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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES

(HANSARD)

Monday 29 October 2018

House of Commons

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The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

ESOL Classes

1. **Mr Virendra Sharma** (Ealing, Southall) (Lab): If he will extend Government support for English for Speakers of Other Languages classes to include newly arrived asylum seekers. [907293]

The Secretary of State for the Home Department (Sajid Javid): With your permission, Mr Speaker, I would like first to express how shocked and appalled I am at the deadly gun attack that took place this weekend at the synagogue in Pittsburgh. I am sure that the whole House will want to join me in expressing our deepest sympathies for the victims and those injured, as well as their families. The UK stands shoulder to shoulder with our Jewish friends across the world and utterly condemns antisemitism in all its forms.

My thoughts today are also with the friends and families of the victims of the terrible crash at Leicester City football club. I thank the emergency services for their response to this awful tragedy. I know that they did their absolute best.

Turning to Question 1, Government support towards integration is given through English language tuition, but it is available only once asylum seekers are recognised as refugees. This focuses resources on those recognised as being in need of protection.

Mr Sharma: I thank the Secretary of State for his response. Given the limitations on ESOL budgets, will he assure me that sufficient funding will be available to support the plan that he has in this area?

Sajid Javid: The hon. Gentleman raises an important question. It is right that we support those who are given protection in ways to integrate into British life, and language is important to that. I assure him that we have a good budget in this area; in 2016-17, it was £99 million of the total adult learning budget.

Michael Fabricant (Lichfield) (Con): Does my right hon. Friend agree that perhaps the success of the Jewish community in this country has been its willingness to integrate, to do in Rome as the Romans do and to learn

the language? That is not always the case with other ethnic groups, so it is a question not only of providing sufficient funds but of encouraging them to learn the language and become a part of our community.

Sajid Javid: It is right, of course, that this Government do more to welcome all communities and help them to integrate. That is why the Government published—I published it when I was Communities Secretary—an integration Green Paper, which we will build on. It is also worth commending the work that World Jewish Relief does to help all communities to integrate.

Mr Speaker: In the light of the terrible tragedy in Leicester, it is with particular feeling that I call Mr Keith Vaz.

Keith Vaz (Leicester East) (Lab): I thank the Home Secretary for the comments that he made following the death of Khun Vichai and four others in the helicopter in Leicester. Khun Vichai was an amazing man—someone who spent so much time in Leicester and did so much for the club—and he was adored by the people of Leicester. He will be greatly missed, and it is kind of the Home Secretary to mention him today.

On the substance of the question from my hon. Friend the Member for Ealing, Southall (Mr Sharma), the issue is not just English language lessons but the right to work, which goes hand in hand with being able to speak English. Will the Home Secretary look again at the rules to make sure that those who are waiting can get their right to work quicker and asylum seekers can be fully integrated in our society?

Sajid Javid: It will be a difficult time for the right hon. Gentleman's community and he has our full support in dealing with this tragedy.

On the issue of asylum seekers and support, the right to work is also very important. He will know that after 12 months, asylum seekers start getting some rights to work, but we are always looking at what more we can do.

Bob Blackman (Harrow East) (Con): I associate myself with the remarks by the Home Secretary in relation to the terrible attack in Pittsburgh and the victims of the terrible tragedy in Leicester.

In my schools in Harrow, 161 languages are spoken and it is vital that we integrate young people, but they are getting the education. What more can we do to integrate the adults who come here and need this training, so that they can take their place in our society?

Sajid Javid: My hon. Friend is right to raise that. He may recall that the integration strategy, which was launched earlier this year, talked of almost 700,000 adults in Britain who speak no or very poor English. That has led to more work in this area, especially on using members of the communities concerned as mentors to try to encourage others to take up English language learning.

Police and Fire Services: Collaboration

2. **Alex Burghart** (Brentwood and Ongar) (Con): What steps his Department is taking to encourage greater collaboration between the police and fire services.

[907295]

The Minister for Policing and the Fire Service (Mr Nick Hurd): I am sure there is cross-party support for wanting our emergency services to make the best use of existing resources, and the Government are extremely active in encouraging greater collaboration, whether it be through innovation funding, the work of the Emergency Services Collaboration Working Group or legislation that enables police and crime commissioners to take on fire and resource governance where a local case exists.

Alex Burghart: As the Minister will know, Essex is a pioneer in this area, where Roger Hirst, our police and crime commissioner, has brought fire services in. Will the Minister consider allowing the pooling of capital budgets to enable better joined-up working of back offices?

Mr Hurd: I completely agree with my hon. Friend. Roger Hirst is doing a fantastic job in seizing the opportunity to get more out of existing resources, and I completely understand the point about capital budgets. There are restrictions in place for good reasons, but Roger and other PCCs can already use police and fire budgets to invest in shared functions, such as joint back offices, although both fire and police budgets need to make an appropriate contribution to the shared service.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): One of the issues with capital budgets is that some services are selling their capital assets and then renting from another part of the service, which can lead to very imbalanced budgets locally. Does the Minister have a grip at the centre on the long-term impact this could have?

Mr Hurd: I recognise the point the hon. Lady is making. In taking through the enabling legislation in this area, we were careful to put restrictions in place to assure stakeholders in particular that it was not a takeover of fire budgets, for example. Restrictions are in place, and for good reasons, but we monitor the situation carefully and listen to representations on both sides of the argument.

Alberto Costa (South Leicestershire) (Con): Leicestershire police is based in Enderby in my constituency. Does the Minister agree that the collaboration between Leicestershire police, the fire service and the other emergency services the other day demonstrated the hard work that our emergency services do in Leicester and Leicestershire?

Mr Hurd: I join the Home Secretary in his remarks about the performance of the Leicestershire emergency services. Leicestershire is an excellent example of where services are going the extra mile to explore ways of working together and making the best use of existing assets and resources. As they are public assets and public resources, there is a duty to make the most of them.

Karen Lee (Lincoln) (Lab): Merging services is yet another ploy to promote the Government's austerity agenda: cutting one budget rather than two. For example, in Essex, the recently merged fire service budget is now being used to prop up the local highway plan, while the Essex service is forecast to lose £8 million between 2016 and 2020. Does the Minister agree that the Government

are putting the future of the fire service at risk? If austerity is really over, will he tell the House when he will speak to the Chancellor about properly funding the service, based on community importance, rather than sporadic demand?

Mr Hurd: The hon. Lady could not be more wrong. We are not talking about mergers; we are talking about the imperative on those deploying public money to use it in the smartest possible way and to make the best possible use of the public resources at their disposal. It is about value for money, which of course the Labour Front-Bench team has no interest in at all.

Modern Slavery

3. **James Cartlidge (South Suffolk) (Con):** What steps the Government are taking to reduce modern slavery. [907296]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): The Government are tackling the abhorrent crime of modern slavery both at home and overseas. We have strengthened the law enforcement response and introduced new requirements for businesses to report on slavery in their supply chains, and are transforming the support we provide to victims. Internationally, we continue to work to stop modern slavery wherever it occurs.

James Cartlidge: I strongly welcome the steps the Government are taking to tackle modern slavery. Does the Minister agree that, as we leave the EU and bring in much tougher rules on unskilled immigration from the EU, we will need to be vigilant to ensure that it does not provide new opportunities for people traffickers who may seek to exploit those tougher rules?

Victoria Atkins: Our determination to tackle modern slavery will be unaltered by our exit from the EU. On 6 September, the Government announced the introduction of a new seasonal workers pilot for horticulture, but we are of course very alert to the risks noted by the independent Migration Advisory Committee, which my hon. Friend outlined, and we will work with sectors, including the Gangmasters and Labour Abuse Authority, to ensure that migrant workers are protected against modern slavery and other labour abuse.

19. [907313] **Mary Creagh (Wakefield) (Lab):** I welcome the fact that UK Border Force recently conducted spot checks at hand car washes in Wakefield, but the Environmental Audit Committee's inquiry into the issue has heard that these criminals are breaking the law in other ways: avoiding their taxes, underpaying wages, and discharging chemicals into nearby watercourses. When will the Minister take a cross-departmental approach to tackling modern slavery, which is hidden in plain sight throughout the nation?

Victoria Atkins: I thank the hon. Lady for chairing the Environmental Audit Committee's inquiry into this important subject. It was a pleasure to appear before the inquiry some weeks ago. She is absolutely right: these criminals do not restrict themselves to exploiting human beings, but break every rule going. That is why we are leading a cross-governmental approach, having

regard to environmental offences as well as offences of labour exploitation, such as failing to pay the minimum wage. We want the message to go out to these criminals loud and clear that we will not tolerate modern slavery, whatever form it takes.

Mrs Maria Miller (Basingstoke) (Con): Many businesses want to show more clearly how they are trying to tackle modern slavery in their supply chains, as some need to in law. Will the Minister's modern slavery team talk to her equalities team and learn some lessons on how we are showing gender pay gap reporting, which is making that information more readily available?

