze on rail fares, increases in the living wage and action to tackle child poverty. Inflation is coming down, and forecast interest rates are also coming down. Growth is forecast to rise this year, and business investment is forecast to rise over the course of this Parliament.

We inherited a dire situation, with public services on their knees, chronic under-investment and a fiscal black hole. For 14 years, Tory Governments presided over austerity, stagnant wages, the chaos of leaving the European Union, and the Liz Truss mini-Budget fiasco that sent markets into a panic, mortgage rates soaring, and inflation rates to over 11%. The cost of leaving the EU is now estimated to be far more than previous estimates: a recent report by Stanford University found that Brexit is reducing the UK's GDP by 6% to 8%, with the impact accumulating gradually over time. That report also found that investment has reduced by between 12% and 18%, employment has reduced by 3% to 4%, and productivity has also reduced by 3% to 4%.

Chris Vince (Harlow) (Lab/Co-op): I thank my hon. Friend for giving way at such an early stage in her excellent speech. She has talked about the impact of austerity on the country's finances; I would add that austerity has had a huge impact on productivity, particularly in my constituency, where we have seen 13-hour waits in A&E and year-long waits for appointments. Does my hon. Friend agree that that means people cannot go back to work, which affects their productivity?

Rushanara Ali: I fully agree with my hon. Friend. That is why it is vital that we rebuild our public services and invest in our national health service, to ensure people are able to contribute to our economy.

We also inherited a mountain of debt, with the previous Conservative Government having borrowed £1.5 trillion between 2010 and 2024. The fact is that austerity, Brexit, covid and Tory economic mismanagement have left our economy in peril, and our constituents are suffering the consequences in the form of rising prices and flatlining wages. For the poorest and most disadvantaged, the cost of living crisis has been a daily struggle for years. The Trussell Trust distributed approximately 60,000 food parcels in the 2010-11 financial year. By 2024-25, the number had risen to 2.89 million. This is the poisoned inheritance that my right hon. Friend the Chancellor is tackling, so of course she had to make tough choices with the hand that she had been dealt.

The decisions made in this Labour Government's second Budget to lift 450,000 children out of poverty, help families with the cost of living and enable record investment to be made in our NHS will help a great many children. In my constituency, the scrapping of the two-child cap will lift more than 6,000 children out of poverty.

Jim Shannon: Will the hon. Lady give way?

Rushanara Ali: I am going to make progress, as many colleagues want to speak.

The minimum wage and the living wage are being increased to support the lowest paid. The 250 new neighbourhood health centres, which are part of the shift towards the prevention of ill health, will help to tackle stark health inequalities.

More widely, in less than 18 months this Labour Government have secured three landmark trade deals, with £150 billion of inward investment from US companies, which is a solid vote of confidence in Labour's economic plans; investment in the jobs of the future, in AI and green technologies; and clean energy projects set to create 400,000 jobs by 2030. That is thanks to the work of my right hon. Friend the Secretary of State for Energy Security and Net Zero, who has led the way on this agenda, in the last Labour Government as well as this one. We should be proud of the five cuts in interest rates since Labour came to power, and for the first six months of the year the UK was the fastest-growing economy in the G7.

As has been pointed out, wages have been growing faster than inflation. Real wages rose by more in the first 10 months of this Government than in 10 years under the last Conservative Government. I am especially proud that 3.5 million workers are receiving a pay rise worth £1,400 this year because we have boosted the national minimum wage. We are investing in the health of the nation, with 5 million extra NHS appointments—double what was promised. We are investing in housing, with a record £39 billion for the social and affordable homes programme, and we are investing in young lives, with free breakfast clubs in primary schools as well as 30 hours of free childcare.

This Budget is delivered in tough times, after years of under-investment, low productivity and stagnant wages. The decisions that have been made will deliver on our manifesto pledges, ensuring a stable economic platform, investment in our economy and a fairer society. For many children, this Labour Budget will deliver the opportunities that are desperately needed instead of obstacles, and the chance of a better life.

Madam Deputy Speaker (Ms Nusrat Ghani): Order. I call the Liberal Democrat spokesperson.

5.47 pm

Charlie Maynard (Witney) (LD): This is a Budget driven far more by political calculation than by the economic realities that the country faces. The Chancellor has an enormous majority—on paper, at least—and the country desperately needs change, but we now have a second Budget in which the Government have failed to demonstrate that they have any big ideas to get the economy moving. However, before I go into that, I want to focus on some positives.

I welcome some of the announcements that the Chancellor made last week, which will help households that have been struggling with the cost of living. Lifting the two-child benefit cap will be worth up to £5,000 a year to each of the more than 500 families in my constituency who have been impacted by the cap. Too many children and families have been trapped in poverty because of the decision to impose it and the Government's previous stubborn decision to keep it. I just wish that this had been done a year ago, and I give my commiserations to the brave Labour Members who lost the Whip after standing up for a policy that their party now finally accepts.

I also welcome the Government's action to cut energy bills by removing the renewables levy, which is something that we Liberal Democrats had been calling on the Chancellor to do. It will make a difference to families struggling with sky-high fuel bills. However, I wish that the Government had gone further, rather than removing just 75% of the levy and only for three years. We were proposing to fund the renewables obligation instead from a windfall tax on the excess profits in the banking sector that have resulted from quantitative tightening—something that would have happened now, unlike the deferred taxation that the Chancellor is proposing, which may or may not happen. Both those changes will make struggling families' lives a little easier, and are very much welcomed.

Similarly, doubling remote gaming duty—something we have also been calling for—is clearly a sensible move. It is one way to raise much-needed revenue without increasing the burden on hard-working families, but it is comparatively small, raising only £1 billion a year. The sad truth is that these are all small wins in the context of the huge challenges we face.

Peter Swallow: Before the hon. Gentleman gets to the part of his speech that I do not think I will like as much as what he has said already, does he welcome the freezing of rail fares for the first time in 30 years, which means almost 300 quid off a season ticket into London for commuters in Bracknell?

Charlie Maynard: Yes, I welcome it.

The OBR has marked down economic growth for each of the next four years, which is bad news. We have a ballooning debt, which now sits at £2.9 trillion. Our debt costs have tripled in the last five years—yes, that is the Conservatives' fault—and our Government debt is now more expensive than Italy's. Yes, this all happened on the Conservatives' watch, but we now have a situation in which 11% of Government spending goes on covering the interest payments, not on paying down the debt itself, and the Chancellor has given no indication that she is serious about addressing that.

Across the five years of the forecast, the Chancellor proposes to deliver a reduction in our net borrowing of just 0.04% of GDP, and I question her tactics. What is the sense in taxing salary sacrifice schemes when we know the strain that the state pension and social care systems are under and when we need people to save more, not less? Does common sense not tell us that discouraging people from saving for retirement now will only lead to a greater burden on the public purse in the long run?

Then there is the desperate state of our special educational needs and disabilities provision. The SEND national deficit overspend is forecast to reach £17.8 billion by March 2028. The Government have said they will cover costs directly from that point on, but they have given no answer as to how this huge bill will be settled up. In Oxfordshire alone, the SEND annual overspend is expected to reach £153 million by March 2026. Why are we waiting two and a half years to do something about that?

[Charlie Maynard]

As per policy decision 37, the Government determine that they will go further on efficiencies and savings in public services, but not just yet. There are zero governmental cost savings in each of the next three years and then, miraculously, we expect £4 billion in savings in 2029-30—the other side of a general election. How can the country take the Government seriously when they take this approach?

That last instance highlights the problem with the fiscal framework the Government have set themselves. The rule that the current Budget must be in surplus in 2029-30, and the aim of ensuring that debt is falling as a share of the economy by '29-30, are all well and good, but entirely excluding the intermediate years from the calculation serves our country extremely badly. This Government are gaming the system, in the same way the Conservatives did before them, by adjusting everything in year five to perfectly line up, with more spending early on and tax rises deferred, possibly into the never-never.

Let us look at international examples of how national Budgets are set to understand why the UK is so ineffective at controlling its debt. The Government could take inspiration from the Swedish model of tax scrutiny. Thirty years since introducing changes, and aided by strong economic growth, Sweden has reduced its national debt from nearly 80% to 32%—and yes, Sweden had covid too. Meanwhile, our national debt stands at around 95%. A key component of the solution is that we need to substantially strengthen the scrutiny powers of this Chamber when it comes to the Government's financial management. This four-day debate clearly does not provide an effective scrutiny function, and there is no meaningful ability for Parliament to amend the Budget once it is announced. Our country is the poorer for this approach.

Secondly, of course, we need to seek a deal with Europe that captures the economic benefits of the European market, which is five times bigger than our own, while maintaining control of our borders. This should start with negotiating a new customs union with the EU. Last month, the US's National Bureau of Economic Research published a paper that found that Brexit had cut UK GDP by between 6% and 8%, with the economy now £170 billion smaller than it would otherwise have been. The House of Commons Library found that we are losing £90 billion in tax revenues every year as a result of Brexit—an enormous number. That is equivalent to two thirds of the UK's entire annual Budget deficit of £138 billion; to nearly 80% of our entire annual debt expense of £114 billion; or to our defence, security, prisons and courts budgets combined. The Government now finally acknowledge that Brexit has left our country poorer, weaker and more divided, but they are still unwilling to do almost anything material about it.

I was elected by my Witney constituents in 2024 to do all that I can to make their lives better and our country better. This Budget is a key lever through which to do so, and I am deeply dismayed at the lost opportunity that it represents.

5.55 pm

Gareth Thomas (Harrow West) (Lab/Co-op): I commend the skill and courage of my right hon. Friend the Chancellor, who has faced the most difficult inheritance of any post-war Chancellor since Hugh Dalton in 1945. I welcome the cost of living measures, the cut in energy bills and the increase in the minimum wage, and the lifting of the two-child cap is very welcome too. In addition, I commend the work that my hon. and learned Friend the Economic Secretary to the Treasury has begun on tackling financial exclusion.

My right hon. Friend the Chancellor has been particularly skilled at increasing capital funding, and I will campaign for more of it to be invested in Harrow, not least in council or co-operative housing. Indeed, the lack of new socially rented housing being built in Harrow by the Conservative-run council is a disgrace. Not one new council home that had not already been agreed has been built since the Conservatives took over control, making the housing crisis in my constituency much worse.

More capital investment in schools in Harrow West is certainly needed. After 14 years of Tory neglect, there are classrooms that cannot be used, windows that cannot be shut, roofs that need fixing and sports facilities that need modernisation. Crucially, more investment is needed in our NHS too. Notably, a new intensive care unit at Northwick Park hospital is needed to ease pressure on the A&E unit and improve the quality of care.

I welcome the explicit mention in the Budget of the role of co-operatives in our economy and the publication of the call for evidence on co-operative growth. Co-operatives and mutuals are rarely given the attention they merit, yet the opportunities for growth and, crucially, for the locally owned growth they generate are significant. I hope the Treasury will bring forward its own specific call for evidence on how credit unions, mutual insurers and building societies can expand to play their part in growing our economy.

The standout issue for co-operatives is their ability to issue capital instruments that do not lead to de-mutualisation. This has been done successfully in Australia, where 600 million Australian dollars has already been raised to grow mutuals, notably in the elderly care sector. There is serious interest from co-operatives here in using similar capital instruments to invest in social care. The movement is vital for tackling financial exclusion, and for delivering jobs and better opportunities in our country's most deprived neighbourhoods.

The banking industry should partner with, and invest in the growth of, credit unions and community development finance institutions. Many British banks do so already in the US, where it is a requirement; they should do so in their own backyard too. The Government cannot double the size of the co-operative and mutual sector of our economy on their own. Businesses in the sector need to do that themselves, but greater interest, imagination and urgency from the Treasury—which, under the Conservative party, paid only passing attention—in tackling the finance, legislative and capacity challenges that the sector faces will be critical.

My right hon. Friend the Chancellor, in the run-up to the Budget, rightly drew attention to the impact of Brexit and the dismal trade and co-operation agreement negotiated by the Conservative party. The OBR continues to estimate that the impact of Brexit has been a 4% hit to our GDP, with sustained damage to our tax revenues, to jobs and to family finances. In short, it has been an unparalleled act of economic self-harm, with the TCA easily the worst trade deal ever negotiated.

I welcome the steps that the Government are taking towards a sanitary and phytosanitary deal to lower food prices and reduce border delays, and a youth mobility scheme and energy co-operation make obvious sense too. These will benefit growth, but I believe that we should go further and use the 2026 UK-EU summit to agree on the ambition of a more profound reset. With imagination and sustained business encouragement, a better deal to lower trade barriers could be possible.

The recent EU-Swiss deal is interesting for the greater flexibility the EU has now shown to a close and serious partner. As we rebuild our country's relationship with our allies across the channel, it is surely time, within our red lines, to be bolder in our ambitions to strip away the red tape that the Conservatives love about trade with Europe, particularly for goods exports. The needless rules, the different standards and the extra unnecessary checks they introduced in the TCA are making it harder for British businesses to sell into the EU. Mutual recognition of qualifications and easing business mobility restrictions are worth exploring too.

Ms Creasy: My hon. Friend is making an incredibly powerful point about going further on our relationship with Europe. Does he recognise that the OBR says that Brexit, as negotiated by the previous Government, is one of the "structural challenges" facing our manufacturing industry, so perhaps again being part of the Pan-Euro-Mediterranean convention, for example, would be one way to help businesses with all the extra paperwork created by the rules of origin changes?

Gareth Thomas: I understand that the Department for Business and Trade, my former Department, is about to issue a call for evidence on exactly how to negotiate membership of that, and I very much look forward to its happening.

If we are to get faster and more significant growth, we have to take the axe to more of the red tape that Boris's trade deal introduced, so I urge my right hon. Friends to continue to be bolder and more ambitious for a deeper and more profound EU reset agenda.

Lastly, I think we should consider in the coming months how to rebuild the fiscal space to fund the development assistance that gives us so much soft power. That assistance supports our security needs, and it is vital to the effectiveness of key parts of peacekeeping, global health and the empowerment of those whose prospects are being damaged by poverty, conflict and climate change. I look forward to supporting the Budget in the Division Lobby tomorrow.

Madam Deputy Speaker (Ms Nusrat Ghani): I call Sir Gavin Williamson.

6.1 pm

Sir Gavin Williamson (Stone, Great Wyrley and Penkridge) (Con): Thank you, Madam Deputy Speaker, and may I say what a delight it is to see you in the Chair this evening?

I was not going to start by saying this, but I agree with the Secretary of State for Energy Security and Net Zero, when—and I may misquote him slightly—he spoke about "decent jobs at decent wages." I absolutely agree, and that is what we all want to see in every one of our constituencies right across the country. However, I do not believe that this Budget goes any way towards delivering those decent jobs at decent wages, and certainly not in Staffordshire.

As we look at what is happening, we are seeing inflation rising. G7 comparisons are trotted out, but we will have the highest inflation in the G7 this year and also next year. The OBR has forecast that inflation will stay higher for longer, and why is that? It is because of the Chancellor's last Budget. I am not sure whether this Budget will have helped reduce those pressures, but the initial indications certainly seem to be that it will not. This is a real problem because it is impacting people's real lives. We are seeing food price inflation rising in 2025: it was 4.9% in October, up from 4.5% in September. This is having an impact on everyone's lives—on their household incomes and how they get by.

This is a very bad Budget for jobs in Staffordshire, because nothing is being done at all for the ceramics industry. It is not as large an employer as it used to be 30 years ago, but it is still an important employer, whether at Dunoon in my constituency, Steelite, Churchill or so many other great businesses producing pottery in Staffordshire. This Budget will make it more difficult for them to produce pottery in Staffordshire, because it will mean they have higher costs. Having spoken to some of those working in the ceramics industry only last week, I know that a third of everything they spend is on energy costs. To compare this with the United States or continental Europe, producers are looking at half the price of what Staffordshire businesses are paying for their energy costs. How are we able to compete on the global stage if we do not help those producing in this country to have energy costs that mean they are competitive? I appreciate that the Minister summing up is the Secretary of State for Transport, but I hope that she will be able to respond to that point.

One of the most successful technology companies in this country is based not in London or Cambridgeshire, but in Stoke-on-Trent, and it is called bet365. It is the world's leading technology company for betting. It employs 5,500 people in Stoke-on-Trent, and it is the single biggest private sector employer there. Those who work there live not just in Stoke-on-Trent, but right across Staffordshire, the north-west and the country. However, this Budget could destroy one of our most successful technology sectors, and for what? On the gambling tax increases, the OBR noted in its analysis:

> "The behavioural responses to these changes are uncertain but are estimated to reduce the yield by around one-third. We estimate that operators will seek to pass through around 90 per cent of the duty increases by increasing prices or reducing payouts, leading to a reduction in consumer demand which reduces the yield from the measure by £0.5 billion by 2029-30. The elasticities used to estimate the demand effect also capture potential substitution to the illicit market, and substitution between different forms of gambling due to the tax differentials introduced through this policy."

This will be a hammer blow to jobs in the city of Stoke-on-Trent and in Staffordshire.

Bobby Dean (Carshalton and Wallington) (LD): The right hon. Member mentions that bet365 is based in Stoke. Could he explain to us why it is also based in Gibraltar and Malta?

Sir Gavin Williamson: This company operates internationally: bet365 is one of the most successful technology companies in this country, and it operates

[Sir Gavin Williamson]

right across the globe. It is quite understandable why it does so, but the hon. Gentleman probably does not care about jobs in Staffordshire. He has probably not ever thought about jobs in Staffordshire, and he does not mind if they all move to Malta or some other jurisdiction. That is not for him to worry about, but it is for me to worry about, as it is for other Members who represent seats in Staffordshire.

This Budget is an absolute hammer blow to an industry that is providing high-quality, well-paid jobs in Staffordshire and in a city that has seen the decline of coalmining, the decline of ceramics and so many job losses over so many decades, and bet365 has been one of the most responsible employers by investing in the local community, investing in charity and paying its taxes here in the United Kingdom. In fact, its owners are the highest payers of tax in the whole United Kingdom. This will see jobs being lost right across my county. It is destroying the old industries of Staffordshire while at the same time destroying the new industries in Staffordshire, making sure that the people of Staffordshire will be worse off and suffer as a result of this Budget.

6.8 pm

Callum Anderson (Buckingham and Bletchley) (Lab): It is a pleasure to contribute to this third day of the Budget debate, and a pleasure to follow the right hon. Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson), and I associate myself with the speeches of my right hon. Friend the Secretary of State for Energy Security and Net Zero and my hon. Friend the Member for Harrow West (Gareth Thomas).

In the short time available, I wish to cover a few areas, the first of which is the fiscal stance of the Government in relation to the cost of living. Overall, I believe that the set of measures announced by the Chancellor last week will indeed cut the cost of living, tackle NHS waiting lists, and reduce the deficit and the debt, which is much needed. Having worked in financial services before entering this place, I have observed debates on fiscal probity and prudence with great interest, but I would like to remind Members—certainly those on the Government side of the House, but also those across the House—that fiscal responsibility or fiscal prudence is not just an end in itself; it is a means to an end. It delivers economic and financial stability, and ultimately lowers inflation.

I welcome the fact that measures in the Budget will reduce inflation more than expected. By increasing the headroom, we are enabling the central bank to, in time, reduce interest rates at a faster rate, which will not only support mortgage holders but support businesses to expand their operations. In the long run, it will also help to reduce our national debt. Given that over a third of our national debt is held by overseas investors, it is incredibly important that we respect their wishes and be fiscally responsible.

My right hon. Friend the Secretary of State for Energy Security and Net Zero gave a tour de force on the various measures we are taking to reduce the cost of living, certainly with regard to energy bills and rail fares. My constituents in Buckingham and Bletchley will benefit from frozen fares, whether they travel from Bletchley or Milton Keynes to London Euston or to elsewhere in the country. When I was out knocking on doors with my right hon. Friend the Member for Wycombe (Emma Reynolds) on Saturday, people on the doorstep particularly welcome the frozen prescription charges, as well as the broader investment in the NHS. In Milton Keynes we have seen lots of investment over the past few years, enabled thanks to the fiscal responsibility of this Labour Government, such as the £500 million investment in the new hospital in Milton Keynes. Just last week the Milton Keynes University hospital confirmed the construction of two new operating theatres, beginning early next year, all thanks to a Labour Government.

The final area I wish to cover is the pro-growth measures the Government are pursuing, some of which were announced last week. My hon. Friend the Member for Harrow West gave a very compelling argument for the need to increase the capabilities of our co-operatives and mutuals, which are an excellent feature of our economy. I want to highlight the role of UK listings relief, the expansion of the enterprise management incentives eligibility criteria, and the extension of the enterprise investment scheme and venture capital trusts. It is incredibly important, in the globally competitive economy in which the UK is operating, that Britain is the best place to start, scale and ultimately list a business, and I welcome the measures provided in the Budget.

In conclusion, the Budget very much contributes to the financial prosperity of our economy, but we will need to go further, in the coming years and in the forthcoming parliamentary Session, on regulation, pro-growth tax reform and more inward investment—the Chancellor was in Wales today to bang the drum for more investment in the UK. As the Prime Minister said in his speech this morning, in the long run we also need to control benefit expenditure. The previous Government oversaw a ballooning of welfare and benefit expenditure. On the Labour Benches we believe in the virtue of work, but we must not use the failings of the previous Government to shirk the responsibilities of the future.

6.13 pm

Katie Lam (Weald of Kent) (Con): Madam Deputy Speaker, it is a particular pleasure to speak with you in the Chair this afternoon, inspiring envy, I am sure, from your new legions of fans.

On Wednesday, the Chancellor said that energy prices were one of the greatest drivers of the rising cost of living. She accepted that the cause of high energy bills must be tackled at source—in other words, at the supply side—and she recognised that the rush towards net zero is driving up energy bills for the British people. Thus far, the Chancellor and I are in agreement—stranger things have happened—but none of that seems to inform the Budget she actually served up. She promised to cut energy bills by shifting certain so-called green levies from bills on to general taxation, but that does not change the fact that the British people will still bear the costs of this Government's net zero delusions. It is an attempt to hoodwink the public by shifting the costs from energy bills on to general tax bills.

As my right hon. Friend the Member for East Surrey (Claire Coutinho) has repeatedly made clear, the answer is not to rearrange how those costs fall, but to stop imposing those costs altogether. The pursuit of net zero is sadly leaving this country worse off and is making almost no impact on global emissions, as countries such as China and India race ahead to open more coal-fired factories. Even those who have supposedly done everything right are still being crushed. One business in my constituency has invested £1 million in renewables, but it has still seen its energy bills triple. For far too many businesses, those sorts of rises in their energy bills will be the final nail in the coffin.

And rises are coming. Largely thanks to the Government's policy on energy, Ofgem is again set to raise the energy price cap in January, meaning higher bills for the British public. Any short-term cost savings will quickly be eaten up as a result. The savings the Budget claims to offer are a mirage. Does the Chancellor believe that the British people are not smart enough to notice that, or does she simply not understand how it will play out?

The long-term picture is no better. Last week, our energy system operator officially warned that, thanks to the Government's plans to cripple our North sea oil and gas industry, we will be at serious risk of running out of gas. Yet the Chancellor's Budget maintains the windfall tax regime, which is destroying domestic production. They continue to spend vast sums of taxpayers' money on schemes designed to cripple that industry in the long term.

James Naish (Rushcliffe) (Lab): The hon. Lady and I have had exchanges on this issue before. At the start of the year, the CEO of Centrica recognised that it was the lack of gas storage that was putting £100 on electricity bills and £100 extra on gas bills, and that was down to the decision, in 2017, of the Conservative Government not to invest in Rough. Will she now acknowledge that that was a mistake?

Katie Lam: The gas is already stored in the North sea. The problem with the industry, and what is making it unprofitable, is the Government's determination to hammer the oil and gas industry.

The Chancellor gave no clear verdict on the nuclear regulatory review. Instead, she promised that the Government would set out their plans in three months' time. That means more delay and uncertainty for companies that might want to invest in British nuclear, and ultimately more delay in reducing the bills of British families and British businesses. This is not a Budget that will make any improvement to the lives of ordinary, hard-working people. It is a Budget that bakes in net zero, which means more taxes on the British people, more businesses forced to close their doors, more reliance on other countries to keep the lights on, and more emissions exported to countries like China.

No country has ever succeeded without cheap, abundant energy. For businesses, high energy costs can be the difference between success and bankruptcy. For people working hard to make ends meet, high energy costs can be the difference between having money to set aside at the end of the month or needing to dip into savings. Punishing those businesses and those people even more in pursuit of arbitrary net zero targets is profoundly cruel. The immense damage wrought by the cost of living crisis cannot be overstated. High energy bills mean families forced to cut back on after-school clubs for their children, businesses forced to cut back on staff, and young people forced to delay buying their first home even further.

Iqbal Mohamed (Dewsbury and Batley) (Ind): Does the hon. Lady agree that it is the linking of electricity prices and of renewable energy prices to gas that is creating these high energy prices, and that de-linking them would immediately cut prices for the consumer?

Katie Lam: That is not the immediate problem. The energy prices currently being baked in by the prices the Government are agreeing at the moment will see energy prices sky high for years and years regardless of what happens to the price of gas.

The Conservatives' cheap energy plan will save households hundreds of pounds and offers a much-needed lifeline to British industry. I very much hope that the Secretary of State for Energy Security and Net Zero will adopt at least some of its measures.

6.18 pm

Justin Madders (Ellesmere Port and Bromborough) (Lab): It is a pleasure to see you in the Chair, Madam Deputy Speaker.

As always with a Budget, there is far more to say than one can fit in a speech, but I just want to start by saying that the decision by the Chancellor to increase the headroom is not one that will garner many headlines or capture the public's imagination, but it is probably one of the single most important things in the Budget. We simply could not have had another year where every bit of speculation on policy led to speculation on the markets, pushing up borrowing costs and leading to a constant cycle of uncertainty. I hope that this increased buffer and the move to annual forecasts will mean that we get some stability back, and that we will see the OBR—under new leadership—make far more accurate predictions and forecasts in the future than it has made to date.

I support the measures in the Budget that have been introduced to put more money into people's pockets. My constituents will welcome another above-inflation increase in the minimum wage and the freeze to prescription charges, as well as the £150 reduction to average household energy bills, rising to £300 for the poorest households. Energy and transport costs make up a significant proportion of household expenditure, particularly for those on the lowest incomes. I hope that the rail freeze will also apply to Merseyrail, which is the main rail line for my constituents. It did seem a bit odd that we could not get confirmation from the Government last week that the freeze would apply to Merseyrail, but I see that the Transport Secretary is present—hopefully she will be able to confirm by the end of the debate that she does indeed have good news for my constituents on that score.

I am also proud that Labour is treating child poverty with the seriousness that it deserves. I welcome the measure announced by the Chancellor to scrap the two-child benefit cap that has forced so many families into hardship and harmed children through no fault of their own. This measure alone will lift 450,000 children out of poverty, meaning that, alongside other measures previously announced, we will see more than half a million children taken out of poverty. More than 2,000 children in my constituency alone will be lifted out of poverty as a direct result of this Budget.

I have heard commentators say that scrapping the cap was a measure simply to appease Back Benchers like me, but I think that really belittles the moral case

[Justin Madders]

for action. Let us be clear: this cruel policy did not achieve its initial aims, often punished families for changes in circumstances that were beyond their control, and ultimately cost our economy far more than the £3 billion a year that it saved.

Mr Luke Charters (York Outer) (Lab): I wonder if my hon. Friend will allow me to raise the case of a single mum in my constituency who unexpectedly became pregnant a third time. It was a time of anxiety for her. She used food banks periodically and worried that she would not be able to afford toys for her kids at Christmas. Does my hon. Friend agree that the two-child benefit cap imposed by the Conservatives is the cruellest Tory policy of all?

Justin Madders: My hon. Friend is right to point out that the policy punished children for being born, which is not something any Labour Government should be part of.

We hear that this decision may encourage people not to work, but we all know from the statistics that a majority of people in receipt of benefits are in some form of employment. As for the wider cost, the Child Poverty Action Group estimates the cost of child poverty to the country to be about £40 billion a year, so not only is scrapping the cap the morally correct thing to do; it is also the best thing for our country economically.

While I understand the pressures facing the Government, I hope that the fiscal circumstances will improve in such a way to see income tax thresholds readjusted to take account of the inflationary pressure recently experienced. Going forward, we must continue to ensure that those with the broadest shoulders carry the burden to ensure that more and more working people are not dragged into paying tax by fiscal drag.

I have to say, I would like an explanation of the Chancellor's comments about how those in receipt of the state pension will not have to pay any tax at the point that the state pension reaches the tax threshold in future. Of course they should not have to pay any tax on it, but why should a pensioner who might have a small private pension of £20 a week have to pay tax on that and their state pension? Once we start to look at some of the implications of the policy, it becomes clear that there are a number of unintended consequences. I hope that when the extra headroom that has been created by this Budget goes on to inspire further ideas in future Budgets, we can look at stopping some of the anomalies that the fiscal drag has created.

I will conclude with a few words on the automotive sector. I am proud to have in my constituency a Stellantis factory—or a Vauxhall Motors factory, as it is more commonly known round where we live. It is a site I have fought hard for over the years. Of course, the factory now manufactures electric vehicles. I welcome that the Budget reinforces the commitments that were made to our automotive sector in the industrial strategy for manufacturers. I am pleased that funding for DRIVE35 has been expanded by £1.5 billion, providing £4 billion over the next 10 years, which will help to build on the important investment the automotive sector needs.

I am also happy that plans to change the rules for the employee car ownership schemes have been delayed from next year until 2030, as that would undoubtedly have left many of my constituents hundreds of pounds a month worse off. Having now seen the impact of that policy, I hope the Government go the whole hog and cancel it altogether.

Dr Luke Evans: I have the automotive industry in my area too, and electric vehicles are really important. The implementation of the pay-per-mile change for electric vehicles is causing huge anxiety, as is the impact on the second-hand car market. We do not understand how this measure will work. Does the hon. Gentleman agree that the Government must be clear on this, as it will have a big impact over the next two to three years while it is discussed?

Justin Madders: The hon. Gentleman must have seen my speech, because I am just about to talk about that issue. He is right that there are a number of unanswered questions.

First, it is important to say that we do need to change to a pay-per-mile system for electric vehicles. The revenue we raise from fuel duty is clearly going to go down over the coming years, so there has to be a change.

Several hon. Members *rose—*

Justin Madders: I am sorry; I am not going to take any more interventions.

I think the pay-per-mile system is the right thing to do, although I do have concerns about the timing and how it will work in practice. I have to say, I did enjoy putting the question to Conservative Treasury Ministers when they were in government and never getting any answer at all, so I am pleased that this Government are at least acknowledging that this is an issue that needs tackling.

The hon. Member for Hinckley and Bosworth (Dr Evans) is right to raise concerns about what the change will mean for the sector. The OBR has forecast that there could be around 120,000 fewer electric car sales over the forecast period, which of course will not be welcome news, and certainly is not helpful for our emissions targets. It is worth pointing out that the automotive sector is already at a precariously low level of production, and of course not all sales of EVs will be for UK-manufactured vehicles. In my opinion, we really ought to be giving generous discounts—the majority of those cars are built here, so we absolutely need to see more done to boost demand. Measures such as the electric car grant, which was launched earlier this year, continue to support people who want to switch to EVs, particularly with vehicles actually made in this country—that is a very important part of the scheme. However, even with that generous incentive, the pay-per-mile proposals will see us lose ground.

The Budget also contained measures on boosting charging infrastructure, which is really important, as it will give people confidence to make a purchase, but we cannot pretend that everything in this Budget goes all the way. That is, of course, before we get into the practicalities, so we need further thoughts on implementation.

This is a progressive Budget. It is a Budget that protects the most vulnerable, puts money into workers' pockets and begins to rebalance the tax system and to make it fairer. There is no doubt that there is much more to be done in the longer term: we need to see faster improvements in our crumbling public services; food inflation remains stubborn, and is predicted to continue to be high over the medium term; housing costs mean that for many, renting—let alone buying—is still out of reach; and social care costs still mean that many people lose their home at the end of their lives, so we need that review of social care to deliver. Those are longer-term challenges, but for today, I believe the Chancellor has played a difficult hand pretty well.

6.27 pm

Steve Barclay (North East Cambridgeshire) (Con): The Secretary of State opened this debate by saying that we should look at the backdrop of the general election, which was a surprising way for him to open discussion on the Budget, not least because a central theme of the Budget is Labour doing the very opposite of what it said it would do at the general election. That can be seen first and foremost with the £26 billion of additional tax—on top of the £40 billion in tax in the Government's first Budget—when Labour said at the general election that it had fully costed proposals and that it would not need to tax working people. Indeed, Labour said at the general election that growth was its No. 1 policy objective, and yet what do we see in the official documents from the OBR? We see growth forecasts down every year of the forecast.

Even the topic of this debate—"bearing down on inflation"—is the opposite of what the OBR says is happening, with inflation staying higher for longer as a result of the measures the Government have taken. Labour inherited inflation at 2%, and yet it is now forecast to stay at 3.5% next year and to be at 2.5% the year after. Indeed, on the topic of the cost of living, nothing hurts people's incomes more than inflation, which pushes up bills and the cost of food and erodes people's income.

The Government also promised to deliver jobs, but we can see the consequences of their first Budget: the changes to national insurance—the jobs tax—have meant that unemployment has been up every month that the Government have been in office, and the graduate recruitment situation is the worst on record. In response to this Budget, the OBR forecasts that unemployment will be at 4.9% in 2026-27. This Budget is supposed to be "bearing down on inflation", but inflation is up. The Government talk about addressing the cost of living, but people are being taxed more, and more people are unable to get a job. Graduates in particular are being hit. We can see the difference between what Labour said at the general election and what it is delivering.

That all matters, because away from the big numbers—the billions that get quoted in Budget documents—are a whole series of individual measures that will bear down on people's incomes and prospects. The Government's measures will bear down on the small business owner who does not have the same security as a big public sector organisation, and who has put their own capital at risk; they will see a 2% increase in the dividend tax, on top of the corporation tax that they already pay. The measures will bear down on the pension saver, through the changes being made to salary sacrifice. The Government are also freezing income thresholds.

It is interesting that Labour Members cheered a Budget in which the Chancellor did the opposite of what she said last year that she would do. Last year, she said that it would be a breach of the manifesto to extend tax threshold freezes, and that is exactly what she did this time. It is worth looking behind the headlines, and bearing in mind what the official data says this will cost: in today's prices, by 2030, the measure will cost a higher-rate taxpayer £600 extra, and a basic-rate taxpayer £220 extra. Those decisions will have real consequences on people's take-home pay.

I represent a rural constituency, but this Government seem to dislike rural communities. We saw that last year with the family farm tax, and we are seeing it with the electric car mileage scheme, which disproportionately penalises rural communities. Again, that change was not in their manifesto. Looking at the consequences of the last Budget, the Institute for Fiscal Studies has said that national insurance changes are costing the average worker £900. These policies have real costs.

The tax changes are being sold as raising more money for, among others, the NHS. At the general election, the Government said that they would end the resident doctors' strikes, but another one has been announced today. The NHS Confederation has said that this is not a Budget for the NHS, and under the Budget, an estimated £3 billion extra in drug prices will have to be absorbed. An announcement has been made that standards may be changed so that real mental health funding is flat, and just goes up in line with inflation, which is not the change that the Government promised.

Mr Charters: Will the right hon. Member give way?

Steve Barclay: I am happy to; perhaps the hon. Member wants to come in on the Government's pay offer.

Mr Charters: I wanted to come in on the right hon. Member's point about inflation. I am sure that he will welcome a Budget that reduces inflation. If he looks at the Blue Book—*[Interruption.]* Hang on a minute. Look at the Blue Book. It says:

> "Government policy measures announced since March are expected to decrease inflation by 0.3 percentage points".

Does he welcome that, or is he staying silent on fiscal measures that reduce inflation?

Steve Barclay: Clearly the hon. Member has just had a text message from the Whips Office. The reality is that the Government inherited inflation at 2%, and it is currently at 3.6%, and the OBR—the independent forecaster—forecasts it to be 3.5% next year. It takes a certain genius to intervene to show that the Government are going in the wrong direction.

This Budget is presented as being transformative for the NHS and for other services, but take community services; community health services in all our constituencies are hugely important. Waiting lists have been at about 90,000 since the general election, particularly for children, but we do not hear too much about that from the Government. We have heard very little in this debate about productivity, so let me close with one example. Last month, the Health Foundation said that there was only a one in six chance of the Government achieving the 2% annual productivity growth target that they set. Members might wonder why that matters. If productivity growth is at 1%, it will cost an extra £9 billion a year for the NHS. There is only a one in six chance of delivery, but if the Government do not deliver, there will be a very significant cost to the NHS.

[Steve Barclay]

This Budget puts up tax on working people in order to pay more in welfare. We can see that in a whole series of measures. We can also see the gulf between what the Government said at the general election and what the Chancellor has delivered. She has not even been consistent with what she said in her Budget last year.

Several hon. Members *rose—*

Madam Deputy Speaker (Judith Cummins): Order. I will impose an immediate five-minute time limit after I call Sam Carling, who has a six-minute time limit.

6.35 pm

Sam Carling (North West Cambridgeshire) (Lab): That is very generous, Madam Deputy Speaker. I am delighted to speak about a Budget that builds on what this Government started last year and takes the necessary decisions to grow the economy and protect working people. With a focus on reducing the cost of living, cutting NHS waiting lists and reducing the national debt, this is a Labour Budget with Labour values.

We have already taken measures to cut the cost of living. We have been improving our energy security, which will bring down energy bills permanently and protect us from the thrall of international markets. We have started rolling out free breakfast clubs in schools, so that parents can get to work on time and kids can start the day ready to learn. We have expanded free school meals and raised the minimum wage, bringing a pay rise to millions of workers.

I am delighted that we are moving forward with further measures. Energy bills are being brought down for households by an average of £150 from April. We are introducing measures to tackle child poverty, which will make this Government the biggest reducers of child poverty since records began. We are lifting over 450,000 children out of poverty and benefiting around 3,200 children in my constituency, according to analysis in the *Daily Mirror.*

As with last year's Budget, we see a significant boost to pay for those on the lowest incomes. When the Conservatives, among other parties, decry that by saying that it will impact on inflation, they need to look at the numbers. The OBR forecast shows that Government policy, particularly the energy bills package and the fuel duty freeze, will reduce inflation by 0.4 percentage points in the next financial year. Gilt yields shot down on Wednesday as the Chancellor delivered the Budget. The markets have confidence in our handling of the economy. On Thursday, JPMorgan Chase announced that it will build a new centre at Canary Wharf that will provide 12,000 jobs and boost our economy by £10 billion. That is not the kind of decision that a major player with global reach makes if it does not trust the Government's handling of the economy. It is a huge vote of trust and mark of confidence in what we are doing.