Victoria Atkins: I thank my right hon. Friend for the important work that she is doing on the review of the Modern Slavery Act 2015, along with the right hon. Member for Birkenhead (Frank Field) and Baroness Butler-Sloss. I hope that the review will help us to tackle the problem that some—although not all—businesses have with meeting their duty under the Act to report that their supply chains are slavery-free. We have started that work already: last week, in celebration of Anti-Slavery Day, we wrote to 17,000 businesses across the country setting out our expectation of their compliance with the law.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): North Wales police was the first force in Wales to establish a modern slavery unit, working to combat human trafficking at Holyhead, which risks being a soft target for modern slavery gangs. What measures is the Secretary of State introducing to ensure that security at the port of Holyhead specifically is not compromised as a result of the UK's leaving the EU?

Victoria Atkins: I thank the hon. Lady for her commitment to this issue. As she knows, the Home Office is taking an in-depth look at the security of our borders as we leave the EU. However, our exit from the EU does not in any way affect our determination to tackle modern slavery, and to work with our international partners to stop slavery around the world.

Tom Pursglove (Corby) (Con): The Council of Europe has been a real force for good through its proactive work to tackle modern slavery. It is entirely separate from the European Union, but will my hon. Friend confirm that we will continue to be at the forefront of the important work in that collaborative organisation?

Victoria Atkins: I am delighted to confirm that not only are we at the forefront in terms of the Council of Europe, but the Prime Minister is leading the world through the United Nations' global call for action to end modern slavery by 2030. We are very ambitious and determined in this regard, and the rest of the world is working with us.

Carolyn Harris (Swansea East) (Lab): On Anti-Slavery Day, ECPAT UK—Every Child Protected Against Trafficking—handed No. 10 a petition calling for specialist support for trafficked children. No Government funds are currently available for specialist children's care, and that leaves children vulnerable to re-trafficking. The

Government must commit themselves to giving local authorities additional funds. Will the Minister agree to provide those funds to protect vulnerable children?

Victoria Atkins: The hon. Lady will know that we are committed to the introduction of independent child trafficking advocates, and I am delighted that next year a third of local authorities will have ICTAs to look after the most vulnerable victims of trafficking. However, we have noted that the crime type is evolving. We are piloting schemes for UK-trafficked as opposed to internationally trafficked children, because we appreciate that the needs of those two different sets of children must be encompassed.

Free Movement of People

4. **Dr Philippa Whitford** (Central Ayrshire) (SNP): What assessment he has made of the effect on Scotland of ending free movement of people with the EU.

[907297]

7. **Marion Fellows** (Motherwell and Wishaw) (SNP): What assessment he has made of the effect on Scotland of ending free movement of people with the EU.

[907300]

The Minister for Immigration (Caroline Nokes): After the UK leaves the EU, free movement will end. In a recent report, the Independent Migration Advisory Committee concluded that the economic impacts of EU migration had been "relatively small", with "limited regional variation". As we leave the EU, we will create a single global immigration system that works in the interests of the whole United Kingdom.

Dr Whitford: Ending freedom of movement will have a major impact on the health and social care sector, which employs high numbers of EU nationals, and the tier 2 visa threshold of £30,000 is far more than any social care worker earns. Do the Secretary of State and Minister not recognise that wealth is not the same as worth?

Caroline Nokes: We have been very clear that employers should take all possible steps to reduce their reliance on low-skilled migrant labour. The MAC does have serious concerns, however, about the social care sector and is clear that this sector needs a policy wider than just migration policy to fix its many problems. The MAC report has given us some sound advice, but the Home Office continues to discuss with all sectors, with business leaders and indeed with the devolved Governments so that we can come forward with an immigration policy that works for the whole country.

Marion Fellows: As someone who has recently been the beneficiary of care and care support, I would refute what the Minister has just said. Scottish Government analysis published in February estimates that real GDP in Scotland will be 4.5% lower by 2040 than it would otherwise have been, as a result of lower migration. Does the Minister agree that this is why immigration powers must be devolved to Scotland, so that Scotland can create a system that is fair and that meets our needs and values?

Caroline Nokes: The Government have been repeatedly clear that immigration policy remains a reserved matter. Four years ago the people of Scotland confirmed in a referendum that they wanted to remain part of the United Kingdom and we will deliver an immigration policy for every part of the UK.

Mr Robert Goodwill (Scarborough and Whitby) (Con): There are 115,000 people looking for work in Scotland. Does the Minister think it would be a good idea if the Scottish Government did more to help those people to acquire the skills they need to get into the workplace and build the Scottish economy, rather than just ship in more people from beyond our shores?

Caroline Nokes: I thank my right hon. Friend for his question. It is crucial that we work across the whole of government—through our modern industrial strategy, the Department for Education, local government and the devolved Administrations—to make sure that we provide the opportunities for young people across the whole economy so that they can find work.

David Duguid (Banff and Buchan) (Con): I welcome the news that free movement will be replaced with a single control system based on people's skills, not where they come from. Can my right hon. Friend reassure me that the future system will both facilitate the supply of foreign labour where there is a domestic shortage and complement the Government-wide approach to domestic skills to tackle the shortages where they can be addressed by upskilling UK workers?

Caroline Nokes: My hon. Friend makes an important point. Our first priority must be upskilling UK workers and making sure they can move into the vacancies that we know are there. My hon. Friend is always diligent in promoting the interests of businesses in Scotland, which might find it difficult to acquire the labour they need. I will be delighted to work with him in that respect.

Joanna Cherry (Edinburgh South West) (SNP): The Scottish Government's analysis shows that the average EU citizen working in Scotland contributes £10,400 per annum to Government revenue and £34,400 per annum to GDP. What plans have the UK Government made to mitigate the adverse economic impact on Scotland as a result of the UK Government's decision to end free movement?

Caroline Nokes: The hon. and learned Lady will be conscious that an immigration White Paper will be coming forward very soon, but it is crucial that we reflect on the advice given to us by the independent Migration Advisory Committee, which made the point that there were only limited regional variations.

Joanna Cherry: I am very conscious of the much heralded and long awaited White Paper. However—the Minister may not know this—a nationally representative survey conducted by British Future and Hope not Hate shows that nearly two thirds of people in Scotland think the Scottish Government should have the power to decide which visas are issued to people who want to work in Scotland. Will the Minister meet me in advance of the White Paper to discuss how it will address the wishes and needs of the people of Scotland?

Caroline Nokes: I gently remind the hon. and learned Lady that Scotland will be part of a single immigration policy for the whole United Kingdom, however strongly she might argue against that, but I will be delighted to meet her after the White Paper is published, because we do not want the White Paper to be the end of the conversation, and we will still be asking business and industry leaders, representative groups, stakeholders and the devolved Administrations to give us their views.

EU Settlement Scheme

5. **Danielle Rowley** (Midlothian) (Lab): What assessment he has made of the adequacy of the Government's EU settlement scheme. [907298]

The Secretary of State for the Home Department (Sajid Javid): EU citizens make a huge contribution to our economy and society, and we want them to stay. The EU settlement scheme enables them to do so, in line with the draft withdrawal agreement. The scheme provides a simple streamlined process for residents and EU citizens and their family members to obtain their new UK immigration status.

Danielle Rowley: The Roslin Institute in my constituency conducts world-leading scientific research, and it benefits significantly from the expertise of the EU citizens who work there. Given the Government's plans to level down the rights of EU citizens living here from 30 March onwards and the false categorisation of many scientific researchers as low-skilled, what is the Secretary of State doing to ensure that EU researchers do not find the UK a hostile environment for themselves and their families and choose to go elsewhere?

Sajid Javid: The Government are supporting all those EU citizens who wish to stay in our country. As I said, we actually want them to stay, not just because of the economic benefits they bring but because they are part of our society and part of many of our families. So we want them to stay, and as we have made clear, whether there is a deal or not, they will still be welcome to stay. Our new immigration system will continue to welcome talent from across the world.

Sir Edward Davey (Kingston and Surbiton) (LD): How does the Home Secretary propose to honour his promises to EU citizens living in the UK and to British citizens in the EU in the event of no deal? Will he now seek to negotiate and ratify a citizens' rights agreement with the EU that would come into force if there were no wider deal?

Sajid Javid: We have made it clear that if there is no deal—which we do not expect, but we need to plan for all eventualities—all 3.5 million EU citizens in the UK will be allowed to stay and welcome to stay.

Afzal Khan (Manchester, Gorton) (Lab): Today, I wrote to the Home Secretary about the Home Office illegally requiring DNA data for people's immigration applications. We have just had the Windrush scandal, and the EU settlement scheme will be the biggest task that the Home Office has ever undertaken. With an additional 3.5 million EU citizens subject to the hostile environment, it will be a question of when, not if, another

scandal will break. The Home Secretary has committed to conducting a review of the structure and processes of the Home Office. Will that review be fully independent, and will it roll back the hostile environment?

Sajid Javid: I gently remind the hon. Gentleman that the first Ministers to stand at this Dispatch Box and talk about the hostile environment were Labour Ministers. He should never forget that. Also, almost half the people affected by the Windrush saga were pre-2010. He should reflect on that as well. He is right to say that the EU settlement scheme is large and ambitious, and we are confident that it can be delivered. In our beta testing of the scheme so far, 95% of the people taking part say that it has worked very well for them.

Traveller Encampments

6. **Mr Ranil Jayawardena** (North East Hampshire) (Con): Whether police forces are using the powers available to them to tackle unlawful Traveller encampments. [907299]

The Secretary of State for the Home Department (Sajid Javid): The distress that local communities face as a consequence of unauthorised encampments is unacceptable. The Government have recently consulted on what more can be done to ensure that existing enforcement powers are used effectively and on whether additional powers are required.

Mr Jayawardena: Will my right hon. Friend join me in unequivocally damning the disruption and antisocial behaviour caused to innocent residents by illegal Traveller encampments? May I urge him to go further and to give the police more powers to tackle trespass, from which all our constituents deserve the right to be protected?

Sajid Javid: Yes, I join my hon. Friend in that; I fully recognise that unauthorised encampments can cause the settled community significant stress. I have seen that in my own constituency of Bromsgrove, and he has seen it in his. I am not convinced that the existing powers are strong enough, which was why, as Communities Secretary, I launched a consultation, and we will be responding to it shortly.

Kate Green (Stretford and Urmston) (Lab): Has the Home Secretary read “Policing by consent: Understanding and improving relations between Gypsies, Roma, Irish Travellers and the police”, the report published last week by the Traveller Movement? Will he take note of the concerns in that report that police officers still display signs of unconscious bias and racism towards the Traveller community, and will he meet the all-party parliamentary group for Gypsies, Travellers and Roma to discuss those concerns?

Sajid Javid: I have not yet had the opportunity to read that report, but I will certainly take a look now that the hon. Lady has mentioned it. She reminds the House that the vast majority of the Traveller community are law-abiding citizens, but there are a few, as there are in any community, who break the law through unauthorised encampments, and what people want, including perhaps people in her community, is a balanced approach.

Mr Marcus Jones (Nuneaton) (Con): My constituents have suffered significantly from illegal Traveller encampments for several years, leading to a significant loss of local amenity and significant cost to council tax payers. I am glad that my right hon. Friend is working with the Secretary of State for Housing, Communities and Local Government on that matter, but enforcement is key, so will he reassure me that whatever powers are put in place are backed up with decent, proper enforcement?

Sajid Javid: It is worth reminding the House that there is a joint consultation across the Government between the Ministry of Housing, Communities and Local Government, the Ministry of Justice and the Home Office and that it will lead to better powers, whatever the results.

Stephen Pound (Ealing North) (Lab): The fact remains that the system simply is not working. This lawlessness is having a corrosive effect on local communities, and there have been catastrophic consequences for local government finance. Will the Home Secretary please listen to the suggestion that I have made many times before? We should use the number plates of these gleaming, glistening chariots that invade our open spaces and prosecute these malefactors through the identification of their vehicles.

Mr Speaker: Will the Home Secretary heed Pound?

Sajid Javid: I dare not heed Pound, but the hon. Gentleman makes an important point. The consultation’s purpose is to look not just at what is happening at the moment, but at what new powers and sensible policies should follow to deal with this issue.

UK Visas and Immigration

8. **Alison Thewliss** (Glasgow Central) (SNP): What progress his Department is making on establishing the new UKVI service and support centres. [907301]

The Minister for Immigration (Caroline Nokes): On 30 November, UKVI’s existing premium service centres will close to undergo refurbishment and conversion to service and support centres. Home Office staff will be given tailored training sessions, enabling them to best serve customers’ needs when the centres reopen in January 2019.

Alison Thewliss: Delays in Home Office decision making have been a feature of just about every surgery that I have ever held. Given the recent announcement that some services will be outsourced to Sopra Steria—the same company that managed to lose half a million NHS documents—and the experience that we have had with Serco in Glasgow, will the Minister tell me how on earth this privatisation agenda will help my constituents?

Caroline Nokes: It will help the hon. Lady’s constituents by providing a transformed experience for those who may need more face-to-face interaction or help with their applications. At the free appointments, customers will meet experienced frontline staff to help UKVI better to understand their circumstances, take appropriate safeguarding action and validate their documents.

Police Funding

9. **Chris Elmore** (Ogmore) (Lab): If he will take steps to secure additional funding for police forces with multiple cities in their authority area. [907303]

The Secretary of State for the Home Department (Sajid Javid): The Minister for Policing has spoken to all police forces about the demands that they face. We have increased police funding by over £460 million this year, including by providing additional flexibility through the council tax precept.

Chris Elmore: The Home Secretary will be aware that the South Wales police and crime commissioner, Alun Michael, is lobbying the Home Office for additional funding because Cardiff, as a capital city, receives no additional funding despite hosting major sporting and cultural events. Will the Home Secretary support Mr Michael's bid and deliver new funding for the South Wales police authority area?

Sajid Javid: The Minister for Policing has met the hon. Gentleman's local force—I believe he actually met the hon. Gentleman to discuss the issue—and we are giving the matter careful consideration.

Vicky Ford (Chelmsford) (Con): Last week, the police force in Chelmsford, Essex, and its local partners came first in the country for the national Pubwatch scheme, which has reduced violent crime at night by 45%. Will the Home Secretary praise Essex police and continue to help to fund our frontline?

Sajid Javid: Essex police force has my full congratulations on what it has achieved, which shows what can be done to tackle serious violence with creative thinking. Indeed, I may well invite the force to the cross-party serious violence taskforce.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I associate myself with the Home Secretary's remarks on the tragedy in Leicester and on the horrific events in Pittsburgh. Our thoughts and prayers should be with the family and friends of the slaughtered and with the people of Pittsburgh.

The Home Secretary will be aware that the National Audit Office has clearly set out how the Government have failed to protect police funding. Does he accept that this is a mark of shame and is putting the public at risk? Since 2010, over 21,000 police officers have been cut under the Tory Government's austerity policy. All our constituents can see the consequences in delays in responding to 999 calls and in rising violent crime. Will we see the Chancellor today offer any additional funding for policing? The fear must be that the Government will not even properly fund the police pension settlement.

Sajid Javid: The right hon. Lady is right to talk about policing and the incredible work that the officers and staff do, but it is worth reminding the House that Labour planned to cut police spending by 5% to 10% had it won the 2015 election. Labour did promise an increase in 2017, but it was not enough, because we increased police funding by more than Labour promised—by £460 million. Labour went on to vote against that increase.

Not a single Labour MP voted for an increase in police funding when they had the opportunity, so we will not take any lectures from Labour on policing.

Knife Crime

10. **David T. C. Davies** (Monmouth) (Con): What steps he is taking to tackle knife crime. [907304]

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): The Government are very concerned about increases in knife crime and its impact on victims, families and communities. The action we are taking is set out in our serious violence strategy and includes new legislation in the Offensive Weapons Bill; the community fund to support local initiatives; the #knifefree media campaign; and continuing police action under Operation Sceptre.

David T. C. Davies: The Minister knows that the Police and Criminal Evidence Act 1984 currently prevents the police from using past criminal convictions as grounds for determining whether a search is proportionate. Will she consider changing PACE so that people who are stopped for a legitimate reason and who are found to have a recent criminal conviction for carrying knives can actually be searched by a police officer?

Victoria Atkins: My hon. Friend brings his experience as a special constable to the Chamber, and I am grateful for his service. We are clear that stop and search is a vital policing tool, and we are committed to tackling knife crime. Under the Police and Criminal Evidence Act officers already have the power to search an individual they suspect to be carrying a knife. We therefore believe the current arrangements to be proportionate, but we will keep them under review and continue to work closely with the police to ensure they have the tools they need. I will be happy to meet him to discuss it further.

Vicky Foxcroft (Lewisham, Deptford) (Lab): The Home Secretary announced in September that the Government would adopt a public health approach to tackling knife crime, a measure recommended by the Youth Violence Commission following strong evidence that it works. When will the House be given the opportunity to debate this vital issue?

Victoria Atkins: I am extremely grateful to the hon. Lady and other hon. Members on both sides of the House for their work with the Youth Violence Commission. She will know from our scrutiny of the Offensive Weapons Bill how seriously we take the public health approach—we looked at it through the development of the serious violence strategy. She will know there was a debate before the summer recess on serious violence, but I am always happy, as she knows, to debate how we help to support our police forces in tackling this terrible crime.

Several hon. Members *rose*—

Mr Speaker: Order. I am afraid there is strong pressure on time today.

Organised Crime (National Crime Agency)

11. **Kevin Hollinrake** (Thirsk and Malton) (Con): What steps he is taking to tackle organised crime through the National Crime Agency. [907305]

The Minister for Security and Economic Crime (Mr Ben Wallace): We have made significant progress since the National Crime Agency was established in 2013. Capabilities have improved; partnership working is better; and we intervene earlier to prevent serious and organised crime. The agency has gone from strength to strength, with an impressive and sustained track record of disruptions across the full range of serious and organised crime threats.