This is a hugely progressive Budget, as was last year's. On average, households in the lowest income deciles will benefit most from the decisions taken by this Government from the 2024 Budget onwards. Indeed, by percentage of income, all but the richest 10% of households will benefit from overall policy decisions in 2028-29. When it comes to slashing the cost of living, this Government are backing up their words with real action, reversing the damage done by our predecessors. *[Interruption.]* Conservative Members are chuntering at me, but I think they need to remember that the last Parliament was pretty much the only one on record in which living standards fell.

People in Peterborough and North West Cambridgeshire are really going to feel the benefits locally. I am delighted that the Chancellor announced £20 million for the new Peterborough sports quarter during her speech. That includes funding for a new Peterborough pool, after the Conservatives closed our regional pool when they ran the council. *[Interruption.]* Again, I am being chuntered at. The Conservatives closed the pool we had when they ran the council. These are the measures of a Government who are making a difference. By comparison, under our predecessors, living standards were hammered, wage growth was stagnant, and millions more experienced food insecurity.

Labour built the NHS, and we have always been its best custodians. We have proved that in our time in office so far. We promised 2 million extra appointments in our first year, but thanks to massive investment from our first Budget, we hit that target seven months early, and have delivered 5.2 million extra appointments since July 2024. Waiting lists are falling for the first time in 15 years.

Iqbal Mohamed: I welcome the investment in the NHS and the reduction in waiting lists for everyone in our country, but does the hon. Member agree that over time, the money that is going to private companies to reduce the waiting lists should be redirected to the NHS, so that profits do not leave the NHS, and there is more money to treat patients?

Sam Carling: The hon. Member has made his point. As we heard from the Chancellor, all NHS efficiencies will be reinvested in its budget, and I welcome that. My constituents rarely raise with me the specific way in which their healthcare is being delivered. What they want to know is why they cannot get a GP appointment and why they cannot get to hospital on time. What we are doing will deliver changes.

We must also talk about our national debt. Reducing the debt is a necessary and moral issue. Of every £10 we spend, £1 is spent on Government debt interest. Imagine what we could achieve if we had that money available to invest in our local communities. I am therefore delighted that due to the measures that the Chancellor has announced, combined with the action we took last year, debt as a share of GDP will fall consistently. We will achieve a Budget surplus of £22 billion in 2029-30, which would be the largest surplus for over 20 years.

Let us not forget that the UK was the fastest-growing economy in the G7 for the first half of this year, and both the IMF and the OECD forecast that for 2025 as a whole the UK will have better growth than the eurozone, Canada, Japan, France, Italy and Germany. So while Reform and the Conservatives scream doom and gloom, the Government are quietly getting on with the job. The Budget builds on everything we achieved last year, and I know that we will see the cost of living slashed, debt reduced and NHS waiting lists brought down.

6.40 pm

Chris Coghlan (Dorking and Horley) (LD): In February, Louise Holmes took me to her restaurant HolmeStores in Dorking, which was especially popular for brunch.

It had fantastic food and a beautiful wood-panelled interior. Louise had 12 employees and was thinking about a second site, but she could not afford the employers' national insurance increase, so today it is closed. Putting my constituents out of business through tax rises is no way to grow our economy.

Americans are twice as rich as they were in 2008; why are we 10% poorer? This is called the productivity puzzle, but actually it is no puzzle at all. Decades of research, including by recent Nobel prize winner Philippe Aghion, show that productivity can be raised by policies that support innovation, such as public research and development. UK Government support for nuclear submarine technology has led to the development of Rolls-Royce's small modular nuclear reactors for civilian use. The roadblock is that economic policymaking in this country is too often driven towards meeting the OBR's fiscal rules, while the OBR uses flawed assumptions for growth, such as the assumption that public R&D has no impact on economic growth after five years.

The Budget has been surrounded by controversy about the £16 billion productivity downgrade, but the more serious question is: why did the OBR downgrade productivity in the first place? In the 15 years since the OBR's inception, it has consistently overestimated productivity, and has had to downgrade it when it has been wrong, which has created enormous volatility in economic policymaking. That is no way to run a G7 economy.

The good news is that the Government have started to adopt some policies that raise productivity. London Business School's Paolo Sirico—I introduced the Chancellor to his work last year—has quantified the stunning impact that public R&D can have on economic growth. Paolo has shown that from 1950 to 2015, US patents that had a publicly funded component generated 12 times the productivity of patents purely funded by the private sector. The most famous example of that is, of course, John F. Kennedy's Apollo programme.

Public funding of basic research in universities and laboratories is so powerful for economic growth because it de-risks the cost of developing new technology and generates the discoveries that attract private investment into start-ups and venture capital. In the spring statement, using Paolo's model, the Chancellor was able to use £2.2 billion of extra defence R&D to upgrade long-term UK GDP growth by £11 billion a year. I therefore urge the Government to adopt a broad public R&D investment strategy for economic growth, like the US, Israel and South Korea. The investment needed is not actually that large—an extra £5 billion a year on public R&D would take us to US levels, as a share of GDP—and, if we borrowed to do that, debt-to-GDP would actually fall because GDP would rise faster than debt over the long run.

I urge the Government to invest £5 billion in public R&D in our leading industries, such as finance, film, defence, healthcare and renewable energy. Then it might be possible to turn our country into one of the fastest-growing advanced economies in the world.

6.44 pm

Barry Gardiner (Brent West) (Lab): I joined the Labour party because I believe in equality and justice, and those are two of the values that I use to judge any Budget. Does it create a more equal society, and is the society that it creates more just? Therefore, there are aspects of the Budget that I welcome, such as the removal of policy costs from household energy bills, saving families £150. It is welcome that the parents of 3,730 children in my constituency will be helped by the abolition of the two-child benefit cap and the expansion of free school meals. I welcome the rise in the minimum wage and the living wage.

Steve Witherden (Montgomeryshire and Glyndŵr) (Lab): Does my hon. Friend agree that rises in the national minimum wage are among the most important of pay rises because of the money they put into the pockets of the poorest workers in our society?

Barry Gardiner: I am grateful to my hon. Friend for making that point. He is absolutely right, and that money gets recycled throughout our economy.

I think it is a scandal that more than 60% of people in receipt of universal credit are actually in work—often working two jobs to make ends meet. That is a scandal because it means that those employers are not paying their workforce at a level that we, the rest of society, consider to be enough to live on. We, the taxpayer, are subsidising those companies' wage bills so that they can pay their shareholders higher profits.

The Budget does not reverse structural inequality or shift the dial on growth. It is also a Budget that whispers when it should be screaming about the catastrophe that will collapse our economy within the next 25 years. Let me talk about the figures that matter and about the budgets that are actually going to change our lives.

Over the past 800,000 years, the concentration of carbon dioxide in the atmosphere has varied between 180 and 300 parts per million. During the last 10,000 years—the period of human civilisation—it has varied between 260 and 280 parts per million, which has given us humans a relatively stable temperature and climate. When we started the significant use of fossil fuels in the 19th century, the concentration of CO_2 was at 280 parts per million; today, it is at 424 parts per million.

As a result of those emissions, global mean temperatures have risen by nearly 1.5°C. That is the level that we know gives us only a 50% chance of avoiding dangerous climate change. What does dangerous climate change actually mean? It means the systematic collapse of our economy. It means refugees fleeing parts of the world where life has become impossible because of temperatures persistently above 40°C, drought and failing crops. It means unprecedented societal chaos as supply chains fail and competition for food turns to violence. It means war.

What the Government have failed to understand is that they cannot weigh up the cost of addressing climate change against the cost to the economy, when the whole economy depends on keeping climate change under control, so the first budget we need is a global carbon budget that sets the quantity of CO_2 that we can emit if we are to meet our Paris temperature agreements. If we are to stay below the 2°C threshold, we have only 530 billion metric tonnes of CO_2 that we can release into the atmosphere. That may sound a lot; in fact, it is only 13 years of emissions at their current rate. The budget to stay within 1.5°C is a lot worse: just 130 billion metric tonnes, which is just three years of emissions at today's level.

Tom Collins (Worcester) (Lab): Will my hon. Friend give way?

Barry Gardiner: I will not.

Parliament is supposed to be a gathering of the leaders of our community: rational and intelligent human beings capable of horizon scanning and guiding our country to a safe and sustainable future. Instead, it acts like the frog in the pan of gradually boiling water, delaying its escape until too late.

The Budget should have been bold. It should have put our country on a wartime footing with a national programme of retrofit, no new build that is not net zero in its embodied and operational carbon, a huge roll-out of public transport and a major programme of electrification. We have a huge majority, yet we act as though we are afraid of the power that we spent 14 years seeking.

Today, the green economy is growing three times faster than the rest of the UK economy. If growth truly is our ambition, it is in that clean, affordable and secure future that we should be investing. People often talk of a just transition. I prefer to talk of a bloody marvellous one. What's not to like about warm homes with affordable energy; comfortable, efficient, speedy and reliable public transport; the creation of thousands of new jobs; decent air quality; a secure food system with reliable supply chains; and a stable geopolitical world? We live in an age of public sufficiency and private luxury, as Professor Kevin Anderson said last week at the national emergency briefing. A Budget that was adequate to the challenge we face would have turned that on its head, creating a society where every private home had what was sufficient and every public domain was one of luxury. That would be the just and equal society I came into the Labour party to create.

6.50 pm

John Glen (Salisbury) (Con): It is a pleasure to follow the hon. Member for Brent West (Barry Gardiner), who I know holds his views with great sincerity, although I do not agree with many of them.

Before I get into the substance of the Budget measures, I want to address the process leading up to the Budget. People might say that this is a subject of fascination just for those in the Westminster bubble, but in the run-up to this Budget, it went way beyond that. In the weeks—and, indeed, months—before the Budget, virtually every conceivable tax rise was floated as a possibility. Last week, we heard from the Office for Budget Responsibility, and what it said was summed up very well by Ben Zaranko from the Institute for Fiscal Studies:

> "At no point in the process did the OBR have the government missing its fiscal rules by a large margin. Leaves me baffled by the months of speculation and briefing. Was the plan to lead everyone to expect a big income tax rise, then surprise them on the day by not doing it?"

Next Wednesday, the Chancellor will come before the Treasury Committee, of which I am privileged to be a member, and we will no doubt ask her about what was happening in those weeks. I do not want to pre-empt the scrutiny of that Committee, but I think everyone across the House must acknowledge what was happening. We all read the papers. We could all see how decisions about where to invest, whether to invest in the UK, whether to employ any more people and whether to have confidence in the future of the country's economy rested on the way the Budget was prepared for.

I regret very much the error that was made by the OBR. It was clearly a profound error, and Richard Hughes has taken responsibility for it this afternoon. He has done the right thing—the honourable thing—but this will be conflated with the much more serious breach of protocol over several months leading up to the Budget, and we in this House need to come to terms with the implications that this has for our reputation.

There are some things in the Budget that I welcome, but there are some that I do not, including the enormous tax increase. We all fought an election where Labour plainly said that only £7 billion of tax rises were implied. We had £40 billion last year and a further £26 billion this year. This will mean 780,000 of the lowest-paid people coming into tax by the extension of the threshold freeze, as well as a tax on electric vehicles, more tax on property rents, a tourism tax and increases in tax on dividends, savings and unearned income. Employee ownership trusts relief will be halved and salary sacrifice contributions will be limited.

It is obviously the prerogative of every Government to raise tax as they see fit, but what concerns me is the lack of understanding of what it takes to drive growth in an economy. When I look at the implications for the hospitality sector, which is a significant one in Salisbury, I see people who are already bemused by the unexpected increase in employer national insurance, the increase in the national living wage and the implications of changes in employment legislation—and that is before we even heard the measures in last week's Budget. People are worried about the risks and costs associated with investing in plant, machinery and people.

Chris Coghlan: I thank the right hon. Member, a colleague on the Treasury Committee, for giving way. I agree with many of the things he is saying, but does he not agree that the Conservative party also has considerable responsibility for this situation, through Brexit?

John Glen: I did not support Brexit. Brexit happened. We made a decision as a country, and I do not want to relitigate that. I commend the hon. Member for what he does to promote the discussion about measures to drive forward productivity. I think the Government could learn from some of his observations this afternoon, because until we get to a point where those who create wealth and jobs feel that it is in their interest to do so, we will be dancing on the head of the pin in terms of feeling secure about that trajectory of sustained growth. The burdens that come from this Budget will be significant, and will change the way that people think about investing in this economy. A dynamic economy does not come from ever-higher tax and higher spending on welfare.

The OBR has downgraded growth in every year. I recognise that, since the global financial crisis, many economies face similar challenges—let us be honest about that—but we cannot go on spending money on welfare unless we address the drivers of sustainable growth in our economy. I fear that the measures in the Budget last week, many of which purported to give long-term benefit, will not provide what those who create wealth need in the short term.

6.57 pm

Tom Rutland (East Worthing and Shoreham) (Lab): It is a little over a year since we had the first Labour Budget in 15 years, and since that Budget, many of my constituents in East Worthing and Shoreham have felt the benefit in some way or another. They include the 20,000 people no longer waiting for treatment and getting on with their lives, benefiting from a 15% fall in hospital waiting lists at my local trust since the election; the children at Holmbush primary academy, one of the schools in the early adopters scheme for a free breakfast club, who now start every day prepared, focused and equipped to make the most of their school day; the parents benefiting from the additional free childcare, freeing them up to get to work; and the thousands of workers across Adur and Worthing benefiting from the boost in the minimum wage and wages more broadly, which have increased more in the first year of this Government than in the first decade under the Conservatives.

Now we have our second Labour Budget of the term, a Budget focused on giving people across the country a helping hand with the cost of living. Let us contrast that with the Tories and Reform, who have both promoted their ideas to return to the days of austerity, as if we were not already having a hard enough time trying to tell the difference between them, with another three former Tory MPs having joined Reform just today. But let me tell the Tories on the Opposition Benches and the Tories with Reform masks on over there—oh, what a surprise, they are not there—that when we stood on a promise to change this country last year, we meant it, and I am determined not to let my constituents down by allowing their failed ideas to creep into Government ever again and distract from the very real job of giving our country its future back.

On the other side, we have the Greens accusing us of austerity. They should welcome the record investment in clean energy that this Government are making, including expanding the Rampion wind farm off the coast of my constituency. Unfortunately, their record of ultimately opposing green infrastructure when push comes to shove—or when shovels come to ground—in their constituencies suggests that when it comes to the climate, all they have to offer is hot air. So let me tell them something, too.

In this Budget, we are not returning to austerity, because austerity would not lift 450,000 children out of poverty, but this Labour Government will. Austerity would not expand free school meals to 3,200 children in my constituency, but this Labour Government will. Austerity would not cut £150 off the average energy bill, but this Labour Government will. Austerity would not freeze rail fares, fuel duty and prescription charges, but we will, just as we will cut NHS waiting lists and support the 3,500 small and medium-sized enterprises in my constituency with fully funded apprenticeships. Austerity would not rebuild this country, but this Labour Government will.

We will do all that while adhering to our fiscal rules and cutting the national debt over the course of this Parliament. That discipline and stability are important, not just for addressing the amount of interest the Government pay on their debt—to be clear, there is nothing progressive about spending £1 in every £10 of taxpayers' money on debt interest—but for the cost to individual families. We on the Labour side of the House know that when a Government choose populism over realism, or the economics of fantasy over stability, it is working people who pay the price—those people whose mortgages soared after Liz Truss's mini-Budget, leaving them scrabbling around to find the extra cash to keep the roof over their heads. As a result of this Government's determination to deliver economic stability, those mortgage rates are now coming down, with interest rates already cut five times by the Bank of England since last year's election, saving the typical family £1,000 a year. With this Budget forecast by the OBR to reduce CPI inflation by 0.4 percentage points next year, we can hope for further cuts to interest rates soon.

We are under no illusion: there is more to do. But this Budget is another key step in turning the page on the chaos left by the previous Government. Guided by our Labour values, we are putting the priorities of the British people back at the heart of Government policy and, by doing so, giving working people the stability and investment in the future that they deserve.

7.1 pm

Dr Luke Evans (Hinckley and Bosworth) (Con): I congratulate the Government on keeping one of their manifesto commitments, because their manifesto said, "Change"—it is just that no one realised that would be all that was left in the British public's pocket when it came to it. I would like to give a second congratulations to the Chancellor, because I gather that she has won an award: best Dubai estate agent for 2025. We know that 250,000 people have now emigrated from Britain because of the impacts of her Budget. I expect she is now going for the next award in 2026.

More importantly, this seems to be a Labour Government who are caught between trying to do things on purpose or by mistake. At the last Budget, they were up front that they were going to tax education for the first time. They did not realise that what they were actually going to do was put up taxes on hospices, pharmacies and GPs—that was all missed. Now a new Budget has come forward, and I call it the "ball of wool Budget". Why? Because for the first time in history we have had this ball of wool unravel time and again, for weeks upon weeks, until it was finally spun into a yarn that we were supposed to believe, but the British public have seen right through it. It is unparliamentary to use the term "liars", but I think I can use "Pinocchio", and I think the Prime Minister and the Chancellor may well fall into that category.

Rest assured, people in Leicestershire and up and down the country see right through this Labour Government. They see what this Budget was all about: trying to placate the Back Benches, and how? It is through £40 billion of tax rises in the first Budget and £26 billion of tax rises in this one. Don't just take my word for it, because even if, before the last Budget, we believed in the fictional black hole, which was then disproved by the OBR, the Chancellor went on Sky News after that Budget and said:

> "We've now wiped the slate clean… It's now on us…we've set the spending envelope on the course for this Parliament, we don't need to come back for more. We've done that now".

She went on:

> "there's no need to come back with another Budget like this, we will never need to do that again."

Yet here we are with £26 billion more tax on the British public, yet we still have weak growth, high inflation and no living within our means.

[Dr Luke Evans]

The Chancellor has even broken her own manifesto commitment, which she has admitted, because in the 2024 Budget she said from the Dispatch Box:

> "I have come to the conclusion that extending the threshold freeze would hurt working people. It would take more money out of their payslips. I am keeping every single promise on tax that I made in our manifesto, so there will be no extension of the freeze in income tax and national insurance thresholds beyond the decisions made by the previous Government."—[*Official Report*, 30 October 2024; Vol. 755, c. 821.]

Yet, one year on, she said from the Dispatch Box last week:

> "I am asking everyone to make a contribution."—[*Official Report*, 26 November 2025; Vol. 776, c. 393.]

I need to tell the Chancellor that being asked for a contribution is not the same as being told, which is what this Government are doing. What would happen if someone tried to refuse, saying, "No, I've paid my fair share"? My constituents say, "I've done enough," but they cannot just say no. They will get a fine or, worse, a criminal record and go to jail. So let us deal with the semantics and say what it is: a naked choice to increase tax on the British public.

In the run-up to the election, my right hon. Friend the Member for Richmond and Northallerton (Rishi Sunak) was prophetic in what he said. We were not listened to, and I understand all the reasons why. He said, "A Labour Government will tax your holiday, your house, your GP, your pharmacy, your flights, your car, your pension, your savings"—have I missed anything? They have taxed charities, and even milkshakes—tax, tax, tax. The public have seen what a Labour Government have done. They were told about it, and they have seen it twice in a Budget. When it comes to the next one, I hope they will remember that.

Madam Deputy Speaker (Judith Cummins): The hon. Gentleman may have meant to evade the rules with his reference to the Prime Minister and the Chancellor, but he did not. I advise him to withdraw those comments.

Dr Evans: Forgive me, Madam Deputy Speaker. Whether it was the reference to either being a liar or Pinocchio, I withdraw them both.

7.6 pm

Richard Burgon (Leeds East) (Lab): I congratulate everyone in this House and outside it who fought to scrap the two-child benefit cap and to make the wealthiest pay more. The positive steps in the Budget in that direction, such as the mansion tax, are a real credit to that campaigning.

On the scrapping of the two-child benefit cap, I voted to add that to the Government's programme last year, and I did so because all the experts said, correctly, that it would be the best way to immediately lift hundreds of thousands of children out of poverty. I am delighted that the Government have got the message and done that. I am proud and delighted that thousands of children in my Leeds East constituency will benefit from this, in Gipton and Harehills, in Garforth and Swillington, in Killingbeck and Seacroft, in Cross Gates and Whinmoor, and in Whitkirk and Colton. It gladdens my heart to see that injustice righted.

Mr Adnan Hussain (Blackburn) (Ind): Over 45% of children in Blackburn live in relative poverty. I congratulate the hon. Member on taking a principled stance. He has been proven right, so I thank him on behalf of the children of Blackburn.

Richard Burgon: I thank the hon. Member for his kind words. It is important that we all see our time in Parliament as being part of a crusade against child poverty and to make child poverty history, because no child is responsible for their own poverty. It sickens me to hear some of the talk from the Opposition on this.

Budgets are always followed by days of detailed coverage, but the simple truth is that the Budget and the Government's whole record will be judged on whether living standards rise. Living standards have been stagnant for well over a decade, since the bankers brought the economy to its knees. Pay has been flat while the price of every essential has increased, and millions struggle with skyrocketing rent, energy and food costs. No wonder the cost of living crisis remains the No. 1 concern for people in the polls.

There are more welcome moves in the Budget to address that—the £150 off energy bills, the freeze on rail fares and the boost to the national minimum wage, to name just a few—but the scale of the cost of living crisis demands far bolder action. As it stands, this Parliament is on track to be the second bleakest for living standards since world war two—the worst being the previous Parliament. People are being asked to take more and more pain. That is why, before the Budget, I called for a package of emergency cost of living measures to give people the urgent relief they need. From cost of living grants to universal free school meals, there are so many ways in which we can take pressure off people who have been really struggling through no fault of their own. All that can be funded by raising tens of billions of pounds in taxation from the very wealthiest and those who are making super-profits by ripping people off, as the banks are doing.

Tens of thousands of people backed my call—such calls will continue to grow as this crisis persists—but I am afraid to say that, instead of going down the road of wealth taxes, the Government have chosen a stealth tax on ordinary people. Millions will face an income tax hike from the extension of the income tax threshold freeze, including 780,000 people who will have to pay income tax for the first time. Putting aside any debates on manifesto promises, that move will squeeze ordinary people even further at a time when they simply cannot afford it. The good news is that the extension will not kick in for another two years, so there is still time for the Government to think again and do the right thing by ditching it.

Just as I did with the two-child cap, winter fuel and disability benefit cuts, I will do everything I can to ensure that that regressive policy is overturned. There are much better alternatives. In 2010 the combined wealth of UK billionaires was £250 billion. Now it is more than £600 billion. Their combined wealth has more than doubled since 2010. How many of our constituents can say that their wages, standards of living or wealth have doubled in that time? We need to push for fairness in the taxation system. We should tax extreme wealth, not load stealth taxes on to working people in the middle of a cost of living emergency.

We all know that much of the economic weakness driving the crisis in living standards is the result of 14 years of terrible decisions by the Tories, but people expect this Government not only to sort that out but to protect them in the here and now. Not doing so will pave the way for the first far-right Government in our history. It is in this context of the cost of living crisis that the siren voices of Reform and the far right get an easier hearing. We must all avoid that. We do not want to end up with the hon. Member for Clacton (Nigel Farage)—the UK's own version of Donald Trump—as Prime Minister, so let us work together to lift living standards and stop that.

7.12 pm

Christine Jardine (Edinburgh West) (LD): It is a pleasure to follow the hon. Member for Leeds East (Richard Burgon). He will forgive me for wondering whether some of his Scottish Labour colleagues perhaps believe that Christmas arrived early for them last week, given that much of the Red Book reads like the Christmas wish list of a potential First Minister of Scotland. There is the investment in Inchgreen dock in Inverclyde, regeneration projects in Kirkcaldy, the Forth Green port and £14.5 million for Grangemouth—I think we know which target seats Santa will be visiting this year—and £820 million in consequentials.

It is not all good news, however. Of course, the investment in Scotland is welcome, including the vital support for the Forth Green port, which should unlock high-skilled jobs for my constituents through growth in green industries, but at the same time we are seeing further job losses at Harbour Energy in Aberdeen. Any investment in renewables must not mean that we turn our backs on oil and gas workers and lose skills and investment.

I am particularly pleased to see that the Government have reaffirmed their commitment to £750 million for Edinburgh University's new exascale computer—investment that I have consistently campaigned for since the election. That is set to become the UK's new national supercomputer, with the potential to unlock world-leading research in artificial intelligence, medicine, physics and space, making Edinburgh a strong contender to be the home of the Scottish AI growth zone that the Budget document commits to—a wee hint to the Minister that something else could be popped into a Christmas stocking.

I thank the Chancellor for finally listening to calls, including from the Liberal Democrats, to scrap the two-child cap on universal credit, lifting 95,000 Scottish children out of poverty and helping 300 households in Edinburgh West. However, it is shameful that it has taken this Government so long to finally reverse the cap and the perverse "rape clause".

Despite that progress, it is not all good news. I am disappointed by the gaps in the Budget, including on things that would have boosted Edinburgh's economy and helped families in my constituency. I have mentioned the hospitality sector many times in this House. It generates £198 million every year in my constituency alone, where it supports 6,000 jobs. Pubs, restaurants and cafés across Edinburgh are still feeling the pinch from increased energy costs, the impact of employer national insurance hikes, and inflation. The Chancellor could have used this opportunity to cut VAT for hospitality, putting money back into people's pockets as they go out to celebrate Christmas.

Similarly, there was nothing for the whisky industry, which is also feeling the effects of Trump's tariffs. Analysis by the Scotch Whisky Association has shown a tax revenue loss of £150 million, following the previous hike in alcohol duty, so the increase in this Budget puts further pressure on a sector that is critical for Scotland's economy.

I will finish with this thought. In Scotland, many of us hope for a change of Government at Holyrood next year. I heard that from people in my constituency at the weekend. They have the same concerns as people in any other part of the country; they are worried about the cost of energy bills and the state of our public services. Small business owners told me about the pressure that they are feeling without business rates relief in Scotland. They are looking to this Budget to give them some idea of what they might expect from the Labour party in an election campaign in Scotland next year, and whether they will like it. It will be the people of Scotland who decide whether this Budget and its creators have been naughty or nice.

7.17 pm

David Williams (Stoke-on-Trent North) (Lab): I speak in this debate having listened to the real voices of people across Stoke-on-Trent North and Kidsgrove, away from the Westminster bubble and media frenzy. For too many of them, the last Conservative Government were defined by rising bills, falling living standards and failing public services. My constituents' views were clear: quite simply, this Budget will make life better for them and their families.

David, who lives in Tunstall, is a single dad. He skips meals so that his kids can eat properly. Sarah from Butt Lane told me that she panics when it comes to buying new school shoes every September. Sarah and David work hard—very hard—so I am relieved that their children will be among the 4,400 local children who are lifted out of poverty thanks to the abolition of the two-child limit. Their kids will also join over 6,700 others in benefiting from the extension of free school meals, as well as new breakfast clubs, thanks to this Labour Government. No kid should start the day with an empty stomach.

Over in Talke Pits, I spoke with Lisa, who earns the minimum wage in a warehouse. She told me that, for the past few years, she has felt as if she was

"running up the down escalator",

but now thousands of people like Lisa will take home £1,500 more a year thanks to the fair decisions that we have made.

On Saturday evening, I went to the Kidsgrove Christmas lights switch-on, where I spoke to an older couple I first met last winter. For many years, they have been turning off appliances to save every possible penny. They told me that cutting £150 off their energy bills, combined with the 4.8% rise in the state pension and protection of the triple lock, will make a significant difference to them.

On the subject of pensions, a former mineworker in Packmoor contacted me to thank this Government for delivering justice for him and his former colleagues. As a result of the actions of this Labour Government, over 800 former mineworkers, canteen and office staff now have more money in their back pockets. As he told me:

"We earned it, David. But we've buried too many who didn't live to see it."

I also thank my friend, colleague and local councillor, Duncan Walker, who has campaigned on this matter for many decades.

[David Williams]

Finally, I turn to Calvin, who contacted me about our record investment into our NHS. Like so many, Calvin was left languishing on waiting lists for years. Locally, waiting lists have already been cut by as much as 50% as a result of an extra 55,000 appointments at Royal Stoke and County hospitals. Calvin told me that he cannot wait to go back to work, and this investment will help many more like him.

This Budget is a serious, responsible and compassionate plan that begins to restore security for people across my constituency of Stoke-on-Trent North and Kidsgrove.

7.20 pm

Gavin Robinson (Belfast East) (DUP): It is a pleasure to participate in this Budget debate. I am reminded that in 2005, whenever Tony Blair was seeking re-election for an historic third term as Prime Minister, he celebrated the fact that this country had enjoyed 40 quartiles of economic growth. If anyone cares to think about that, they have to realise that that economic growth commenced two years before he commenced as Prime Minister. I say that because often in this Chamber all we get from our Government is complaints about what the Opposition could or should have done when they were in government, and an Opposition who chide the Government for some of the choices and pressure that they face. However, there are those of us in the Chamber—and, more importantly, in the country—who can look clearly at some of the economic challenges and missed opportunities.

It has been right in this debate that we have heard that a Government who promised not to raise tax on working people raised £40 billion in last year's Budget. It is right to reflect that this year, having said that that was a one-off, £26 billion will be raised from this Budget. It is right to reflect on the pressure that that is putting on ordinary people up and down this country. It is right to reflect on the numbers who did not pay tax and who will pay tax—5 million additional taxpayers over the course of five years—and on middle earners in this country, 5 million more of whom will pay a higher rate of tax over those five years. Those are choices that the Government brought forth and that people in this country will have to pay for. This debate on the cost of living should lead to the same questions around threshold freezing or two-child limits.

Jim Shannon: In Northern Ireland we have 440,000 children, and 103,000 of them are in poverty. By abolishing the two-child cap, this Government have ensured that those 103,000 children will be lifted out of poverty. The potential is there to do that. Does my right hon. Friend agree that abolishing the two-child cap takes those children out of poverty and makes their lives better?

Gavin Robinson: As my hon. Friend knows, we have campaigned on the removal of the two-child limit. We did not agree with the limit; we do not think it is right, and we think it is immoral for families to be placed in that position. We opposed it when it was introduced, and we oppose it today.

When considering the cost of living, let us reflect on the fact that within two years—by 2027—the state pension will be taxed because of frozen thresholds? It will be taxed in 2027, 2028, 2029, 2030 and 2031 because of choices by this Government. We recognise that pensioners should be entitled to and need pension credit to supplement that, but if their sole income is the state pension, it will be taxed, unlike pension credit. That cannot be right, but it is what has been delivered through the freezing of thresholds.

I am happy to engage with the Northern Ireland Office—I am pleased to see the Secretary of State for Northern Ireland here—about some of the challenges that we face in Northern Ireland. I recognise the additional £370 million through Barnett consequentials, although that is not one year's addition; it covers a period of years with but £2 million in one of those years. The Secretary of State knows that the challenge this year for our Executive is £400 million—that is the current pressure. What is the one thing missing from the Red Book's section on Northern Ireland? It is any challenge to the Executive; it is any mention of the fiscal framework and those negotiations that need to take place.

I lament the fact that there was praise for our Minister for Finance in Northern Ireland last week, when he talked about the need for revenue raising in our Province but then went on to rule out every significant aspect of revenue raising. Politically, they are not in that space, yet we have to share power with them. That is wrong. I lament the fact that we have partners in government who say, "We need more fiscal devolution; we need more powers in Northern Ireland", yet they have manifestly failed to use the powers at their disposal. That cannot continue, and I say that there is a role for national Government in those negotiations.

We welcome that there is a potential £150 of support for energy bills in households across this United Kingdom, but there is no detail in the Red Book—my hon. Friend the Member for Strangford (Jim Shannon) asked the Secretary of State about that earlier, but he was unable to answer. This measure is coming in in April 2026, yet all we have is a notional offer from the Government to support the Executive in creating a system. Can we have confirmation as to whether annually managed expenditure will be made available to ensure that every household in Northern Ireland will be entitled to £150 on the same basis as in England and Wales? Will that extend to oil boilers? We heard about £130 for gas boilers, but 70% of homes in Northern Ireland are fuelled by crude oil.

I hope the Government will respond to those challenges today, because I do not want to be sitting in four or five months' time with constituents in Northern Ireland saying, "What of that offer of £150?", only to find that the support has not been there through AME or through central Government negotiations.

On pensions, I welcome the decision taken to provide an index-linked rise to pensions from 1997, but the Deprived Pensioners Association has highlighted that it is only prospective, not retrospective. It has asked for retrospective index-linked pensions and arrears, because far too many pensioners from 1997 and onwards have had their economic wellbeing curtailed in this cost of living crisis, because of the Government's failure to introduce this change. It must be retrospective, and I would look forward to that coming about.

7.27 pm

Ben Goldsborough (South Norfolk) (Lab): When we stood for election, we promised change—real change that would improve life for people in every part of this country.

This week's Budget moves in the right direction, but if we are to renew Britain, we must be willing to go further. There are measures worth welcoming. Ending the two-child cap will lift around 1,270 children in South Norfolk out of arbitrary disadvantage, and clamping down on illegal activity on high streets, such as minimarts, barbershops, vape shops, nail bars and car washes, will protect honest traders and restore confidence.

We must not, though, allow the good news to distract us from the deeper truth: delivering genuine renewal demands deeper reform. On the NHS, reform must be real, not just rhetorical. Too much of our healthcare system has been shaped around elderly care alone, yet under-30s with serious mental health conditions, and over-50s facing obesity or musculoskeletal disorders cannot be left behind. Without genuine innovation in prevention and rehabilitation, the NHS cannot remain both compassionate and sustainable. Partnership with the private sector must therefore play a role—not ideological outsourcing, but practical collaboration that cuts waiting lists and expands capacity. Labour is uniquely placed to deliver that in a way that strengthens the NHS rather than fragments it.

Welfare reform must also return to its original purpose: helping people to rebuild their lives and get back into work. A modern system should be humane and empowering, not defined by complexity, stigma and delay. If we want to reduce the long-term welfare bill, early intervention and smarter support are essential. Growth underpins all that. If we want world-class public services, we need an economy that can pay for them. That means reducing unnecessary regulatory burdens in sectors that give Britain the global edge. Finance, for example, faces layers of regulation that stifle innovation. A party that is serious about renewal cannot shy away from bold deregulation where it is justified.

Tax choices must be part of this honesty. The Chancellor has ruled out rises in income tax, VAT and national insurance for employees—a decision that protects working people at a difficult time—but that also means that the tax burden will inevitably rise later in the Parliament. We owe voters the honesty to say so.

Our pubs are vital to rural life and to South Norfolk's villages. Pub landlords rightly tell me that supermarkets have an unfair advantage on alcohol pricing. Pubs are responsible places; they create community, support young workers and act as informal safeguards against harmful drinking. I urge the Chancellor to explore creative VAT options for high-street institutions.

Finally, after 13 months campaigning for fair inheritance tax treatment for farms, I welcome progress, but it does not go far enough. The forestalling clause traps farmers who may not have five or seven years to wait, including those who are terminally ill. That is unfair and unjust, and it threatens the foundations of our food security. Labour can once again be the party of rural Britain, but only if we protect the family farms we depend on.

This Budget makes progress, but progress alone is not enough. To deliver the change we promised, we need deeper NHS reform, a modern welfare system, bold deregulation, honest tax decisions, support for our pubs and high streets, and fairness for rural communities. That is the spirit in which I will continue to fight for South Norfolk.

7.31 pm

Harriet Cross (Gordon and Buchan) (Con): One of the most incoherent, damaging and destructive decisions that the Government took last week was not to scrap the energy profits levy. The levy will destroy our oil and gas sector, as the Government have been told by so many sources, including the industry itself, the renewables industry, the unions and Offshore Energies UK. The Government know exactly the impact that keeping the EPL will have on jobs, investment, our supply chain and our transition to cleaner renewable energies.

Iqbal Mohamed: Does the hon. Lady agree that the fossil fuel companies have put all their eggs in the basket of carbon-generating fossil fuels, and have not diversified over the past 30, 40 or 50 years? They have no other sources of income. Why should we pay the price for their profligacy?

Harriet Cross: No, I do not agree, because that is factually untrue. Investment in green technologies, including carbon capture, EV charging point roll-outs, wind and solar, is being driven by our oil and gas companies. They will stop investing in green technologies and our domestic supply if we tax them into the ground, and that is exactly what the EPL is doing.

The Labour Government have kept the EPL, which means that our oil and gas companies are being taxed at 78%, which is more than is faced by any other mature basin in the world. They also removed investment allowances, ensuring that our oil and gas companies are the most uncompetitive when they are trying to invest in the North sea. As a result, the companies and the skills that we need for the transition are moving abroad. Across the UK, we are losing tens of thousands of North sea jobs. That impacts every constituency. Do not think it is just north-east Scotland that is impacted; every single hon. Member in this House has oil and gas worker constituents—energy workers—who are losing their jobs today because of the Chancellor's choice last week to keep the EPL. That impacts everybody.

Paul Holmes (Hamble Valley) (Con): My hon. Friend is right. My constituency on the south coast has Oil Spill Response Ltd, which tackles oil spills. At a recent event, the vice-president of a very big oil company said that it was essentially closing up its operations in the UK and moving 50 miles up the road to Norway. Has she found the same in her constituency?

Harriet Cross: Yes, absolutely. Many flights that take off from Aberdeen are full of workers who are leaving north-east Scotland for Norway, taking their skills and taxable income with them. Norway welcomes the opportunity for investment in its energy sources. Norway drilled more than 30 new exploration wells in its North sea this year. We drilled zero. That is not because the North sea is different on either side of the boundary line, but because of the United Kingdom's fiscal and regulatory regime. We are banning ourselves from our own resources.

We are making it so financially unviable to get at our own resources that we are becoming more and more reliant on other countries for our energy security. That does not make sense. Even if we come at the issue from a green angle and pretend that we are helping the climate, imports are more carbon intensive. We are bringing more carbon-intensive energy, which we need, into the UK.

[Harriet Cross]

The Government love telling us that we will need oil and gas for years to come. We will, but we will not be using UK oil and gas for years to come. We will be using oil and gas from Norway, Qatar, Mexico or America, and we will import it at a huge carbon cost, and at a huge cost to the Treasury through loss of tax, other revenue and investment.

Offshore Energies UK states that £50 billion of investment will be lost because of the EPL being kept in place. That £50 billion could go to a huge number of schools, roads or NHS projects, or it could fill any deficit that we have, but no, it is being left, because the ideology of this Government is to run down our domestic oil and gas sector.

When I am out having constituency meetings in north-east Scotland, I spend most of my time listening to people who are worried about their jobs. They are worried about when—not if—their job will be lost, and where they will get another one. There are no new jobs in the oil and gas sector. They are not being created. When a job is lost in north-east Scotland, or in any other constituency with oil and gas jobs, there are no replacement jobs. Our skilled workers are moving abroad. That expertise and those skills—the ones that will drive the transition and keep our communities together—are moving away.

One of the most cynical things that the Government did on Wednesday last week, when they chose to keep the EPL, was to release their consultation results for the future of the North sea. They thought that the people of north-east Scotland were so dim, so stupid, that they would not realise that keeping the EPL in place was going to have a destructive impact. They thought that they could wave a little flag with "North sea future plan consultation" written on it, and it would distract us, but guess what? We are not distracted. We know that it does not matter how many tie-backs are allowed, or whether we rename a licence as a certificate; that will not make any difference when it comes to how long the North sea lasts, because we do not have the fiscal regime to make it viable.

I met representatives of a large oil and gas producer on Friday—I am sure that no Government Members did, because they do not actually engage with the sector or listen to it.

The Parliamentary Under-Secretary of State for Energy Security and Net Zero (Martin McCluskey): Rubbish.

Harriet Cross: Well, in that case, the Minister will have heard exactly the things that I hear from it, so why has he not acted on them? I asked the company I met on Friday what it thought about the North sea future plan paper. Its words to me were: "We didn't need 170 pages, we just needed a fair fiscal regime." That is all it wants. It wants the EPL to be taken away, and it needs the fiscal regime to make sense.

The EPL windfall tax was brought in when there were record prices. Last week, the Government defined "windfall" as \$90 a barrel and 90p a therm, yet we have to wait until 2030 to get that. We therefore now have a windfall tax on \$68-a-barrel oil and about 80p-a-therm gas. Why do we need to wait until 2030? Why are we doing that to our oil and gas sector? Why are we making sure that they are completely taxed into the ground? Why are we making investment unviable, ensuring companies move abroad and undermining our industry? We have defined what a windfall is, but we will still tax companies on windfall profits now. That does not make sense. There is no windfall. We are now taxing the oil and gas sector so much that the tax revenues are falling. The decrease in revenue from the oil and gas sector last year was 40%. Why was that? It is because investment is going abroad and production is falling. It is because it is not viable to invest in the UK any more.

A company I met last week said that it is more stable to invest in west Africa than the North sea. That is the situation that is being created by this Government. That is the issue that we see in north-east Scotland, and it is my constituents and the constituents of neighbouring MPs who are feeling the brunt. My constituents do not talk about career progression, but about career survival: "How much longer will my job last? How many more redundancy rounds will I survive?" Those are the conversations we have in north-east Scotland. That is the reality of the oil and gas sector in north-east Scotland, and that is the absolute madness of the policies that this Government are following.

Will the Government, please, for the future security of our energy, for £50 billion of investment that could come into our energy systems, and for the survival of tens of thousands of jobs, scrap the EPL? It must be scrapped. In no other sector in any other part of the country would this Government allow that many jobs to be lost, yet they are willing to do that to the energy sector in north-east Scotland, and to our oil and gas workers, and that is completely irresponsible.

7.40 pm

Rebecca Long Bailey (Salford) (Lab): When Government choose to act, when they choose to listen and when they choose compassion, millions of lives are changed. The decision to scrap the two-child benefit cap will lift nearly half a million children out of poverty and ease the suffering of almost a million more. It is a humane, necessary intervention, and the Chancellor should rightly be proud of what she has done. All those who campaigned tirelessly for this over the past year should feel immensely proud. I am hopeful that this is just the beginning of a wider ambitious programme of reform to restore fairness, rebuild our economy, and restore the hope, which we thought was lost, that life will get better for every passing generation.

I know how hard the Chancellor has worked. She knows that we need money for our public services, after 14 years of crippling austerity, which have held our country back and destroyed our public sector, but restoring the public finances is the first building block of growth. That is not an easy task when we are working with a tax system that has needed fundamental reform for decades. I hope that the next step will be to design a tax system rooted in fairness and clarity, and a long-term strategy that lifts up those on modest incomes, supports young people striving to build their futures and ensures that national prosperity is shared, rather than hoarded. We should eliminate the structural unfairness whereby normal people's salaries are taxed at higher rates than income derived from wealth, and the freezing of tax rates, which quietly drags millions more people into tax bands that were never designed for them.

It was good last week to see the Government introduce an online gambling tax, and a tax on homes worth more than £2 million, but I hope we will now explore the many more options available to us to restore fairness. We could tax capital gains and dividends at the same rate as wages. We could tax share buy-backs, and reintroduce the investment income surcharge that the Tories scrapped in 1984. We could charge VAT on financial services such as wealth management. We could look at a whole plethora of wealth taxes and so much more.

The same principles of fairness must extend to the broader financial sector. The banking industry benefits from extraordinary Government support, with deposit guarantees, central bank facilities and vast rounds of quantitative easing, while the public receive little in return. Governments of all stripes continue to grant what is now an annual £23 billion in interest payments on central reserves. That was meant to be a temporary fix to help following the financial crash, but many EU countries have stopped paying that interest. We could look at doing that, too.

The same forward-thinking approach is needed on energy policy. Removing green levies from bills will bring welcome relief, but families still face high costs, while energy giants have made more than £125 billion in profits since 2020. The Government have an opportunity to ensure that the energy system works for the public good, and to consider windfall taxes, fair pricing and even forms of public ownership. A resilient, affordable green energy system would strengthen the whole economy.

More broadly, the economy urgently needs strengthening. The OBR forecasts only 1.5% growth this year and sluggish productivity for the rest of the decade, and that is the result of 14 years of short-termism, of putting short-term dividend extraction before long-term industrial strategy, and of the UK investing barely 18% of GDP in productive assets. That is far behind countries such as France, Germany, China and India. We are not punching above our weight, but we should. Without proper investment in infrastructure, green industries, modern transport, digital systems and manufacturing, we simply cannot build the prosperous future we deserve.

We have made a fantastic start this week. The Chancellor's strategies—such as Pride in Place, which will see parts of Salford receive £20 million over the next 10 years—are welcome, but we need further announcements on industrial strategy and strategic investments over the coming year. We have waited years for this. We have millions of people who are ready to work, build, care, invent and dream. Let the Budget be the spark that drives wider transformation, so that we have a fairer economy, a fairer society and a Government who match the courage and aspirations of their people.

7.45 pm

Joe Robertson (Isle of Wight East) (Con): Average households will be £850 worse off by 2029-30, according to the Joseph Rowntree Foundation. That is a consequence of this Budget, with the highest taxes in history, growth down, borrowing up and inflation up. In fact, the Government have missed their inflation target every single month they have been in office, with no projections that they will hit it any time soon. That target is 2%. The last time we hit 2% was in July 2024, when this Government took office. That is the result of a nightmare sequel to a horrendous original. We have had two Budgets, back to back, making people poorer, with more tax for more welfare.

It did not have to be this way; the Chancellor had choices. Instead of raising tax again—this time by £26 billion, with 43 different taxes—she could have cut the size of the civil service back to where it was in 2016. She would have saved £8 billion. She could have taken welfare spending back to where it was just before the pandemic. She would have saved £23 billion. She would have had the money she needed to not raise taxes, with some left over to cut them instead.

Dr Scott Arthur (Edinburgh South West) (Lab): It would be interesting to talk through the implications of such a drastic cut to welfare in one single Budget, and what that would mean for people in the hon. Gentleman's constituency, particularly the young people with children who will be lifted out of poverty by this Budget.

Joe Robertson: It is one single Budget with a plan over five years, as the hon. Gentleman well knows. The best way to lift all families out of poverty and to stop them slipping into poverty is to grow jobs and grow the economy so that we have more money to spend on public services.

We know that the Government wanted to cut welfare. Indeed, they tried to cut welfare spending just a few months ago, but they were held to ransom by their Back Benchers and watered down their plans. Instead of coming back with a properly costed, reformed proposal, we have a £5 billion cash grab. They have given up on tackling the welfare bill altogether. We have more tax for more welfare.

Most people on welfare do not want to be there if they have a choice, but the key word is choice. The Government have to give them choice, by allowing businesses to employ people and by increasing job opportunities, not decreasing them. What happened to the party of a hand up, not a handout? Until Labour rediscovers the central role of businesses in employing hard-working families and in growing the economy, so that we can invest more in public services through growth, people will remain on welfare and our economy will remain sluggish.

I will finish by saying something on transport costs, particularly as the Secretary of State for Transport is in her place. Although I do not agree with her reforms to rail and buses, I share the sentiment behind them: that we should be putting passengers above profit. I continue to ask that she does that not just for rail and buses, but for communities all over the United Kingdom that rely on ferries. While she is freezing the cost of rail, my constituents are paying more and more in ferry fares, because we have providers that are controlled by private equity companies that are unregulated and unlicensed. I know that she would not accept that for any other community across the UK. Of course, I do not hold the Secretary of State responsible for that—it is not a situation that she created—but she is in the wonderful position of being able to do something about it, and I urge her to do so.

I thank the maritime Minister, the hon. Member for Selby (Keir Mather), for the talks that he has had with me and my neighbour, the hon. Member for Isle of Wight West (Mr Quigley). I look forward to continuing those

[Joe Robertson]

conversations because, quite frankly, with private equity trading one of the ferry companies in the past few days, those companies are not going to make the changes that we deserve without the Government stepping in.

7.50 pm

Paul Davies (Colne Valley) (Lab): It feels like a lifetime since 2022, when a Prime Minister and a Chancellor gambled with our economy. They put Britain in hock to the bond markets, sent mortgage rates soaring and plunged millions of families into hardship. That reckless approach left deep scars that our communities still bear today. Contrast that chaos with what my right hon. Friend the Chancellor has delivered in her Budget. Instead of instability, we have security; instead of ideology, we have investment. She has put money into the NHS, backed innovation, supported start-ups, and stood shoulder to shoulder with the British public during a cost of living crisis created by the Conservative party. Under the last Government, the country spiralled downwards towards despair. Today, we are reversing that and creating hope for the future.

The cost of living remains the single biggest concern for my constituents. It was the first issue they raised with me ahead of the Budget, which is why I welcome the practical steps in the Budget that will make a tangible difference to everyday life: £150 off energy bills, a freeze on NHS prescription charges, a freeze on rail fares for the first time in three decades, alongside a cap on bus fares, the national living wage moving up to £12.71 an hour, the state pension increased by 4.8% from April 2026, the two-child benefit cap scrapped, and expanded free school meals and breakfast clubs. These changes will ease the pressure on families and commuters alike.

I very much welcome the rise in the national minimum wage and national living wage, giving full-time workers an annual boost of around £900. One of my biggest asks of this Budget was action on the two-child limit. I came into politics to eradicate child poverty, and the measures announced in the Budget to lift children out of hardship are hugely welcome. The decisions of the last Tory Government pushed more than 900,000 children into poverty. That was an absolute disgrace. I am proud that this Labour Government are reversing that damage.

I reject the notion that those who need state support are somehow irresponsible or on the take. The real scandal is the number of parents who are in work yet still in poverty. Let us be very clear: we cannot simply stand to one side and allow those children to suffer the ravages of poverty. That was the reality of the two-child cap and its abhorrent rape clause. Ending that injustice is the right thing to do. In my constituency of Colne Valley, ending the cap will benefit around 1,520 children. That, alongside the expansion of breakfast clubs, such as the one at Scapegoat Hill primary school, will transform life chances for young people in my area.

As I said earlier, this Budget is about not ideology but investment. It is about investment in all our people, in particular our young people, who all deserve the best start in life, fair access to good jobs and career opportunities. This is not the blinkered ideology that we have seen from the Tories and Reform, but Labour values embedded in fairness and equality of opportunity, so that it does not matter where people are born and who to. Everyone deserves a real and tangible share in the successes of this country, so I am proud to support this Budget, particularly the lifting of the two-child cap, which will make a huge difference to so many of my constituents and many more across the country. This is a Budget that is anti-poverty and pro-children, and that is surely something we can all get behind.

7.55 pm

Graham Leadbitter (Moray West, Nairn and Strathspey) (SNP): I will focus on particular measures in the Budget that will have a massive impact on my constituents in Moray West, Nairn and Strathspey, and more widely across the north and north-east of Scotland.

First, one of the bigger contributors to the cost of living crisis is the cost of energy. To recap where we are at present, the Labour party promised a £300 reduction in energy bills in their manifesto, but since the 2024 election, consumer and business energy bills have risen substantially. It is estimated that by April, energy bills will be up to £560 higher than the Labour party promised. Taking into account the measures in the Budget, they will still be more than £400 higher than promised. The Resolution Foundation estimates that by 2029-30, energy bills will be £60 lower than current prices, making them about £430 higher than at the time when the Labour party made their manifesto commitment.

The Labour party's latest swindle on energy bills is already falling apart. To compound matters, my constituents and businesses in the north of Scotland already pay the second highest level of electricity prices in the UK, second only to north Wales and Merseyside, despite vast amounts of energy being produced on their doorstep. That basically means that those consumers are paying for a regulatory system that was created when Battersea power station sold energy rather than Rolexes—a system that successive Governments have manifestly failed to deal with. It is shocking energy price discrimination, with price increase misery heaped on top.

Patricia Ferguson (Glasgow West) (Lab): Does the hon. Gentleman think that his constituents would have benefited if Nicola Sturgeon had delivered the promise that she made eight years ago to the people of Scotland to deliver a publicly owned energy company for our country? I think it would have made a difference, but unfortunately it never happened.

Graham Leadbitter: I agree that we need a publicly owned energy company, and I would fully support that. The problem is that we do not have the full powers of an independent country, which are just the normal powers that we would need to do that. I am glad that the hon. Lady recognises that problem. We are nearly 18 months into this Government and their energy price promises have fallen apart, alongside the collapse in trust in the Chancellor.

Secondly, let me come to the Chancellor's treatment of the North sea. Today, Harbour Energy announced a further 100 job losses, on top of the 350 it announced earlier in the year. Mossmorran, Grangemouth, Aberdeen port and many other sites and companies associated with the North sea energy sector are closing, reducing the workforce or focusing elsewhere in the world, as the sector grapples with a fiscal regime that not only acts as a barrier to investment but is accelerating decline. The latest announcement of job losses is pinned squarely on the Government's failure to reform the energy profits levy. The decision by the Government to do nothing is akin to Thatcher's treatment of miners and their communities and the steelworkers at Ravenscraig.

Dr Arthur: At the SNP conference, I think the First Minister said that he was keen to replace the energy profits levy, but he was not quite sure what he was going to replace it with. Does he know yet?

Graham Leadbitter: I would be happy to debate that when it is brought before the House by the Chancellor, if that ever happens.

To accelerate the demise of an industry without ensuring that the right and appropriate time is available for the transition is frankly criminal. I have heard many times Labour Members railing against the impact of Thatcherism in the 1980s—and they are right to do so—yet now they are defending their record of doing the same thing to our oil and gas sector. It is utterly shameful.

Kirsteen Sullivan (Bathgate and Linlithgow) (Lab/Co-op): Does the hon. Member accept that 75,000 jobs were lost from the oil and gas sector between 2016 and 2024, under the previous Conservative Government? Does he welcome the North sea jobs service, which this Government will bring in next year?

Graham Leadbitter: On both those points, I absolutely do. The previous Government introduced the climate change targets, and they have now withdrawn from those. That is the last thing that the energy sector needs; we need investment in renewables.

On the jobs and skills side of things, there is investment from both the UK Government and the Scottish Government. I welcome their partnership on that, but compared with the impact of the energy profits levy, it is frankly small beer. It will not have an impact unless there is an underpinning fiscal regime that actually supports those jobs until we have a renewables sector ready to take those jobs on. That is simply not there at the moment, and unless the fiscal regime changes substantially, those jobs will not be there and people will simply be on the scrapheap.

The worst cost of living crisis for any family is when a family member loses their job. Some 1,000 jobs are going every single month in the energy sector, and the transition plan—if the Government actually have one—is doing little to nothing to support those workers, their families, or the communities they live in. The Government must take urgent action on the EPL, or we will have another industrial jobs disaster, such as Ravenscraig, that will reverberate in communities for generations.

Let me turn to the plight of WASPI women, who continue tirelessly to campaign against the wrong done to them. A year ago, almost to the day, I asked the Prime Minister when they would be compensated—he flannelled his answer and refused to commit. In the space of that year, around 3,500 WASPI women have died without compensation. The Chancellor made no mention of WASPI women in the Budget statement, despite the Government having to rethink things following recent court proceedings. Action must be taken urgently to give compensation to WASPI women, who have been left without the pensions they deserve because successive Governments communicated with them so badly.

Dr Arthur: I think there is support for this issue across the House. I do not know any MP who does not think that the WASPI women should not be compensated, because their fight is a just fight, but there is uncertainty about how it would be funded. How would the hon. Gentleman fund it?

Graham Leadbitter: We have made the point repeatedly that there can be additional funding from banks, which I know hon. Members from the Liberal Democrats agree with, and funding could certainly be made available through a wealth tax, which we have supported for a long time.

The one thing I can welcome from the UK Government in this Budget is the removal of the two-child benefit cap, but I have questions for Labour Members. A principled few Members voted in support of the SNP's amendment to the King's Speech nearly 18 months ago, including the hon. Member for Leeds East (Richard Burgon)—I agreed with pretty much everything he said earlier. That could have happened then, but Labour Members chose not to support it. I am glad and grateful that they do now.

Several hon. Members *rose*—

Madam Deputy Speaker (Judith Cummins): There will be an immediate four-minute time limit after the next speaker.

8.2 pm

Steve Witherden (Montgomeryshire and Glyndŵr) (Lab): For many people struggling with the rising cost of living, this Budget provides real relief. Above all, the Chancellor has committed to scrapping the two-child benefit cap. That is a testament to the campaigners, who have worked tirelessly for years, and to hon. Members across the House who have repeatedly called for the reversal of this cruel policy. It will lift 450,000 children out of poverty, including around 69,000 in Wales—a substantial achievement.

Other measures are also incredibly welcome. The increase in the minimum wage and the living wage—building on the April 2025 rise, which has already benefited around 160,000 workers in Wales—is a massive move in the right direction to a fairer economy. Reducing household energy bills by an average of £150 per home will bring practical relief to families. For those of us representing rural constituencies, the decision to keep fuel duty frozen is essential to daily life, to work, and to accessing basic and vital services.

I greatly welcome the additional £505 million allocated to the Welsh Government, on top of the largest uplift since devolution, which was delivered at the spending review. That funding will support essential services and investment across Wales.

The Budget takes some initial steps towards wealth redistribution. The council tax surcharge on homes worth more than £2 million, the 67% increased levies on online gambling, and the closure of the loophole that allowed rapidly growing ultra-low-cost platforms to ship goods into the UK tax-free are all sensible and highly welcome reforms and demonstrate success in shifting the national conversation on wealth taxation. However, inequality in the UK is stark, with 20% of people owning two thirds of the country's wealth.

[Steve Witherden]

The very welcome mansion tax is expected by the OBR to raise around £400 million per year by 2029-30, yet approximately £38 billion could be raised through even more progressive wealth tax measures, which some of us on the Back Benches have been calling for, such as equalising capital gains tax with income tax or introducing a 2% wealth tax on assets over £10 million. The depth of inequality we face demands bolder action than what we have seen.

Let me turn to two areas that I believe the Budget does not address. The decision to keep local housing allowance frozen when it is already so far out of line with the true cost of rent will push thousands more people into homelessness and dramatically increase the pressure on the already overstretched temporary accommodation budgets of local councils. Only 1% of properties in Wales are currently affordable to those relying on LHA. With rents continuing to rise, I urge the Government to act before that figure falls to zero.

Let me turn to agricultural property relief. While the adjustment allowing married farmers or widowed spouses to transfer inheritance tax allowances is welcome, it will support only a small number of families. It does not address the serious pressure that APR places on elderly and terminally ill farmers or the serious effect that the APR proposals are having on the mental health of farmers. It does not sufficiently protect family-run farms, our food security, or the livelihoods that underpin rural communities. Much more thought is needed here.

The thresholds remain too low. I have visited family dairy farms, and I know that they have to add up a herd of Friesians, the amount of land needed to graze them, the tractor and other farm machinery, the farmhouse, barns and outbuildings, slurry tanks, and water pumping facilities—Friesians drink a lot of water during milking seasons, and many Welsh farmers are a long way up hills and mountains. We need to tax the Clarksons, the Dysons and other plutocrats more, but not family farms.

I became a Labour MP to reduce poverty, tackle inequality and stand up for my constituents. While the Budget contains very welcome adjustments, we need to go further to address the hardship facing millions across the UK.

8.7 pm

Charlotte Cane (Ely and East Cambridgeshire) (LD): I, too, welcome the Chancellor's decision to remove the two-child benefit cap. I was proud to stand on that policy from the Lib Dem manifesto, because it will lift at least 350,000 children out of poverty. It will go a long way to helping families with the cost of living, but it is no good if the Chancellor gives with one hand and takes away with the other.

My local councillors are still waiting to hear how the new crisis and resilience fund will work and how much funding they will receive. It will replace the household support fund, from which they currently pay for the school holiday food vouchers. The new scheme should be in place from April 2026, so the councils are now finalising their budgets for that financial year without knowing if they have the funding needed to continue with the vouchers. I hope the Chancellor will soon confirm to councils that the funding will be provided and increased in line with demand.

Mr Hussain: Does the hon. Member agree that, in working-class towns such as Blackburn, where years of under-investment have taken a real toll, only targeted, needs-based funding will bring down the cost of living and lift real economic growth?

Charlotte Cane: I actually think we need both. Lifting the two-child benefit cap is really important.

I was also disappointed that there was no help for farmers in the Budget. The Chancellor is maintaining the inheritance tax, which will destroy many family farms in Ely and East Cambridgeshire and across the country. The Government have abolished the fruit and veg aid scheme from this month, removing much-needed support with the capital costs of increasing productivity and accelerating innovation. The Chancellor increases farmers' costs, the Home Office restricts their seasonal workforce and the Department for Business and Trade signs trade deals that allow unfair competition, but the Chancellor did not give even a small gesture of help to farmers in this Budget.

I visited Christmas fairs this weekend in churches that need hundreds of thousands of pounds' worth of repairs. People told me of their worries about the listed places of worship grant scheme, which is currently funded only to March 2026. That grant covers the VAT costs of repairs, meaning that fundraisers only have to raise the cost of those repairs, not the additional cost of VAT. I hope the Chancellor will confirm sufficient funding for the Department for Culture, Media and Sport for that scheme to be continued and increased back to previous levels.

We know that we are struggling to provide good-quality social care. This impacts too many elderly, disabled and vulnerable people who are not getting the support they need. It also impacts kinship carers, many of whom are disgracefully hounded to repay so-called overpayments of carer's allowance, yet this Budget does not invest in social care. I met publicans in Ely and East Cambridgeshire last week who were very disappointed that there was no cut in VAT for hospitality businesses in the Budget. As their costs go up, for staff, supplies, fuel, duty—you name it, their costs go up—they have to increase their prices, and then they have to add 20% VAT to those increases, so a meal costed at £25 will have another £5 of VAT added to it. Reducing the rate of VAT would reduce those businesses' prices and encourage more customers.

These are all matters that people in Ely and East Cambridgeshire have asked me to raise in this debate in just the few days since the Budget. They are things that make businesses and individuals struggle with inflation and the cost of living, and the Budget has not addressed them. The Chancellor told us of the difficult choices she had to make in this Budget, but it did not tackle the main problem, which she herself has identified: our relationship with Europe. If she negotiated a new customs union with Europe, as well as a youth mobility scheme to create new opportunities for our young people, she could fill the £90 billion-a-year black hole left by the Conservatives' catastrophic Brexit deal. People are going to have to pay higher taxes for less public services because the Chancellor and this Government will not cure that £90 billion Brexit black hole.

8.12 pm

Grahame Morris (Easington) (Lab): I associate myself with the remarks of my right hon. Friend the Member for Doncaster North (Ed Miliband) about the potential of the renewable energy sector. I want to give a shout-out to Power Roll in east Durham, and draw the House's attention to how important it is that that business is supported to move into volume production, which could create many hundreds of jobs.

I will start my speech proper by thanking my right hon. Friend the Chancellor of the Exchequer. I am going to confine my remarks to mineworkers' pensions. For more than 30 years, successive Governments have profited from the miners' pension funds, taking a staggering £8 billion in that time from funds built up by the hard work of miners, who powered this nation. Last year, at the first opportunity, the Chancellor honoured Labour's manifesto commitment to transfer the £1.5 billion investment reserve fund of the mineworkers' pension scheme. That decision delivered a 32% increase in the pensions of almost 4,000 former miners and widows in my constituency, money that has gone straight back into the local economy—into local businesses, shops and cafés. It was welcomed by all those who have campaigned for many years to secure pension justice for our retired miners.

Over the past year, the Labour group of coalfield MPs, alongside the British Coal staff superannuation scheme campaigners, have been relentless in our campaign of lobbying Ministers to secure a just settlement for the BCSSS pensioners. I am proud to say that my Government —this Labour Government—and our Chancellor have not only listened to our concerns, but have heard our plea, and have used the Budget to act. The transfer of the BCSSS investment reserve fund announced in the Budget means that a Labour Government have returned almost £4 billion to retired miners through the MPS and BCSSS schemes—a Labour Government standing up for the rights of working people and righting an historic injustice. These are real Labour values in action, showing the difference that a Labour Government can make after decades of neglect by the Tories.

James Naish: I want to acknowledge my hon. Friend's own leadership on this issue within the House. There are almost 200 former British Coal staff living in my constituency who will see a 41% uplift in their pension, and my hon. Friend has played a large part in that, so I thank him on behalf of the House. [HON. MEMBERS: "Hear, hear."]

Grahame Morris: My hon. Friend is characteristically generous, and I appreciate his warm words. Many MPs representing coalfield constituencies will have cause for celebration. As chair of the coalfields group, I thank my right hon. Friends the Chancellor and the Chief Secretary to the Treasury for taking the time not only to listen but to understand the nature of this campaign over the past year. I also thank the Under-Secretary of State for Energy Security and Net Zero, my hon. Friend the Member for Stockton North (Chris McDonald)—he is a good friend— and his predecessor, my hon. Friend the Member for Croydon West (Sarah Jones), for meeting coalfield MPs, trustees and dedicated campaigners over the past year and for understanding the strength of feeling on this issue.

This Labour Government have gone above and beyond for coalfield communities, fulfilling their manifesto promise at their first Budget and, within a year, delivering justice for British Coal staff superannuation scheme pensioners. Our coalmining communities paid a heavy price—a legacy of shorter lives and industrial diseases. Ending this pensions injustice is a long overdue recognition of that service and sacrifice. It has been a long-fought battle to end one of the biggest occupational pension scandals in our country's history, and let us be clear: it was only through this Labour Government that the change was delivered.

Just as this Labour Government have gone above and beyond for former mining communities, we must now build on that progress by addressing the entrenched inequalities that are breaking our nation. I welcome the lifting of the two-child cap. The Chancellor has listened on the issue of mineworkers' pensions; I hope she will also reflect on the contributions that Labour Members have made this evening and throughout this Budget debate as we continue to work towards building a fairer and more prosperous country for all.

8.17 pm

Seamus Logan (Aberdeenshire North and Moray East) (SNP): I will confine my remarks to the north-east of Scotland. Whether it is farmers, oil and gas workers, the fishing industry, local pubs and hotels, businesses, or families who are just about managing this festive season, no one—not one person—has approached me to say what a great Budget this was. People are angry and worried, and they are right to be. We are still in a cost of living crisis, and there was no change to the energy profits levy in the Budget, nor to the family farm tax. There was more punishment for Scotch whisky and no mention of the WASPI women. There was no review of the coastal growth fund to boost the local fishing industry and, worst of all, there was sleight of hand on the cost of living for so many families. When I recently led an Adjournment debate in this place on the Nolan principles, I voiced my fears that people are losing faith in politics. It now seems that that is not only because of Johnson or Truss, although they did not help; it is largely due to this Government.

Households in the north-east are facing harsher and colder winters than other parts of the country, and will continue to struggle as energy costs rise. That is even more unfair given the north-east's contribution to energy production as the UK's renewables powerhouse and, crucially, via our oil and gas sector, which is being hammered like a tent peg by this Labour Government. They are apparently hellbent on taxing our energy sector out of existence. Keeping the EPL in place until 2030 will mean haemorrhaging job losses in the tens of thousands. It will risk our energy security, incur eye-wateringly expensive carbon-heavy imports, scupper supply chain growth, and severely hamper our future renewables potential.

Just today, there have been a further 100 job losses at Harbour Energy in Aberdeen. People I know in my constituency are going abroad to get contracts because they lost their jobs in Scotland. Ninety thousand oil and gas workers in the north-east are bitterly disappointed. Why? This Budget was a chance to secure their jobs and to secure £50 billion of potential investment supported by the renewables sector, which needs the skills base of

[Seamus Logan]

our workers. The hon. Member for Salford (Rebecca Long Bailey) talked about banking. The four big banks made a £44 billion profit last year, and there is not a word about a windfall tax on them. This is the politics of madness. Forget investment in a just transition; this is industrial damage on a grand scale.

Talking of industrial damage, why have the Government got it in for Scotland's world-class Scotch whisky sector? Once more it has been treated as a Treasury cash cow, with duty rising again in line with inflation, although I—as well as many others, including numerous industry sources—warned the Treasury that an increase in duty would reduce the income to the Treasury. Who does not understand the maths? Furthermore, with the family farm tax still in place, generational family farms across my constituency face ruin by Treasury spreadsheet, with the Chancellor balancing the books on the back of our domestic food security. Finally, where are the WASPIs in this Budget? There is no mention of the Government's plan to review their decision on compensating those 1950s-born women.

The truth is that Scotland cannot afford to be dragged back into Labour's black hole, or whatever fiscal fiction they care to conjure up to justify their economic choices. We are expected to believe that the same people who told us that removing the two-child cap was deeply unwise now say that it is the centrepiece of the Government's achievements. This begs the question, "What does Labour stand for?" It certainly does not stand for working people, families or businesses. We have, instead, a chaotic "cost of Labour" Budget, caught in a perpetual doom loop, while the north-east of Scotland pays a high price for the Government's economic mismanagement. Brexit Britain is broken, trust is broken, and the north-east is bearing the brunt. Scotland wants out.

8.21 pm

Frank McNally (Coatbridge and Bellshill) (Lab): The actions of this Government will make life easier for thousands of my constituents and millions across the country, and let us be clear: action is needed. The Conservative party decimated our public services, entrenched austerity to push millions into poverty, and engaged in acts of fiscal vandalism that crashed the economy. Let us also be clear about what this Budget means. I am absolutely pleased that it will save the average family £150 by cutting levies on energy bills for all my constituents, and the extension of the warm home discount to a further 3 million of the poorest households in the country will save thousands of my constituents a further £150.

The Budget has also delivered an additional £820 million for Scotland, on top of the record £5.2 billion delivered to the Scottish Government last year. It is a sad reality that the Scottish National party Government have failed to make use of last year's investment to fix Scotland's public services, particularly the NHS, where one in six people—that is 1 million—are stuck on waiting lists; in fact, more people are waiting for two years or longer in my health board area of NHS Lanarkshire than in the whole of NHS England. It is imperative that the Scottish Government get off their hands and act in the short time that they have before, hopefully, being removed from office next May.

In the remaining time that I have, I want to focus on the important steps taken to eliminate the two-child benefit cap. In my constituency, one in four children are living in poverty, and in some areas the figure is as high as 50%. For far too long, parents have been forced to take decisions that no parent should have to take. They have been forced to choose between feeding their kids and turning on the heating, or forced to go without meals themselves. I recall, when I was a councillor, having a conversation with a lone parent who told me that she was often forced to decide which child would have a small lunch and which child would have a small dinner. It is unacceptable that children in my constituency leave school on a Friday having had lunch in the canteen, but do not eat a proper meal again until they return to school on the Monday. That is a shocking reality, which intensifies over holiday periods.

Anna Dixon (Shipley) (Lab): My hon. Friend speaks with passion about child poverty. The fact that we have so many children in poverty is clearly a legacy of Tory economic mismanagement. Does my hon. Friend agree that the removal of the two-child benefit cap is a victory for compassion, justice and evidence-based policymaking?

Frank McNally: I absolutely agree. Let me also say, in response to some of our colleagues across the House, that the SNP Government could have eradicated the two-child cap eight years ago, but refused to do so. They chose to play politics with the cap; this Government have acted after 18 months to remove it. The two-child cap is the savage reality of austerity. It is the embodiment of cruelty, and it pushed children into the depths of poverty.

Seamus Logan: If the hon. Member feels so strongly about the two-child cap, why did he vote to keep it last year?

Frank McNally: I am more than happy to respond to the hon. Gentleman. This Government made it clear that when we had the economic ability to remove the cap, we would do so. It is the prudence of the Chancellor that has allowed it to be removed in full, and that has been done within 18 months. The hon. Gentleman's Government could have done it eight years ago, and refused to do so. This decision will lift 2,000 children in my community, 95,000 across Scotland and 450,000 across the UK out of poverty. As Gordon Brown observed last week, the Chancellor has done more in this Budget to transform the lives of children in poverty and their families than any of the seven previous Tory Chancellors. This action, combined with significant uplifts in the national minimum wage by 8.5% and the national living wage by more than 4%, will help to tackle the scourge of poverty—and that represents a pay rise for more than 200,000 Scots.

This is a fair Budget, which builds on the Government's efforts to grow the economy, tackle the cost of living crisis and fight poverty. It puts more money in our constituents' pockets, and I am proud to support it.

8.27 pm

Zarah Sultana (Coventry South) (Your Party): The cost of living crisis is not a natural disaster. My constituents are not struggling because of so-called global pressures;

they are struggling because an economic system built by the powerful and for the powerful is bleeding them dry. Yet this Labour Budget refuses to confront that truth. Instead, it protects profiteers while punishing those who keep this country running. Water companies siphon off billions in dividends while pumping sewage into our rivers, energy giants rake in record profits while families in Coventry South are terrified to turn on the heating, and rail and bus companies charge extortionate fares for failing services. This is extraction. It is privatisation functioning as intended, with wealth flowing up and misery pushed down.

And extraction does not stop at corporations. The people who run this country want us to believe that every refugee is a rapist, while they grab £12 million of taxpayers' money to protect a parasite called Andrew Mountbatten-Windsor. He has never seen the inside of a cell or a courtroom, because what matters to the ruling class is not the safety of women and children; it is the peace and pleasure of the powerful.

What a sick society we live in when the political and media class bends over backwards to defend the royal family, including Andrew, who was close friends with the notorious paedophile Jeffrey Epstein. That is our money that provided him with housing, our money that defended him in court, and our money that put food on his table. We should not just abolish Andrew's titles; we should abolish the monarchy itself.

It is an absolute scandal that the wealthy glide through this Budget untouched. Everyone except the richest 10% will feel the brunt. This is happening in a country where billionaire wealth has exploded beyond imagination. In 1990, Britain had 15 billionaires; today we have 156. The richest 350 families now hold more wealth than the entire economic output of Belgium. Make no mistake: this is not an accident; it is the direct result of political decisions by political parties that are too captured to challenge the super-rich.

Now this Labour Government expect applause for ending the two-child benefit cap, but let us be clear: it will take effect in April 2026, not immediately. They have knowingly left hundreds of thousands of children in preventable poverty for over a year and a half, and I am proud to have lost the Labour Whip for standing up and voting to scrap this cruel policy last July. Some of us do not need focus groups to know that punishing children is wrong.

Under this Labour Government, disabled people have seen their benefits slashed, and pensioners have been stripped of winter fuel payments. Food bank use has hit record levels, and this Government plan to funnel an extra £11 billion a year to arms companies. That is money flowing into the pockets of shareholders for the merchants of death, after two years in which our money has funded daily spy flights over the ruins of Gaza, aiding and abetting a genocide. This Labour Government are just as happy to oppress at home as they are abroad.

We cannot ignore the political damage of this extreme inequality. History teaches us a stark lesson: when inequality runs rampant and the super-rich hoard more wealth, the doors open to something dangerous. We have seen the poison of fascism return to our streets and screens, and what do we hear from this Government? Well, when the hon. Member for Clacton (Nigel Farage) says, "Kick an immigrant," the Prime Minister asks, "How hard?" and shamefully uses the same fascistic language as Enoch Powell by calling us an "island of strangers." We are not an island of strangers; we are an island that is suffering from a Government who protect the privileged and punish the vulnerable.

8.30 pm

Tom Collins (Worcester) (Lab): This Budget is designed to address the issues that people in Worcester really care about. The first is the cost of living. We will see a typical household energy bill reduction of £150, the first freeze on rail fares in 30 years, and an increase in the minimum wage. The Budget will boost the NHS through the roll-out of 250 new neighbourhood health centres; I will keep fighting for a new walk-in GP service in Worcester.

The Budget will begin the work of lifting hundreds of thousands of children out of poverty, including over 2,000 children in Worcester who will no longer suffer from the two-child cap on universal credit. The Budget also includes more funding for small companies to support apprenticeships; support for the midlands rail hub, which will improve our services to Birmingham; and, I am pleased to say, a fresh commitment to innovation and support for entrepreneurs. If we get that right, we can see a true industrial renewal in the UK.

I chair the all-party parliamentary group on hydrogen, and I welcome the climate change levy changes in this Budget that support hydrogen production, an area that is ripe for growth and well suited to the UK's strengths, both industrially and geographically. In recent years, we have led the world technologically in this space. It offers real opportunities for us, if we have an ambitious plan. UK industry is not confined to city regions and clusters; it is in every town and every region. The UK energy system is being reconceived for resilience and sustainability, but we need new energy storage at large scale, and we will need much higher levels of dispatchable power than we have today. An ambitious vision for hydrogen, in which the Government directly invest in hydrogen, and actively lead a strategic roll-out of its storage and transmission, is a prerequisite for an industrial renaissance that the UK could have and deserves to have, so I look forward to the publication of the upcoming hydrogen strategy.

We cannot ignore the major disruptions sweeping the world. The climate crisis is a global emergency that demands urgent and assertive action, but there is also digitalisation. I cannot overstate the impact that the digital revolution is having. Debate on the Budget now takes place not only in echo chambers of opinion, but in echo chambers of reality, and people have completely different understandings of what is happening in our world and how it works. This new digital world means that our children are unsafe, and that all of us are unsafe from harmful or traumatic images and narratives, from addictive user interfaces in apps or websites, from personified artificial intelligence that encourages attachment—we cannot imagine the harms that could cause—and from algorithms that curate news, views and the voices that we hear, which reinforce bias and present misinformation as fact. These represent a fundamental societal threat that we can and must address in the same way that we address the risks of physical products. The Budget rightly increases taxes on online gambling, but we must do much more.