Kevin Hollinrake: Thames Valley police spent £7 million investigating the HBOS Reading banking scandal. Will my right hon. Friend consider establishing regional fraud squads, which would be self-funded from the proceeds of both fines and recovered funds, to properly investigate business banking fraud and other financial crimes?

Mr Wallace: My hon. Friend's suggestion is similar to what already happens through the regional organised crime units. We have injected £140 million in grant funding to help to establish them and to ensure that we put in place the right financial investigators in each region to tackle fraud.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Organised crime crosses borders, and the National Crime Agency relies on the European arrest warrant and databases and joint operations with Europol, all of which will fall if we leave the European Union without a deal in place in April. Given that Ireland has repealed its extradition arrangements to do with the previous 1957 convention, will there be any legal way to extradite organised criminals from Dublin if there is no deal?

Mr Wallace: The right hon. Lady makes an important point about what happens post Brexit. She will of course know that the negotiations with Michel Barnier are all about issues like that. I suspect that Ireland will go along with whatever the EU's deal is to implement, and we are seeking a security treaty so that we can put in place many of these important measures.

Several hon. Members *rose*—

Mr Speaker: A sentence perhaps; Lloyd Russell-Moyle.

23. [907317] **Lloyd Russell-Moyle** (Brighton, Kemptown) (Lab/Co-op): Organised crime often leads to bad drugs on our streets, and one way to stop that is through drug testing in festivals. The Minister agreed that he would write to police forces about the legality of that. What is the response?

Mr Wallace: I hear what the hon. Gentleman says. We have to stem the demand for drugs, both recreational and in respect of other users. Therefore, it is important that we work with the police to deliver that.

Violent Crime

12. **Wes Streeting** (Ilford North) (Lab): What steps his Department is taking to tackle violent crime. [907306]

The Secretary of State for the Home Department (Sajid Javid): We will be launching a £200 million youth endowment fund to intervene with children at risk of serious violence; we will be consulting on a new duty to support the multi-agency approach to tackling violence; and we will be undertaking a review of drug misuse.

Wes Streeting: The recent murder of a 23-year-old man in my constituency has once again brought violent crime to the forefront of concerns in my community. My constituents understand that whether in Labour-led cities such as London or in Tory shires, cuts to police numbers are having a serious impact, which is leading to increases in violent crime across the country. When will the Home Secretary accept that and put the money back into the police that our communities need?

Sajid Javid: The hon. Gentleman is absolutely right to raise this. He will know that the Government have a cross-government serious violence strategy, but we do need to do more. That was why I recently announced these further steps, especially the new £200 million fund, which will help prevent violence.

Sir David Evennett (Bexleyheath and Crayford) (Con): Does my right hon. Friend agree that we need to remain committed to steering young and often vulnerable people away from crime? What is the Department doing to strike a balance between prevention and robust law enforcement?

Sajid Javid: My right hon. Friend is right to raise this. We have this new £200 million fund announced earlier this month, and we also have an early intervention youth fund of £22 million.

Louise Haigh (Sheffield, Heeley) (Lab): The Home Secretary might not want to take any lessons from Labour on policing, but in March Her Majesty's inspectorate of constabulary warned that "the lives of vulnerable people could be at risk"

if cuts continue. In May, the Metropolitan Police Commissioner said she was "certain" that the Government's cuts have contributed to violent crime. In September, the National Audit Office warned that the Home Office "does not know if the police system is financially sustainable."

Last week, the Select Committee on Home Affairs declared that the police could become "irrelevant" without serious investment in today's Budget. Every one of those warnings has been ignored by the Government. Can the Home Secretary tell us why he thinks they are all wrong and he is right?

Sajid Javid: Of course the police need to have the right mix of resources as well as other factors, which is why we have increased police funding this year by more than £460 million. But the hon. Lady also knows this is not all about resources. For example, the changes in

drug markets are playing a big role, which is why I hope she would welcome the review that I have recently announced.

Asylum Seekers

13. **Chris Stephens** (Glasgow South West) (SNP): What steps he is taking to ensure that asylum seekers are adequately maintained and accommodated; and if he will make a statement. [907307]

The Minister for Immigration (Caroline Nokes): The Government are committed to protecting the rights of asylum seekers and to ensuring that those who would otherwise be destitute are provided with accommodation and other support to meet their essential living needs. We continue to work closely with local government, the devolved Administrations, the private sector and civil society to make improvements to the services that are provided.

Chris Stephens: The Minister will be aware that, following a legal challenge in Scotland's Supreme Court by two of my constituents and Govan Law Centre, Serco undertook to put its lock-change evictions on hold. Is she aware that Serco is verbally threatening my constituents with lock-change evictions? Does she agree that that is completely unacceptable, and will she investigate?

Caroline Nokes: It is important that the Home Office continues to work with Serco, Glasgow City Council and non-governmental organisation partners as part of a dedicated taskforce to make sure that all those individuals who are no longer entitled to asylum support or accommodation are managed appropriately. The hon. Gentleman is of course right to point out that, following his constituents' legal challenge, no service users have been evicted while the appeal is ongoing.

Police Funding

14. **Bambos Charalambous** (Enfield, Southgate) (Lab): What recent assessment he has made of the adequacy of police funding. [907308]

The Minister for Policing and the Fire Service (Mr Nick Hurd): As taxpayers, we are investing over £1 billion more in our police system than we were three years ago. That shows the Government's recognition of not only the increasing demand on police and the increasing complexity of that demand, but the progress that we are making in reducing the deficit in our public finances—progress jeopardised by the current Labour Front-Bench team.

Bambos Charalambous: The Minister will no doubt be aware of the lamentable findings of the recently published Home Affairs Committee report, "Policing for the future". Does he agree with its conclusion that without

"additional funding for policing...there will be dire consequences for public safety, criminal justice, community cohesion and public confidence"?

Will he join me in calling on the Chancellor to provide substantially more funding for policing not only in my constituency of Enfield, Southgate, but throughout the country?

Mr Hurd: I agree with much of the Select Committee's report, including on the need for more resources for policing, which is exactly what we are providing through an additional £140 million taxpayer investment in our police system this year. That is a police funding settlement that the hon. Gentleman and other Labour MPs voted against.

Topical Questions

T1. [907333] **Chris Stephens** (Glasgow South West) (SNP): If he will make a statement on his departmental responsibilities.

The Secretary of State for the Home Department (Sajid Javid): It has been a busy few weeks at the Home Office as we continue in our efforts to deliver for the British people. On Thursday, regulations that allow the medicinal use of cannabis-based products will come into effect, providing relief to those people, particularly children, who have known so much pain. I shall shortly visit the United States to monitor progress on my challenge to tech giants to help us to fight child sexual exploitation. For those who fall short, there will be no place to hide.

Chris Stephens: On Friday, my constituent was supposed to be moved by Serco to new social housing accommodation, following a successful claim. However, that did not happen, and Serco removed beds, heating and £22.50 in cash. Does the Secretary of State believe that Serco is a rogue provider of services that should be removed its contract?

Sajid Javid: I am happy to take a closer look at the case that the hon. Gentleman mentions. He will know that we have consulted the Scottish Government, local government and others on a new approach, and we are confident that that new approach will bring significant improvement.

T7. [907339] **Gareth Johnson** (Dartford) (Con): Over the past few months, we have seen a reduction in moped crime. Does that not show what can be achieved when we take a multi-agency approach when resources are allocated and, crucially, when the police are allowed to pursue motorcyclists even though they are not wearing crash helmets?

The Minister for Policing and the Fire Service (Mr Nick Hurd): As a London MP, I am absolutely delighted that moped crime is down by around 50% from its terrible peak. That is the result not only of superb police action but of the work convened by the Home Office that has brought together Government, industry and civil society to bear down on the problem. So pleased are we with that work that we taking the model forward to tackle vehicle crime.

Nick Thomas-Symonds (Torfaen) (Lab): I thank Max Hill QC for his work as the reviewer of counter-terror legislation—a role that he left on 12 October to become the Director of Public Prosecutions. Given that his departure was announced on 24 July, why has no successor

been appointed and the post been left vacant with counter-terror legislation going through Parliament? What on earth is the Home Office excuse for this sheer negligence?

Sajid Javid: We are about to start the process for appointing Max Hill's successor. To suggest that that has held back progress on counter-terrorism would be completely incorrect. The new counter-terrorism strategy was launched just a few months ago and sets out how seriously the Government take the issue.

Theresa Villiers (Chipping Barnet) (Con): In the light of the horrors of Pittsburgh, will the Government provide assurance—[*Interruption.*]

Mr Speaker: Order. This really is a matter of the utmost sensitivity, and the right hon. Lady's question must be heard with solemnity and respect.

Theresa Villiers: Thank you, Mr Speaker.

In the light of the horrors of Pittsburgh, can the Home Secretary provide the reassurance that both the Government and the police will always take very, very seriously the security of the Jewish community and other minorities who may be subjected to hate crimes and violence?