[Tom Collins]

It is not just the cost of living that is causing a crisis in mental health; there are digital causes; there is poverty and our special educational needs and disabilities crisis, and there is trauma. I chair the APPG on family hubs, and I welcome the £500 million commitment the Secretary of State for Education has already made to them. Our APPG represents a diverse ecosystem of people delivering in real communities. We have seen the sector diversify, innovate and embed in communities over the last few years, and we want to maintain those strengths. As a mission-led Government, that is right up our street. We can break the cycles of trauma by wrapping integrated support around households and families. That approach is a stark challenge to everyone who, remarkably, is criticising our changes to welfare payments, which are on track to lift half a million children out of poverty. This is a Budget about fair choices. It recognises that people come first, and that we are here to build a more just, more prosperous and fairer society.

8.35 pm

Wendy Chamberlain (North East Fife) (LD): I spent the weeks before the Budget talking to constituents about what they wanted to see, and I spoke to them over the weekend. I have to say that when I met them, there was sadness and a degree of anger, because they know that last week's Budget was a missed opportunity.

Yesterday was the first Sunday of Advent, and there is nothing like the start of the Christmas period to focus our minds on what really matters at home—as well as on what we need to buy. But this time is also about our communities. Every Christmas advert shows a buzzing high street, a glowing local pub and happy families safe together in their home. The Budget was the antithesis of that ideal. Our high streets have been caught in a perfect storm between increased national insurance contributions, increased energy costs and consumers with less money in their pockets to spend. Those main streets are vital because they give jobs, bring us together and create our communities. It is why so many of us across this House stand up in this place to bemoan the loss of banks and post offices. They are important for our local communities. They are the foundation of the high streets that bring people into our towns and make it easy for small businesses to operate, and I continue to be incredibly disappointed that this Government say that they are not minded to revisit the criteria for introducing more banking hubs.

I know that my English colleagues have concerns about business rates going up next April, and there has been the ending of the 40% pandemic relief, but things were already worse for businesses in Scotland, where the relief was never passed on by the Scottish Government. The 5% discount to the multiplier announced last week could indeed ease the burden for pubs, shops and cafés in Leven, Cupar and St Andrews, so I am a bit disappointed that we no longer have any SNP Members here, and cannot get answers from them about whether the Scottish Government will do something to help Scottish hospitality in their own Budget.

The energy company obligation is a short-term help to households, but if there is no replacement measure to tackle fuel poverty, energy costs will continue to soar over the long term. I have to tell the Government that scrapping ECO is not a solution to the complaints of poor workmanship—in some cases, homes were ruined—that we repeatedly heard about in relation to ECO4. All those homes still need resource—as yet unannounced—for remedial work, and the retrofitting and home improvement sector will improve only when there is long-term investment in its future.

Yesterday was St Andrews day, and I am sure that people had a dram yesterday to celebrate it. I am the MP for St Andrews, and whisky is a vital employer in my constituency; over 41,000 people are directly employed in the industry. In North East Fife, we are acutely aware of the fragility of the industry, as one of our distilleries, Eden Mill, went into administration just last month. I am hugely relieved that job losses have been avoided in that case, but this Budget has failed to offer any support to prevent similar closures in the months ahead.

To close, I do not know how the Government can justify reducing the digital services tax for people like Elon Musk while taking more tax from working people. Most importantly, we could have protected the personal allowance—that small but important amount that people can earn that is theirs to keep entirely—and we would not be asking young people dipping their first toe into the world of work, or those at the end of their careers who rely on the state pension, to pay tax.

My party leader, my right hon. Friend the Member for Kingston and Surbiton (Ed Davey), spoke about the measure not mentioned in the Budget that would really create growth, and that is a renegotiated customs union with the EU. We have been left with what my hon. Friend the Member for Bicester and Woodstock (Calum Miller) quite rightly described last week as a hopeless Budget for too many.

8.38 pm

Gill German (Clwyd North) (Lab): I came into this place driven to make life better for the struggling families I saw each and every day as a teacher, and as council lead for education. That purpose guides me every day. I have seen far too many families fighting to get by, so this Budget feels personal to me, because it makes fair, responsible choices, rooted in compassion, security and opportunity, for Wales and the whole of the UK.

For far too long, Britain has been held back. Now, it is starting to turn a corner. Our economy is performing better than expected, and wages are rising, but I know that too many families still feel the cost of living squeeze. This Budget takes real, practical steps to help families in Wales. It cuts bills, with £150 off energy costs and an expansion to the warm home discount; it freezes fuel duty; and it delivers the biggest wage boost in a generation.

But the change I am most proud of, the one that will transform lives in my constituency, is the removal of the two-child limit to universal credit. I am proud, too, that this is fully costed, as it always needed to be. Child poverty in Wales has hit record levels, with organisations such as Children in Wales and the Bevan Foundation sounding the alarm again and again. This action will help 69,000 children across Wales, including 3,100 children in my constituency. This is exactly the kind of change I came into politics to deliver—practical support that protects children, strengthens families and gives every young person the chance to reach their potential. These changes are not before time. Last week, the Welsh index of multiple deprivation showed yet again that areas in

Rhyl in Clwyd North, my constituency, are among the most deprived in Wales. This cannot continue. Change is urgent, and the measures taken in this Budget could not be more crucial.

But make no mistake: economic growth and addressing the root causes of deprivation must also be at the heart of everything we do. Today, our Chancellor is at an international investment summit in Wales, and recent announcements show that north Wales is finally receiving the investment that our communities deserve. There is the Flintshire and Wrexham investment zone and the north Wales AI growth zone, and there are clean energy jobs at Wylfa. We are seeing meaningful action on regeneration. A £20 million neighbourhood fund in Rhyl will begin to deliver what our local community has called for: investment in our town centre, new skills for our workforce and real progress in tackling unemployment.

My priority as MP is to see that record investment in north Wales delivering a better future for the people of Clwyd North, and to ensure that every family and every community in Clwyd North can share in the region's and the country's future success. The Budget makes honest and hopeful choices, choices that build a stronger, fairer country where living standards rise, child poverty falls and communities like mine in Clwyd North can truly thrive.

8.42 pm

Robin Swann (South Antrim) (UUP): When I look to the Northern Ireland-specific page and a bit in the Red Book, and remove any paragraphs that refer to funding or programmes that have already been committed to by this Government, there are actually only a couple of paragraphs left. So far down is the Northern Ireland Office in the pecking order at the Cabinet table that there was not even anything in the Budget for Northern Ireland that was worthy of a leak.

The Chancellor's statement on Wednesday said that Northern Ireland would receive £370 million, but let us be clear: despite the Northern Ireland Office's puff piece on the impact of the Budget on business and public services, explaining how lucky we are in Northern Ireland to receive a Barnett consequential, the figure breaks down to just £18 million this year. We have even seen a Northern Ireland Office Minister on social media singing the praises of investment in Northern Ireland from the Government's Innovate UK fund. That investment was welcome, but it was delivered in 2023. The Chancellor said in her statement last week that Scotland was getting £820 million because the leader of the Scottish Labour party asked for it—I think that was repeated by the hon. Member for Edinburgh West (Christine Jardine). My question to the Government is this: have Northern Ireland businesses not asked for recognition of the challenges that they face due to the impact of this Government?

Alan Lowry of the Federation of Small Businesses in Northern Ireland said that the £16.6 million that has been given for the internal market package

"will not be a quick fix, but by acknowledging that there is a problem in the first place means that we can work together to address it."

It is good that the Government have finally acknowledged that the Windsor framework is an issue, but on other issues, such as veterinary medicine, they continue to ignore the impact of divergence.

Dr Luke Evans: Is the hon. Gentleman concerned that the Budget contains pay-per-mile charges on electric vehicles? How will someone crossing from Northern Ireland into the Republic of Ireland be impacted by that taxation? The Transport Secretary is present; I think it is a question that many people may well be asking.

Robin Swann: I thank the hon. Gentleman for his intervention—that is one of the issues I was going to raise. The Secretary of State for Northern Ireland was here earlier; when I asked that specific question, he could not answer it.

Our voluntary and community sector in Northern Ireland is facing a funding cliff edge with the end of the UK shared prosperity fund. The sector has a further ask that support be ringfenced, which now seems to be a common call from many sectors in Northern Ireland.

When I had the Young Farmers' Clubs of Ulster here, the Prime Minister welcomed them to this place. Have those young farmers not made representations directly to Ministers on the impact of the family farm inheritance tax, which will have a disproportionate effect on them? The £1 million spousal transfer is a small token. What of the generational transfers so common in Northern Ireland farming—the transfer of a family farm from father to daughter, from mother to son, or from and to any other relative not mentioned in this case? Those asks have obviously fallen on deaf ears, tuned out by all but a select cohort of Back-Bench Labour MPs.

I have heard appeals from some noble Back-Bench Labour MPs, like the hon. Member for Montgomeryshire and Glyndŵr (Steve Witherden), asking their own Front Benchers to review the family farm inheritance tax. Will we see a reversal, or has No. 10 or even No. 11 made the calculation that a U-turn like we have seen in other areas would not save their seats and written them off already, like the farming families of the United Kingdom? I hope not, because some of those Members are among the most passionate the Government have.

We hear of the headroom that the Chancellor has established. I hope that she can use it to reimburse the £500 million that the change to agricultural property relief was set to raise, because there should now be the quantum to do that now.

I welcome the fact that the Transport Secretary is present, because I welcome the investment in the midlands rail hub and the trans-Pennine route upgrade. I have raised with her and the Northern Ireland Office investment in rail in my constituency, specifically the rail link from Antrim to Lisburn, and the Department for Transport has kindly funded the £1 million feasibility study. She has had sight of that, but our own Minister for Infrastructure in Northern Ireland has yet to release it, even though she said she would do so this summer.

Those are the specific Northern Ireland concerns that we have with this Budget.

8.47 pm

Naushabah Khan (Gillingham and Rainham) (Lab): I begin by expressing my gratitude to the Chancellor for her clear commitment to transforming the lives of my constituents. Over the past few days, she has set out a plan for investment in major infrastructure and to rebuild our public services. For the people outside the Chamber, the real significance of this Budget is far more personal; it represents a long-awaited acknowledgment of their

[Naushabah Khan]

struggles with the relentless cost of living. After 14 years of austerity and Tory-manufactured poverty, they finally see a Government who are willing to repair the damage that has been done.

The people I meet every day do not live in £5 million homes. Particularly in the Gillingham part of my constituency, their reality is starkly different: they have energy bills they cannot hope to meet, school uniforms they struggle to afford and the constant challenge of trying to provide a decent life for their families on a shoestring budget. One in three children in Gillingham lives in poverty and one in 10 households struggles with fuel poverty. According to the most recent indices of multiple deprivation, my constituents live in neighbourhoods ranked in the bottom 10% most deprived nationally.

When the Leader of the Opposition stands in the Chamber and dismisses vital cost of living support for hard-working families as a Budget for "Benefits Street", the families I represent are not surprised. It is exactly that kind of disdain for the most vulnerable that shaped our fiscal landscape for 14 years, leaving ordinary people in desperate circumstances. It is this Labour Government who are finally taking them out of that cycle and restoring fairness and dignity.

I welcome that the Government are making essential transport more affordable and more reliable. The freeze on regulated rail fares is not simply a headline. For middle-income commuters travelling from Gillingham or Rainham, it means keeping hundreds of pounds a year in their pockets. Combined with targeted infrastructure upgrades, this Budget begins to reverse the chronic under-investment that left many towns disconnected and disadvantaged.

When I go knocking on doors over the coming weeks, I can tell my constituents that we are cutting their energy bills by hundreds of pounds, freezing rail fares and prescription charges, and keeping fuel duty low. I can tell them that we are raising the national living wage, increasing pensions and taking their children out of poverty.

The Conservatives may think that this is a Budget for "Benefits Street", but I say that it is a Budget for many working families who have carried the burden of austerity for over a decade. It is a Budget for the 2,860 children in my constituency whose quality of life is about to drastically improve. It is clear to me that this Budget is about more than short-term relief; it is about laying the foundations for long-term stability and fairness. That that is why I will be backing it.

8.51 pm

Bobby Dean (Carshalton and Wallington) (LD): When we cut through it all, the central choices in this Budget were to increase the fiscal headroom and spend more on welfare, and to pay for it via an income tax threshold freeze. I am not sure why Labour Members are reluctant to describe it in that way, because it does contain some legitimate political choices.

I welcome the increase in fiscal headroom. It was creating far too much uncertainty in our economy. I pointed that out to the Chancellor when she was before the Treasury Committee in the spring, and I am glad that the Treasury has now corrected that mistake. I welcome the abolition of the two-child benefit cap, which the Liberal Democrats voted for—I think it was one of our very first votes in this Parliament. The Chancellor explained over the weekend that she was able to afford it because of taxes on the gambling industry, but that industry existed last year, so she could have done it then.

My issue is not with those measures but with how they are to be paid for. There are others that could have paid their fair share, the first of which is the banks, which have been completely let off the hook. They have made unforecasted windfall profits over the last few years, particularly because of the quantitative tightening programme and the interest rates. Many, including the Liberal Democrats, have argued that we should tax those windfall profits and put them to good use, but it seems like the banking industry's lobbying efforts have paid off.

When comparing the top 10% with the bottom 10%, the Budget appears to be progressive, but a deeper analysis shows that the top 0.1% have been let off the hook, particularly with measures such as the dividend rates, where the additional rate has been left completely untouched, and the cap that has been introduced for non-dom contributions in inheritance tax. While we are on the non-dom regime, I know that some Members have said that all the non-doms have fled the country, but I point them to page 82 of the OBR's Blue Book, which says that the estimated revenue from that regime will remain broadly unchanged.

Really, all this discussion is a dead end. We are just talking about redistribution. What is really important is what is not in the Budget. As the Federation of Small Businesses puts it, we must get out of this doom loop of tax measures to balance the books. The Budget is far too short-term in its thinking, and we need more long-term vision. Last summer the Chancellor seemed to get this. She promised that her focus would be on growth, yet her first Budget hit businesses with the rise in national insurance contributions, which has hit employment and set a mood of doom and gloom in our economy.

We had a zero-based spending review from which no significant changes to spending emerged. I cannot list a single area of Government spending that changed fundamentally after that review. We have seen tax measures that are piecemeal, and no significant efforts at reform. Economists from left and right all agree that the UK tax system is in a mess. Property taxation and the way that we treat different types of income are in desperate need of reform, and we have not seen that from the Government.

Then, of course, there is the elephant in the room, which only the Liberal Democrats are willing to address: our relationship with Europe. The strategy with Europe is to have tiny negotiations over small measures. We need a proper customs union. That will deliver the growth that our economy needs.

Ultimately, this Government lack the ambition to rewire our economy. We need to stop capital pouring overseas by changing the incentives to invest in this country. We need to look at corporate governance and make sure that it serves the British economy well. We need to look at devolving real economic power, not a reorganisation of local government, and we need to stop triangulating between the people who think net zero is a good or bad thing and ensure that Britain can be a green superpower in the 21st century.

The Budget gets us through another year, but it does not excite me for the future. The country was promised change—where is it?

8.55 pm

Harpreet Uppal (Huddersfield) (Lab): Poverty wastes potential and harms our country's success and prosperity. The two-child limit has been the single biggest driver of increasing child poverty in this country, and by finally making the decision to remove that one policy, Labour will lift 4,560 children in Huddersfield out of poverty, which is something I am proud of.

I know that that matters to many of us in the Chamber and to many outside it. When I visited the Welcome Centre, which is the largest food bank in my constituency, Ellie the manager told me how she has seen more families coming through its doors, and this one policy has been one of the biggest drivers of that. When I visit schools, teachers tell me how child poverty impacts school readiness. When I attended a "Poverty Matters" event in my constituency, many of those working on the frontline spoke about why removing the two-child limit would be one of the most significant steps the Government could take.

That step, alongside other policies announced by the Government, means that this Parliament is set to see the largest fall in child poverty on record. This Labour Government will therefore ensure that every child—no matter where they are born, their background or their circumstances—is given the best possible start in life. There would be a cost in not doing so from the impact of children not meeting their potential, as well as in ill health, unequal economic growth across our regions and a reduction in productivity. We saw a significant slowdown in average annual productivity between 2010 and 2022 compared with the time of the last Labour Government.

Let us not forget that the Tory and coalition Governments saw the closure of over 1,000 Sure Start centres and 300 children's centres in England. Between 2010 and 2018, overall Sure Start funding fell by two thirds in real terms; it was left to local people and local communities to pick up the mess.

The social contract in this country is important. Through our contribution, we all play a part in ensuring that this country—our country—thrives. It should not be about pitting one citizen against another or setting up a false dichotomy; it is about ensuring that we all do better through good, secure jobs. I know from my conversations with constituents that many continue to face financial struggles and that those who have not seen enough improvement in their living standards and pay since the financial crisis of 2008 continue to face an affordability crisis.

I therefore welcome the steps that the Government have taken on energy bills as well as freezing rail fares, boosting the national living wage and the minimum wage, delivering a rise in the state pension and freezing prescription charges. I also strongly welcome the fact that apprenticeships for the under-25s will now be free and that 18 to 21-year-olds will receive a guaranteed six-month work placement when they have been out of work or learning for 18 months. Those are significant steps in the right direction.

It is important that we support our local businesses, many of which are family-run in Huddersfield. Our manufacturing sector and textiles play a special part in our town, and it is good to see that UK manufacturing output across the sector rose last month and that business optimism has hit a nine-month high. We must continue to back those firms through our industrial strategy, investment in local infrastructure and Government procurement and by tackling high energy costs.

While the Transport Secretary is in the Chamber, I must mention that the Government are backing major transport projects, including Northern Powerhouse Rail and the trans-Pennine route upgrade. That is important for my constituency and provides much needed stability for supply chains and the sector.

There has been a bit of a hysterical response to the Budget from the Tories, but it has been well received by the markets, and we have seen UK borrowing costs come down—

Madam Deputy Speaker (Caroline Nokes): Order.

8.59 pm

Victoria Collins (Harpenden and Berkhamsted) (LD): Although there is much that I welcome in the Budget, overall I cannot help but be disappointed by a botched Budget that raises taxes to a record high and increases costs for businesses, while avoiding using tax levers on the largest, highly profitable corporations and ignoring our biggest lever for growth: a better deal with the European Union.

The Chancellor insists that this Budget ensures that everyone pays their fair share, yet it seemingly allows the biggest tech giants, such as Elon Musk, off the hook through the absence of a digital services tax announcement. Freezing income tax thresholds continues the Conservative tax legacy of hitting people with years of stealth taxes, together costing 10 million taxpayers an extra £67 billion a year by 2030. Behind those numbers are families and individuals still struggling as costs go up and earnings do not catch up.

One constituent from Gaddesdon Row told me that this Budget is

> "disconnected from the reality that families are under pressure today".

Earning just too much to qualify for targeted support but not enough to absorb rising costs, this constituent is being both overlooked and penalised by frozen thresholds. Another constituent, Harriet, a single mother from Berkhamsted, feels "unheard, unrepresented and unsupported" by the Chancellor's Budget. Despite the fact that she is working harder than ever before, this Government keep squeezing her financially from every direction. This does not sound like a fair plan for working families.

This Labour Government were elected on the promise of lowering the cost of living and stimulating growth, yet for the second consecutive year they are targeting businesses and employment, the very engines of growth. Richard, from Brash Solutions in Berkhamsted, shares the view of many by saying:

> "Once again, the Autumn Budget risks disincentivising entrepreneurs and small business owners by increasing taxes and eroding rewards for those who take daily risks to employ staff and drive economic growth."

[Victoria Collins]

For Hugh, a business owner in Potten End, this Budget is

"another kick in the teeth".

Charlotte from Gatwards says:

"The government appears to have completely abandoned their growth ambitions".

Angela from HJP Chartered Accountants says that their clients feel that the Government are treating them like a "cash cow" and warns that if this continues, investment in the people of the United Kingdom will reduce. Daniel, a general manager in Berkhamsted, warns of the tens of thousands in pre-profit costs yet again being placed on businesses such as his.

The Government have done nothing to improve the situation for family farms. Also, last year we warned about the negative impact that the rise in employer national insurance contributions would have on jobs. Since then, I have seen charities and businesses in Hertfordshire let go of staff and establish hiring freezes. The Office for National Statistics has confirmed that fewer jobs are in the economy over the last quarter. We are ringing those alarm bells again. The Federation of Small Businesses has warned that nearly one in three small firms expect to shrink, sell up or shut down in the next 12 months.

I recognise that this Government inherited a difficult economic landscape after a decade of Conservative mismanagement. However, I still cannot get over the missed opportunities for a fair and growing economy. If the Government were serious about growth, they would back Lib Dem calls to boost high streets with a 5% VAT cut for hospitality, accommodation and attractions, something that the Robin Hood pub in Tring would very much welcome. They would also follow Lib Dem policies on reducing energy bills, which would go beyond the three years and look to halve energy bills by 2035. They would tax the big banks and social media giants properly, with a new windfall tax and digital services tax. They would also back Lib Dem calls for a better trade deal with Europe to repair the £90 billion Brexit black hole in tax income. That is how we would tackle the cost of living crisis, bear down on inflation, revive our high streets, grow the economy and deliver for our communities, with the fair autumn Budget that this Government have failed to provide.

9.3 pm

Kevin Bonavia (Stevenage) (Lab): This Budget shows that after years of decline, this Labour Government are building a stronger and more secure economy, one that works for working people in Stevenage and the villages across our constituency. We are beating the forecasts, with growth upgraded to 1.5% this year and wages rising faster in our first year than in the entire first decade under the Conservatives. But this is all for nothing if working people cannot see and feel positive changes in their day-to-day lives. That is why this Budget makes the fair and necessary choices to cut the cost of living, renew our public services and bring stability to the economy.

For families in Stevenage, the cost of living has been a real pressure, so I welcome the measures that will put money back into people's pockets, with £150 off average energy bills, rising to £300 off for those who need it most, alongside freezing prescription charges and, for the first time in 30 years, freezing rail fares. That means that commuters travelling from Stevenage or Knebworth will not see the annual hike that they endured year after year under the previous Government. Take, for example, one of our fantastic young apprentices from Airbus who wrote to me before the Budget asking the Chancellor to consider a rail freeze to ensure that he could afford to do the job he loves.

When working people call, this Labour Government answer. We are cutting NHS waiting lists, with 250 new neighbourhood health centres and millions more appointments, and we are freezing prescription costs. For Stevenage, where the Lister hospital serves not just our town but the surrounding villages, this investment in our infrastructure and in our patients is vital. We are doing all that while reducing borrowing every year so that interest rates—already cut five times since the election—can keep falling, helping families with mortgages and businesses with investment.

Let's deal with the nonsense we have heard from the Opposition Benches. We have been told that this is a Budget for "Benefits Street", that Labour is hiking taxes to pay for welfare and that borrowing is spiralling out of control. Here are the actual facts: borrowing will fall every single year of this Parliament, moving to surplus by 2028. That is fiscal responsibility, not the chaos of unfunded tax cuts that crashed the economy under the last Conservative Government. Scrapping the two-child benefit limit is not a handout; it is an investment. A child growing up in poverty is less likely to work as an adult and earns 25% less by the age of 30. Lifting 450,000 children out of poverty is both morally right and economically smart.

On taxes, the biggest changes fall on those with the broadest shoulders: high-value property owners, landlords who pay less tax than their tenants and online giants who have dodged their fair share for too long. Compare that with the Conservatives, who now talk of £47 billion of spending cuts, hitting working people the hardest and still leaving public services crumbling—they have some cheek, after 14 years of doing just that. That figure would be the equivalent of firing every police officer twice over. Reform's fantasy economics, with billions of cuts and no plan as to where they fall, would mean complete, unbridled chaos. That is why we need a sensible Labour Budget. That is what we have, and that is why I will support it tomorrow night.

9.6 pm

Clive Jones (Wokingham) (LD): After the Budget last Wednesday, it is clear that the Chancellor does not listen to good advice. The Liberal Democrats have given her so many opportunities of where she could raise extra money for the Treasury. We have called for a windfall tax on the big banks, which could raise £30 billion between now and 2030. The Chancellor could raise an extra £4 billion a year from the likes of Elon Musk by raising the digital services tax on tech giants from 2% to 10%, but Donald Trump will not let the Government do that.

We know that we need to grow our economy, and the quickest way to do that is to repair the damage done by the Conservatives' terrible Brexit deal. Brexit has lost us £90 billion in tax revenue just this year. That is a black hole that does need fixing. The Government should negotiate a new bespoke EU-UK customs union, cutting the endless red tape and freeing up businesses to concentrate on what they do best: selling their products to Europe. That could raise more than £25 billion a year for the Exchequer. That would benefit many businesses across the country, including in Wokingham. Business owners have told me of their once large and expanding relationship with the EU, but since Brexit they have seen their exports and profits reduced, so why has the Chancellor instead chosen to raise taxes across the board and offered no help to our businesses, having hammered them in the last Budget?

A new deal with the EU would benefit local businesses, help tackle the cost of living crisis, lower import costs, lower food prices and boost investment. The revenue raised for the Exchequer could prevent the Chancellor from placing further taxes on working people, perhaps meaning that income tax thresholds might be unfrozen earlier than 2031, as planned, and ahead of a 2028-29 general election. I urge the Government to listen to our calls and the calls of businesses in Wokingham and across the country and to begin negotiating a bespoke customs union with the EU, which would be a major contributor to the growth that we all agree the economy desperately needs.

9.9 pm

Dame Siobhain McDonagh (Mitcham and Morden) (Lab): I welcome this Budget and the difference that it will make to families who have endured the cost of living crisis for far too long. I welcome the £150 cut to energy bills from April—a lifeline for households that have stretched every pound as far as it will go. I welcome the freeze on rail fares, because for many families even a small rise means a choice between essentials. I welcome the uplift in the national living wage and the minimum wage—a long-overdue recognition of the people whose work keeps our economy alive but who rarely see that reflected in their pay packets. These measures help. They are real, they are practical and they will be felt immediately in constituencies such as mine.

However, every week in Mitcham and Morden I meet people who tell me the same thing: the only way they can manage the cost of living is by going back to cash—cash to budget, cash to separate the heating money from the food money, cash because a contactless tap can feel like losing control. Despite the fact that nearly one in five people now rely on cash to manage their household finances, access to cash and face-to-face banking facilities is becoming rarer for the people who need those things most.

We are seeing an unprecedented number of bank branch closures. Lloyds Banking Group recently announced 136 closures between 2025 and 2026. That would have meant Mitcham losing its last bank this coming January. The closure sparked an access to cash review by Link—an assessment of our suitability for a banking hub. We met every criterion for a banking hub except one: the nearest full-service bank must be more than 15 minutes away by public transport. Mitcham has 115 shops and 48,000 people living near the high street, but the Transport for London timetable determined that we could not have a banking hub because it took only 14 minutes by bus to the nearest bank.

What was there to do but galvanise the great people of my constituency into getting on the bus and recording it? Those recordings clearly showed that the bus took between 18 and 20 minutes to get to Tooting, so we have had those decisions reversed. Mitcham will get the first banking hub in south-west London and only the fifth in London. In the coming days, I will work with Cash Access UK to discuss the next steps for our new banking hub, and with the local community to ensure that the hub fits our needs.

I raise all this to say to Members that the criteria for banking hubs, which I hear discussed all the time by Members of all parties, do not meet the needs of the suburban and urban areas that are losing their banks. The Government should reconsider the target of creating 350 new banking hubs in the next year. On behalf of all my colleagues, I ask for that number to grow, because people do not just need Budget measures; they need a way to manage their budgets through the use of cash.

9.13 pm

Wendy Morton (Aldridge-Brownhills) (Con): The Budget is built on fantasy. The Chancellor claimed that there was a fiscal black hole so deep that she had no choice but to hammer working families with the highest tax burden since the war, but we now know the truth: the OBR told her in October that the so-called black hole did not exist. She actually had a surplus, but she deliberately told the public the opposite.

This is now a political crisis of the Chancellor's own making. Even a Cabinet Minister has said:

"At no point were the Cabinet told about the reality of the OBR forecasts",

and called this Budget

"a disaster from start to finish".

The Chancellor promised the country that she had "wiped the slate clean" and would not "come back for more", but we now know how wrong she was.

Labour Members can dress it up however they like, but this is the "Benefits Street" Budget—tax hikes to fund a welfare splurge, paid for by ordinary, hard-working people who get up, go to work and do the right thing. Labour promised not to raise taxes on working people. That was printed in its manifesto, but within weeks of coming to power it did exactly that. A Chancellor who breaks her word cannot expect to command the public's trust. She must come to this House and explain herself, and I hope she does the winding-up speech tomorrow evening at the close of the debate.

While this Government play politics with the public finances, it is working families in my constituency, and others up and down the country, who are paying the price. In Aldridge-Brownhills, families who have never been higher rate taxpayers in their lives will now find themselves pushed into a higher band, with no increase in real pay. That is not fairness; it is failure. Businesses reached their verdict within hours. The Institute of Directors found that 80% of business leaders felt negative about the Budget. They know that Labour Members do not understand what business is.

Labour's job tax has hit employers hard. On Friday, businesses in my constituency told me that they have frozen recruitment and investment, that they have no choice but to pass costs on to customers, and that in some cases they are beginning to think about redundancies. Small businesses—the backbone of our economy—were forgotten entirely in this Budget, and the Federation of Small Businesses has said that dividend tax hikes punish

[Wendy Morton]

people for investing in their own companies. New employer charges are a bad idea, and the business rate measures fall far short. Small Business Saturday is on this coming weekend, and I am sure that many Conservative Members will be going out and supporting small businesses in their constituencies. Why? Because we understand what business is.

James Naish: Will the right hon. Lady give way?

Wendy Morton: I am sorry—I do not have time. Connectivity drives growth too, yet we see reheated announcements. The midlands rail hub is crucial for our region, but we do not know whether this is new money or recycled rhetoric. There was no reinstatement in the Budget of the £27 million for Aldridge train station—money that was siphoned away by the Labour mayor—and my constituents deserve better.

Let us be clear: households are being squeezed, food price inflation is running high at nearly 5%, and our farmers are still being hit by the Government's decisions. This Budget raises taxes, weakens growth, ignores business, hits farmers, sidelines communities and breaks promises. Above all, it is built on fantasy—a black hole that did not exist. My constituents, and this country, deserve better.

9.16 pm

Kirsteen Sullivan (Bathgate and Linlithgow) (Lab/Co-op): Prior to last Wednesday I wanted to see a Budget that tackled the cost of living crisis while delivering the investment that would allow people and businesses to prosper—not an easy task, but this Budget has delivered. With the removal of the two-child limit, in one policy change this Labour Government will directly benefit 1,700 children in my constituency. Scrapping the cap will be transformational to the life chances and outcomes of children across the country. People in my constituency welcome the £150 reduction in energy bills, with a £300 saving for those on the lowest incomes. That will ease pressure on household budgets.

One of the biggest scandals of the 14 years of Tory government is the fact that so many people in work rely on welfare. By bringing fairness back to pay, we rebuild financial resilience and protect more families from hardship. Thanks to the Budget, over 200,000 Scots will receive an above-inflation pay rise, including over 9,000 people across West Lothian and Falkirk. This puts more money in their pockets.

The Government are also backing much needed investment in Scottish public services, with an extra £820 million taking the additional funding for the Scottish Government to over £10 billion since July 2024. That is the choice that this Government have made, yet Scots are not seeing the improvements that the funding should deliver, and councils are forced to find ever greater and more damaging cuts. West Lothian council has just closed a public consultation on an additional £23 million in cuts over the next two years, on top of the £184 million cut since the SNP took power in 2007. That is £184 million cut from services in our towns and villages—services that our residents, including our most vulnerable citizens, rely on. There are no good choices. It is austerity on stilts, and it is wholly driven by the SNP Government. It is their political choice, and there are no excuses.

This is a fair and balanced Budget, but I would like reassurance from Front Bench colleagues on a few points. Some constituents have flagged the Motability situation, especially in relation to the availability and affordability of automatic cars. Many disabled drivers can only drive automatics, and many require larger cars to accommodate wheelchairs and mobility aids. I would therefore be grateful to the Minister for reassurance that any definition of "luxury car" will not just consider price, because doing so would limit the availability of larger vehicles, permanent adaptations and automatics. Some constituents are also concerned about the freezing of the tax thresholds beyond 2028, so I ask the Government to reconsider the extension if economic projections are consistently outperformed.

Changing the country is not going to be easy, but this Labour Government are putting in the hard yards, through meaningful choices and a rejection of austerity and debt—building a country and an economy that works for everyone and leaves no one behind.

9.20 pm

Dr Ellie Chowns (North Herefordshire) (Green): With sky-high bills, unaffordable, cold and mouldy homes, and one in three children growing up in poverty, our country is in crisis. Life has become unaffordable for millions of people, and years of devastating cuts to our public services, from hospitals and schools to social care, mean that those who most need support are too often unable to access it. Every day I hear from my constituents in North Herefordshire, who are living through this crisis and crying out for change.

Instead of delivering change, this Government have repeatedly claimed that there is not enough money to go around. That simply is not true. Last year, billionaires saw their collective wealth increase by £35 million a day. Britain's 50 richest families now hold more wealth than half the population combined. A wealth tax of 1% on assets over £10 million and 2% on assets over £1 billion could raise nearly £15 billion. If we also aligned rates of capital gains tax with income tax and introduced national insurance on investment income, so that wealth is taxed at the same rate as work, we could raise over £30 billion a year.

This Budget needed to mark a turning point and an end to the politics of the past 18 months—a politics that has, sadly, scapegoated refugees and migrants while failing to tackle the inequality and the real issues that drive people into hardship. Of course, I welcome the long overdue scrapping of the cruel and counterproductive two-child benefit cap. That should have been done on day one after the general election. Instead of delivering a transformational Budget that confronts the cost of living crisis and taxes extreme wealth fairly, this Labour Government have, sadly, chosen to paper over the cracks —to tinker, not transform.

For example, take the Chancellor's decision to remove policy costs from energy bills. Nearly 3 million households in England were fuel poor in 2024—that figure could be more, depending on how it is calculated. This is a huge problem, especially in the west midlands and especially in my North Herefordshire constituency, where fuel poverty is particularly high because of the nature of our housing and low wages. It is therefore essential that we do everything in our power to cut bills. But the decision to lower bills by cutting vital funding for home insulation by a quarter is not a real solution; it is robbing Peter to pay Paul. Home insulation is one of the most effective ways to bring down bills: upgrading the average UK home to a decent standard saves households £210 a year.

Analysis from the New Economics Foundation shows that, because of the Government's decisions regarding the energy company obligation and the warm homes plan, the poorest households living in the coldest homes have now lost two thirds of the support they were due to receive for energy efficiency upgrades. When the UK has some of the worst-insulated homes in western Europe, we should be scaling home insulation up, not down, and using progressive taxation to pay for it. I am delighted that the Secretary of State for Energy Security and Net Zero is back in his place to hear me make these arguments.

Iqbal Mohamed: Will the hon. Lady give way?

Dr Chowns: I will not, because many Members want to get in.

Frankly, given that a typical energy bill in October 2025 was £478 a year higher than four years before, it is indefensible that this Budget does nothing to address the structural factors that keep costs high. In 2024, almost a quarter of the average energy bill went straight to the pre-tax profits of the major electricity generators, networks and household suppliers. If we are serious about tackling the cost of living crisis, we must stop private companies profiteering while ordinary people cannot afford life's basics. Those basics should not be a luxury. We can have lower bills and more investment in affordable, warm homes, all while protecting our planet at the same time.

In ordinary times, a Budget that tinkers at the edges might be acceptable, but after the financial crash, a decade of Conservative and Lib Dem austerity, the pandemic and the fuel price crisis, the country is at breaking point. This Budget needed to go further and be bolder. That is what a Green Budget would do.

9.24 pm

Baggy Shanker (Derby South) (Lab/Co-op): I welcome this Budget as it cracks on and delivers for our kids, for our NHS and for hard-working families up and down the country. Importantly, it also delivers for Derby. It is no wonder the Tories do not like it.

I have said it before and I will say it again: in Derby, we are proud to be a city of makers. What we build in Derby keeps our country and beyond powered, but for far too long, people in our city from Alvaston to Arboretum have put in a shift but still are left struggling and find it hard to make ends meet. For years, they have been left to face the grinding reality of Tory austerity, and it is hurting. They are left to pay sky-high energy bills, left waiting for their kids' education, health and care plans in a buckling special educational needs system, and left out of our city's success as a manufacturing powerhouse.

It is not right that families are turning to food banks because their pay packet does not cover the essentials any more. It has left Derby telling a tale of two cities. Whether it is raising the minimum wage, freezing train ticket prices, freezing prescription fees or knocking £150 off energy bills, this Budget is cracking on with tackling the cost of living crisis for families in Derby and across the country—not sometime in the future, but now.

Instead of accepting that in some parts of our city the majority of kids will live in poverty, the Labour Government have said enough is enough: enough of families paying the painful price of Tory austerity, and enough of kids going to school on empty stomachs. By scrapping the two-child benefit cap, we will give 5,500 kids in Derby South a better start in life. Nationally, we will lift 450,000 kids out of poverty. That is the difference a Labour Government make.

That is not all. The Budget also delivers for young people as they take their next steps in life, because university is not for everyone. It was not for me, and I want every young person in Derby to know about the opportunities that apprenticeships can offer them in getting on. To take up the opportunity and run with it, apprenticeships need to be available for them in local businesses and in the local area. This Budget delivers exactly that. It commits £725 million for the growth and skills levy to help support apprenticeships for young people. They are this country's future. That funding includes fully-funded SME apprenticeships for eligible under-25s. We know that when we back our fantastic young people, the whole community benefits.

This Budget delivers for the whole of our city by backing the Team Derby initiative. The Tories underestimated and undervalued Derby for years locally and nationally, and that left our community feeling locked out of our city's success as a manufacturing powerhouse, but I have always been on Team Derby, and this Government are, too. We are committed to making sure that record investments in our city's industry also work hard for our community, delivering the change that residents want and that they can see. I thank my right hon. Friend the Chancellor of the Exchequer and my right hon. and learned Friend the Prime Minister for backing families, backing business, backing our young people and, importantly for me, backing Derby.

9.28 pm

Sir Ashley Fox (Bridgwater) (Con): Last year, the Chancellor increased public spending by £72 billion, financed by £40 billion of extra taxes and £32 billion of extra borrowing. That was all justified, we were told, by a mysterious black hole that only the Labour Front-Bench team could see. The OBR certainly could not find it. These tax rises were so large that the Chancellor felt it necessary to reassure the country that

"I'm not coming back with more borrowing or more taxes."

One year later, the Chancellor is back for more, raising Britain's tax bill by a further £26 billion. These extra taxes will be paid by working people, like my constituent Rowena, who wrote to me after the Budget. She said:

"I have worked in education for over 10 years and have only recently reached the top of the pay scale after years of dedication and hard work. I manage long hours, increasing responsibilities, and rising needs within schools, all while striving to maintain high standards for my students. I do this as I care deeply about educating future generations and also to pay my mortgage and support my three children. I do not claim any benefits, other than child benefit, and I have always taken pride in being financially independent. However, the changes announced today leave me questioning the value of this commitment.

[Sir Ashley Fox]

Under the new thresholds, I will be dragged into the 40% tax bracket, making additional work—such as examining during the summer—financially unviable. If I stop examining, students and schools will feel the impact. But what's the point when 40% of that exam fee will disappear. Teachers are not high earners, yet these changes treat us as if we are. Calculators suggest I will be approximately £1,500 worse off annually. In fact, under the new rules, I would be financially better off and under less stress if I had two more children and claimed Universal Credit now that the two-child cap has been lifted. That is a deeply troubling message for hardworking professionals.

I also want to share a personal perspective: my 15-year-old daughter is in Year 11 and about to take her GCSEs. I encourage her every day to work hard and aim for a successful career. But what is the purpose when she sees her parents struggling and effectively penalised for being hardworking? What message does this send to the next generation?"

I hope that the Secretary of State will answer Rowena when she winds up.

Twelve months ago, the Chancellor was opposed to removing the two-child benefit cap. It was too expensive and not the best way to tackle child poverty, and seven Labour MPs had the Whip removed when they voted against that. So what has changed? Well, nothing, except the collapse in the Prime Minister's authority. He is buffeted by events because he has no principles and no vision for where he wants to lead our country. He is raising taxes on Rowena, and others like her, to increase benefits, because that is what Labour Back Benchers want. Devoid of any real purpose, his Government's only guiding philosophy is to survive, so Labour is now doing what it has always done: taxing and spending, without thought for the consequences. Taxes on working people are rising to their highest level ever, all to pay for higher benefits for those who do not work. A Budget is about choices, and Labour has made its choices, because this is a Budget for "Benefits Street".

9.32 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): I will start by welcoming some of measures in the Budget relating to transport, and if I have time, I will pick up on a couple of others.

I welcome the freeze on rail fares, and I welcome the growth-enhancing capital investment projects like the lower Thames crossing. I note that that capital investment will be the final tranche of Government support for that project before the private sector takes over construction and long-term operation. It cannot always be assumed that the Treasury will write cheques to cover the cost of building infrastructure, particularly where a solid income stream—in the case of the lower Thames crossing—or high land values can be used to leverage private funding. I welcome the announcement about funding for the docklands light railway extension. I see that the Secretary of State for Transport is in her place; I hope that we can soon have similar good news about kick-start funding for the west London orbital rail link.

Drivers and fleet managers of petrol and diesel vehicles will welcome the further extension of the temporary 5p cut in the rate of fuel duty to September 2026. While I congratulate the Chancellor on the support given to the automotive sector and our carbon commitments, including £1.5 billion for electric car grant funding and investment in EV charging infrastructure, the Government have also introduced a mileage charge for EVs that risks sending mixed signals to manufacturers and sellers of EVs, as well as fleet managers and individual buyers. That may be the right move, but I fear that it comes at the wrong time. For too many owners, the cost of running an EV is no lower than the cost of running a petrol or diesel vehicle, particularly because of the unit cost of non-domestic charging. I note that when New Zealand passed a similar piece of legislation, EV uptake fell off a cliff.

I have some questions for the Secretary of State. What measures has the Department taken to assess the overall effectiveness of its EV policies? What impact assessment has been carried out in respect of EV taxation and subsequent displacement? How is the measure consistent with the Government's agenda to decarbonise private transport? Is the Secretary of State planning to introduce a simple odometer check, which will carry with it all the risk and problems associated with fuel duty, or will she look at satellite-based tracking, which is more accurate and is based on equity, and which better manages the demands on our roads? It could be introduced for all vehicles on a non-mandatory basis, just as water metres were originally not mandatory.

As for other measures to address the cost of living that my constituents welcome, we have the ending of the two-child benefit limit. I called for that, and I am glad that the Government have listened. It will make a measurable difference to almost 3,500 children in my constituency. The vast majority of their parents work full time but on low pay. They are forced to pay extremely high rents, and have little left over at the end of the month. We have £150 off home energy bills, freezes to prescription charges and fuel duty, and another big increase in the national minimum wage, on top of public sector pay increases and more children getting free school meals.

9.36 pm

Iqbal Mohamed (Dewsbury and Batley) (Ind): At a time when families in the four corners of our nation are struggling just to get through the week, the test for any Budget is simple: does it make life easier for ordinary working people? Does it put money in the pockets of low-income and middle-income earners? Does it strengthen our public services? Does it support those who are working hard, yet falling behind because of rising prices, high inflation and chronically stagnant wages?

The first thing I welcome is the lifting of the two-child benefit cap. I welcome the Chancellor finally bowing to pressure from campaigners, my independent alliance colleagues, and the seven Labour Back Benchers who defied the whip last year to vote for its abolition, but telling families that they must wait until 2026—nearly two years after Labour came into government—is not the Labour way. While children go hungry now, today and this winter, that is unconscionable.

For many winters, families have been choosing between heating and eating. Food banks remain at record high levels of usage, and warm banks are now a thing that we accept in our society. Every month, millions are one broken boiler or late pay check away from crisis. A modern economy cannot function when its people are too poor meaningfully to participate in it. That is why we need radical tax reform that prioritises a fairer tax system that funds our future.

One of the great myths of our political age is that there is not enough money to fix these problems. That is simply not true. Our tax system is full of holes wide enough for billionaires to sail yachts through; we must get a grip in this place.

Ayoub Khan (Birmingham Perry Barr) (Ind): In my constituency, child poverty is at some 50%, so I certainly welcome the scrapping of the two-child benefit cap. Does the hon. Member agree that a wealth tax is the only way that we can resolve the underlying issue, which is the cost of living?

Iqbal Mohamed: I will come to that in the short time I have remaining.

It is not true that we do not have enough money to fix these problems. If the Chancellor was serious about rebuilding Britain, she would adopt straightforward, fairer tax reforms. As many Members across have said, we could raise tens of billions of pounds by closing loopholes that allow foreign multinationals to shift profits offshore and avoid paying UK corporation tax while onshoring expenses and taking advantage of subsidies and tax relief. We could implement the digital services tax that was originally promised, ensuring that big tech finally pays its fair share of its record profits. We could end the preferential treatment of income from wealth over income from work by taxing capital gains at closer parity with earnings. We could introduce a genuine windfall tax on excessive profits, particularly in energy, finance and banking, and reform tax reliefs that disproportionately benefit the wealthy, and instead redirect revenue to public services.

These are not radical ideas; they are basic principles of fiscal fairness. The Budget is a moral statement, and today's Budget shows us a Government who still choose war over welfare, profits over people, and short-term headlines over long-term stability. To borrow a phrase, they are choosing the few over the many.

Madam Deputy Speaker (Caroline Nokes): I call the shadow Secretary of State.

9.40 pm

Mr Richard Holden (Basildon and Billericay) (Con): The real issue here is hiding in plain sight. It is on the annunciator. This is all about bearing down on inflation, because this Government have already catastrophically failed to keep it at 2%, where the Conservative party left it at the time of the general election. That is having an impact on the cost of living up and down the country. From every single business I visit, and every single person I meet on the street in Basildon and Billericay, I hear, "Since Labour got in, things have got worse."

Unemployment is up, as is inflation—it is now double what it was at the general election. It is the highest inflation in the G7, as my right hon. Friend the Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson) said. Rents are up, as my right hon. Friend the Member for East Surrey (Claire Coutinho) said. Part-time jobs are being hammered, and as my right hon. Friends the Members for North East Cambridgeshire (Steve Barclay), and for Aldridge-Brownhills (Wendy Morton), have mentioned, taxes on employment are really hurting people. Growth is down, particularly in the North sea, as my hon. Friend the Member for Gordon and Buchan (Harriet Cross) said in her fantastic speech.

As my hon. Friend the Member for Weald of Kent (Katie Lam) said, energy prices are through the roof. That is hitting our ability to deliver growth for businesses, particularly our manufacturing sector. Right across the piece, this Government are hammering businesses; as my right hon. Friend the Member for Salisbury (John Glen) said, business rates for high-street firms are up by at least 40% since the general election, despite what we are constantly told by Ministers. Despite the election pledges, tax rises are hitting working people up and down the country. Under this Government, taxes are up by £66 billion a year, and alongside that, debt has risen by tens of billions of pounds.

The real issue for the cost of living is Labour's doom loop—higher taxes, higher prices, lower growth and more unemployment, followed by higher taxes, higher prices, lower growth and more unemployment—but this Government simply do not get it. They have apparently tried educating their Back Benchers, but their Back Benchers have made their position clear. Regarding welfare, one was quoted as saying,

> "I don't understand why this means tax rises when it's only a few billion pounds".

Imagine how that is going down with those who have to lend us billions of pounds every year.

The Government want us to believe that they are at least trying to help, but it is clear that this is a Janus-faced Government. As my right hon. Friend the Member for East Surrey said, the costs have not come off people's bills, because the Government are just moving those costs to their tax bills. That is true, is it not? We are told to be grateful that energy bills—which are already up—are being shifted to our tax bills. The electric car grant that is coming in is not actually helping anyone. It is not a result of energy prices having gone down; it is being paid for with pay per mile, despite the fact that the Secretary of State for Transport said to my hon. Friend the Member for Bridlington and The Wolds (Charlie Dewhirst) at Transport questions that that would not happen. There have been more questions today from Members right across the House about how on earth one could implement such a scheme.

Let us have a look at the freeze on train fares. That is not being paid for through more efficient trains or more productivity; it is being paid for by tax rises. Fuel duty will rise by 5p next year, and bus fares are already up by 50%. That measure is fully funded—by taxpayers. It is funded by bus users and motorists up and down the country. That is the cost of this Government. When I saw the numbers in the Budget, I was quite astonished, because they totally contradict the figures that the Department for Transport has put out. The Department has said that the cost of this policy is £600 million, but the Budget says £150 million. When the Transport Secretary speaks, can we have some honesty and transparency about the cost?

The issue does not stop there—it goes even further. Taxes on flights are up to £400 for a family holiday, and those taxes are going up next year, and the year after. The taxi tax is coming in, hammering our night-time economy and leaving women with a choice between paying 20% more for a private hire vehicle, and being vulnerable late at night when trying to get home. The Government are raising business rates again on the high street, but also snuck out on the same day as the Budget

[Mr Richard Holden]

were multiple-times increases resulting from the revaluation of airports and a 10-times rise for the channel tunnel rail link, from £10 million to £100 million.

Sir John Hayes: I endorse the point about automatic cars and Motability, and the very important point about banking hubs and the extension. Does my right hon. Friend recognise that when we add costs to businesses such as the retailer in my constituency that I visited recently, we pay the price in terms of the jobs that they might create, or otherwise? These are lost opportunities for constituents to get jobs in meaningful businesses, because business costs are rising as a result of this Government.

Mr Holden: My right hon. Friend has made an extremely important point. These taxes are hitting across the board, and they are hitting the employment of his constituents. That is on top of the tax rises that we saw last year: the changes in business property relief, business rates and agricultural property relief, and the national insurance tax rises. It is hammering working families up and down the country, while the Government pretend that it is not.

How on earth can the Secretary of State claim that this Budget will keep inflation down? Every policy choice that the Government make fires costs straight back into the system. It is happening with policy after policy, as if some giant socialist Gatling gun were spraying costs on to businesses, passengers, taxpayers and, indeed, the entire country.

Iqbal Mohamed: Will the right hon. Gentleman give way?

Mr Holden: I am afraid that I have no time to give way further.

Do the Government not understand that every time they hike up taxes, the cost of food goes up? Do they not understand that an indiscriminate tax hike means that the cost to the producer rises, the cost of getting the food to the shops rises, and the cost to the supermarket selling the food rises? It is a conveyor belt of wholly avoidable costs.

That brings me to the core of my argument. What are this Government actually for? Disposable incomes have been revised down, along with growth, while taxes, inflation and business rates are all up. What else is up? The number of entrepreneurs leaving the country. We thought it would be capital flight—in fact, that is what the Treasury was briefing out: real worries about capital flight—but it is not just capital flight; it is entrepreneurial flight. It is labour fleeing the country as well. People are leaving. The only thing left is land, and the Government are taxing that as well.

My right hon. Friend the Member for Salisbury made a very good point in his speech. He said that he had never seen such speculation ahead of a Budget that had worried family businesses—family businesses in his constituency and in mine. I have never known a Budget to be talked about as much as this Budget was in advance of its production. It is quite incredible. The economy is being harmed just by the briefing put out by the Government. They were doing it on the Prime Minister's own plane. It is unbelievable.

However, it is not just small businesses that are being affected. We hear today that Zipcar, which is important to a great many people in London, will be closing its operations from the end of the year. That will have a huge impact, and it is happening because of the taxes on the company and the congestion charge imposed by the Mayor of London.

My hon. Friend the Member for Isle of Wight East (Joe Robertson) made a good point earlier when he said that, once upon a time, Labour talked of being the party of a hand up, not a handout. Well, Labour is now, quite clearly, the party with its hand in the pocket of working Britain. The hon. Member for Leeds East (Richard Burgon), the hon. Member for Salford (Rebecca Long Bailey) and my hon. Friend the Member for Bridgwater (Sir Ashley Fox) all made the same point; they are not normally on the same page, but they were today. They pointed out that it would be working people paying the price for those extra tax rises, because of thresholds that are frozen year after year owing to decisions made by this Labour Government.

The Government are not on the side of motor manufacturing either. Real concerns have been expressed by that sector, as was pointed out by the hon. Member for Brentford and Isleworth (Ruth Cadbury), the hon. Member for Ellesmere Port and Bromborough (Justin Madders), and my hon. Friend the Member for Hinckley and Bosworth (Dr Evans). How on earth, as the hon. Member for South Antrim (Robin Swann) asked earlier, will a pay-per-mile scheme work when people are crossing the border? Is the Labour party really going to tax people for driving on foreign roads? We shall have to see.

The hon. Member for Buckingham and Bletchley (Callum Anderson) made a very sensible point when he said that fiscal prudence was a means to an end. It is a means to the end of getting debt interest down, and keeping borrowing rates for businesses and families down. That is exactly right, but we did not see it from this Government. They think that people will not notice, but the Chancellor determinedly obfuscated about the figures. She talked of a black hole imposed on her, but in truth, taxes on working people are rising to pay for more welfare.

The Government think that people will not notice that they are being bribed with their own money, taken from them via the tax on electric vehicles and energy. They think that small businesses will not notice business rates going up, or national insurance taxes going up. But people have noticed. They have noticed the broken promises on tax, on working people and on bills. They have noticed the smoke and mirrors. The Government are robbing Peter, but not to pay Paul; they are robbing Paul too. People were worried ahead of the Budget this year, and now they are worried about what the third Labour Budget next year will deliver, because they know that this failing Government will be coming back for more.

9.49 pm

The Secretary of State for Transport (Heidi Alexander): It is a privilege to respond to today's debate on the Budget. We have heard some excellent contributions from many colleagues, particularly those on this side of the House, and I hope my hon. Friends will forgive me if I do not mention them all by name. I will respond in writing to the specific questions put to me by my hon.

Friends the Members for Ellesmere Port and Bromborough (Justin Madders), for Bathgate and Linlithgow (Kirsteen Sullivan) and for Brentford and Isleworth (Ruth Cadbury).

We have also had some thoughtful and measured contributions from Opposition Members, including the hon. Member for Dorking and Horley (Chris Coghlan) and the right hon. Member for Belfast East (Gavin Robinson). It is a shame that some of the other contributions from those on the Opposition Benches can best be described as heavy on indignation and light on contrition. You would have thought that the right hon. Members for Salisbury (John Glen) and for North East Cambridgeshire (Steve Barclay), as well as the shadow Transport Secretary, had no responsibility whatsoever for the economic inheritance that the last Government passed on to this one. We all know that the last Parliament saw living standards fall, and it is not a record to be proud of.

This Government were elected on a promise of change, which was the demand of a weary public. People were fed up with rising bills and falling real wages, fed up with schools and hospitals that had been cut to the bone, and fed up with trains and buses that they could not rely on. The economy—indeed, the country—felt broken in the very places that mattered most. In this Budget, I am proud that we are answering the public's call for change, and making the fair and necessary choices to repair our public finances and deliver on the nation's priorities.

We are cutting the cost of living through cheaper energy bills, frozen prescription charges and frozen rail fares. We are putting record investment into our NHS, bringing waiting lists down and creating 250 new neighbourhood health centres. We are righting a moral wrong by lifting hundreds of thousands of children out of poverty, not just through school breakfast clubs and by lifting the minimum wage, but by scrapping the two-child universal credit cap. And we are doing all this while meeting our fiscal rules. After years of decline, this is what rebuilding our country looks like.

Gavin Robinson: I understand that the Government want to accelerate their plans to remove the two-child limit as soon as possible, and it may be too soon to get a legislative consent motion passed by the Northern Ireland Assembly. May I ask the Secretary of State to undertake to engage with the Social Security Minister? If there is political willingness at Stormont for this to proceed quickly, perhaps she could do it on our behalf.

Heidi Alexander: I will certainly undertake to have those conversations with colleagues.

James Naish: Will the Secretary of State give way?

Heidi Alexander: In the interests of time, I will not give way.

It is because we understand what life is like for ordinary people that we have taken decisions in this Budget to provide real help with the cost of living. We know that an average household spends more than 10% of its income on getting around, getting to work and school, and making essential daily trips. That is why this Budget has not only extended the fuel duty freeze beyond the spring of next year, but restated our commitment to protect the bus fare cap.

For the first time in 30 years, we are freezing rail fares. If someone has a season ticket, is a commuter on a peak return or is travelling off-peak between major cities, they will get to keep more of their hard-earned cash. It is good news for millions of passengers, some of whom will save hundreds of pounds a year. That means extra money in people's pockets, and it means that we will continue to keep a lid on everyday costs that drive inflation.

Dr Luke Evans: Will the Secretary of State give way?

Heidi Alexander: I am not going to give way.

Budgets are about choices, and I know that not everyone agrees with our decision to freeze rail fares. Indeed, just days before the Budget, I received a letter from the shadow Transport Secretary effectively proposing a 4.8% hike in fares. I considered his request, but an increase in line with the retail prices index, as the right hon. Member pretty much suggested, would have put passengers' fares up by hundreds of pounds next year. We should not be surprised that the shadow Transport Secretary wanted passengers to pay more—after all, his party increased fares by 60% when it was in office—but Labour Members believe in cutting the cost of living and putting money back into passengers' pockets. As we set up Great British Railways, bringing together 17 different organisations into one public organisation, we will build a railway where passengers, not profits, come first.

While rail may often dominate newspaper headlines, this Government will never ignore the roads that carry most of our daily journeys. That is why, earlier this year, I gave the green light to the lower Thames crossing. After years of being stuck in planning limbo under the Conservative Government, it is now set to become the largest road building project in a generation. Thanks to this Budget, we are confirming a further £891 million of public funding, after which the private sector will take forward construction and long-term operation. Along with our commitment to extend the docklands light railway to Thamesmead, this is further proof that this Government are firmly on the side of the builders, not the blockers.

Before we came into power, our roads were a symbol of national decline. Poorly maintained and riddled with potholes, they were a nuisance at best and downright dangerous at worst. That is why, by the end of this Parliament, we will commit over £2 billion annually for local road maintenance, doubling funding since coming into office. We will fill millions of potholes every year, protecting drivers from having to shell out hundreds of pounds on costly repairs.

Investment and reform are my watchwords as we work to improve everyday journeys, but throughout all this we cannot be blind to the impact of transport on our climate. The truth is that most transport emissions come from our roads, which is why reducing costs for drivers while cutting emissions will be at the heart of the EV transition. The trends are already clear. EVs are often cheaper to run and maintain than more polluting cars, and consumers have noticed that, with EV sales accounting for a quarter of new car purchases in October.

However, this Budget enables us to go further. By committing an extra £1.3 billion to the electric car grant, we will keep saving buyers thousands of pounds on dozens of EV models. We will increase the expensive

[Heidi Alexander]

car supplement threshold for EVs to £50,000, and invest a further £200 million in the roll-out of EV charging infrastructure. My ambition is to make it as easy to charge up as it is to fill up, so I am pleased that the Budget confirmed a decade of 100% business rates relief for eligible EV charge points, and a review of the cost of public charging, including the impact of energy prices. Fairness remains at the heart of this Budget, and as the Chancellor rightly said, "everyone must contribute", so electric and plug-in hybrid vehicles will start paying a new electric vehicle excise duty from April 2028. Above all, that ensures that all those who use our roads and all those who depend on our roads help to maintain our roads.

For years, the British people were resigned to poorer living standards, stagnant wages and public services that were not fit for purpose. This Government promised change, and despite the state of the economy when we entered office, we are delivering that change and doing so fairly. We promised no return to the long winters of austerity, and we meant it. An extra £120 billion in public capital investment over this Parliament will build new infrastructure and homes across the country. It will strengthen our energy security, and it will give the NHS its biggest ever capital settlement. For transport, it is a downpayment for better, more reliable journeys—trains people can rely on, buses that turn up on Sundays, roads that make driving easier and infrastructure that connects not just people with places, but the aspirations of the next generation to the opportunities of tomorrow. That is what this Budget is about: fair choices for a fairer Britain, where the cost of living falls, real wages rise, and our towns and cities get the connectivity they deserve. This is a Budget that delivers on the public's priorities, and I am proud to support it.

Ordered, That the debate be now adjourned.—*(Deirdre Costigan.)*

Debate to be resumed tomorrow.

Business without Debate

EDUCATION COMMITTEE

Ordered,

That Sir James Cleverly be discharged from the Education Committee and Rebecca Paul be added.—*(Gen Kitchen, on behalf of the Committee of Selection.)*

FINANCE COMMITTEE

Ordered,

That Kate Osborne be discharged from the Finance Committee and Euan Stainbank be added.—*(Gen Kitchen, on behalf of the Committee of Selection.)*

PROCEDURE COMMITTEE

Ordered,

That David Baines and Graeme Downie be discharged from the Procedure Committee and Katrina Murray and Kenneth Stevenson be added.—*(Gen Kitchen, on behalf of the Committee of Selection.)*

COMMITTEE OF PUBLIC ACCOUNTS

Ordered,

That Oliver Ryan be discharged from the Committee of Public Accounts and Matt Turmaine be added.—*(Gen Kitchen, on behalf of the Committee of Selection.)*

M6: Junction 38

Motion made, and Question proposed, That this House do now adjourn.—*(Deirdre Costigan.)*

10 pm

Tim Farron (Westmorland and Lonsdale) (LD): It is a great privilege to secure a debate on a matter that is causing immense anxiety across Westmorland and beyond. National Highways is planning to close and replace seven bridges that carry the M6 motorway over the Lune gorge in Cumbria. Those S-joint bridges are reaching the end of their lifespan and we recognise that this work has to be done.

The wider Lune gorge project proposes bridge replacements, overnight closures, weekend shutdowns and contraflow systems operating at sometimes as little as 30 mph. Crucially, the plan also entails the closure of the southbound junction at Tebay for 18 months, followed by the closure of the northbound junction for a subsequent 18 months. We argue that the junction 38 closures are not necessary, that there are clear alternatives such as temporary slip roads, and that insufficient attention has been paid to those alternatives. All the while, National Highways intends to keep heavy traffic moving through rural diversion routes and has, astonishingly, not produced a full impact assessment for the project—no assessment of the impact on the road network and no assessment of the impact on the wider community.

I do not think it is just parochial hyperbole when I say that the Lune gorge is without doubt the most spectacular and beautiful stretch of the UK's motorway network, so I suspect that when the Department for Transport and National Highways looked at that stretch of the M6 while weighing up the project in its early days, they were struck more by the scenery and far less by the very significant population that depends on junction 38 and therefore did not give them very much serious consideration at all. Local communities rely on junction 38 for access to work, school, health services, business and the operation of the local economy.

The current plan will devastate local businesses—whose model is often completely reliant on proximity to the M6 and the junctions north and south—effectively isolating the community from the motorway for three years within a wider programme of four to six years of ongoing disruption. It also puts the safety of my constituents at risk, given that emergency services' access to our communities will be severely curtailed for years on end. I recently spent time with our wonderful ambulance crews, who were keen that I should emphasise this point especially.

The impact on our communities will be enormous. The key effects are first and foremost on the village of Tebay itself, but there will also be an impact on a much wider area. Seven bridges carry the M6 itself, and they need replacing—I get that. The eighth bridge, across the M6, which also requires replacement, carries the A685 connecting Tebay with Kendal, 12 miles away, and is the only remaining link between the two when the M6 junction is closed. As a community, we campaigned hard to persuade National Highways not to close this bridge at the same time as the other seven, and we are grateful that National Highways has changed its mind on this point. I thank everyone who campaigned hard with us to achieve this success, which means that Tebay, Orton, Ravenstonedale, Kirkby Stephen and other villages will now at least have one connecting road to Kendal; otherwise, residents taking their children to school, and commuters, would have faced an additional 250 miles a week for an 18-month period.

Having said that, the A685 is a winding, narrow, single carriageway running for 12 miles from Tebay to Kendal, and for 18 months, all local traffic will be dependent on it, meaning a huge increase in traffic going through Tebay, Grayrigg and Kendal in particular. My first ask of the Minister is to ensure that this traffic is managed along the whole of this route and that the A685 Lawtland House bridge is strengthened and kept safe through this time, when this already weakened bridge will be facing massively increased usage, carrying an enormous volume of traffic displaced from the M6. The towns of Kirkby Stephen and Kendal are already at capacity and breaking point when it comes to traffic management and cannot withstand a motorway's worth of displaced traffic; they cannot withstand it at all, but they certainly cannot withstand it regularly and for years on end.

Westmorland and Furness council is set to lose £39 million a year due to the new, ironically-titled fairer funding 2.0 settlement—a staggering 13% cut to its budget. It will therefore not have the funds to expand traffic management in consideration of the volume of traffic to keep those roads safe and flowing securely. Incidentally, this is a financial settlement that puts at risk the council's crucial investment in the town of Barrow, which is critical to the UK's defence capability, including our nuclear deterrent. I would be grateful if the Minister took this matter up separately with his colleagues the Secretaries of State for Defence and for Housing, Communities and Local Government. This cut would be a colossal strategic own goal for the Government—one they would rightly get the blame for—but there is still time to reverse it.

For this debate, though, the key point I want the Minister to focus on is that the closure of junction 38 southbound and then northbound, for three years in total, will be catastrophic for our communities. It can and must be avoided.

Jim Shannon (Strangford) (DUP) *rose—*

Madam Deputy Speaker (Caroline Nokes): Order. Mr Shannon, this is a very narrow debate, specifically on junction 38 of the M6. I seek an assurance that your intervention relates only to that.

Jim Shannon: It is more than that, Madam Deputy Speaker; it is about the main thoroughfare for lorries and traffic going to Stranraer and then to Larne. It is about that road and that junction. *[Laughter.]* No, it is a fact. I have talked to those who transport agrifood goods from Northern Ireland to the north of England and Scotland and back again. This debate is wide; its subject will impact not just the local area, but all the businesses in Northern Ireland that need lorries to bring their food in and take their food out. The agrifood sector will be impacted greatly.

Tim Farron: The hon. Gentleman is a world-standard crowbar applier in this place, but that was not a crowbar—that was very relevant. England's connectivity with Ireland

[Tim Farron]

via Stranraer is utterly affected by what is happening at junction 38. He is absolutely on the money, and I am very grateful for his point.

We must avoid the closures of these junctions. Let us start with one group who are mentioned regularly and helped rarely: at a time when they are already facing so many threats and pressures, the closures will be a logistical nightmare for our farmers, who will face rising fuel costs, some land being made inaccessible to them, and threats to animal welfare as they have to make more arduous journeys throughout this three-year period.

Secondly, given the Government's priority of seeking economic growth, the junction closures are also a huge risk to our multibillion-pound tourism economy. Tailbacks north and south and the junction closures will mean that some of the 20 million visitors we have each year will vote with their feet, putting many of the 60,000 hospitality and tourism jobs in our county at risk, and further damaging the UK's fiscal position.

Local businesses will be hit by the closures, including—I do not think this is parochial hyperbole either—Britain's finest service station, Westmorland services at Tebay—

Deirdre Costigan (Ealing Southall) (Lab): Hear, hear.

Tim Farron: Thank you. There will be an estimated cost to the service station alone of £1 million in damage if the junction is closed. Dozens of other businesses will also be affected, with millions of pounds of lost revenue, increased costs and the potential loss of hundreds of jobs.

As the hon. Member for Strangford (Jim Shannon) said, there will be a huge national impact on the haulage industry. Most lorry companies use junction 38 as their halfway point on the route to Scotland and the ferry ports serving Ireland. With the closure this coming January of the M6 at Clifton—at the top end of my constituency near junction 40—heavy goods vehicle drivers coming from Scotland and the ports connecting us to Ireland will be diverted from Penrith, across the A66 to Scotch Corner, down the A1(M), and across the M62 to rejoin the M6 near Warrington. That is a colossal detour, with horrendous costs in fuel and journey times—and that is only for a few weekends at the beginning of next year. The Lune gorge plan is to run for four to six years, not a few weekends. The work will have an enormous negative economic impact for the whole country. The consequences have clearly not been fully thought through.

Given that we know some of the impacts of the closures, we have asked National Highways for sight of its impact assessment. To my utter astonishment, it has not conducted one. The Minister can blame previous Conservative Ministers for that failure if he wishes, but he only gets to do that if he puts it right immediately this evening. Where is the economic impact assessment? Where is a credible traffic management plan?

With help from local residents, businesses and farmer groups, we did our own survey of the impact and calculated that the damage just to that relatively small section of the local community who live in the villages closest to junction 38 would be upwards of £10 million over three years. The real impact would be much wider, of course, and therefore the cost would be much, much higher.

The closure of junction 38 would also mean greater pressures on junction 37 to the south and junction 39 to the north, both of which are dangerous hammerhead junctions. Junction 37 has seen three tragic fatalities and many other accidents in the last 18 months alone, yet National Highways' current plan—such as it is—is to send tens of thousands of vehicles down to junction 37, or up to the similarly designed junction 39. Those junctions are to be used as crude roundabouts by extremely heavy vehicles in utterly unreasonable volumes. Again, this underlines the failure to conduct a meaningful impact assessment or present any kind of credible traffic management plan.

The crucial problem that I want the Minister to focus on is the closure of junction 38 southbound for 18 months and then northbound for 18 months. It is completely unacceptable. Let's face it—National Highways would have never even considered it in a more urban part of the network. I reiterate that we are not against the works taking place. We know that the bridges need to be replaced, but there are clearly alternatives to lengthy closures of junction 38, yet those alternatives have not been seriously considered or properly investigated.

I have a high regard for so many of the people I work with from National Highways, but from the beginning of this project there has been a failure to consider the community and the Cumbrian economy. Now that National Highways is being called to account and asked serious questions, it seems as though excuses are being made rather than solutions being explored.

Local businesses commissioned the well-respected motorway highways consultants BWB, which produced a detailed feasibility study confirming that temporary slip roads are absolutely possible—indeed, they are straightforward if the order of bridge removals is slightly rearranged. National Highways rejected this proposal with, at best, a cursory assessment, and it has provided no credible reasons for doing so.

On behalf of my communities in Westmorland, my first ask is that the Minister looks at the proposals himself, takes independent expert advice from his officials, and at the same time instructs National Highways to properly, formally consider the temporary slip roads—to make certain that these very credible plans are properly evaluated. Meanwhile, as the works proceed, many full motorway closures are planned, and the apparent plan is to route the entire M6 load through the narrow streets of Kendal and Kirkby Stephen. This is ludicrous and unsustainable, and it will take ministerial intervention to put right.

The second ask therefore relates to the Kendal relief road, otherwise known as the northern access route. In 2023 the previous Government pledged £460 million for 21 "smaller road schemes" across the north, including potentially a short new road linking the A591 Windermere Road to the A6 Shap Road just north of our thriving but often congested main town of Kendal, but in July the Department for Transport announced that the scheme's future had been placed under review, with a final decision set to be announced by the end of the year. Given the disruption from the M6 closures already this year, the case for that road is stronger than ever. Can that project be brought forward so that it can be done before the M6 Lune gorge project happens?

The third ask is for help to be provided to solve the congestion that M6 and A66 closures have on the beautiful town of Kirkby Stephen. The provision of new, additional off-road parking for residents on South Road in Kirkby Stephen, along with sensible highways modifications, would mostly solve the problems there too. Will the Minister please instruct his officials to take action on that point before the work on the Lune gorge bridges causes repeated chaos to the town?

Fourthly, earlier this year the Government gave the green light for the A66 dualling after our lengthy campaign, and I am grateful to them for that. The plan includes an underpass close to the M6 junction 40 underneath the notoriously busy Kemplay Bank roundabout at Penrith. It is vital that the work is sequenced before the M6 closures so as to avoid crippling congestion around Penrith and to alleviate the devastating impact of running those projects at the same time. The solutions are here—experts have done the work and local businesses have provided the evidence—yet National Highways has not meaningfully considered the very options that would prevent economic and social disaster for our communities.

My final ask of the Minister tonight is this: will he meet me, along with representatives of the local community, local businesses and their skilled highways consultants, to discuss the temporary slip road proposals and the wider sequencing of these works? If he can visit the Westmorland site in person, we would welcome that hugely, and that would help him to see at first hand the issues that our local communities are facing. But time is of the essence, so we will gladly meet him in London if that can happen more speedily. It is essential that he understands for himself the profound and unnecessary impact that the project will have on Kendal, Burneside, Grayrigg, Tebay, Orton, Ravenstonedale and Kirkby Stephen, and on the wider economy of the Lake district, the dales, Cumbria as a whole and the UK's haulage industry. The M6 bridge work must be done to keep us safe for generations to come, but it is wrong for it to be done in ways that ignore the catastrophic impact on our residents, communities and businesses in Westmorland.

10.17 pm

The Parliamentary Under-Secretary of State for Transport (Simon Lightwood): I begin by congratulating the hon. Member for Westmorland and Lonsdale (Tim Farron) on securing this debate on the M6 Lune gorge project and his passionate advocacy on behalf of his constituents. Our strategic road network is one of the nation's most vital pieces of infrastructure, with our motorways and major A roads forming the backbone of connectivity across England. The network links our towns and cities, ports and airports, and it is relied upon by millions of people and businesses every single day. The Government remain firmly committed to its resilience, renewal and replacement, with nearly £1.3 billion allocated for capital renewals in 2025-26.

I note the hon. Gentleman's commitment not only in securing the debate but through his wider engagement with National Highways and the Government on this matter. He is a strong advocate for his constituents, businesses and local road users. While recognising the need for the M6 Lune gorge scheme, he has campaigned extensively to minimise the impact on his constituency. I am therefore grateful for the opportunity to address the M6 Lune gorge project and the concerns raised regarding traffic management, and in particular the option of providing temporary slip roads.

Let me assure the hon. Gentleman that this Government, working closely with National Highways, fully recognise the scale and significance of the project. We understand the profound impact that transport infrastructure has on local communities, and not just in terms of connectivity but in safeguarding economic growth and quality of life. That is why we are committed to delivering a solution that is both robust and responsive to the needs of those it serves.

The M6 is a key corridor on our strategic road network and the main north-south transport axis. Early intervention is therefore essential to ensure those structures remain safe, resilient and in service. The M6 Lune gorge project is a significant and complex renewal scheme on the strategic road network. It is located within the gorge of the River Lune in Cumbria, between the Lake District and Yorkshire Dales national parks. Its purpose is to enable the vital replacement of bridge decks along a 10 km stretch of the M6 from Castle Howe bridge, adjacent to junction 38, to High Gill bridge, north of junction 37. The scheme involves eight similarly constructed structures, each now at, or approaching, the end of its operational life. Over time, these bridges have suffered significant deterioration, driven by increased traffic volumes, heavier vehicles and the growing impacts of climate change.

Construction on this project is scheduled to commence in the spring of 2027. During this period, road closures will be necessary, including the consecutive closure of both the southbound and northbound carriageways at junction 38, with diversion routes in place for road users throughout to maintain connectivity.

Safety remains National Highways' foremost priority. To protect both the workforce and road users, there will be occasions when the full closure of the junction is unavoidable. These closures will be scheduled during weekends and overnight periods, when traffic is lighter, in order to minimise disruption. As construction approaches in spring 2027, National Highways will finalise these plans and provide clear, timely communication to ensure that road users and local communities are fully informed, to enable them to plan their journeys. The Government and National Highways remain firmly committed to engaging with local communities, to listen to the concerns and to mitigate disruption wherever possible. Following feedback from the local community, National Highways announced in September 2025 the deferral of works on Lawtland House bridge to provide an additional route of access for residents of Tebay while essential works are undertaken at junction 38.

During the initial design stages of the project prior to May 2024, National Highways considered and assessed the opportunity of using temporary slip roads. At that time, this approach was not considered feasible due to spatial constraints, value for money considerations, the need for significant lane and speed restrictions and the likelihood of a costly extension to the overall construction period.

Tim Farron: If possible, I would be grateful to have sight of the workings showing National Highways' consideration of the slip roads, and what drawings and designs it did and then discarded. I have not heard of this to this date, and I am not convinced that it did that at all.

Simon Lightwood: I am quite certain that the hon. Gentleman will continue his engagement with National Highways, and I am sure that they can have that conversation together.

As I said, during the initial design stages of the project, prior to May 2024, National Highways considered and assessed the opportunity of those slip roads. However, following further engagement by National Highways with local communities, additional proposals for temporary slip roads were submitted by stakeholders in September and October 2025. While these broadly reflected options previously deemed unfeasible, further information was provided by an independently commissioned engineering consultancy company. National Highways has committed to a detailed feasibility review of the information produced by that consultancy company. The review is under way and will consider the impact on road users and the costs of the scheme, and with consideration of local communities. The review is expected to conclude by January 2026 and National Highways has committed to provide the outcome of this work by the end of January. I look forward to receiving the report, alongside the hon. Member and other stakeholders.