Sajid Javid: I can absolutely provide that reassurance to my right hon. Friend. In fact, this weekend, following that tragedy, I spoke to the head of the Community Security Trust to offer that reassurance. It is an organisation that we are proud to support, but we want to look at new ways of helping the community with its security needs. It is sad, in this day and age, that any community needs security of that type but, for as long as they do, we will always be there. Tonight, I will also be attending a vigil to mark the terrible tragedy at Pittsburgh.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): The perpetrator of the Pittsburgh murders has a history of posting the most vile antisemitism, Islamophobia and threatening comments. Similarly, the man suspected of sending pipe bombs to prominent Democrats threatened the life of a political commentator via a tweet a few months ago, but Twitter said that that did not violate its online guidelines. In the wake of these terrible tragedies, what are the Government doing to address the very serious issue of online hate?

Sajid Javid: The hon. Lady is again right to raise this matter. We have seen the role that social media is playing not just in Britain, but abroad, in feeding hate. That is one reason why the Government recently refreshed our anti-hate strategy and that is exactly one of the things that we will be looking into further.

Mark Pawsey (Rugby) (Con): This summer, Rugby saw a number of illegal Gypsy and Traveller encampments on new housing sites. Our local councillor, Jill Simpson-Vince, brought together developers and Warwickshire police to put a protocol in place. Can the Secretary of State encourage others to follow Warwickshire's lead?

Sajid Javid: Yes, I can.

T2. [907334] **Sandy Martin** (Ipswich) (Lab): What progress has the Minister made in compensating Windrush victims who have been made homeless and jobless by the Government's hostile environment project?

The Minister for Immigration (Caroline Nokes): I thank the hon. Gentleman for that question. He will know that Martin Forde QC recently asked the Government, and we agreed, to extend the consultation period for the compensation scheme so that we can make sure that we get the best responses possible and so that he can engage more widely with the community. In exceptional circumstances, the Home Office has already made payments to some individuals.

Steve Double (St Austell and Newquay) (Con): Meat and fish processing businesses in my constituency rely heavily on migrant workers. Many of their staff are highly skilled even though their skill is not formally recognised by a qualification. What steps are the Government taking to make sure that these sorts of skills are properly recognised in our future immigration policy?

Sajid Javid: Our food and drink industry is vital to the success of our economy and I know that many Cornish businesses are very successful in this sector. I can reassure my hon. Friend that we will be taking these issues very seriously as we develop our new immigration system.

T3. [907335] **Mrs Madeleine Moon** (Bridgend) (Lab): My constituent, Mr Jenkins, was born and bred in Bridgend. His wife of more than 20 years has been told that she has to leave the day before their child's 18th birthday. Why? What sort of hostile environment destroys family life in that way?

Sajid Javid: If the hon. Lady would care to write to me, I will look closely at the case that she has mentioned.

Greg Hands (Chelsea and Fulham) (Con): Next March will see the 40th anniversary of the brutal assassination of Airey Neave on these premises. Airey Neave's family, my constituents, are seeking more information about the circumstances of the murder. I have been told that my questions on this have been transferred from the Northern Ireland Office to the Home Office. Will my right hon. Friend the Home Secretary agree to meet me and Airey Neave's family to discuss how they can get answers on how and why Airey Neave was murdered 40 years ago?

Sajid Javid: Yes, I will.

T4. [907336] **Ruth George** (High Peak) (Lab): What will the Home Secretary do to help police forces to prioritise resources when they are faced with cannabis clubs, of which most members require cannabis for medicinal reasons, and an epidemic of Spice at the same time, which poses very serious risks to both health and law and order—both are class B drugs?

Mr Hurd: Operating priorities are local decisions, but what I can tell the hon. Lady is that the priority of the Department is to make sure that the police have the resources that they need to do their job, which was why we took steps to increase public investment in our police.

Bill Grant (Ayr, Carrick and Cumnock) (Con): May I seek an assurance from the Minister that any revised immigration policy will reflect the needs of the farming and fishing community in Scotland and indeed the whole UK?

Sajid Javid: I can give my hon. Friend that assurance, and that was one reason why we recently launched a pilot for a seasonal workers agricultural scheme for 2019.

T5. [907337] **Emma Reynolds** (Wolverhampton North East) (Lab): In the west midlands we have lost over 2,000 police officers and violent crime is on the rise. Will the Home Secretary look again at funding for West Midlands police and reverse the imposition of extra pension costs?

Mr Hurd: I am sure that the hon. Lady is aware that West Midlands received more funding this year—£9.9 million—in a police funding settlement that she voted against. I will be coming to the House in early December with our proposals for 2019-20.

Maggie Throup (Erewash) (Con): Town centres are at the heart of the Erewash community, but on occasion they can become the target for antisocial behaviour brought on by the misuse of drugs and alcohol. What more can be done to ensure a visible police presence in our town centres, and does my hon. Friend agree that sharing back-office functions with other emergency services to free up resources may be one solution?

The Parliamentary Under-Secretary of State for the Home Department (Victoria Atkins): I am delighted to be visiting my hon. Friend on Friday to see for myself the hard work that she does in taking care of her constituents, working alongside her local police force. This Government support greater collaboration and have placed a statutory duty on police, fire and ambulance services to keep collaborative opportunities under review and enter into them in the interests of efficiency or effectiveness.

Mr Speaker: A single sentence of Hobhousian liberalism—Wera Hobhouse.

T6. [907338] **Wera Hobhouse** (Bath) (LD): Small and medium-sized businesses are the lifeblood of most of our economy, including in my Bath constituency. However, they face many challenges in recruiting the talent they need, so will the Minister consider reforming the tier 2 visa system to make it easier and remove the prohibitive costs for smaller employers to recruit highly skilled overseas graduates from UK universities?

Mr Speaker: I think that sentence contained quite a lot of semi-colons.

Caroline Nokes: I share the hon. Lady's admiration for small and medium-sized businesses the country over. The immigration system already facilitates recruitment of foreign graduates of UK universities by waiving many of the usual requirements. We will shortly be setting out our plans for the future immigration system, following the recent report by the Migration Advisory Committee.

Ben Bradley (Mansfield) (Con): Following on from my Adjournment debate on the subject and a letter from 20 police and crime commissioners, will the Minister confirm that he shares my concerns about the impact of Mamba and Spice on communities such as Mansfield and consider potential solutions to support local police and other services in tackling this issue?

Mr Hurd: I salute the tireless campaigning by my hon. Friend and others. Spice is a scourge of many town centres at the moment. We take independent advice on classification and we keep that independent advice under review.

T8. [907340] **Layla Moran** (Oxford West and Abingdon) (LD): Tomorrow, Martha Fernback would have turned 21, but sadly her young life was cut short when at 15 she took an overdose of ecstasy. Her mother, Anne-Marie, now campaigns tirelessly for a new, evidence-based approach to drugs policy. Will the Secretary of State consent to meeting Anne-Marie to hear why she believes a new approach is necessary?

Victoria Atkins: I am of course very sorry to hear that, as I am sure the entire House is. The hon. Lady will know that the Home Secretary has commissioned an independent review of drugs so that we may understand better how they are used in the 21st century, and I would of course be honoured to meet her and her constituent to discuss this.

Chris Philp (Croydon South) (Con): When we leave the European Union, we will of course have control of all aspects of immigration policy. Does the Home Secretary agree that we can then prioritise higher-skilled immigration as a way of boosting our nation's productivity?

Sajid Javid: Yes, I agree with my hon. Friend. That is exactly what we will do, and we will set out the approach in the White Paper in a few weeks.

T9. [907341] **Liz Twist** (Blaydon) (Lab): Since 2010, Northumbria Police have had funding cuts of £140 million and seen 1,000 jobs lost. Now it faces an additional cost from employer pension contributions of £11 million, which is equivalent to 220 officers. Has the Minister pressed the Treasury to fund that cost before even more police jobs are lost?

Sajid Javid: The hon. Lady's local police force will be getting an extra £5 million this year, and she will also know that later this year we will have the policing settlement—something that I know she will look forward to.

Kirstene Hair (Angus) (Con): The seasonal agricultural workers pilot scheme was warmly welcomed both by farmers and by agricultural bodies across the United Kingdom. [Interruption.] Will the Minister update farmers in my constituency on when further detail will be released? [Interruption.]

Mr Speaker: Order. I hope the Minister heard her hon. Friend.

Caroline Nokes *indicated assent.*

Mr Speaker: She did. Otherwise we would have to have a reprise.

Caroline Nokes: I thank my hon. Friend for her question. I was delighted to go to her constituency over the summer to meet soft fruit farmers who made a compelling case for a seasonal workers scheme. She will no doubt be delighted that the Government are having a pilot in the horticultural sector to make sure that it can access the labour that it needs.

Several hon. Members *rose*—

Mr Speaker: Where is that new young Member, John Spellar? Ah, there he is. Let's hear the fella.

T10. [907342] **John Spellar** (Warley) (Lab): Thank you, Mr Speaker. I hope the Home Secretary will answer this question, because the reality is that in the West Midlands police area, crime is escalating and the overstretched, understaffed police are feeling deeply frustrated as the criminals and the gangs take control of the streets, especially at night. When is he going to stop the rot and give the backing and the resources to our police out there on the street every day?