The hon. Member mentioned traffic impact assessments. National Highways understands the impact this work will have on the region and has undertaken an assessment of the impact on traffic flows of the proposed traffic management arrangements. In line with standard practice, National Highways has prepared and shared a traffic management strategy with stakeholders, which will be refined into detailed plans as we approach construction in spring 2027.

I fully understand the hon. Member's concerns regarding the impact of road closures during the construction of this project. These are legitimate and important considerations for local communities and road users alike. National Highways has no intention of inconveniencing road users, but it accepts that, due to the nature and scale of this type of work, especially where there is a need for road closures, some level of disruption is unavoidable. However, let me assure him that National Highways is committed to carefully reviewing the proposals submitted for temporary slip roads.

The M6 Lune gorge project represents an essential renewal of the strategic road network—a critical transport corridor in our country. The scheme is not simply about replacing infrastructure; it is about safeguarding connectivity, supporting economic growth and ensuring the safety and resilience of a route that serves thousands of road users every day. Without sustained and strategic investment, the strategic road network risks deterioration, which would constrain economic growth, erode productivity and lead to significantly higher long-term costs. I am sure that the hon. Member will agree that investing in the maintenance and renewal of our road network ultimately benefits the whole community.

This Government, working in close partnership with National Highways, are fully committed to delivering this project in a way that minimises disruption to road users and local communities. That is why every effort is being made to plan carefully, communicate clearly and implement measures that reduce inconvenience wherever possible.

I thank the hon. Gentleman for bringing this matter for debate and for his continued advocacy on behalf of his constituency. I welcome ongoing engagement with him following National Highways' review of the additional slip road proposals, and as this important project progresses to see what we can achieve to provide a positive outcome for road users and all stakeholders, including his constituents.

Tim Farron: I feel that the Minister is about to conclude, so I just want to press him on the meeting with myself and the local community. Is he willing to do that? He is welcome to come to Westmorland, but we would happily come down to see him here.

Simon Lightwood: As I mentioned, I think it would be a good idea to wait until January to understand the outcome of the assessment that National Highways is undertaking on the slip road proposals.

Question put and agreed to.

10.26 pm

House adjourned.

Westminster Hall

Monday 1 December 2025

[PAULA BARKER *in the Chair*]

Children's Wellbeing and Schools Bill

[Relevant Document: Second Report of the Education Committee, Scrutiny of the Children's Wellbeing and Schools Bill, HC 732, and the Government response, HC 925.]

4.30 pm

Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): I beg to move,

That this House has considered e-petition 722377 relating to the Children's Wellbeing and Schools Bill.

It is always a pleasure to serve under your authority, Ms Barker. As Chair of the Petitions Committee, it is a privilege to open these petitions debates. I do find it extraordinarily encouraging that so many members of the public are actively engaging with the Government and, in this case, engaging with legislation that is passing through Parliament.

The e-petition was created by Michelle Zaher, who is in the Public Gallery. Prior to the debate, I had the pleasure of speaking to Michelle to understand the motivations behind the creation of this petition. She explained to me that she believes that the implementation of the Bill falls far short of addressing the real problems in the education system, and that instead it tightens controls on parents and educators without consultation.

There are a plethora of reasons why signatories of the petition believe the Bill needs to be withdrawn, but the primary concern that came out of my conversations in preparation for this debate was the lack of consultation with key stakeholders in the Bill's development. The Bill has the opportunity to embed children's wellbeing at the heart of our education system and to create lasting safeguards and opportunities that no amount of voluntary guidance could match. However, those who signed the petition believe that the Bill does not do that, and that it should be withdrawn before it goes any further. We are here to debate their concerns.

Before we start the debate, I note that we still await the White Paper for the schools section of the Bill, so we approach the debate on the legislation without the full picture before us. I shall begin by outlining what the Bill aims to do. To put it simply, the Bill is set to prioritise children's needs and raise standards for every child across the whole of England. It introduces mandatory participation in education, safeguarding, clear information sharing and multi-agency child protection teams. In an ambition to tackle inequality, the Government have included measures to support kinship carers and care leavers, and to provide free breakfast clubs in primary schools.

Crucially, the Bill seeks to remove unnecessary barriers in our schools by limiting branded uniform items, standardising teacher pay and conditions across academies, and establishing registers to safeguard children not in school.

Gregory Stafford (Farnham and Bordon) (Con): I thank the hon. Gentleman for outlining the Government's supposed intention for the Bill, but is he aware that Amanda Spielman, the former Ofsted chief inspector, said that this Bill was "very likely" to have a detrimental effect on children's education?

Jamie Stone: I thank the hon. Member for his intervention. That point was made in the consultation I had before this debate.

To continue, the Bill proposes wellbeing co-ordinators, structured mental health assessments and greater collaboration with community health services to embed wellbeing alongside literacy and numeracy as part of what every school must nurture. These are noble aims. Heaven knows, if a child is struggling mentally, they are not going to learn very much about trigonometry, are they?

We must approach the issues that campaigners have with the Bill. Previous Governments have spent decades giving academies and trusts more and more control, only for this Government to take it away again. Sometimes the best way to support wellbeing is to give schools freedom, not more top-down rules. In some instances, an attempt to standardise pay would mean giving our teachers in academies pay cuts. School groups have emphasised to me that the importance of local decision making cannot be underestimated.

Andrew Cooper (Mid Cheshire) (Lab): Perhaps I have misunderstood, but I am sure that the Minister has clarified that the standardised pay across the sector should be a floor, not a ceiling. Can the hon. Gentleman confirm that that is his understanding too?

Jamie Stone: It will be interesting to see what the Minister says on that. Perhaps there is a little bit of misunderstanding on that issue. Let us leave it at that.

Teachers, parents and local authorities often know best what their children need—far more than we in Westminster ever could. They understand their communities and deserve to be trusted and, I believe, properly consulted.

The Bill also reaches into the world of home education, with measures such as a national register of children not in school, requirements for local authority consent to home school in certain cases and powers for councils to intervene if a home environment is deemed unsuitable.

Mr Will Forster (Woking) (LD): I thank my hon. Friend for the way he is introducing this petition. I am sure he is aware of the case of my murdered constituent, Sara Sharif from Woking, who was abused, tortured and murdered. The safeguarding report that came out last month highlighted the failings in the home schooling system and the fact that a register is needed. Does he agree that parents should lose the right to home school in the event of child safeguarding concerns?

Jamie Stone: In proceeding with a Bill of this nature, that precise point has to be taken into account and weighed in the balance, because it is a matter of getting it right. That is precisely the reason behind the petition. I stress that many people think that we are not getting it right at this stage, but improvements can be made.

It is a fact that more families than ever are turning to home schooling. Some do it because the nearest school is miles away or parents deem it to be teaching to an

[Jamie Stone]

inadequate standard; others because their child thrives better with one-on-one attention and teaching, perhaps for special needs that a standard classroom cannot accommodate. Campaigners for home education—some of whom I heard from in preparation for the debate—fear that the Bill amounts to an attack on their parental rights.

Chris Hinchliff (North East Hertfordshire) (Lab): I apologise in advance, Ms Barker, for the fact that I cannot stay for the full debate because I have been assigned to a Delegated Legislation Committee. I want to echo the concerns of my constituents, many of whom are home educators, about the legislation. Will the hon. Member join me in calling on the Government to put firmer safeguards on data security in the Bill, provide clear protections in the legislation for parental responsibility to decide what education is in their child's best interests and ensure that the Bill does not try to force home educators to fit into school-style timetables?

Jamie Stone: I am sure that is a wise intervention. I should imagine that we can all take heed of it, including the Minister.

The parents I mentioned previously argue that legislation for the regular registration of what learning has taken place in the home limits a diverse community where learning might be child-led one day and structured the next—all tailored to individual family needs. Those parents also spoke to me about their unease concerning the reach of new information-sharing duties and the requirement for child registers and unique identifiers. They fear overreach, diminished family autonomy and the erosion of parental rights, particularly where home education is concerned.

I should also add that I have been approached by religious groups that have serious concerns about the Bill as currently drafted. They believe that it fails to recognise the vital structure of education in stricter religious communities. In the case of Jewish children who attend yeshiva alongside homeschooling, for instance, the Bill seeks to pigeonhole the method of schooling that a yeshiva provides within two categories that do not apply to it. It has been argued that the lack of proper consultation with affected groups means that under the current proposals, yeshiva schools would be forced to close their doors.

The sheer scope of the Bill means that there are numerous factors about both wellbeing and schools that require thorough discussion. There is a substantial array of groups with specific grievances about particular clauses in the Bill. I hope that there will be sufficient space in the debate this evening and in the days, weeks and months ahead for those cases to be heard and considered properly. I see that a good number of colleagues have joined us for the debate, for which I am grateful as Chair of the Petitions Committee. I will conclude my remarks to allow everyone to participate.

4.39 pm

Andrew Cooper (Mid Cheshire) (Lab): It is a pleasure to serve under your chairmanship, Ms Barker. I begin by thanking the petition organiser and all who engaged with it. Like many colleagues from across the House, I entered politics because I wanted to make sure that all children, regardless of their background or circumstances, had the opportunity to have the best start in life. I am sure that that is also the motivation for the majority of those who signed the petition, even if we might disagree that the Bill represents positive progress. Although the petition primarily addresses the school reform aspects of the Bill, it is important to underscore the significant child protection measures it contains that would be lost if the Bill were withdrawn as the petition proposes.

The measures broadly enjoy cross-party support and have been developed following what we have learned when things have gone tragically wrong. One of the most significant protections is the introduction of a single unique identifier for every child, an innovation that will transform how we monitor and safeguard children throughout their educational journey. With a unique identifier, schools, social services, the NHS and other agencies can securely share essential information, ensuring that no child slips through the cracks. Instead of scattering attendance records, safeguarding concerns and progress across disconnected systems, this approach brings everything together. For a child at risk, perhaps moving between schools or facing hardship at home, this identifier becomes a vital thread linking their past experiences to the support they need today.

Time after time, when a serious case review occurs and the resultant review looks at how it could have been prevented, featuring in there somewhere will be poor communication and a failure to connect the dots between agencies. The unique identifier is a key step towards preventing that from happening. Safeguarding cannot happen in silos. That is why the Bill creates multi-agency child protection teams, bringing together professionals from education, health, social services, mental health, housing and law enforcement. When the teams work collaboratively, risks are identified earlier and responses are more effective. For children living in unstable homes, struggling with mental health challenges or at risk of neglect, the joined-up approach can become life changing.

Safeguarding is only part of the ambition, however. True wellbeing depends not just on safety, but on opportunity. That is why the Bill also focuses on raising standards and strengthening support across schools. When education and wellbeing work hand in hand, every child has the chance to thrive academically and personally. The mission that lies at the heart of the Bill is to break the link between a child's background and their future success. I believe that part 2 is fundamental to that mission. *[Interruption.]* The right hon. Member for East Hampshire (Damian Hinds) is welcome to intervene.

School reform is about creating the conditions for success. The introduction of regional improvement for standards and excellence teams will lead efforts to improve attendance and behaviour. The teams will provide the expertise and focus needed to tackle persistent challenges and support schools in creating environments where every child can flourish. The clear expectation is that schools employ qualified teachers and teach the national curriculum. Those are the foundations of a high quality education system, ensuring that every child, wherever they live, has access to excellent teaching and a broad, balanced curriculum.

Academy reform is about clarity and accountability. We have seen trusts that deliver exceptional support, helping schools raise standards and share expertise effectively. But we have also seen cases where that support has been absent, where performance has declined and communities have had little influence over improvement. The current system has grown fragmented and inconsistent. Structures alone do not guarantee success. What matters is the quality of teaching, the leadership and the support a child receives at home. The reforms will restore coherence and ensure that every school is part of a system focused on outcomes, not organisational labels. It is time to move beyond debates about governance and put standards at the heart of the conversation.

Other measures tackle barriers to learning head-on. Free breakfast clubs in every state-funded primary school will ensure no child starts the day hungry. Limiting branded items in school uniforms will ease cost of living pressures and promote inclusion.

Gregory Stafford: On the point about branded school uniforms, headteachers in my constituency have often bulk bought school uniforms through a supplier, so it can be more cost-effective to buy the uniform through the branded supplier than to buy it on the high street. Surely what the hon. Gentleman suggests could have a perverse outcome. Does he not think that if branded items can be bought at a cheaper cost, they would be better than buying off the peg?

Andrew Cooper: That is an interesting approach; it is a shame that has not been rolled out more widely. That is not the experience in the schools in my constituency. Across the population, the measures in the Bill will reduce costs for all. That is my view; the hon. Gentleman is welcome to his.

In short, the Bill is about ensuring that every child is safe, supported and given the chance to succeed. To withdraw it would be to turn away from that vision. Instead, we must commit to a future in which protection and education go hand in hand and no child is left behind.

4.45 pm

Bradley Thomas (Bromsgrove) (Con): It is a pleasure to serve under your chairmanship, Ms Barker. I thank the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for introducing this important debate.

Home education is often misunderstood. Some dismiss it as children avoiding education. Others portray it as an isolating environment, and even a potential safeguarding risk. Although that may be the case in the smallest handful of instances, the reality is that the large proportion of home educating families are those who have been let down by the state education system and act in the best interest of their child. For them, home education is not the easy choice but, often, a lifeline—a vital alternative for children who do not "fit" within the confines of mainstream schooling.

Families turn to home education for many reasons. We might be talking about children who have medical needs or anxiety and have been pressured out of school, those excluded because of unmet special educational needs, or those enduring unresolved bullying. Some parents make a philosophical choice to educate outside the mainstream system. This discretionary right, exercised by parents and guardians, allows learning to be flexible, personalised and responsive.

Taking away the option to home school through a poorly designed policy that fails to recognise the context and individuality of each home education journey is yet another example of the Government refusing to listen to communities they do not understand. We saw that with the changes to agricultural property relief and business property relief for farmers, and we saw it with the unjustified housing targets imposed on rural communities. We now see it again—this time with thousands of home educators' pleas being ignored.

Despite the Government's unwillingness to listen, I have had the pleasure of meeting numerous constituents and campaigners to discuss the potential impact of the flawed Bill and to listen to their individual stories. One has a child with Down syndrome and attention deficit hyperactivity disorder, and another who is autistic, with global developmental delays and dyslexia. They were overwhelmed and dysregulated by the one-size-fits-all design of the school system, but now they are home educated and can truly thrive in a personalised learning environment.

Another person I met has a child with ADHD, autism and dyslexia who was severely bullied in two separate schools, leading to serious mental health struggles. For the wellbeing of both the child and the wider family, the child had to be removed from school and is now home educated and safe from ever enduring that traumatic experience again. Those are just two families among the thousands who have exercised their discretionary right to home educate their children in their and their family's best interest.

Gregory Stafford: I am grateful to my hon. Friend for outlining the situations in which his constituents find themselves, as mine do in many cases. Is he as concerned as I am that mandatory registration for home education essentially risks treating every parent as a potential safeguarding concern, rather than recognising the fact that they are doing their absolute best for their children? They absolutely want to comply with the law and should not be treated as criminals in the first instance.

Bradley Thomas: I agree wholeheartedly. My hon. Friend demonstrates the perverse reality of what is proposed, in that these parents and children are often seeking to break away from being a one-size-fits-all family, but they are being pushed into a one-size-fits-all approach that risks stigmatising home education and the very children who benefit from it.

Importantly, in the instances that I have cited, both families will be adversely affected should the Bill progress to further stages in its current state. As many home educators have argued, the Government, schools and local authorities are not the ones witnessing the emotional breakdowns before and after school. They are not the ones being forced to watch their children's health deteriorate because of unsuitable environments. They are not the ones supporting them at medical appointments or sitting up with them late at night.

A decision to home educate is not often taken lightly. Parents and guardians weigh up the benefits and consequences of all education options. If, after that careful deliberation, a parent or guardian, who knows their children best, chooses to take the leap into home education and provides a safe, stable and nurturing environment, they should be free to continue with that choice.

Mr Forster: The hon. Member heard me talk earlier about safeguarding concerns. Although home education can have huge benefits to families, does he agree with the Children's Commissioner, who has said that the proper oversight of children being educated at home is important, and that councils should be required to sign off on home education requests for the most vulnerable children?

Bradley Thomas: The hon. Gentleman makes an incredibly valuable point that none of us can disagree with in principle. Safeguarding has to be a foundation of the education system. The point is that the Bill attempts to provide a one-size-fits-all approach, but it does not quite strike the right balance. In the process, many families feel they are being stigmatised.

It is not disputed that stronger safeguards for vulnerable children are essential. It is a tragic reality that many children in abusive or neglectful homes are safer at school than they are at home, but to push all home educating families into that category is not only an insult to the vast majority of responsible, caring families who turned to home education because of failures in state schooling, but a potentially greater safeguarding risk, as it stretches already limited resources even further. Requiring local authorities continually to assess and investigate perfectly safe environments diverts time and resources from children in genuine danger and urgent need of protection. BBC reports reveal that local authorities are set to face a funding shortfall of more than £5.7 billion by 2026-27. The Children's Commissioner has warned that this crisis poses a direct threat to the wellbeing of children and young adults.

Meanwhile, the number of school pupils with education, health and care plans surged by 71% between 2018 and 2024. Consequently, local authorities have amassed severe deficits in their high needs budgets, with the Institute for Fiscal Studies estimating a total shortfall of at least £3.3 billion at the end of last year. The Bill risks compounding the problem by stretching already overstretched resources, deepening financial pressures and weakening the fight against safeguarding risks. Thousands more children could be forced into placements within overcrowded schools, further exacerbating the crisis.

A Public Accounts Committee report published at the start of this year concluded that the special educational needs system is inconsistent, inequitable and not delivering in line with expectations, which inevitably undermines parents' confidence in it. The Office for National Statistics predicts that 1.5 million children aged 10 to 15 experience in-person bullying. Which of the figures I have outlined offers any reassurance that children and young adults with complex needs or traumatic pasts would be properly cared for if removed from safe, personalised learning environments?

Andrew Cooper: The hon. Gentleman is absolutely right to identify many of the reasons why parents choose to home educate. It quite often is as a result of bullying or an unmet special educational need. But under our current system, local authorities are not aware of the reason why somebody chooses to home educate. Under the Bill, parents will be required to provide that reason to local authorities. That might flag up to the local authority that there is a bullying problem at a school, or that there is a problem with the way special educational needs are dealt with. Does the hon. Gentleman accept that making that information available to the local authority is a plus that the Bill will deliver?

Bradley Thomas: The hon. Gentleman is right that it potentially could flag up those things; equally, it could be another burden on local authorities that are under-resourced to fulfil the requirements. It also could place a burden on parents and families that feels like stigmatisation.

The right balance must be struck between strengthening the safeguards for children and young adults and ensuring that the new legislation does not unintentionally harm thousands due to a one-size-fits-all approach. Rather than demonising all home educators and introducing measures that, in practice, will fail to improve many children's wellbeing, the Government should redirect their focus towards improving support for SEND provision and children's social services, ensuring better working relationships between home educators and local authorities, and fostering school environments that actively tackle bullying and rising classroom violence.

4.54 pm

Gideon Amos (Taunton and Wellington) (LD): It is a pleasure to serve with you in the Chair, Ms Barker. I am grateful to my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for introducing this really important debate. My feelings are very much aligned with the around 300 people in my constituency who signed the petition. At the heart of this debate is a fallacy: that children are more at risk in home educating families than they are at school. In fact, the figures show the exact opposite. I will come back to that point in detail.

My concerns are about not only home educating families but rural schools and rural environments, where the limited resources mean that the Bill's more onerous requirements on schools could drive some smaller rural schools out of the system and lead to them being closed. Rural areas have fewer and smaller schools, and rural schools have fewer administrative resources to deal with the new administrative burdens such as supporting staff to meet the new qualified teacher status requirements, dealing with increased monitoring, handling fluctuating pupil numbers and budgets, and so on.

There are significant risks to small rural schools that may well lead to even more pupils ending up in home education settings as a result of the lack of choice and lack of diversity of supply in rural environments. If pupils do end up in home educating families, they will find the environment is even harsher and the support from the Government is even more non-existent than it was before, and that the general environment is less and less helpful.

We have to take concerns about safeguarding seriously, as every hon. Member across this Chamber would agree. My hon. Friend the Member for Woking (Mr Forster) has done serious work on that issue. I am happy to accept some of the Bill's provisions, but there are real concerns about its more onerous requirements. I have significant concerns about the single unique identifier in particular. Let us remember that it gives any public body the ability to share any information, whether or not it is right, correct and accurate, without the knowledge or consent of parents. Anyone who thinks the public sector is good at looking after our data, and getting it accurate, has probably been living on the moon.

Gregory Stafford: Some weeks ago we had a debate in this Chamber about a petition signed by over 3 million people who oppose a national identity card scheme. Does the hon. Gentleman agree that if those people knew the details in the Bill, they would be equally shocked and concerned?

Gideon Amos: I very much agree with the hon. Gentleman. All the concerns that lead me to oppose digital ID cards also lead me to oppose a digital ID for all our children. As the campaigners behind the petition have stated:

> "Once children's data is out there it cannot be controlled nor put back in the box."

I could not agree more.

According to the Government's own reports, 58 critical Government IT systems have significant gaps in cyber-security. Is that the kind of system into which we wish to put all our children's details? Is that the kind of system that anyone wishes the data of their children and grandchildren to be put into? I do not think so. The Metropolitan police lost the details of 47,000 of its own officers. Let us take that as an example of how the public sector handles data, and consider whether we really want to provide the power to share data about our children across all public bodies: councils, social services departments, health authorities, schools, academies and all the rest of them.

As I said earlier, it is often held to be the case that home educating families are unsafe environments, but the evidence shows the opposite. Only 11% of section 47 child protection inquiries into home educating families result in a child protection order being put in place, and such families are proportionally subject to far more child protection inquiries than non-home educating families, so they are massively over-represented within that cohort. The figures for children who are at school show that not 11% but 26% of inquiries result in child protection orders. Bearing in mind that a greater proportion of home educating families are investigated than families with children at school, a far greater proportion—more than double—of investigations of families with children at school result in a child protection order. The facts are evident: it is not appropriate to stigmatise home educating families.

I am extremely grateful to my hon. Friend the Member for Twickenham (Munira Wilson) for proposing an amendment to the Bill so that home educating families would not have to pay examination fees to take exams. There is zero support for home educating families. The Bill brings in even more stigma against those families. The amendment was defeated.

There is nothing in the Bill that will support home educating families, many of whom, as we have heard, are families with disabled children. A much higher proportion of disabled children are represented in the home educating community than in the school community, for the reasons we have heard—because special provision is not there and SEND provision cannot be obtained where it is needed, so many families give up on the school system. Some families need to keep their children safe so provide education at home. The vast majority of those families do so safely, putting incredible hard work into the education of their children.

Instead of the stigma put forward in the Bill, there should be support for home educating families, more work locally, more positive relationships between home educating families and local authorities, more positive work towards improving the education offer for those children and more support for those families at a difficult stage in the education of their children, many of whom will go back to school or college later on in life.

5.1 pm

Liam Conlon (Beckenham and Penge) (Lab): It is a pleasure to serve with you in the Chair, Ms Barker. The Children's Wellbeing and Schools Bill is an important piece of legislation for this Government. Among other things, it will drive higher standards in our schools, put more qualified teachers at the front of classrooms, bring down the cost of uniforms for families and create a new duty to establish multi-agency child protection teams. It is right that the Government are looking to implement the Bill, including all the measures around home educating.

I will talk about two things in particular: first, the provisions for children who find themselves between hospital, home and school; and secondly, home educating. I speak not only as an MP on behalf of constituents, but as someone with vast personal experience of educational interruption and learning in non-traditional settings. When I was 13, the day after we broke up for the summer holidays in year 8, I had a freak accident in which I shattered my right hip and did irreversible damage to my back. From that point on, I did not walk for four of my teenage years, and I did not have a full year at school from years 9 to 12. Instead I received a mixture of home education, teaching at the Royal London hospital in Whitechapel in east London and school. When I eventually did return to school, I went back a year, which was not a great experience and was a reminder of why people do not want to wind up in the year below.

I know that learning in non-traditional settings does not need to hold children back. There are challenges in delivery, despite the hard work that staff and parents put in, but these can be overcome. Having returned recently to the Royal London, I have seen the progress made in the provision of home education and education on the wards, overcoming many of these challenges. Children are now taught by a dedicated hospital school, with three onsite classrooms at the Royal London, strong provision of information and communication technology and partnerships with organisations such as the London Symphony Orchestra and the National Portrait Gallery.

This morning, before I came to Parliament, I had the pleasure of visiting the Bethlem Royal hospital in my constituency, which is the world's oldest psychiatric institution, founded in 1247. It has a thriving hospital school that I have had the pleasure of visiting many times. I have also visited hospital schools at King's and the Princess Royal University hospital, which serve my constituents.

I have raised this with the Minister before, and I know she is dedicated and committed to it: we must make sure we reflect the experiences of children who find themselves between multiple settings—hospital, school and home. Often, that can be done in parallel. I can remember being in hospital one week, at home the following week and in school the next. There are challenges in delivering that. However, I hope this Bill will reflect on that, and I know that Minister is very committed to that.

[Liam Conlon]

I also want to touch on the importance of home educated learning. Given my experience of home education at times, I have been pleased to engage with home educating families in my constituency. That has included individual surgeries with parents and a roundtable with parents and students during UK Parliament Week, which included dozens of families and children—I told Corin, Adelaide, Peter, Harper, Paige and Addison that I would mention them today. Addison is here in the Gallery today with his mother, Penny. During these interactions, parents, as well as children such as Addison, have carefully laid out their concerns with the Bill, including issues around the right to remove a child from school, what constitutes a "suitable education" under the Bill and the administrative burden that the Bill could place on parents. Today, I wish to bring those to the attention of the Minister.

First, under the Bill, removing a child from school would create a requirement for local authority consent before placing children in a special school or for those on a child protection plan to be removed from school. The local authority must consider the child's best interests in that decision. Some children in special schools require complex, specialised care, and so it is right that local authorities ensure they would be best served by being home educated. However, parents are concerned about how local authorities, many of which are stretched thin and have let down parents before, will interpret this requirement. In Bromley, we have a Conservative-run council with some of the highest waiting lists for EHCPs in the country, and I can understand why parents who have tried to interact with that council before would have concerns about it having authority over whether they can remove their child from school.

My second point is on the definition of what constitutes a "suitable education". The Bill requires local authorities to issue school attendance orders in cases where it appears that a child may not be receiving a suitable education. We know that children learn differently. Take Addison, my constituent here today. He is certainly learning through attending this debate, but his family may worry that activities such as this will not be classified as contributing towards a suitable education. That is a particular concern for some children with SEND, who may struggle to learn in a traditional setting but thrive in other contexts. Our approach to education and what we define as being suitable must account for this.

My final point on this Bill is its potential administrative burden, something I have raised previously in education oral questions—I thanked the schools Minister, my hon. Friend the Member for Whitehaven and Workington (Josh MacAlister), for his reassurance then. Many parents worry that they will have to submit large volumes of data as a result of the Bill. The way the Bill requires data to be collected does not square with the realities of home education. Will the Minister reconfirm that it will not be a requirement of the Bill for families like Penny and Addison to report on things such as accounting for Scouts groups in the evening or football activities—things that we would not ask other families to do? I know that has been said in the House previously, but that reconfirmation would be great.

I would like to touch on solutions and conclusions, and I hope that the concerns I have raised will be taken into consideration. In particular, on all sides of the House we need to do a lot more work and thinking about how we support the tens of thousands of children who find themselves between hospital and school every single year, and the inequalities and disparities between some hospitals that have lots of resources—such as Great Ormond Street hospital, the Royal National Orthopaedic hospital and the Royal London, where I was—and other hospitals across the country.

It is also my belief that none of the issues with the Bill that I have raised today represent innate, fundamental flaws in its logic. Instead, they represent risks in the implementation. There are risks that I, as well as organisations representing SEND and home ed parents, believe can be mitigated through minor changes and strong statutory guidance that considers the concerns of parents. Importantly, the statutory guidance must account for the plethora of different situations that local authorities find themselves in when it comes to SEND, and the different approaches that they may attempt to take. If we are successful in doing this, we can ensure that all children are protected while properly preserving the rights of those who wish to home educate their children, such as those dedicated parents I have in my constituency.

5.8 pm

Damian Hinds (East Hampshire) (Con): It is a great pleasure to see you presiding, Ms Barker. This has been a good debate, and very good points have been made by hon. Members on all sides, including the hon. Member for Beckenham and Penge (Liam Conlon), who has just spoken. This is a rare and important opportunity to talk about the vital role of hospital schools.

I do not intend to go through every measure in this Bill in detail; we did that at Committee stage, and I took that opportunity to go through many of its measures then. However, I will make a few broad observations about it. First, there are things in this Bill that we like. There are things in this Bill that were in the Conservatives' earlier Bill, and we should all welcome some of the moves on, for example, multi-agency safeguarding, the expansion of the role of virtual school heads, and so on. Let us be clear—and Ministers, I am sure, will not try to say this today—that if the Government say that they want to withdraw the Bill, it does not mean that they do not like any aspect in it. Ministers are in charge of the Parliamentary timetable and are perfectly capable of withdrawing a Bill, noting that it is nicely set out in discrete units, and coming back the next day or the next week with a better Bill that does not include the bad bits and but does include the good bits.

To be clear, there are many things in the Bill that it would be better to be rid of. It is, I am afraid, a mix of trying to fix problems that do not exist; some retail offers, at least one of which is set to backfire with significant long-term consequences; an over-invasive approach to parents exercising their right, and thereby often giving up a great deal personally, to home educate; and worst, an attack on the school freedoms that have underpinned the great performance improvements that we have seen in schools in England over the last decade.

Let us remind ourselves what that record is. Our primary school readers are now the best in the western world. At secondary, our performance has improved from 27th to 11th in maths and from 25th to 13th in reading. The attainment gap has narrowed, and children eligible for free school meals are now 50% more likely to go to university than they were in 2010. What drove that improvement? It was standards and quality; brilliant teachers with autonomy and accountability; a knowledge-rich curriculum and proven methods, such as synthetic phonics and maths mastery; and a system in which schools learned from schools, with a hub-and-spoke network for different subjects and disciplines. But most of all, it was about academy trusts, where schools could learn from one another.

We knew that that system would drive up standards only if it also ensured diversity and parental choice. People need clear information, which is why Ofsted reports are so important, and why Progress 8 replaced the previous, contextual value-added measure, as a much better way of measuring children's progress at school. That choice is necessary, which is why academies and free schools were at the heart of our approach.

I am sad to say that, all the while, there was what statisticians call a natural experiment going on. While those reforms were being pursued in England, in other nations of the United Kingdom—in Scotland and particularly in Wales—they were not. If anybody doubts the benefit of these reforms, they have only to look at the comparative results of the different nations of the United Kingdom.

The Government have already stopped new free schools, and this Bill stops more schools getting academy freedoms and erodes the freedoms of existing academies. I have said that the Bill seeks to fix problems that do not exist, and there is no evidence that academies pay teachers less than other types of schools, yet we have these new rules on the statutory pay and conditions framework. There is no evidence that there are armies of unqualified teachers marching through our schools. The proportion of teachers in our schools who are not qualified today is 3.1%. Can you guess what it was in 2010, when the Government changed, Ms Barker? It was 3.2%. There are good reasons to have unqualified staff in school sometimes. Then there is the national curriculum. Schools are already obliged to follow a broad and balanced curriculum, and they get measured on that by Ofsted, yet we now have a requirement in primary legislation to slavishly follow the detail of the national curriculum in its entirety, thereby removing the opportunity for any innovation and differentiation.

Alongside that, the Government have abandoned the EBacc, they are unpicking Progress 8 and, in parallel, they have moved the standard-setting function in technical and vocational education from an independent institute to a body that was first inside the Department for Education and then, inexplicably, moved into the Department for Work and Pensions.

Will the Government meet their targets? Of course they will, because they are in charge of deciding what counts as meeting the target. We saw that the last time Labour were in government, with the famous "five or more GCSEs at grade C or above". I counted 11 ways in which that statistic was massaged so that every year it looked like the results were getting better and better, when all the while we were tumbling down the international tables comparing attainment at school, and not only in the PISA results. The OECD survey of young adults' skills looks at countries across the OECD, and we were the only country in that survey where the literacy and numeracy of young adults who had newly left school were worse than those of the generation about to retire.

At least at that time, the then new Labour Government talked about academic excellence. Now, such talk is out of fashion, because it is believed that striving for excellence is somehow elitist. It is not—striving for academic excellence in state schools is the very opposite of elitism. It is what allows children and people from ordinary families to get on a level playing field with those who are in the elite. I say to Ministers, "Please, please don't undo the progress of the last decade and a half"—some of which, by the way, built on what their predecessors did in the new Labour Government.

Liam Conlon: Will the right hon. Gentleman give way?

Damian Hinds: I am coming very close to the end of my speech, and I think Ms Barker would want me to continue to allow for more speakers.

Paula Barker (in the Chair): It is entirely up to you.

Damian Hinds: In that case, I give way to the hon. Gentleman.

Liam Conlon: Does the right hon. Gentleman agree that what has not been conducive to education and preparing children for the best start in life, as I have heard from primary school teachers across my constituency, is the decimation of Sure Start, which provided children with the best start in life?

Damian Hinds: I am so pleased that the hon. Gentleman asked me about that, because it is one of the great slogans of his party. One of my favourite statistics, however—people can look it up; it is available in an official publication—is that there were more children's centres open in this country when I was Secretary of State for Education than in any year that Tony Blair was Prime Minister. The fact is that from 2008 to 2010, under Gordon Brown, there was a massive explosion in the number of things called a "Sure Start centre". Basically, people could go to any old building, stick a sign on it that said "Sure Start" with a rainbow, and that became a Sure Start centre.

The Education Committee, which is a non-partisan Committee of this House, conducted an inquiry in about 2011 or 2012 looking at Sure Start. We tried in chapter one to define what a Sure Start centre was, but we could not, because there was no actual design. One Sure Start centre that we visited had no children at all in it; some centres were fully fledged nurseries, family centres—you name it. There is very important work to be done with family hubs and other programmes. When we were in government, we made a huge increase in entitlements to early years education and childcare, which was a good thing to do.

Ms Barker, I said that I would finish shortly, and I will. I say to Ministers that they should please come back with a Bill that can achieve widespread support, but that does not include these damaging measures that will undermine and harm education and opportunity.

5.17 pm

John Whitby (Derbyshire Dales) (Lab): It is a pleasure to serve under your chairship today, Ms Barker.

[John Whitby]

Years of austerity have stripped out much of the vital support that young families once received through—dare I say it?—Sure Start. The number of children in care has risen by 28%, the number of children in residential care homes has more than doubled, and 4 million children are living in poverty. I have been to many schools where teachers and staff bring in their own food; we know they are spending their own money to feed children in the school. It is against that backdrop that the Government are looking to pass the Children's Wellbeing and Schools Bill.

Having been a foster carer for 25 years, a member of an adoption panel for a decade and the lead member of a tier 1 local authority, I recognise many of the problems that the Bill is trying to address and I fully support the Government's determination to protect children. I will concentrate on just a few aspects of the Bill today.

Rather than school staff having to put their hands in their pockets to feed children, we are rolling out free breakfast clubs. Of course, they will help with the cost of living by saving parents up to £450 a year and by ensuring that children get a good start to the day. Having visited a couple of our pilot schemes, I can also say that they seem to reduce the traffic chaos outside schools, as there is a steadier arrival of children at school throughout the morning.

Over the coming years, local authorities will have to create more specialist places to address SEND pressures. At the moment, far too many children are being sent to high-cost private provision. The Bill enables local authorities to respond to this issue by being able—once again—to build new schools and run them themselves.

As I have said already, the number of children in care has increased by nearly a third and the number of children living in residential care has more than doubled. The cost pressure of dealing with that has almost broken many local authorities, because there are nowhere near enough local authority places to accommodate such increases, so the majority of those children end up in high-cost residential placements. We know that excess profits have been made: in 2022, the largest 20 providers of children's residential placements made over £300 million in profit, all off the back of the taxpayer. The Bill introduces financial oversight of the costs of residential care and independent fostering agencies. We must be assured that the state is not being ripped off.

When those children—an increased number—have left residential care, they are going to need support. The Bill provides for the nationwide roll-out of the Staying Close programme, which increases the support for care leavers to find and stay in accommodation and get on a work-related path.

I appreciate that some parents worry that creating a register of home educated children will interfere with their ability to choose how they educate their child. It is therefore important to stress that the overwhelming majority of parents who home school do so with the best interests of the child at heart: there are children who currently cannot cope in a school environment; there are children who want to be in school, but there is currently no school that can meet their needs; and there are parents who simply feel that educating at home is in the child's best interests.

Gideon Amos: Does the hon. Gentleman agree that, in return for those extra controls, the Government or the Bill should offer some kind of support to home educating families?

John Whitby: I welcome support for all children, but I am trying to make the point that there is no negative judgment here. I say to those parents, "If you are doing nothing wrong, you have nothing to fear." I have also heard the Secretary of State say that privately and publicly.

Unfortunately, though, there are people—although very few in number—who, when they start to be asked difficult questions by the authorities, move school, move house or take their child out of school to avoid scrutiny. It is only right that local authorities should be allowed to refuse home education for a child who is subject to a child protection plan or going through section 47 action. We need to know where children are and we need to keep them safe. There is no bigger reason to be in politics than to protect, safeguard and support our most vulnerable children. That is why I, for one, am here.

5.22 pm

Munira Wilson (Twickenham) (LD): It is a pleasure to serve under your chairmanship today, Ms Barker. I thank the Petitions Committee for granting this important debate. I also thank my hon. Friend the Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for so ably opening the debate. I pay tribute to the approximately 166,500 people who have signed this petition, including the 184 in my constituency.

There is much in this Bill that many of us can agree on, especially in part 1. During its passage there was cross-party support for the measures in part 1 to ensure that the Government go further in safeguarding and promoting the wellbeing of our children. Part 1 also includes the proposals for a single unique identifier, and I say to hon. Members concerned about it that I do not think it is the precursor to digital ID for our children. If hon. Members look at Professor Jay's report of the independent inquiry into child sexual abuse, one of the biggest issues in the system—as I heard when I met her earlier this year—is the lack of data sharing between different service providers, such as health, the police and social services.

Some of the young women and girls who were victims of grooming gangs across the country were regularly turning up in hospitals with sexually transmitted diseases, but that data was not being married up with what the police and social services were seeing. If data had been better shared, those issues might have been picked up. The Royal College of Paediatrics and Child Health strongly supports a single unique identifier for the same reason.

I fully agree with my hon. Friend the Member for Taunton and Wellington (Gideon Amos) that there are concerns about data sharing, data security and privacy that need to be tackled, and they were explored in detail in the Bill Committee, particularly by the right hon. Member for East Hampshire (Damian Hinds). Whether it is the NHS number or a different single unique identifier, however, it is an important provision for safeguarding our children and ensuring that we can better research their needs and commission services to meet them.

As a number of Members have mentioned, part 2 of the Bill feels a bit muddled, particularly the clauses that deal with academies, and in a number of cases it puts the cart before the horse. The right hon. Member for East Hampshire looks back at the last decade of Conservative Governments with rose-tinted glasses, but I gently remind him—

Damian Hinds: David Laws!

Munira Wilson: David Laws was not in government for the last decade of Conservative Governments; he was there for the first five years and he did some excellent things, not least introducing the pupil premium. I would say, however, that Conservative Governments left us with crumbling schools that are unable to hire specialist teachers, a crisis in special educational needs provision, and a huge problem with persistent absence.

Given those major issues in our education system, I am not quite sure why the Government have chosen to tinker with academies and governance arrangements as their priority for education policy, when there is limited evidence to suggest that a mixed economy of governance arrangements in our school system is posing a major problem. With the promised schools White Paper hopefully being revealed in the new year, although I think it has been delayed twice already, there is a question as to whether part 2 of the Bill was somewhat premature. I am increasingly wondering whether the Government feel the same way, given that the Bill keeps being delayed in the other place. By the time the Bill returns to the House of Commons, it will have been well over a year since it was first introduced.

When the Bill Committee consulted education leaders in January, the one strong message that came through was about how the Government went about drafting part 2 of the Bill. As my hon. Friend the Member for Caithness, Sutherland and Easter Ross set out, it was done with limited consultation and showed a lack of coherent vision for the school system; there was no White Paper and no consultation of those on the frontline or in leadership positions across the sector.

That lack of coherent vision and joined-up thinking seems to be a recurring theme for this Labour Government. They introduced free breakfast clubs, but they are not funding them properly. They have capped the number of school uniform items to three, but that will actually risk further inflating prices for hard-pressed families. They have proposed broadening the curriculum, which is something we welcome, and the Bill will make that statutory for all academies, but they have failed to set out the funds or a plan to recruit the necessary teachers to deliver it. During the Bill's passage, they voted against Liberal Democrat proposals to widen eligibility for free school meals, but they subsequently decided to copy the policy and announced that they will introduce it next year.

Throughout the passage of the Bill, the Liberal Democrats have sought to engage constructively with the Government by tabling amendments and new clauses that aim to improve the Bill and to address some of the concerns raised by the petition that we are discussing today. Given that the Government have already copied at least one of our policies, I hope that the new Minister, who is here today, might listen to some other good ideas in my speech and in the other place.

There is a real fear that this legislation, which is seeking to safeguard children who go missing from education, will over-police home educators, most of whom are doing a great job. I have been very clear at every stage of the Bill—I think there was cross-party support for this—that the Liberal Democrats strongly support having a register of children not in school to ensure that vulnerable children do not simply disappear from the system. We also strongly support the right of parents to choose to home educate, where that is the best option for their child.

In oral evidence to the Bill Committee, however, even the Association of Directors of Children's Services was circumspect about the vast amount of detailed information that the Bill will expect home educating parents to supply. That level of detail risks becoming intrusive and unnecessary. Many home educators choose to home educate their children not because they want to but because they feel forced to. There is a crisis in our special needs system, and so much special needs provision just does not meet the needs of those children, forcing many parents to give up work so that they can home educate their child. By virtue of their child's need, parents tend to be much more flexible in how they home educate, but the very onerous reporting mechanisms will interfere with the flexibility that parents need to provide for their children.

I tabled various amendments to try to pare back the burdensome nature of the register, as set out in the Bill. One amendment called for, at the very least, a review of the register's impact on home educators to be carried out within six months, to ensure that only reporting requirements that are strictly necessary for safeguarding purposes are retained. We also tabled an amendment that would have removed the requirement for parents and carers of children in special schools to secure local authority consent to home educate. Furthermore, we proposed that home educated children should not be excluded from national examinations because of financial or capacity constraints.

Sadly, the Government voted down all our amendments, but I encourage the new Minister to give serious consideration to relevant amendments tabled in the other place, because we must do more if we genuinely want to extend opportunity to every child. Our SEND system is letting down many children, and it is allowing a number of organisations with bad intentions to exploit the market failure in the system. I am talking about private-equity-run special school providers, which are making exorbitant profits, as they have with children's homes. They are exploiting the lack of provision to hold local authorities and parents to ransom.

The latest revelation in the Budget is that the Government will absorb the costs of SEND provision from local authorities, and the projected £6 billion black hole only strengthens the need to start capping the profits of private special schools. The Bill already makes provision to cap the profits of the same companies that are running children's care homes and fostering agencies, so I again ask the Minister to consider introducing the measure so that no child is left waiting because of a lack of resource, given that local authorities are being bled dry.

While I am talking about children being left waiting, I encourage the Minister to look at another Liberal Democrat proposal to automatically enrol every eligible

[Munira Wilson]

child for free school meals, so that no one misses out on a hot, healthy meal. Durham county council, under its previous Liberal Democrat-led administration, auto-enrolled 2,500 children, whose schools benefited from an additional £3 million in pupil premium funding.

It is not too late for the Minister to improve the Bill, which I do not believe needs to be withdrawn wholesale. Instead, with the help of the other place, it can be amended so that there is a strong foundation to improve safeguarding for our children and strengthen provision for them in our schools.

5.32 pm

Saqib Bhatti (Meriden and Solihull East) (Con): It is a pleasure to serve under your chairmanship, Ms Barker, and to speak in this very important debate. I thank the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for his opening remarks, and Michelle Zaher and all 166,498 signatories of this important petition, including 250 of my constituents. The petition calls on the Education Secretary to withdraw the disastrous Children's Wellbeing and Schools Bill, and states:

"We believe the Children's Wellbeing and Schools Bill is poorly drafted and does not stem from robust evidence. We feel the accompanying impact assessments are inadequate and may damage all children's educational opportunities. We believe the Bill is silent on children's voice and children's right to education. We also feel part 2 undermines parental responsibility for education and school leaders from ensuring their educational settings can optimise children's education and wellbeing."

I cannot fault that damning verdict, which summarises many of the huge inadequacies that are part of this woeful piece of legislation. I am clear that His Majesty's official Opposition share no enthusiasm for the parts of this Bill relating to schools in particular. To put our views simply, this legislation will trample over two decades of cross-party consensus that has seen the quality of an English child's schooling improve at a rate of knots.

It is beyond question that the previous Government drove up school standards across the country, and my right hon. Friend the Member for East Hampshire (Damian Hinds) made that point very eloquently. By the time the Conservatives left office in 2024, English schoolchildren were some of the best in the western world at English and maths. Moreover, 90% of our schools were rated good or outstanding, up from 68% when Labour were last in office. It is a record we are fiercely proud of, because those changes have benefited children across the country, have driven up social mobility and have given more young people the chance to succeed. This legacy is of enormous significance, but it is under great threat because of this woeful legislation.

The overwhelming consensus over the past 20 years—started by Tony Blair and improved by Lord Gove and Sir Nick Gibb—has demonstrated the profound benefits of giving schools and local trusts greater autonomy. The political consensus that created free schools, a knowledge-rich curriculum and academisation has brought enormous benefits. The Children's Wellbeing and Schools Bill ends that consensus. It is an act of pure educational vandalism that, tragically, is not backed up by any evidence that suggests it will improve school standards.

In 2024, academies represented 80% of secondary schools and nearly 43% of primary schools. They have been at the heart of the cross-party effort over the past two decades to improve schooling. We know that headteachers are better equipped to design curricula that benefit their students and communities, and they should be empowered to do so. The fact the Government disagree with that, despite an abundance of evidence suggesting otherwise, speaks volumes. The petition challenges this educational vandalism. It makes it clear that the impact assessments are totally inadequate and fail to show how effectively removing academy status will improve school standards.

Of course, the official Opposition are not alone in our objection to the Bill's provisions to effectively end the academies project. The Confederation of School Trusts is very concerned about the provisions that seek to remove the academy freedoms that have so greatly improved our education system. Even Lord Harris of Haringey, a Labour peer, has raised his concerns. He is on the record as saying that he cannot express his disappointment at what the Government propose in the Bill, and that it will

"undermine everything that so many people have fought so hard to achieve."

The Children's Commissioner, Dame Rachel de Souza, who is a former headteacher and the co-founder of the Inspiration multi-academy trust, has criticised the Bill, saying that Ministers are

"legislating against the things we know work in schools".

As has been alluded to, even Amanda Spielman, a former head of Ofsted, has called on the Education Secretary to abandon her plans

"before the damage is done".

Does the Minister take seriously those concerns, and the concerns of the 166,498 signatories? What will she do about them?

Before the Education Secretary imposes her union-backed policies on English schoolchildren, I remind Members present about Labour's record in Wales. My right hon. Friend the Member for East Hampshire made an excellent speech in which he highlighted Labour's track record, which reinforces the importance of the petition we are debating. Children over the border are being let down by Labour-run Wales. Welsh children have been unable to experience the same revolution in school standards that we have seen in England.

The Welsh education system is far behind the rest of the UK in the international league tables. As Onward's "Devolved to Fail" report makes clear, Wales is a huge outlier. The UK is ranked 14th among OECD countries in the PISA tables, but were Wales to be ranked as an individual country, it would come just above Vietnam, in 34th place. England moved to a rich, knowledge-based curriculum, while Wales continued to use a skills-based one. England introduced academies; Wales resisted and paid the price. Attainment in Welsh schools has stagnated so much that the average Welsh pupil performs only as well as the most disadvantaged pupils in England.

I also want to address the issue of homeschooling, which was mentioned by my hon. Friends the Members for Farnham and Bordon (Gregory Stafford) and for Bromsgrove (Bradley Thomas). As a parent, I believe in the liberty of parents to choose the best options for their children, but I also recognise that there is a balance to be struck, especially when it comes to safeguarding. The sad case of Sara Sharif has been raised; I draw the Minister's attention to the amendment tabled by

Baroness Barran in the other place, which states that if there is or has ever been a child protection plan, or if a child is in need, there must be local authority consent for them to be withdrawn from school. Will the Minister share her reflections on that amendment? I trust she is willing to work on a cross-party basis.

I want to put on record my concerns about the proposed three-item cap on children's school uniform, which is being advanced without due consideration of the harm it could cause to families, schools and businesses. As has been mentioned, it could actually inflate prices. The Government claim that the cap will make schools fairer, but the limit could also put pressure on pupils to wear the latest fashions, which often end up being much more expensive than a uniform. The practicalities are also significant, as has been raised in some of the meetings I have had on the issue, because the cap will cause nightmares for PE teachers and children playing sports. Will the Minister clarify the issues in respect of PE? In addition, the relevant part of the Bill will do significant damage to the specialist schoolwear sector, which has significant concerns.

Let me present some of the constructive steps that the official Opposition have taken to improve the flawed Bill. We have tabled several amendments that are aimed at preventing harm and improving educational outcomes, including in respect of proposals to ban smartphones during the school day; to ensure automatic exclusions for the possession of a knife, for sexual assault or for the assault of a teacher; and to move pupils who are permanently excluded twice out of mainstream settings. Banning smartphones would help to address the behaviour issues we see in schools, including social media-driven knife crime and the impact on attainment.

The Bill needs to be looked at again. There are some areas that the official Opposition can support, but overall, it is a wrecking ball that destroys 20 years of educational consensus and achievement. Today's petition is therefore extremely important, and I thank all the people who signed it. I hope the Minister can do them justice and reflect on some of the arguments I have made today.

5.40 pm

The Parliamentary Under-Secretary of State for Education (Olivia Bailey): It is an honour to serve under your chairship, Ms Barker. I thank the hon. Member for Caithness, Sutherland and Easter Ross (Jamie Stone) for introducing this excellent debate on a landmark Bill. I thank all colleagues for their contributions, and all those in the Public Gallery who have signed the petition, particularly Michelle and Addison, who have been mentioned by my colleagues.

My hon. Friend the Member for Mid Cheshire (Andrew Cooper) reminded us at the start of this debate—quite nicely, I thought—that we all share the same ambition to try to ensure that our children are safe and get the very best start in life. I thought that was an excellent way to start this debate.

The hon. Member for Bromsgrove (Bradley Thomas) told us that home educators are often misunderstood. I wanted to start by referencing that directly, because he is right that the vast majority of home educators are doing it in the best interests of their children—the Government and I absolutely recognise that home educators are doing it with the best interests of their children in mind—but he explicitly stated that we are taking away that option, and he was wrong to do so. That is categorically not what this Government are doing.

My hon. Friend the Member for Beckenham and Penge (Liam Conlon) shared his personal experience. As the Minister responsible for bullying and behaviour, I would say he is also right to say that he should not wind up the year below! He rightly spoke about the importance of supporting children before those settings, using his own experience powerfully. I thank all the staff of the hospital schools he mentioned today—Royal London hospital, Bethlem Royal hospital, King's College hospital and the PRUH. I would also like to give him the reassurance he seeks on the risk of bureaucratic, burdensome reporting requirements on home educating families. The Government are determined to ensure that there are no unduly burdensome requirements on home educating families.

Later in my speech, I will address some of the more substantive points that have been made in the debate. As we have heard, the Children's Wellbeing and Schools Bill is a wide-ranging piece of legislation, but at its heart, it is about protecting children and ensuring that they have the best possible education. It is also rightly described as the biggest single piece of safeguarding legislation for a generation. As we have heard today, the measures in the Bill cover four broad areas: easing the cost of living for parents, supporting children in care, keeping all children safe, and driving the best possible standards in our schools. I will expand on each of those points in turn.

First, the Bill puts more money back into parents' pockets at a time when all of us are feeling the impact of the cost of living. Introducing free breakfast clubs in all state-funded primary schools will save families up to £450 a year and drive improvements in behaviour and attendance. The claim made by the hon. Member for Twickenham (Munira Wilson) that we are not properly funding breakfast clubs is inaccurate. We have deliberately adopted a test-and-learn approach with breakfast clubs. In the first phase, we learned from schools, and in the second phase we have increased funding for breakfast clubs for the average school by 28%.

Damian Hinds: As a simple, comparative piece of maths, if the Minister is saying that breakfast clubs will save families £450 a year, how much money is the Department for Education providing to the school to provide that breakfast?

Olivia Bailey: As the right hon. Gentleman will be well aware, the breakfast club represents 30 minutes of free childcare, as well as a healthy breakfast. That is how we calculated the estimated cost savings for families. We have also increased the funding for schools, as I have just said, having learned from headteachers and schools, which has been widely welcomed.

We are also limiting the number of branded uniform items a school can require, a measure that could save some parents up to £50 per child during the back-to-school shop. Together, these measures could save up to £500 per child per year. The hon. Member for Meriden and Solihull East (Saqib Bhatti) asked about school uniform costs. I would like to take the opportunity to clarify this point: we are introducing the policy deliberately because

[Olivia Bailey]

we need to reduce costly expectations on parents in this challenging time for the cost of living. There will be three branded items that schools may use as they see fit. The hon. Member for Meriden and Solihull East mentioned sports clubs, and the Government are taking a common-sense approach here. If, for example, a school wants to loan some pupils its uniform or whatever it may be, it will be able to do that, as long as it is not a requirement for the child to wear it. We are taking a common-sense approach here, but it is important that we set out clearly that there are three branded items.

Munira Wilson: I strongly support the Government's objective of driving down the cost of branded uniform for families. Will the Minister look at the proposals that the Liberal Democrat tabled in Committee and on Report? We suggested that, instead of capping the number of items, we cap the cost, which would then be reviewed in line with inflation every year. That way, we would help to bring down the cost, because if we reduce the number of items, suppliers will just push up their prices, as they are selling fewer items. They might charge £100 for a blazer instead of £50. Our proposal would free schools to set their own uniform policy and let the market do its job by driving down prices for families.

Olivia Bailey: I thank the hon. Lady for her positive and constructive engagement on this question. Of course, the Government carefully considered the amendments that were tabled. My concern with her proposal would be the bureaucratic burden on schools. The simplicity of requiring three branded items can help us in that regard.

Saqib Bhatti: I am not trying to catch the Minister out here; perhaps she could write to me afterwards for clarity. She talks about a common-sense approach, but we are making it concrete in legislation. On the requirement for three branded items, would the school be in breach? Would the parents be in breach? What happens in that situation?

Olivia Bailey: I am very happy to write to the hon. Gentleman and set that out in detail, but let me try again. There will be a requirement for three branded items. That is the maximum that schools can require. They can choose where they would like to allocate those branded items, whether that be in the main school uniform or for PE. If a child joined a football team, for which the kit is not part of the three required items, then as long as the school does not require the pupil to wear that kit, they may, for example, provide a loan or say that they could buy it. I hope that clarifies the point.

Damian Hinds: The Minister says that the limit is three items, but actually, the limit is three in primary school, while I believe it is four in secondary school—she will correct me if I am wrong—so long as the fourth is a tie. Can she tell me for what reason a fourth is not allowed in primary school, if the fourth is a tie?

Olivia Bailey: I shall write to the right hon. Gentleman in extreme clarity on that point.

Secondly, the Bill's children's social care reforms will shift the system away from increasing reliance on residential provision, towards stronger early intervention and prevention. We want to keep families together as much as possible and, where children cannot remain at home, we want to support them to live with kinship carers or in foster families. Children's social care has the power to transform the lives of some of our most vulnerable children, and children in care deserve a childhood filled with love, support and access to the opportunities that will set them up for a successful life, but the system is not delivering that ambition. Through the measures introduced by this legislation, we will champion family group decision making, fix the broken care market, create powers to introduce a profit cap for providers, and provide a staying close support package to address the cliff edge that young people face when they leave care.

Thirdly, it bears repeating that this is the biggest piece of safeguarding legislation in a generation, delivering robust action to keep children safe from harm. The Government have challenged themselves, and will continue to do so, to stop children falling through the gaps by ensuring legislation introducing an information sharing duty and provision for a single unique identifier, and ensuring that implementation is as watertight as possible.

Sir Julian Lewis (New Forest East) (Con): I have come along to genuinely learn more about this and to ask a question about the single identifier raised by my constituent Catherine. She points out that the General Medical Council, in particular, has advised against using the NHS number to supply an effective identifier and that it should not be used outside the Department of Health and Social Care. Does the Minister recognise people's concerns about a possible loss of data? Does she accept that we do not want to be introducing a form of digital ID that might persist after the children become adults?

Olivia Bailey: I take everything that the right hon. Gentleman has said on board. I will come to the topics he raises in more detail in my speech.

The Government will also introduce new multi-agency child protection teams in every local area to make sure that agencies work together to protect children from harm as quickly as possible. We will also require local authorities to maintain registers of children not in school in their areas, such as home educated children and children missing education. Parents of home educated children will have a duty to provide information about them. That will help to ensure that local authorities can identify all children not in school living in their areas so that they can fulfil their existing duties to ensure that those children are receiving a safe, suitable education.

The Bill also introduces provisions requiring local authority consent for the most vulnerable children, or those with the highest needs, to be home educated. That includes those subject to child protection inquiries or plans and those enrolled in special schools. Home education can mean that children sometimes slip under the radar of services that are there to support them, so it is essential for those children that an additional check is undertaken before they are removed from school. That will help to ensure that home education is in their best interests and that they receive a suitable education.

Mr Forster: As the Minister will have heard, I am a bit more supportive of the Bill due to safeguarding concerns based on what happened with Sara Sharif in my constituency of Woking. However, I would also highlight the concerns about the way that Surrey county council failed to protect Sara. Although I am mindful of safeguarding concerns, does the Minister agree that the Government need to properly hold local authorities accountable and resource them to ensure that they can properly protect children? They are not doing that at the moment.

Olivia Bailey: I thank the hon. Member for his advocacy on this issue after the terrible events that led to Sara Sharif's death. He has been doing an excellent job of that. I very much agree that the findings in the report on that case are appalling. The Government are taking them extremely seriously and will continue to work with local authorities to make sure that children are kept safe.

Lastly, the Bill helps to ensure consistently high standards in our schools. If I may quote the right hon. Member for East Hampshire (Damian Hinds) , we are indeed "striving for academic excellence". Through our reforms to the academy system, we will give every family the certainty that they will be able to access a good local school for their child, delivered through excellent teaching and leadership, a rich, broad and high-quality curriculum and a pay floor for all teachers. We are designing a school system that supports and challenges all schools, allowing them to collaborate, innovate and drive excellence.

The hon. Member for Caithness, Sutherland and Easter Ross talked about the issues raised by Michelle Zaher and the hon. Member for Twickenham talked about evidence. The Bill is built on a robust evidence base that the Government have taken time and care to produce. The children's social care measures in the Bill build on extensive consultation over the last few years in response to three reviews calling for a transformation of children's social care.

Despite the many strengths and practices that have driven improvements across our school system, including transformational changes in phonics, professional development and strong multi-academy trusts empowering schools to collaborate and innovate, the fact is that the school system is not working well enough for all children. Standards vary widely and there is a stark contrast between the experiences of children in the best and worst schools.

The hon. Member for Bromsgrove talked about the children not in school register. Every child has the right to a safe and suitable education, whether they are educated at school or otherwise. We recognise that parents have a right to home educate and we know that many parents work hard to provide a suitable education for their children. Local authorities must identify children who are not in school and are not receiving a suitable education, but that existing duty is undermined by parents having no obligation to inform their local authority that they are home educating.

Statutory registers of children not in school, along with duties on parents and out-of-school education providers to provide information, will support local authorities to identify all children not in school in their area, including those not receiving a suitable education or at risk of harm, and to take action where that is the case. This was raised earlier, but crucially, parents will also be able to access tailored advice and information from local authorities, thanks to the new duty on local authorities to provide support should parents request it.

The hon. Member for Taunton and Wellington (Gideon Amos) raised concerns about the single unique identifier and the information-sharing duty. For too long, poor information sharing has been identified as a contributory factor to serious child safeguarding incidents. As outlined in "Keeping Children Safe, Helping Families Thrive", we are taking two important steps in the Bill to improve how services share information. First, we are introducing an identifier system for children to end misconceptions about the legal barriers to sharing information for the purposes of safeguarding and promoting the welfare of children. Alongside that, we are piloting the use of the NHS number as a SUI, starting with Wigan local authority. The pilot phase allows us to test the approach in practice, understand the implications fully and determine whether it should be mandated via future regulations.

Andrew Cooper: The right hon. Member for New Forest East (Sir Julian Lewis) raised concerns about the General Medical Council's view on this. Is the Minister aware that the Royal College of Paediatrics and Child Health is advocating the use of the NHS number? Is she therefore aware that there is a divergence of views in the medical community on this point?

Olivia Bailey: I am grateful to my hon. Friend for that useful contribution to the debate.

I am conscious of time, so I will conclude by once again thanking the hon. Member for Caithness, Sutherland and Easter Ross for presenting this debate. I also thank Members across the Chamber for an excellent debate and for their thoughtful contributions this afternoon. I would like to recognise the tireless efforts of schools, local authorities and the many organisations that champion children's wellbeing every day. The Bill will put more money back into the pockets of parents, reform our children's social care system, safeguard vulnerable children and drive rising standards in all our schools. As we continue the passage of this transformational Bill, our focus will continue to be on breaking down the barriers to opportunity and ensuring that every child is safe.

5.57 pm

Jamie Stone: As the right hon. Member for East Hampshire (Damian Hinds) said, it has been a good debate, although perhaps a little sparkier than I had first anticipated. As Chairman of the Petitions Committee, I must remain resolutely impartial in these matters. If we say that the overall impression of the Bill at this stage has some way to go, it is like the proverbial curate's egg—good in parts.

I particularly thank Michelle Zaher, who must take considerable satisfaction from the fact that the petition that she launched, with all the many people who support her, has achieved such a far-ranging and broad debate. The petitioners can take pleasure from how it has worked. That is how it works in the Petitions Committee: the petition has instigated a response from the Government. That is how we deal with petitions in this place. Ms Barker, thank you for chairing this debate.

Question put and agreed to.

Resolved,

That this House has considered e-petition 722377 relating to the Children's Wellbeing and Schools Bill.

Evacuation Chairs: Schools and Colleges

[SIR ALEC SHELBROOKE *in the Chair*]

6 pm

Jacob Collier (Burton and Uttoxeter) (Lab): I beg to move,

That this House has considered e-petition 706513 relating to evacuation chairs in schools and colleges.

It is a pleasure to serve under your chairmanship, Sir Alec, and a privilege to lead this debate on behalf of the Petitions Committee. It is especially appropriate that we are having the debate during UK Disability History Month, which asks us to recognise the realities faced by disabled people in our society and to confront the barriers that remain. Few things bring those barriers into clearer focus than the question of whether disabled children can evacuate safely from their school in an emergency. More than 100,000 people signed this petition, because they believe that every child deserves a safe and dignified exit from a building during a fire alarm or real fire, and that disabled pupils must not face greater danger than their friends.

I pay tribute to the petition's creator, 16-year-old Lucas Vezza-O'Brien, who is here with us in the Gallery today. He is joined by his mum, and by Nick from the Emergency Group, who has been supporting Lucas in his campaign and donated evacuation chairs to Lucas's school.

Lucas has shown incredible courage in reliving a horrifying experience so that other children will not go through the same ordeal. I want to start the debate with Lucas's story and the reason why he started the petition in the first place. In November of last year, a small electrical fire broke out at Hyde high school. Staff followed the procedures available to them. Pupils were evacuated, but Lucas, who uses a wheelchair, was taken to a designated safe area—rather than being evacuated with his classmates—because the school did not have an evacuation chair to bring him downstairs. He was led to a room on an upper floor and left there, alone and with the smell of smoke in the air. What makes that even more disturbing is that after Lucas was placed in that refuge, the fact that he was still in the building was not reported to firefighters. He waited in that room while everyone else believed that he had been brought out to safety.

The fear that Lucas felt is captured in the poem that he wrote afterwards, which has touched so many people. He says:

"The bell screams loud the smoke runs fast
Footsteps pound as students dash past
The fire alarm wails its desperate cry
But here I sit just asking why
No ramp, no chair to help me flee
Just stairs that laugh and imprison me
My hands shake tight upon my wheels
A rising fear too sharp to feel".

That is a powerful reminder that disabled children and the wider disability community are too often asked to trust systems that have not been built for them.

Dr Neil Shastri-Hurst (Solihull West and Shirley) (Con): The hon. Gentleman is making a powerful speech, and Lucas's poem really resonates with that. In my constituency, we have Evac+Chair, which creates evacuation chairs like the ones we have in Parliament. Does the hon. Gentleman agree that the current legislation, the stay-put policy from an outdated era—1962—does not recognise that the technology has moved on?

Jacob Collier: Yes, absolutely. I will come on to some of the legislation later, but the hon. Member highlights a really important issue and I know that he is a big supporter in this space, so I thank him for that intervention.

Fire and rescue services in England attended 417 primary fires in education premises in the last financial year; primary fires are generally more serious fires causing damage to property or harm to people. Of these primary fires, 355 were accidental fires and 62 were deliberate. When we look at the current legal and guidance framework, the gaps become clear.

Jim Shannon (Strangford) (DUP): It is nice to see you in the Chair, Sir Alec. I did not know that you would be chairing Westminster Hall. I wish you well.

The provision of evacuation chairs is imperative—all schools and colleges, across the whole of the United Kingdom, must have them for pupils, staff and visitors. Furthermore, where evacuation chairs exist, staff must be trained in their use. Without mandatory training, the presence of a chair alone does not ensure safety. Does the hon. Member agree that there must be an adequate number of staff trained in the use of these chairs so that schools can make full and proper use of them in the event of an emergency?

Jacob Collier: I agree with the hon. Member—he must have read what is coming up in my speech. He is absolutely right, and I will come to that point.

Under the Equality Act 2010, schools have duties to avoid substantial disadvantage for disabled pupils, but they are not required to make any physical changes to features of the building for individual children. Instead, they must prepare long-term accessibility plans that look years ahead. That means that a multi-storey school does not have to provide an immediate safe route for a specific child who cannot use stairs. Fire safety legislation requires responsible persons to ensure that everyone can escape safely, but it does not specify how. It does not mandate personal emergency evacuation plans—or PEEPs—for pupils who cannot self-evacuate. It does not require evacuation chairs. It still allows the use of refuge rooms, even though children cannot be left alone in them and cannot legally be lifted by staff.

Current guidance for the evacuation of disabled pupils is simply not sufficient, as has been highlighted by Lucas's experience. In many cases, PEEPs do not identify the need for evacuation chairs, which means that schools conclude the equipment is unnecessary and therefore never purchase it. PEEPs vary widely in quality, and often lack a clear method for onward evacuation. They need to be significantly strengthened.

In 2015, the Equality and Human Rights Commission commented that schools were in effect exempt from removing barriers to extraction during emergency. That exemption explains why so many pupils remain unprotected. There is also a profound accountability gap: no single regulator or public body is charged with assessing whether disabled pupils can be evacuated safely. No one is tasked with checking whether reasonable adjustments have been made for the purpose of extraction. Ofsted does not inspect evacuation readiness or assess whether disabled pupils can leave a building in an emergency. In that vacuum, schools are left to interpret a patchwork of rules that are not abundantly clear. In a response to a written question from the hon. Member for North Shropshire (Helen Morgan), the Department for Education stated:

"Schools and their responsible bodies are not obliged to notify the department of fires at their premises and we therefore do not routinely collect or record this data…nor information on fire-safety-related repairs."

PEEPs are not legally mandated in schools. They are planned to become mandatory for residential buildings following the Grenfell Tower tragedy, but remain non-mandatory in school environments, which have the highest numbers of individuals who cannot self-evacuate. That contrast should concern every Member of this House. In some circumstances, staying put and awaiting the fire service is the safest approach. When someone dials 999, fire control operators will issue that safety advice. In Lucas's case it was not even recognised where he was in the building. That highlights a need for a clearer process for everybody to follow so that all people are accounted for and safely evacuated.

Evacuation chairs are not suitable for every disabled pupil, but they are a safe and internationally recognised non-lifting method for bringing a person downstairs in an emergency. When a child cannot use stairs and has a lesson on the upper floor, the school must have a safe evacuation method. It should not fall on teachers to improvise solutions when an alarm is sounding and smoke is spreading, and it should not fall on a child to wait in fear and hope that someone will remember that they are upstairs.

This petition is measured in its request. It does not call for every school to purchase equipment that is not relevant to their buildings; it calls for evacuation chairs or equivalent equipment to be required when a pupil's needs make them necessary. It also calls for personal emergency evacuation plans to be prepared for those who cannot self-evacuate and, crucially, for them to contain a clear method for reaching safety. Finally, it calls for a clear national standard, so that schools are not guessing what is expected of them.

The Labour Government have committed to building safer and more inclusive public services, and we promise to learn the lessons of the Grenfell tragedy. We also promise that no one who cannot self-evacuate will be left without proper planning. Schools must be a part of that commitment.

Today, I urge the Government to act. We must ensure that personal emergency evacuation plans are required for every pupil or staff member who cannot self-evacuate. A personal emergency evacuation plan must set out the equipment, the route, the timing and the staff support needed. We must establish national expectations for evacuation equipment—not just a blanket rule, but a clear principle that when a child is taught on an upper floor and cannot use stairs, their school must provide a safe assisted evacuation method.

We must provide consistent guidance and high-quality training, so that staff know exactly what to do. We must make accountability meaningful. It must be clear which organisation checks whether disabled pupils can be evacuated and whether reasonable adjustments have been made for that purpose. Finally, we must design these policies with disabled pupils, their families and school staff at the centre. They know better than any of us what a safe and dignified evacuation looks like.

I will close my remarks by quoting the end of Lucas's poem—with a plea that we cannot ignore:

"So hear my voice through smoke and ash
Make sure the next can make a dash
For no one's life should end in flame
Because the world forgot their name".

Our responsibility as legislators and as a Government is not only to remember the names but to protect those children, to ensure that no child is ever forgotten in a refuge room, and to build a system where a disabled pupil is not an afterthought but a child whose safety is guaranteed. We need to ensure that no student is ever left behind like Lucas was.

I thank those who took the time to meet me in preparation for this debate, and I especially thank Nick and Lucas. I look forward to hearing the contributions of other hon. Members, and to Ministers turning this petition into meaningful action.

6.13 pm

Munira Wilson (Twickenham) (LD): It is a pleasure to serve under your chairmanship today, Sir Alec.

I start by thanking all the people—over 104,000 in total—who have signed this petition, including 65 people in my own constituency of Twickenham. They are the primary reason why we are debating this important issue. I also pay tribute to the hon. Member for Burton and Uttoxeter (Jacob Collier) for his speech. It was hard to disagree with a single word of it.

However, I particularly thank and pay tribute to 16-year-old Lucas for his #NoStudentLeftBehind campaign, which has included starting this petition and then gathering such a large number of signatures that we are now debating it in Parliament. It is an incredible campaign, and it is just brilliant and brave of him to lead it in the way that he has.

I was shocked to learn of Lucas's case when I read about it. As a wheelchair user, he was left upstairs on his own when a fire broke out at his school. Although it was only a small fire and thankfully no one was hurt, Lucas described feeling petrified and even considering getting out of his wheelchair to crawl down the stairs, because there was no evacuation chair. No person should ever have to feel like that, and Lucas's passion to ensure that no disabled child or staff member has to endure the fear and indignity that he had to go through is truly commendable. I was very moved by his powerful poem, which the hon. Member for Burton and Uttoxeter read out.

Lucas is not alone. According to Disabled Students UK, more than one in five students with physical or sensory needs do not feel confident that they would be able to exit on-campus buildings in case of emergency. That is unacceptable. Disabled people must be sure

[Munira Wilson]

that, like all other pupils, they will be quickly and safely evacuated from schools during fires or any other emergency. Although there were no fire-related fatalities in schools in the 2024-25 financial year, we cannot continue to hope for the best and run the risk of somebody losing their life because of a lack of accommodation for the needs of disabled people.

Evacuation chairs are vital to meeting these needs. Not only do they provide a safe and effective means of escape for individuals with mobility impairments, but they ensure that everyone has equal access to emergency evacuation procedures. In the case of a fire or other emergency, individuals with disabilities should not be left behind or be unable to evacuate because of a lack of proper equipment.

As the Government's response to the petition acknowledges, not all disabled people feel comfortable using such chairs, and it is not always possible for wheelchair users to transfer into an evacuation chair or to maintain a sitting position once seated in one. Evacuation chairs are incredibly important, but they are not an automatic solution to the escape requirements of all wheelchair users. However, it is essential that they are readily available and well maintained, and that staff are trained in their proper use to guarantee a smooth and efficient evacuation process when someone's personal emergency evacuation plan requires an evacuation chair. It should also be checked that the evacuation chair is suitable for the person who will be using it, as different types of chair are available.

The legal framework for this issue has room for improvement. The Regulatory Reform (Fire Safety) Order 2005, which applies to schools, does not mandate that evacuation plans for schools must include PEEPs. That is in contrast with the Fire Safety (Residential Evacuation Plans) (England) Regulations 2025, which were rightly brought in to mandate PEEPs for relevant persons in specific residential buildings in England from April 2026 following the recommendations of the Grenfell Tower inquiry.

The Liberal Democrats are calling on the Government to go further and to widen mandatory PEEPs beyond residential buildings to include schools. We believe that PEEPs should be mandatory for students and school staff with a disability who might require evacuation assistance, and that they should be developed in genuine partnership to ensure students' needs and preferences are fully understood and acted upon, so that disabled children and staff feel safe and secure at school. This change to the regulations is common sense and clearly implementable, given the Government's identical changes to fire safety regulations in residential buildings. This change to the regulations will ensure that every disabled person can safely evacuate schools during a fire or other emergency, whether with an evacuation chair or via another method.

It is vital that no disabled person is left behind during a fire or other emergency that could put their life in danger. If we are truly committed to equality of opportunity for everyone, especially for children and young people, we must ensure that every person is free from fear. We owe it to Lucas and many others like him.

6.18 pm

Saqib Bhatti (Meriden and Solihull East) (Con): It is a pleasure to serve under your chairmanship, Sir Alec, and may there be many more opportunities for me to do so.

I thank the hon. Member for Burton and Uttoxeter (Jacob Collier) for his opening remarks. I thought he spoke eloquently and raised some really pertinent questions. I will not repeat them all, but I do hope to support him. As we have heard, this debate is extremely important and timely, and I want to start by putting on record the thanks of His Majesty's official Opposition to all Members who supported the petition. In particular, I thank the more than 104,000 signatories, including 266 of my own constituents in Meriden and Solihull East. This is the second consecutive debate that I have responded to. My constituents have been very busy, and long may that continue.

I thank my hon. Friend and neighbour the Member for Solihull West and Shirley (Dr Shastri-Hurst) for highlighting the good work of Evac+Chair. He is a formidable parliamentarian on this issue and many others. I want especially to thank Lucas Vezza-O'Brien, who started this important petition; I know he is in the Public Gallery. His poem gave me goosebumps, and his story is immensely moving and thought provoking, so I thank him for standing up on this issue. Last year, as has been said, at his school in Manchester he was forced to stay put during an evacuation, not through choice but because the school did not have adequate facilities to get him to safety. I can only imagine the fear, stress and anxiety that Lucas experienced. The fact that this happened is nothing short of unacceptable, and we should all try to rectify it.

I am sure I speak for all hon. Members when I say Lucas's courage and bravery are absolutely commendable. He has shown immense resilience in bringing this petition forward so that others do not have to experience the same stress and anxiety that he did. I hope this debate has focused the Government on ensuring that people such as Lucas can remain safe and be evacuated from danger.

Lucas has joined forces with the Emergency Group, a collective of emergency response companies dedicated to providing life-saving equipment, including evacuation chairs and defibrillators. The group donated four evacuation chairs to his school to ensure that this never happens again, and it is supporting his campaign for safer and more accessible schools. The Emergency Group has since made him an ambassador—a very wise decision. Between them, they are calling for policy changes to ensure that all schools have evacuation chairs for disabled students and proper emergency evacuation training, something that Members from all parts of the House are calling for.

This petition asks the Government to make it a legal requirement for all schools and colleges to have evacuation chairs, and for all staff to be trained in using them. It is backed by the National Fire Chiefs Council and the Health and Safety Executive, who emphasise the importance of having the right equipment to support mobility-impaired individuals during evacuation.