Sajid Javid: The right hon. Gentleman will know that West Midlands police had an increase of almost £10 million this year. However, it is always worth listening to local forces. I am happy to meet west midlands MPs, as I have done in the past, and to listen more.

Ways and Means

Financial Statement

Mr Deputy Speaker (Sir Lindsay Hoyle): Before I call the Chancellor of the Exchequer, I remind hon. Members that copies of the Budget resolutions will be available in the Vote Office at the end of the Chancellor's speech. I also remind hon. Members that it is not the norm to intervene on the Chancellor of the Exchequer or the Leader of the Opposition.

3.31 pm

The Chancellor of the Exchequer (Mr Philip Hammond): Today, I present to the House a Budget for Britain's future: a Budget that shows the perseverance of the British people finally paying off; a Budget for hard-working families who live their lives far from this place and care little for the twists and turns of Westminster politics. People who get up early every morning, who open up factories, shops, and building sites, drop their kids off at school, check on elderly relatives and neighbours—the strivers, the grafters and the carers who are the backbone of our communities and our economy. People who ask only of Government that we protect the jobs that put food on their table; that we deliver the public services their families rely on; and that we do it efficiently, minimising the amount of tax we need to take from their hard-earned wages. People who Conservative Members are proud to represent. So I say to them today: this Budget is unashamedly for you.

The British people put their faith in us to do the job, and today we repay that trust with a Budget that paves the way for a brighter future. Let me be clear why. The tough decisions of the past eight years were not driven by ideology—[*Interruption.*] They were not driven by ideology—they were driven by necessity and by Labour's failure in government which led to our deficit soaring to a post-war record and our economy suffering the deepest recession since the second world war. That was our inheritance and, as ever, we did what needed to be done.

Now we have reached a defining moment on this long, hard journey, opening a new chapter in our country's economic history where we can look confidently to the future and set our course for where this remarkable country will go next. Because today, I can report to the British people that their hard work is paying off, and the era of austerity is finally coming to an end.

I am sure that like me, many Members of the House keenly remember the last Budget delivered on a Monday. It was 1962: I was six years old. Tensions between Russia and the United States were rising, and a former Foreign Secretary turned Chancellor delivered a Budget amid Cabinet revolt. I am acutely aware of the phenomenon of false memory, but I could swear that I remember my parents turning to me and saying, "Philip, one day that could be you."

The media have been full of speculation about the timing of today's Budget. Some were hoping for a December Budget. I am sure the headline writers were ready with something like "Spreadsheet Phil turns Santa Claus". Others were desperate for it to be on Wednesday—"Hammo House of Horrors" perhaps. But the truth is that by choosing today rather than Wednesday, I have

not avoided the blood-curdling threats, the anguished wailing and the strange banging of furniture that is usually associated with Wednesday; I have been kindly invited to a special meeting of the 1922 committee this evening.

Our economy continues to confound those who talk it down, and we continue to focus resolutely on the challenges and opportunities that lie ahead as we build a new relationship with our European neighbours and a new future outside the European Union. But as we do so, let us not forget the remarkable achievements of the British people in clearing up the aftermath of Labour's great recession. Because for all Labour's carping and relentless negativity, talking Britain down at every opportunity, we the British people have a record to be proud of: eight straight years of economic growth; over 3.3 million more people in jobs; higher employment and lower unemployment in every region and every nation of the United Kingdom; wages growing at their fastest pace in almost a decade; income inequality lower now than at any time under the last Labour Government; an economy back on its feet again; an economy working not for the few, and not even for the many—an economy working for everyone.

We are at a pivotal moment in our EU negotiations, and the stakes could not be higher. Get it right, and we will not only protect Britain's jobs, businesses and prosperity, but harvest a double "deal dividend": a boost from the end of uncertainty, and a boost from releasing some of the fiscal headroom that I am holding in reserve at the moment. We are confident that we will secure a deal which delivers that dividend—confident, but not complacent. So we will continue to plan for all eventualities, and I will do so at this Budget with a three-pronged approach.

First, I have already allocated £2.2 billion to Departments for Brexit preparations, and in the autumn Budget last year I set aside a further £1.5 billion to be allocated for 2019-20. Today I am increasing that sum to £2 billion, and in the coming weeks the Chief Secretary will announce allocations to individual Departments.

Secondly, I shall today maintain the headroom to my fiscal rules broadly as set out in the spring statement, retaining firepower to intervene if the economy needs more support in the coming months. Thirdly, as I have been clear since moving to an autumn Budget, if the economic or fiscal outlook changes materially in-year, I will take whatever action is appropriate, if necessary upgrading the spring statement to a full fiscal event. The House can be confident that we are working for the best outcome for Britain and preparing for every eventuality.

I shall first report to the House on the economic forecasts of the independent Office for Budget Responsibility, and I thank Robert Chote and his team, once again, for their excellent work. The OBR expects growth to be resilient across the forecast period, improving next year from the 1.3% forecast at the spring statement to 1.6%; then 1.4% in 2020 and 2021; 1.5% in 2022; and 1.6% in 2023.

This Government have prioritised getting people into work because the best way to help people is to provide them with the stability of a pay packet every month. Since 2010, over 3.3 million more people are in work, and today the OBR confirms Britain's "jobs miracle" is set to continue—revising up participation in the labour market, revising down the country's equilibrium

unemployment rate and predicting 800,000 more jobs by 2023. By my calculation, that is over 4.2 million net new jobs since 2010, making the shadow Chancellor's prediction of 1.2 million jobs lost out by just the tiniest margin of 5.4 million people—roughly the population of Scotland.

But now we need to focus on pay, and with the proportion of low-paid jobs at its lowest since 1997, with regular pay growth at 3.1%—its strongest in almost a decade—and inflation forecast to average 2% next year, the OBR is forecasting sustained real wage growth in each of the next five years, which is a far cry from the dismal picture that the Leader of the Opposition is so desperate to paint every Wednesday.

I turn now to the fiscal forecast. We inherited the highest budget deficit in our peacetime history, but after eight years the hard work of the British people is paying off, and we will not squander their efforts. Today's forecast, taking into account all announcements made since the spring statement, including measures I shall announce today, shows the deficit down from almost 10% under Labour to less than 1.4% next year under this Conservative Government, and falling to just 0.8% by 2023-24. Borrowing this year will be £11.6 billion lower than forecast at the spring statement—just 1.2% of GDP—and is then set to fall from £31.8 billion in 2019-20 to £26.7 billion in 2020-21, £23.8 billion in 2021-22, £20.8 billion in 2022-23 and £19.8 billion in 2023-24, its lowest level in over 20 years.

So we meet our structural borrowing target three years early and deliver borrowing of just 1.3% of GDP in 2020-21, maintaining £15.4 billion headroom against our 2% fiscal rules target. We are no longer borrowing at all to finance current spending, and today the OBR confirms that our national debt peaked in 2016-17 at 85.2% of GDP, and then falls in every year of the forecast from 83.7% this year to 74.1% in 2023-24. That is lower in every year than forecast at the spring statement, and it means that we meet our target to get debt falling three years early: a turning point in our nation's recovery from Labour's great recession—both our fiscal rules met, both of them three years early—so Fiscal Phil says, "Fiscal Rules OK".

While we are working to get Britain's debt down, to end the nightmare of wasting over £50 billion a year on interest, the party opposite would do the opposite. Labour's plans would increase tax and borrowing by £1,000 billion, taking our debt to GDP ratio soaring to well over 100% of GDP—a reckless and irresponsible policy from a reckless and irresponsible party.

I have always been clear: sound public finances are essential, but they are not an end in themselves. So since I have been Chancellor I have taken a balanced approach, putting an additional £60 billion into our public services and investment in our future, cutting tax for 31 million people, and all the while reducing borrowing and getting our national debt falling. Now, we must do more, and thanks to the hard work of the British people, in this Budget we can do more.

I said at the spring statement that our careful management of the public finances was beginning to pay off, and that if the improvement we saw then continued, I would be able to provide more support to our public services on a sustainable basis. Today, the OBR confirms a significant improvement in our public finances—an upgrade that underscores the hard work

of the British people and this Government's stewardship of the economy since 2010, and means that I can deliver on the promise I made in the spring, setting out a new path for public spending and a clear view for the British people of the fruits of their hard work.

Next year, we will conduct a full spending review, setting our priorities for public spending within a sustainable funding envelope, deciding on the right balance between investing in Britain's future and current consumption of public services. Today, I have set out an indicative five-year path for departmental resource spending—RDEL, as it is known to aficionados of public finance. To give context, in spending review 2010, average annual real growth was minus 3%; in spending review 2015, it was minus 1.3%; from next year, average annual real growth will be plus 1.2%—but that is not the limit of my ambition. When our EU negotiations deliver a deal, as I am confident they will, I expect that the deal dividend will allow us to provide further funding for the spending review. The hard work of the British people is paying off; austerity is coming to an end.

Mr Deputy Speaker, you will know better than most that every Chancellor likes to have a rabbit or two in his hat as he approaches a Budget, but this year, some of my star bunnies appear to have escaped just a little bit early. In June, my right hon. Friend the Prime Minister announced the single largest cash commitment to our public services ever made by a peacetime Government—an £8.4 billion five-year deal for our precious NHS, half as much again as the increase Labour offered the NHS at the last election. Let me be clear: we are delivering this historic £20.5 billion real-terms increase for the NHS in full over the next five years. So in a very important sense, we made our big choice for this Budget four months before it was delivered.

This was the right decision. Our NHS is the No. 1 priority of the British people, and as we approached the 70th anniversary of its foundation, they had a right to know the scale of our commitment to it. But the British people also care that money invested in the NHS goes to the frontline and to improvements in services, so we did not just hand over money; we agreed that the NHS would produce a 10-year plan, setting out how the service will reform, how waste will be reduced, and exactly what the British people can expect to get for their money.

That plan will be published shortly, but I shall give the House a sneak preview today. [HON. MEMBERS: "Ooh!"] I, too, can poach a rabbit every now and then.

There are many pressing demands on additional NHS funding, but few more pressing than the needs of those who suffer from mental illness. Today, I can announce that the NHS 10-year plan will include: a new mental health crisis service with comprehensive mental health support available in every major A&E; children and young peoples' crisis teams in every part of the country; more mental health ambulances; more "safe havens" in the community; and a 24-hour mental health crisis hotline. These new services will ensure that people suffering from a crisis, young or old, can get the help they need, ending the stigma that has forced too many to suffer in silence and ending the tragedy of too many lives lost to suicide. We are proud to have made this extraordinary commitment to funding our NHS, a precious institution that has been nurtured for most of its life by Conservative Governments.

[Mr Philip Hammond]

Departmental spending allocations will be settled at the spending review next year. However, there are a small number of areas where I will provide further support now in order to deliver necessary certainty for forward planning. Local government has made a significant contribution to repairing the public finances and this Budget ensures local councils have more resources to deliver high-quality public services. We are giving councils greater control over the money they raise: through the adult social care precept; through our plans for increased business rate retention from 2020; and by removing the housing revenue account cap, so that councils can help to build the homes this country needs.

We will shortly publish our Green Paper on the future of social care, setting out the choices, some of them difficult, for making our social care system sustainable into the future. But I recognise the immediate pressures local authorities face in respect of social care. So today, building on the £240 million for social care winter pressures announced earlier this month, I will make available a further £650 million of grant funding for English authorities for 2019-20, and an additional £45 million for the disabled facilities grant in England in 2018-19. We will invest a further £84 million over the next five years to expand our successful children's social care programmes to 20 further councils with high or rising numbers of children in care, allowing councils to improve services for older people, for people with disabilities and for children in care now, while longer-term funding decisions will be made at the spending review.

The UK spends more on defence than any NATO member except the US, but over the past year we have had stark reminders of the scale, scope and complexity of the threats we face. My right hon. Friend the Defence Secretary is working with the Cabinet Office and the Treasury to conduct a review into the modernisation of our armed forces in response to the evolving threat, which will form the basis for a comprehensive consideration of defence spending next year. As a former Defence Secretary myself, I understand the immediate pressures our armed forces are facing, so I will today provide an additional £1 billion to the Ministry of Defence to cover the remainder of this year and next to boost our cyber capabilities and our anti-submarine warfare capacity, and to maintain the pace of the Dreadnought programme to ensure continuous at-sea deterrence, a deterrent that allows us to sleep easy in our beds, but one that the Leader of the Opposition and the shadow Chancellor have spent their political lifetimes campaigning to abolish. Nobody should be in any doubt that those of us on the Government Benches are proud of our armed forces and we will always back them with the investment they need to keep this country safe.

It is not only our armed forces who keep us safe. Our counter-terrorism police play a vital role in defending Britain against the evolving threats we face. We committed in 2015 to spend 30% more on counter-terrorism capabilities over the current spending review period. And today I commit an additional £160 million of CT police funding for 2019-20 to protect CT police numbers in 2019-20 and to allow future CT police funding to be considered in the round at the spending review.

I recognise that policing more generally is under pressure from the changing nature of crime. I also recognise the representations made on this by many

colleagues, such as my hon. Friend the Member for South West Bedfordshire (Andrew Selous), and I can tell the House today that my right hon. Friend the Home Secretary will review police spending power and further options for reform when he presents the provisional police funding settlement in December.

As I have already set out, due to the hard work of the British people, public borrowing this year is coming in substantially below forecast. This allows us to provide additional support for public services in the spending review and contributes to the significant reduction in forecast debt this year. But I also want to use this good news to give a little bit back, where it can be put to good use, in this financial year.

This year marks a century since the end of the first world war. And as we remember our fallen servicemen and women whose sacrifice ensured the freedom we enjoy today, many projects are raising money for veterans' charities from sales of commemorative items on which VAT is charged. We cannot waive the VAT due on these sales, but we can make a donation with the VAT we will receive, and I commit today that the Treasury will mark the centenary of the armistice by making a donation of £10 million to the Armed Forces Covenant Fund Trust to support veterans with mental health needs.

Many of our nation's village halls were built to commemorate the sacrifice of world war one, and many of them are being refurbished to commemorate the centenary. So I will also provide funding for grants equivalent to the VAT chargeable on such refurbishment projects. And as our focus moves from the anniversaries of the first world war to the second, I will also provide £1.7 million for educational programmes in schools to mark the 75th anniversary of the liberation of the Bergen-Belsen concentration camps, ensuring that the next generation hears the stories of those who survived the holocaust and of the British soldiers who liberated them, because as the terrible events in Pittsburgh this weekend remind us, the battle against antisemitism did not end with the defeat of Nazi Germany.

Across the length and breadth of England, our air ambulance services work tirelessly to get those with life-threatening illnesses and injuries quickly to the expert medical care they need. Funded entirely by philanthropy, they do a fantastic job, and today I am making £10 million of funding available to help them to go on doing so.

We are investing record amounts in our schools and that investment is paying off, with 86% of schools now rated good or outstanding, compared with 68% in 2010. But I recognise that school budgets often do not stretch to that extra bit of kit that would make such a difference. So today I am announcing a £400 million in-year bonus to help our schools buy the little extras they need—a one-off capital payment directly to schools, averaging £10,000 per primary school and £50,000 per secondary school.

I have one final in-year measure to announce: every Member of Parliament will testify that potholes are high on the public's list of concerns. So as autumn takes hold, I am making an additional £420 million available immediately to local highway authorities to tackle potholes, bridge repairs and other minor works in this financial year.

But if we want sustainable world-class public services and rising living standards, we must make the serious long-term reforms our economy needs to tackle the productivity challenge, to prepare our nation for the

technological change ahead and to show the next generation that our market economy can evolve once again to meet the needs of the new age. That is because, for us on the Government Benches, ending austerity is not just about funding public services; it is about real wage growth and leaving more of people's hard-earned money in their pockets. This is the nation of the industrial revolution, of Stephenson, Whittle, Lovelace and Faraday—people whose ideas shaped the world around them—and today Britain once again can lead the world as we exploit a new wave of scientific and technological discovery pouring out of our universities and research institutes. We can solve the productivity challenge if we are willing to embrace the future, to make the choice to invest in infrastructure, research, skills and our regions, to manage change, not hide from it.

I believe passionately in this agenda, but even I would admit that at the last two Budgets I might have given the House just a little more detailed information on productivity and technological innovation than it strictly needed, so this time I will leave it to the Budget Red Book to set out more detail of the many measures we will take today. [HON. MEMBERS: "More!"] Sensing the disappointment of my colleagues, I will just mention that the list in the Budget Red Book includes our commitment to technology, with £1.6 billion of new investments to support our modern industrial strategy, ranging from nuclear fusion to quantum computing; £150 million for fellowships to attract the brightest talent to these shores from around the world so that our scientific research can continue to lead the world; and our commitment to infrastructure, including our expanding of the national productivity investment fund once again to over £38 billion by 2023-24, so that over the next five years total public investment will grow by 30% to its highest sustained level in 40 years and will on average be an astonishing £460 million a week higher, in real terms, than under the last Labour Government. This is a Conservative Government investing in the roads, the railways, the research and the digital infrastructure that will power this country in the 21st century.

Half of the UK's £600 billion infrastructure pipeline will be built and financed by the private sector. In financing public infrastructure, I remain committed to the use of public-private partnership where it delivers value for the taxpayer and genuinely transfers risk to the private sector, but there is compelling evidence that the private finance initiative does neither. The shadow Chancellor, of course, rages against PFI at every opportunity yet curiously forgets to mention that nearly 90% of those contracts were agreed by the last Labour Government. That has left the nation with a bill of more than £200 billion to pay off and would be the most potent symbol of the economic mismanagement of the last Labour Government, if only Gordon Brown hadn't sold the gold.