Under the Equality Act 2010, schools and other educational premises have a duty to make reasonable adjustments where necessary for anyone with a disability. Moreover, under the Regulatory Reform (Fire Safety)

Order 2005, all UK educational establishments have a legal responsibility to ensure that every person on the premises can escape safely during an emergency. One of the key requirements of that legislation is that evacuation plans must take into account individuals with additional needs. That has come in the form of personal emergency evacuation plans—PEEPs—as has already been referred to. They play a crucial role in supporting group evacuations by providing clear guidance on how to respond quickly and safely. Could the Minister reflect on some of the points made around PEEPs and whether they are adequate?

The legislation provides that failure to provide appropriate evacuation equipment, such as evacuation chairs, can result in enforcement notices, fines and reputational damage. It is important that all schools and education establishments comply with those regulations and guidelines. It is also essential that the Government ensure that, in cases where evacuation chairs for disabled people are not in place in schools or colleges, the institution acts immediately to meet its legal duties. To that end, I ask the Minister: what steps are the Government taking to ensure schools comply with this legislation? In addition, does the Minister have any consideration for strengthening it so that it is robust enough to keep everyone safe?

It is important that this House understands that failure to comply with these requirements may constitute a breach of the Equality Act 2010 and the Regulatory Reform (Fire Safety) Order 2005. More importantly, as His Majesty's Opposition are making clear, failing to do so could place vulnerable individuals at significant risk during a fire or other emergency situation. We are very clear that where such provisions are not in place, the institution's compliance should be reviewed and it should be held to account. Will the Minister confirm that those regulations will be enforced in full? Can the Minister tell the House what steps the Government are taking to hold to account institutions that do not comply?

To conclude, I once more thank all the signatories of this important petition. Again, I pay a special tribute to Lucas, who has led this petition and ensured that this House has considered its important message. I look forward to the Minister's response.

6.23 pm

The Minister for School Standards (Georgia Gould): It is a pleasure to serve under your chairmanship, Sir Alec. I am really pleased to have the opportunity to discuss fire safety and the provision of evacuation chairs in our schools and colleges.

I thank the Petitions Committee for granting time for this important debate, and I join everyone across this House in congratulating Lucas on his campaign and his leadership. It is because of that leadership, and the national attention he has brought to this issue, that we are having this debate. No one listening to the poem that Lucas wrote can fail to be moved by his words. The fact that we are here discussing it shows the difference that Lucas is already making, and has made, in his own school. I listened with interest to my hon. Friend the Member for Burton and Uttoxeter (Jacob Collier), who spoke really powerfully on Lucas's behalf. I would be happy to meet him, Lucas and Lucas's mum to talk through this in more detail, and about some of the ideas we have discussed today.

The safety of all pupils, students and staff at schools and colleges is paramount. Educational premises are workplaces and public buildings, and they are therefore already subject to national health and safety legislation, fire safety legislation and other statutory duties around their use, access and safety. Under current fire safety legislation, those who have responsibility for the building must ensure that everyone in the building can leave safely in the event of a fire.

Schools and colleges need to have an up-to-date fire-risk assessment, appropriate fire alarms and regular fire drills to ensure they are as safe as possible and well prepared in the event of a fire. A school's fire safety risk assessment should include an emergency evacuation plan for all people likely to be in the premises, as part of its fire safety strategy. Risk assessments include disabled people or anyone needing particular consideration or help during an evacuation, for example because of temporary injuries or pregnancy.

Schools and colleges have a duty under the Equality Act 2010 to make reasonable adjustments where necessary for anyone who has a disability or needs special consideration because of pregnancy or age. All students or staff who need one should have a personal emergency evacuation plan. As we have heard, a PEEP is a tailored plan to ensure someone who may need assistance in a building evacuation can safely reach a place of safety. It is designed for individuals with disabilities and other permanent or temporary conditions that might make it difficult for them to evacuate on their own.

Ideally, a PEEP should be developed as part of a school enrolment or staff induction process for students or staff with disabilities or otherwise requiring assistance in an emergence evacuation situation. If students have an education, health and care plan or an individual healthcare plan, their PEEP should capture any requirements. PEEPs are developed collaboratively between the individual and relevant staff, such as managers, fire safety officers or disability advisers, to ensure the plan is effective and meets their needs.

A well-prepared PEEP ensures that everyone understands their role, making the evacuation process efficient and effective. It is important to stress that a PEEP is a personal document relating to a specific individual. The requirements and preferences of individuals may vary even when their disability is similar. While some people with mobility impairments will require the use of an evacuation chair, others would not welcome using one to escape and may prefer other options to be available.

An evacuation chair looks like a deck chair with skis and wheels underneath. When placed at the top of the stairway, it slides down the stairs. Although there are wheels on the back that facilitate movement on flat surfaces, they are not suitable for long distances. An evacuation chair is operated by one or two people and it requires training and regular practice to use one safely, as we have heard from hon. Members.

In most instances, training need not include the person with the PEEP, although some may wish to practice being moved in the evacuation chair. It may be appropriate for the group of people trained to operate the evacuation chair to take it in turns during the practices, so that they are ready for an incident. That will increase their confidence in using the equipment and reduce their risk of injury to others. As hon. Members may imagine, not all people

[Georgia Gould]

with mobility impairments feel comfortable using evacuation chairs, and it is not always possible for wheelchair users to transfer into an evacuation chair or to maintain a seated position once seated in one.

Almost half of schools in England are single-storey buildings, with no stairways on which to operate an evacuation chair. That is why it is important the provision and use of an evacuation chair should be determined on a case-by-case basis at a local level based on the specific needs and preferences of the individual concerned. Government guidance is clear that in any school or college where a personal emergency evacuation plan of a student or member of staff requires an evacuation chair, it must be provided.

Fire marshals or nominated evacuation staff and the person needing the chair must be trained in its use. Under school premises regulations, each school's responsible body must ensure that schools are maintained so that pupils' health, safety and welfare is ensured. The responsible body is usually an academy trust or a local authority. Schools and responsible bodies have duties as employers under health and safety legislation.

The Department's health and safety guidance sets out clearly what schools must do, and the Health and Safety Executive provides additional guidance on managing health and safety in schools. Additionally, as we have heard, all schools must comply with the Regulatory Reform (Fire Safety) Order 2005, which requires schools to have an up-to-date fire risk assessment, appropriate fire alarms and regular fire drills to ensure that they are as safe as possible and well prepared in the event of a fire. The Department provides comprehensive supporting guidance to schools in the "Good estate management for schools" guide, which covers all aspects of estate management, including fire safety.

It is the responsibility of those who run our schools, such as academy trusts and local authorities, to ensure that they can be safely operated and to carry out necessary maintenance, including ensuring that a fire risk assessment is undertaken and kept up to date. Since 2010, the Department's standards require staircases to be wide enough to allow for carry-down evacuation where necessary, and from November 2021, the Department has required that all new schools with more than one storey must have an evacuation lift as standard, providing means of escape from the building for disabled people in the unlikely event of a fire.

The Government have published guidance on fire safety risk assessments for organisations responsible for providing means of escape for disabled people. There is school-specific guidance that includes considerations for mobility-impaired people, and it makes it clear that effective management arrangements must be put in place for those needing help to escape. A well-prepared PEEP ensures that everyone understands their role, making the evacuation process efficient and effective.

A number of other ideas and issues have been raised today, which I will look into further, and I am also happy to take meetings to discuss them. The Ministry of Housing, Communities and Local Government is rewriting its guidance to ensure that we continue to do all we can to protect children and young people in the event of fires.

6.31 pm

Jacob Collier: I thank all Members who have taken part in this debate. In particular, I thank the Minister for her commitment to meet Lucas so that she can hear more about his story, and to take on board some of the things that have come out of the debate—one thing I have learned is that I need to ensure that people know how to say Uttoxeter. The hon. Member for Twickenham (Munira Wilson) highlighted the contrast in the changes to personal evacuation plans that we are making following Grenfell; we are making them mandatory in certain settings but not in schools. Finally, I thank Lucas and Nick for their work on the campaign. Lucas has been in the media today, and I am sure that he will continue to be until he gets the changes that he needs to see. I thank him for coming today and for starting the petition, and I thank everyone who signed it.

Question put and agreed to.

Resolved,

That this House has considered e-petition 706513 relating to evacuation chairs in schools and colleges.

6.32 pm

Sitting adjourned.

Written Statements

Monday 1 December 2025

BUSINESS AND TRADE

Employment Rights Bill

The Parliamentary Under-Secretary of State for Business and Trade (Kate Dearden): The Government convened a series of constructive conversations between trade unions and business representatives. On the basis of the outcome of these discussions, the Government will now move forward on the issue of unfair dismissal protections in the Employment Rights Bill to ensure it can reach Royal Assent and keep to the Government's published delivery timeline.

This will mean delivering day one rights to sick pay and paternity leave in April 2026 as well as launching the fair work agency. Reforms to benefit millions of working people, including some of the lowest paid workers, would otherwise be significantly delayed if the Bill does not reach Royal Assent in line with our delivery timetable. Businesses too need time to prepare for what are a series of significant changes.

The discussions concluded that reducing the qualifying period for unfair dismissal from 24 months to 6 months—whilst maintaining existing day one protection against discrimination and automatically unfair grounds for dismissal—is a workable package. It will benefit millions of working people who will gain new rights and offer business and employers much needed clarity. To further strengthen these protections, the Government have committed to ensure that the unfair dismissal qualifying period can only be varied by primary legislation and that the compensation cap will be lifted.

As a result of these constructive conversations, we have agreed a way forward with trade unions and business representatives who agree that the Bill should progress to Royal Assent as soon as possible. We will table the necessary amendments to deliver the Bill. Furthermore, the Government have reiterated their commitment to full, fair and transparent consultation on the detail and application of the secondary legislation as they move to implement the Bill. This will enable the Government to deliver the necessary consultations and implementation in line with their timetable and manifesto commitments to make work pay.

We will not build a robust and growing economy through employment insecurity. Instead, we are building an economy based on fair competition between businesses, greater productivity in the workplace, job security for workers, and fair reward for hard work. Once implemented, these important and popular reforms will give long overdue new rights to working people, including:

Ending exploitative zero-hours contracts that leave some workers unable to plan their working lives or manage their family finances, saving them up to £600 in lost income from the hidden costs of insecure work;

Establishing bereavement leave as a day one entitlement and extending it to those who lose a pregnancy before 24 weeks, giving the hundreds of thousands of families affected each year the recognition and protections they deserve;

Supporting working parents to juggle the competing demands of work and raising children, including the 32,000 fathers and partners per year who are not entitled to paternity leave and the 1.5 million parents who are not allowed to take unpaid parental leave;

Helping more working mothers stay in their jobs, including the 4,000 women who are unfairly sacked each year when returning from maternity leave;

Guaranteeing workers get paid when they have to take time off because of illness and expanding statutory sick pay to up to 1.3 million of the most vulnerable workers in society who currently earn below the lower earnings limit;

Reinstating the school support staff negotiating body to improve pay and conditions for up to 800,000 school support staff in England;

Providing for the establishment of a fair pay agreements process in the adult social care sector in England and social care sectors in Scotland and Wales; and

Creating a single point of contact for advice and help for businesses and employees—the fair work agency—to ensure better understanding of people's rights at work, ensure best practice for implementing employment law, and tackle the unfair competition that some bad employers use to beat their competitors.

The Government were pleased to facilitate these discussions and to set an example of the benefits of working together, and remain committed to continue engaging with trade unions, business and employers to make working lives better, support businesses and, vitally, deliver economic growth and good job creation. The Government are particularly aware of the need to support small businesses in the effective adoption of these changes. Constructive dialogue and full consultation with business, employers and unions will continue beyond the passage of the Bill.

[HCWS1115]

Mozambique LNG: UK Export Finance Withdrawal

The Secretary of State for Business and Trade (Peter Kyle): In 2020, the Government committed UK Export Finance support for the Mozambique liquified natural gas project operated by TotalEnergies. Mozambique LNG was paused in 2021 when force majeure was called due to the deteriorating local security situation and the terrorist insurgency. In preparation to restart the project, UKEF was presented with a proposal to amend the financing terms it had agreed originally. There has been much media speculation on this matter, and I am now able to address the subject and update members of the House. After a detailed review, the UK Government have decided to end UKEF's participation in the project.

My officials have evaluated the risks around the project, and it is the view of His Majesty's Government that these risks have increased since 2020. This view is based on a comprehensive assessment of the project and the interests of UK taxpayers, which are best served by ending our participation in the project at this time. While these decisions are never easy, the Government believe that UK financing of this project will not advance the interests of our country.

UKEF has over 100 years' track record as a reliable financing partner in support of UK exports and exporters. The decision to end participation in Mozambique LNG at this time is specific to this project and made with the agreement of the project sponsors and other participants.

UK Export Finance will reimburse the project for the premium paid, reflecting the end of the Department's risk exposure to the project.

The Government remain committed to backing British exporters, including through support from UKEF, as we have set out in our industrial and trade strategies. We also remain committed to our national partnership with Mozambique and building long-term respectful relationships with African countries to boost sustainable growth, tackle the climate crisis and address insecurity.

[HCWS1111]

UK-US Economic Prosperity Deal

The Minister of State, Department for Business and Trade (Chris Bryant): The UK and US met virtually to continue talks on the UK-US economic prosperity deal during November 2025. Discussions included areas across the scope of the EPD set out in the 8 May general terms, including tariffs and non-tariff barriers, digital and services. Constructive talks continued on US section 232 investigations, including pharmaceuticals and heavy trucks.

Thanks to the EPD, the UK remains the only country in the world to benefit from a preferential 25% rate on steel, aluminium and derivative exports to the US, a special 10% tariff on cars, as well as receiving preferential treatment for lumber products, with the lowest tariff rate of any country in the world at 10%. Other countries face tariffs of up to 50%.

The UK and US will continue negotiations across the range of issues outlined in the general terms for the EPD.

The US is the UK's largest single country trading partner with a trading relationship worth some £331 billion in the 12 months to June 2025. UK firms employ some 1.2 million US workers while 1.4 million people work here in the UK for American companies. We have £1.2 trillion invested in each other's economies. The EPD will continue to deliver on saving thousands of jobs, protecting key British industries, and helping to drive economic growth.

[HCWS1108]

CABINET OFFICE

UK-EU Relations

The Paymaster General and Minister for the Cabinet Office (Nick Thomas-Symonds): At the first ever UK-EU summit on 19 May, the Government agreed a new strategic partnership with the EU—a partnership to boost the prosperity, safety and security of both our peoples, and to help strengthen Europe-wide defences.

We have made good progress since May, with negotiations ongoing to implement these commitments, including on energy co-operation, youth experience, education, judicial co-operation and law enforcement. In the past fortnight, we also launched negotiations on a food and drink deal and the linking of our carbon markets. Whether it is slashing red tape for business, helping to bring down bills, or deepening co-operation on challenges posed by illegal migration, including action to tackle people smuggling and deepen information sharing, these deals are good for bills, good for our borders and good for jobs.

A key outcome from the summit was the adoption of a new security and defence partnership with the EU, filling a critical gap left in the trade and co-operation agreement between the UK and EU, and enabling us to strengthen our co-operation on a wide range of areas critical to European security. We are working quickly with the EU to implement the partnership and have stepped up our co-operation on key issues such as support to Ukraine, tackling hybrid threats and supporting stability in the western Balkans.

The SDP also unlocked the possibility for enhanced UK participation in the Security Action for Europe instrument. Earlier this autumn, the UK and the EU commenced formal negotiations on a bilateral agreement to facilitate UK participation. The UK entered these negotiations in good faith, recognising our mutual strategic interest and commitment to work with the EU on defence. However, we have not been able to conclude these negotiations with an agreement.

This Government have always been clear that we will only sign agreements that are in the national interest. In this case, we were unable to reach an agreement that passed that test.

While it is disappointing that we have not been able to positively conclude discussions on UK participation in the first round of SAFE, the UK's defence industry continues to have access to SAFE under standard third country terms. UK companies will be able to participate and benefit from SAFE contracts to provide up to 35% of their content.

International partnerships, including with our European allies, will remain key to delivering our defence industrial strategy. The UK and EU member states are already working closely to strengthen the European defence industrial base. Since this Government took office, we have struck defence agreements across Europe, including the landmark Trinity House agreement with Germany, and the historic Northwood declaration to deepen nuclear co-operation and co-ordination with France, and we will continue this close co-operation.

The UK is already at the heart of European co-operation in the face of rising threats—through one of the largest defence budgets in Europe; unmatched alliances, including through NATO; a world-leading defence industrial base; and iron-clad military and training support to Ukraine.

And we continue to step up on European security, from leading the coalition of the willing for Ukraine to strengthening our relationships with allies.

We will continue to pursue export deals that benefit Britain, and to provide these systems and weaponry and the innovation that helps make Europe safe. In the last year alone we have struck a £10 billion deal with Norway and secured an £8 billion Typhoon agreement with Türkiye.

Yesterday I spoke with EU Commissioner Maroš Šefčovič, where I underlined that the UK remains fully committed to continuing our close co-operation with the EU and our European partners, including to strengthen European security and maintain our unwavering support for Ukraine.

We will continue working together in good faith to implement the wider package agreed at the UK-EU summit.

[HCWS1114]

CULTURE, MEDIA AND SPORT

FIFA Women's World Cup 2035: UK-wide Bid

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Stephanie Peacock): On 3 April 2025, FIFA confirmed that the UK is the sole bidder to host the FIFA women's world cup 2035. I can now confirm that, on 28 November 2025, the four home nations football associations submitted their joint bid to host the tournament, supported by the UK Government, Scottish Government, Welsh Government and Northern Ireland Executive.

The Government are committed to hosting major sporting events with pride and impact, with the FIFA women's world cup being the largest major sporting event the UK has never previously hosted. As the Prime Minister set out in March 2025, hosting this tournament would provide another monumental moment in our sporting history, driving growth, uniting communities and enhancing the UK's soft power. With the inclusion of prospective host cities and stadia across England, Scotland, Wales, and Northern Ireland within the bid, we will ensure that the socioeconomic benefits of hosting are felt in every corner of the country.

As the largest single sport women's event in the world, the FIFA women's world cup would act as the culmination of this Government's decade of change for women's and girls' sport. From our significant investment in new and upgraded grassroots sports facilities, to our independent expert-led review of the curriculum to ensure all children can engage in PE and sport, we are committed to showcasing the UK as a world leader in all aspects of women's and girls' sport by 2035.

Following a thorough evaluation process of the UK-wide bid, FIFA congress is expected to make a decision on the hosts for the 2035 tournament in April 2026.

[HCWS1109]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Environmental Improvement Plan 2025

The Secretary of State for Environment, Food and Rural Affairs (Emma Reynolds): Today I am laying the environmental improvement plan 2025 in Parliament. This sets out a road map for improving the natural environment. It explains how this Government will protect and restore our iconic places and wildlife, boost biodiversity, create a circular economy, protect environmental security and improve people's access to nature. It is a prioritised, systems-based plan that is clear on what, how and who will deliver our environmental ambitions.

The EIP underlines our commitment to delivering the statutory Environment Act 2021 targets. It includes updated interim targets for the next five years that are ambitious and achievable. They span air quality, water, terrestrial and marine biodiversity, and resource efficiency and waste reduction.

To be transparent on the actions required to achieve each target, for the first time we are publishing Environment Act target delivery plans alongside the EIP. The EIP and the delivery plans will be delivered in collaboration with partners including Government Departments and bodies, local authorities, landowners, farmers, private companies, third sector organisations and community groups. These delivery plans will be refined over time as we work collaboratively to support, deliver and monitor the impacts of actions.

Laying the EIP in Parliament and publishing it concludes the statutory review of EIP23. In producing this plan, we have reviewed and improved upon EIP23. In particular, our revised plan:

> prioritises actions, moving to a clear framework that sets out how objectives and actions "stack up" to contribute to our environmental outcomes;
>
> sets out who is responsible for delivering actions, across Government and wider society;
>
> provides delivery plans for the Environment Act targets, alongside the EIP;
>
> and includes a clearer framework for monitoring and evaluating progress to improve transparency.

The EIP includes a summary of the EIP review and how this revision responds to it.

This Government have already made significant progress in protecting nature. The EIP will drive forward this momentum and sets out how the Government will, for example:

> Restore nature, with stronger interim targets to restore or create a total of 250,000 hectares of a range of wildlife-rich habitats outside protected sites by December 2030, in line with the Government manifesto. Action will be backed by £500 million for landscape recovery alongside funding for tree planting and peatland restoration. This follows announcement of two new national forests backed by £1 billion investment.
>
> Reduce harmful pollutants in the air with revised interim targets to reduce exposure to $PM_{2.5}$ particles by nearly a third by 2030 compared to 2018 levels. We will consult on new measures to cut emissions from domestic combustion.
>
> Tackle forever chemicals that can harm people and pollute air, land and water. A new PFAS plan will set out how sources, pathways and exposure to forever chemicals will be addressed.
>
> Reduce greenhouse gas emissions and ensure resilience of the natural environment to climate change with at least £85 million invested in improving and restoring our peatlands and £1 billion in tree planting.
>
> Take tougher measures on waste crime with stronger penalties to ensure that only the right people transport and manage waste and a digital waste tracking service to modernise record keeping, to tackle waste fraud.
>
> Improve access to nature by completing the King Charles III England coast path next year and publishing a Green Paper on measures to ensure everyone has access to nature close to home.

Our revised plan provides the clarity and detail needed to manage competing pressures on our limited land and water, integrating environmental action with our plan for change to grow the economy, build homes, boost food security and meet climate targets.

Achieving our environmental ambitions requires collective action from individuals, communities, and organisations across all sectors. We look forward to working in partnership to achieve them.

[HCWS1106]

FOREIGN, COMMONWEALTH AND DEVELOPMENT OFFICE

Antarctic Strategy

The Minister of State, Foreign, Commonwealth and Development Office (Stephen Doughty): The Government are today publishing a UK Antarctic strategy. This sets out the UK's aims and ambitions for the Antarctic for the next decade.

The strategy brings together the UK's approach to the Antarctic under a single document for the first time. It outlines the full range of UK interests in Antarctica that shape our engagement in the region, and our priorities looking ahead.

At a time of growing global interest in Antarctica, our approach will see the UK continuing to play an active and leading role in the Antarctic treaty system, upholding our rights and responsibilities and reiterating the importance of international collaboration. We will also safeguard our sovereignty of the British Antarctic Territory, ensuring the effective administration of the territory.

Our long-term strategic objective remains for the Antarctic to be a place dedicated to peace and science, characterised by co-operation.

The UK will focus activity across four areas.

Governance and UK sovereign interests: Antarctic matters are characterised by international co-operation, which the UK will seek to enhance. We also want to celebrate our long-standing connection with Antarctica and why it matters to the UK. The UK will continue to chair the commission for the conservation of Antarctic marine living resources to 2026 and to work with parties on the sustainable management of Antarctic marine resources.

Science: we will continue to invest in our world-leading polar infrastructure, ensuring that the British Antarctic Survey and UK researchers have the platforms they need to carry out the science we all need to protect Antarctica and the UK from the impacts of climate change, including our continued programme of infrastructure work at Rothera research station. The focus of UK science is on climate change, with projects looking at the rate of sea ice loss and glacier retreat, and ongoing work to drill ice cores, which can give a better understanding of a changing climate and the subsequent impacts for the world.

Environmental protection: the UK will continue to advocate for enhanced environmental protection for Antarctica, including for British heritage in the region, working with the UK Antarctic Heritage Trust. We will continue to push for greater protection of Shackleton's famous ship Endurance, to identify sites for designation as Antarctic specially protected areas, and to advocate for specially protected species status for the iconic emperor penguin.

Ensuring peaceful and lawful use: we will continue to work closely with Antarctic partners to ensure we uphold the principles of the Antarctic treaty system, including the environmental protocol's ban on commercial mineral resource activity. We will also work with parties on continued negotiations to develop a framework for the management of Antarctic tourism, ensuring it is safe and environmentally responsible, and does not unduly impact the Antarctic environment.

Through this new strategy, the UK will draw on our years of Antarctic experience and expertise to ensure Antarctica remains a continent preserved for peace and science.

We are publishing this strategy on Antarctica Day, which commemorates the signing of the Antarctic treaty in 1959. 66 years after this vital international agreement was signed, the UK is committing further to Antarctica. On this anniversary, we wish all of those working in Antarctica well.

[HCWS1113]

HEALTH AND SOCIAL CARE

HIV Action Plan

The Parliamentary Under-Secretary of State for Health and Social Care (Ashley Dalton): I am pleased to announce to the House that today the Government will publish its HIV action plan, setting out how we will achieve our ambition to end HIV transmissions within England by 2030.

We are at a pivotal moment in the fight against HIV.

Over the past two decades in England, the epidemic has been transformed, and in the last five years we have made major progress in prevention, testing, PrEP use and treatment.

However, progress is slowing. New diagnoses fell by 2% from 2023 to 2024, with progress not benefiting all groups equally. For example, in white gay, bisexual and other men who have sex with men (GBMSM), diagnoses fell by 11% from 2020 to 2024, but among ethnic minority GBMSM, they increased by 50% over the same time period.

The epidemic we face today is broader and more complex, requiring an equitable, evidence-driven response.

As set out in our 10-year health plan ending HIV transmission is a national priority for this Government, supporting the three major shifts our health system needs: from hospital to community, from treatment to prevention, and from analogue to digital.

The plan I am announcing today has been developed by my Department, in partnership with the UK Health Security Agency and NHS England, and informed through extensive engagement with other Government Departments, local government, voluntary and community sector partners, sexual health stakeholders and—crucially—with people with lived experience.

Our plan sets out a clear framework for action, backed by over £170 million in funding over the next three years.

It focuses on five core themes: prevent, test, treat, thrive and collaborate.

Through these themes, the plan commits to:

Prevent HIV transmission through equitable access to HIV prevention services.

Scale up testing to reduce transmission and protect people's health.

Rapidly linking and retain people living with HIV in care, ensuring individuals can live healthy lives and cannot pass it on

Address stigma and improve the quality of life for people living with HIV.

Strengthen the healthcare system to improve HIV and wider sexual health.

Importantly, this plan sets out the national, regional and local actions required to accelerate progress and deliver.

It will enable Government, the NHS, UKHSA, local government, academia, industry, the voluntary and community sector, and people living with HIV to work together to engage everyone in prevention, testing and treatment, and to tackle stigma.

I would like to thank the many individuals and organisations who have supported the development of this plan, including community partners and those with lived experience. Their insights have been invaluable in shaping actions that will meet real needs and address health inequalities.

I too am very grateful for the cross-party support that has helped shape this plan and for the foundations we have built this on. Working together in this spirit will be essential to tackling HIV going forward and to reach our ambitions. I urge all members to lend their backing to this plan so we can deliver meaningful change across the country.

[HCWS1107]

HOME DEPARTMENT

Victim Information Requests: Code of Practice

The Parliamentary Under-Secretary of State for the Home Department (Jess Phillips): For too long police requests for victims' sensitive records such as medical and counselling notes have been disproportionate during investigations. This has been a particular concern in cases involving rape and serious sexual offences. Unnecessary requests are distressing for victims and delay the investigative process.

The Victims and Prisoners Act 2024 introduced duties mandating police and other authorised persons to only request victim information such as medical records when it is necessary and proportionate, and in pursuit of a reasonable line of enquiry. These duties also created special protections for victims' counselling records, reflecting the highly sensitive nature of these records.

To enable these measures to come into force, the Government have now defined counselling services in regulations under section 44A of the Police, Crime, Sentencing and Courts Act 2022 and finalised the accompanying code of practice. Stakeholder feedback informed changes to strengthen the code.

We have defined counselling services broadly for the purposes of these duties. The definition is intended to capture all services, whether remunerated or voluntary, offering psychological, therapeutic or emotional support aimed at improving the service user's emotional, psychological and mental health. This means that a broad spectrum of victim information will be afforded the higher safeguards outlined above and is intended to protect the privacy and dignity of victims within the criminal justice system. It also supports the Government's wider commitment to halving the incidence of violence against women and girls over the next decade.

The final code of practice to be brought into force, which includes this definition of counselling services, has been laid before Parliament as a draft. A copy of the Government response to the consultation on the code will be placed in the Libraries of both Houses and published on www.gov.uk.

These new duties will come into force on 12 January 2026.

[HCWS1112]

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Local Government Best Value

The Minister for Local Government and Homelessness (Alison McGovern): The Government are committed to taking the action necessary to fix the foundations of local government. Today I am updating the House on the steps that we are taking to support two councils to recover and reform: Birmingham city council and Nottingham city council.

Birmingham city council

Today I am publishing the Birmingham commissioners' third report, alongside my response.

I welcome the commissioners' assessment of the period since January 2025, in their first report since the start of all-out industrial action in the waste service. The commissioners highlight that the council has made clear, positive progress in key areas. A landmark equal pay framework agreement has been signed, and there has been externally validated improvement in children's and adult services. These are important steps towards delivering the improvement that residents deserve and are testament to the committed and focused leadership of Councillor John Cotton and his cabinet, with the support of the commissioner team, and the hard work of council staff.

During this period, the council has been managing the impact of continuing industrial action by Unite the union in the council's waste services. The Government's priority throughout this industrial dispute is, and has always been, Birmingham's residents. While industrial action continues to affect waste disposal services at Birmingham city council, in the spring the Government took decisive action, in lockstep with the council, to ensure that waste in the city can be safely and sustainably managed. The result has been to establish a regular, reliable waste collection service despite industrial action. But this new wave of strikes threatens to derail progress for residents. Despite efforts to resolve the dispute by the council, commissioners assess that the ongoing waste dispute has diverted attention away from the vital improvements that the council has been making and slowed progress in key areas. The council still has work to do to move towards financial sustainability and is being hampered by this ongoing issue. Once again, we urge Unite to call off these strikes and end the disruption and misery caused to local people. Unite has acknowledged that, on occasion, behaviour on the picket line during this dispute breached a court order. This behaviour must not be repeated.

The distraction of the waste dispute is deeply disappointing and frustrating for the residents of Birmingham. We have seen again that, due to protest and picketing action relating to a new industrial dispute between Unite and an agency of the council, Birmingham has had to suspend its waste collections today. Further disruption is in no one's interest. This remains a local issue for employers and the council to deal with in the first instance, but in the interests of Birmingham residents we remain in close contact with commissioners and the council and continue to monitor the situation. Commissioners continue to support the council in its operational response to the ongoing dispute, and in developing much-needed transformation plans for the waste service.

If the council can continue to progress and focus on improving critical areas of risk, we would hope to review the shape and focus of the intervention, with phased reductions at the appropriate time. I have asked Tony McArdle OBE to set out options for that in the next report from the commissioner team, as part of the work he is leading on the intervention exit strategy.

It is vital that the council is able to continue the pace at which it is delivering necessary improvements. I look forward to receiving an update on the steps taken to tackle the remaining risks and the development of an exit plan through the next commissioners' report.

Nottingham city council

Nottingham has been in intervention since January 2021, and commissioners were appointed in February 2024.

On 21 November 2025, I published the commissioners' third report, received in August, alongside my response. I am encouraged by the commissioners' report, which highlights the steady progress being made by the council in delivering its improvement plan. It is reassuring that the council is now showing some "early signs of a shift towards continuous improvement thinking" and that positive changes are beginning to embed. I note that while noting that some key challenges remain. To maintain capacity and oversight until the current directions expire on 22 February 2026, the Secretary of State has made some changes to roles within the existing commissioner team and appointed Sharon Kemp OBE as lead commissioner, with Tony McArdle OBE and Margaret Lee OBE continuing as commissioners.

I look forward to receiving the commissioners' next report in December and will carefully consider this before determining the next steps for Nottingham.

Conclusion

I am committed to working with these councils to ensure their compliance with the best value duty and the high standards of governance that local residents expect. This Government are working to deliver a consistently fit, legal and decent local government sector that provides good-quality essential services for all residents.

I will deposit in the House Library copies of the documents referred to, which are being published on gov.uk today. I will update the House in due course.

[HCWS1116]

JUSTICE

Criminal Legal Aid Solicitor Fees Consultation: Government Response

The Minister for Courts and Legal Services (Sarah Sackman): Today I am laying before Parliament the Government's response to the consultation "Criminal Legal Aid: proposals for solicitor fee scheme reform".

Criminal legal aid lawyers play a crucial role in our justice system, taking on some of the most complex cases that go through our courts and ensuring the most vulnerable people in society can access justice. The consultation invited responses to fee scheme proposals that would allocate an additional £92 million per annum investment once fully implemented.

The consultation paper was published on 9 May 2025, with proposals that covered work carried out by legal aid providers at police stations, in magistrates' courts, in the Crown Court, and in prisons.

After considering the responses, we have decided to implement the majority of the proposals put forward. These involve harmonising police station fees, a 10% increase to magistrates' courts fees—including youth court fees—and a 24% increase to fees for work done in prisons. In line with our initial proposals, we will also increase some litigators' graduated fee scheme trial basic fees for the lowest paid offences and will introduce a fixed ratio between guilty plea, cracked trial and trial basic fees.

As a result of some of the responses we received during the consultation period, we will be making some changes to our final proposals, so that we can ensure these measures support providers as effectively as possible. We have amended the escape fee threshold in the police station fee scheme to enable more cases to qualify for the fee, and we will additionally uplift fees for all solicitors' appeals work by 10%.

This significant investment, once fully implemented, means that criminal legal aid solicitors will have received a 24% overall uplift in funding since the criminal legal aid independent review. This investment will support a stronger and more sustainable legal aid sector—one that is fit for the future and retains the brightest and the best practitioners. It is part of this Government's plan for change to ensure justice is done and our streets are safe.

We announced these fee uplifts in December 2024, before the Legal Aid Agency was subject to a cyber security incident in mid-2025. The LAA has swiftly responded with comprehensive measures designed to maintain access to justice and protect provider cash flow during system disruption. Throughout this disruption, we remain committed to delivering these important uplifts for the sector. We are pleased that we remain on track to deliver on our commitment to invest in the legal aid system.

We intend to bring forward statutory instruments to amend the Criminal Legal Aid (Remuneration) Regulations 2013 to reflect the changes and fee increases. Our intention is that the first statutory instrument will come into force from 22 December 2025. This will cover the crime lower fee increases set out in our response, relating to work in police stations, magistrates' courts, prisons and for some appeals work. A second statutory instrument will be laid as soon as the required changes to uplift fees can be delivered through Legal Aid Agency digital systems. This will cover the crime higher fee increases set out in our response, relating to the LGFS and remaining areas of appeals work.

As well as our investment in criminal legal aid, the Government are also today announcing implementation of our fee uplifts for immigration and housing controlled work in civil legal aid confirmed earlier in the year.

[HCWS1110]

Petition

Monday 1 December 2025

OBSERVATIONS

HOUSING, COMMUNITIES AND LOCAL GOVERNMENT

Council tax reform

The petition of residents of Hartlepool,

Declares that the current system of Council Tax is no longer fit for purpose given the substantial variations in property band prices across different local authorities.

The petitioners therefore request that the House of Commons urges the Government to look into all appropriate measures to fix the broken council tax system to establish a fairer system for residents and local authorities.

And the petitioners remain, etc.—*[Presented by Mr Jonathan Brash, Official Report,* 11 November 2025; Vol. 775, c. 130.*]*

[P003123]

Observations from the Minister for Local Government and Homelessness (Alison McGovern):

The valuation of all properties in England is carried out by the Valuation Office, who undertake this role independently of Ministers. Variations in council tax levels reflect the service needs of each area, having taken account of their other sources of income. It will also reflect historical council tax decisions taken by local authorities over several decades. The Government maintain the referendum principles, and authorities that choose to increase their council tax above this must obtain the approval of voters.

Announced at the autumn Budget, the Chancellor set out that a new high-value council tax surcharge will be introduced in 2028-29, and will be levied on owners of residential properties in England worth £2 million or more. This new charge will ensure that those with the most valuable properties pay their fair share. The charge will be levied in addition to existing council tax. Current council tax bands will not be affected and will still apply.

The Government are committed to ensuring that the council tax system is fair for taxpayers and local authorities, and will continue to keep council tax under review. As part of the fair funding review 2.0, for example, the Government have consulted on proposals to fully account for how much different areas can raise from council tax within grant funding allocations. The Government will continue to monitor the effectiveness of the system.

Written Corrections

Monday 1 December 2025

Ministerial Correction

CULTURE, MEDIA AND SPORT

BBC Charter Renewal

The following extract is from Culture, Media and Sport questions on 27 November 2025.

Sir John Whittingdale: The Secretary of State will be aware that, as the Public Accounts Committee has pointed out, last year the BBC lost more than £1 billion as a result of evasion and households declaring that they no longer need a licence. That figure is going to grow over the course of the next charter, so will she look at finding other ways in which we can close the funding gap?

Lisa Nandy: Yes. As the right hon. Gentleman would imagine, we are looking at a whole range of options around BBC funding to ensure that it is sustainably funded for many years to come. In particular, we are very keen to ensure that people feel a sense of ownership and belonging over the BBC, which is why the point about the nations and regions is so important. Ofcom recently produced a report in which it showed that of the top Scottish producers who fulfil the Scottish quota, for example, only one third are actually based in Scotland among the public sector broadcasters.

[*Official Report*, 27 November 2025; Vol. 776, c. 503.]

Written correction submitted by the Secretary of State for Culture, Media and Sport, the right hon. Member for Wigan (Lisa Nandy):

Lisa Nandy:… In particular, we are very keen to ensure that people feel a sense of ownership and belonging over the BBC, which is why the point about the nations and regions is so important. **Oliver & Ohlbaum Associates** recently produced a report, **drawing on Ofcom data**, which showed that of the top Scottish producers who fulfil the Scottish quota, for example, only one third are actually based in Scotland among the public sector broadcasters.

Other Correction

JIM MCMAHON

Business of the House

The following extract is from business questions on 27 November 2025.

Jim McMahon: For 15 years, His Majesty's Revenue and Customs mileage rate has been 45p per mile for the first 10,000 miles. In that time, the cost of buying and running a car, and of insurance and repairs, has clearly increased, but HMRC has not caught up. As a result of those cost rises, the NHS uprated its figure and will now pay 56p per mile for the first 3,500 miles.

[*Official Report*, 27 November 2025; Vol. 776, c. 540.]

Written correction submitted by the hon. Member for Oldham West, Chadderton and Royton (Jim McMahon):

Jim McMahon: For 15 years, His Majesty's Revenue and Customs mileage rate has been 45p per mile for the first 10,000 miles. In that time, the cost of buying and running a car, and of insurance and repairs, has clearly increased, but HMRC has not caught up. As a result of those cost rises, the NHS uprated its figure and will now pay **59p** per mile for the first 3,500 miles.

ORAL ANSWERS

Monday 1 December 2025

WRITTEN STATEMENTS

Monday 1 December 2025

PETITION

Monday 1 December 2025

WRITTEN CORRECTIONS

Monday 1 December 2025

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Monday 8 December 2025

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