Labour's policy is to terminate all these contracts, triggering the ruinous penalty clauses that the Labour Government themselves agreed to in the first place and adding tens of billions more to an already enormous bill. It is a classic Labour solution: pouring good money after bad. I will not do that—we will honour existing contracts—but the days of the public sector being a pushover must end. We will establish a centre of excellence to actively manage these contracts in the taxpayers' interest, starting in the health sector, but we will go further.

I have never signed off a PFI contract as Chancellor, and I can confirm today that I never will. I can announce that the Government will abolish the use of PFI and PF2 for future projects, putting another legacy of Labour behind us.

We are investing in our nation's infrastructure and backing the technologies of the future, but we know that the real engine of growth is enterprise. The right hon. Member for Hayes and Harlington (John McDonnell) lists

"fermenting the overthrow of capitalism"

as his pastime.

Mine is "reinvigorating capitalism for the digital age", because I want Britain to be one of the great winners of the technological revolution. On this side of the House, we will always back enterprise and the market economy that underpins it, because we know that it is the only way to deliver the high-wage, high-skill economy of the future.

As we finalise our departure from the EU and deliver a deal that secures Britain's future trade, we must unleash the investment that will drive our future prosperity. So today I can announce a package of measures to stimulate business investment and send a message loud and clear to the rest of the world: Britain is open for business. I am increasing the annual investment allowance from £200,000 to £1 million for two years, delivering on a long-standing ask of the British Chambers of Commerce; I am providing a targeted relief for the cost of acquiring intellectual property-rich businesses; and I am introducing a permanent tax relief for new non-residential structures and buildings, partly funded by an adjustment in the special writing-down rate for long-life assets from 8% to 6% to better align the tax and accounting treatment of these assets.

To support British exports, we will increase UK Export Finance's direct lending facility by up to £2 billion. We will open the use of e-passport gates at Heathrow and other airports, currently only available to European economic area nationals, to include visitors from the United States, Canada, New Zealand, Australia and Japan. We will provide an additional £200 million of funding for the British Business Bank to replace access to the European investment fund, if needed. We will back another 10,000 entrepreneurs by extending start-up loans funding to 2021. Following representations from the Federation of Small Businesses, I am extending the new enterprise allowance, providing mentoring and support for benefit claimants to get their business ideas off the ground.

With thanks to my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), we are working with the Financial Conduct Authority on expanding access to the Financial Ombudsman Service for larger small and medium-sized enterprises. As well as backing businesses to invest and grow, we will make sure that British workers are equipped with the skills that they need to thrive and prosper. We have introduced a new system of T-level vocational training, we have put the first £100 million into the new national retraining scheme, and, through the apprenticeship levy, we are delivering 3 million high-quality apprenticeships in this Parliament. But that system is paid for by employers, and it has to work for employers. So today, in addition to the flexibilities that I announced earlier this month, I can announce

[Mr Philip Hammond]

that for smaller firms taking on apprentices we will halve the amount that they must contribute from 10% to 5%. In total, this is a £695 million package to support apprenticeships.

As our economy evolves in the digital age, so too must our tax system, to ensure that it remains fair and robust against abuse, and raises the revenues that we need to fund our public services. The employment allowance was introduced to incentivise businesses to take on employees, but at a flat rate of £3,000 per employer, it does not provide any real incentive for larger employers. So from April 2020, we will target it at small and medium businesses with an employer's national insurance bill of less than £100,000 a year. We will also bring the treatment of capital losses for the largest companies into line with that of income losses.

We recommit ourselves today to keeping family homes out of capital gains tax, but some aspects of private residence relief extend it beyond that objective, and provide relief for people who are not using the home as their main residence. So from April 2020, we will limit lettings relief to properties where the owner is in shared occupancy with the tenant, and reduce the final period exemption from 18 months to nine months.

I have received representations that I should abolish entrepreneur's relief and put the savings towards funding our NHS commitments, but I do not believe we can have sustainable public services unless we have a dynamic economy, and encouraging entrepreneurs must be at the heart of any strategy for a dynamic economy, so I will retain entrepreneur's relief, but to ensure it is going to genuine entrepreneurs, I will extend the minimum qualifying period from 12 months to two years.

In the period since the last Budget, we have explored all avenues to address the cliff-edge effect of VAT registration, but our options are restricted by EU law. We will continue to work on this issue as our future VAT regime becomes clear over the years ahead, and in the meantime, to give small businesses certainty and in response to representations from my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston), the Federation of Small Businesses and others, I will leave the threshold unchanged for a further two years.

The off-payroll working rules, known as IR35, are designed to ensure fairness so that individuals working side by side in a similar role for the same employer pay the same employment taxes. Last year, we changed the way these rules are enforced in the public sector, but widespread non-compliance also exists in the private sector, so following our consultation, we will now apply the same changes to private sector organisations as well. But after listening carefully to representations made—including many from right hon. and hon. Friends—during the consultation, we will delay these changes until April 2020, and we will only apply them to large and medium-sized businesses.

There is one standout example of where the rules of the game must evolve now if they are to keep up with the emerging digital economy. Digital platforms delivering search engines, social media and online marketplaces have changed our lives, our society and our economy, mostly for the better, but they also pose a real challenge for the sustainability and fairness of our tax system. The rules have simply not kept pace with changing

business models, and it is clearly not sustainable or fair that digital platform businesses can generate substantial value in the UK without paying tax here in respect of that business. The UK has been leading attempts to deliver international corporate tax reform for the digital age. A new global agreement is the best long-term solution, but progress is painfully slow. We cannot simply talk forever, so we will now introduce—[*Interruption.*] We will now introduce a UK digital services tax. This will be a narrowly targeted tax on the UK-generated revenues of specific digital platform business models. It will be carefully designed to ensure it is established tech giants, rather than our tech start-ups, that shoulder the burden of this new tax.

It is important that I emphasise that this is not an online sales tax on goods ordered over the internet; such a tax would fall on consumers of those goods, and that is not our intention. The digital services tax will only be paid by companies that are profitable and that generate at least £500 million a year in global revenues in the business lines in scope. We will consult on the detail to make sure we get it right and to ensure that the UK continues to be the best place in the world to start and scale-up a tech business. The tax will come into effect in April 2020 and is expected to raise over £400 million a year.

In the meantime, we will continue to work at the OECD and G20 to seek a globally agreed solution, and if one emerges, we will consider adopting it in place of the UK digital services tax, but this step shows that we are serious about this reform, because it is only right that these global giants with profitable businesses in the UK pay their fair share towards supporting our public services. I am already looking forward to my call from the former leader of the Liberal Democrats.

We are updating the rules of the game, but we must also make sure people play by the rules. And today we continue the work of the past eight years, where we have secured £185 billion since 2010 that would otherwise have gone unpaid, with a package of measures today to further clamp down on tax avoidance, evasion and unfair outcomes, raising another £2 billion over the next five years. We will make HMRC a preferred creditor in business insolvencies, to ensure that tax that has been collected on behalf of HMRC is actually paid to HMRC. We will end the practice of purchasing services through overseas branches to avoid UK VAT, and we will crack down on insurance companies routing services through offshore territories. And we will stop our generous R&D tax credits system being abused by reintroducing a PAYE restriction for the small and medium-sized companies scheme. Labour talk tough on tax avoidance and evasion. We take action.

Investing in our infrastructure, backing the technologies of the future, supporting British businesses, and updating our tax system for the digital age—that is how we will deliver the high-wage, high-skill economy of the future. But we must also recognise that technological change will bring challenges as well as opportunities, and there is one part of our economy that is currently confronting that challenge in spades: our high streets. Embedded in the fabric of our great cities, towns and villages, the high street lies at the heart of many communities, and it is under pressure as never before as Britain adopts online shopping with greater alacrity than any other large

economy. So if Britain's high streets are to remain at the centre of our community life, they will need to adapt. Today, we support them to do so, responding to calls from across this House, especially from my right hon. Friend the Member for Putney (Justine Greening) and my hon. Friends the Members for Southport (Damien Moore) and for Croydon South (Chris Philp).

We will provide £675 million of co-funding to create a future high streets fund to support councils to draw up formal plans for the transformation of their high streets, to invest in the improvements they need and to facilitate redevelopment of under-used retail and commercial areas into residential, at one and the same time helping with the housing challenge and delivering much-needed footfall to high street businesses. We will consult on how modernisation of the use classes order and compulsory purchase order regime can help to facilitate the transformation of the high street.

The change our high streets face is irreversible and it will take them time to adapt to it, but I know that many small retail businesses are struggling to cope with the high fixed costs of business rates. Since 2016, we have introduced business rates relief measures worth £12 billion, and many of these reliefs will have benefited high street businesses, but today I can go further. At the next revaluation, in 2021, rateable values will adjust to reflect changes in rental values, but I want to help retail businesses now. So for the next two years, up to that revaluation, for all retailers in England with a rateable value of £51,000 or less, I will cut their business rates bill by a third. That is an annual saving of up to £8,000 for up to 90% of all independent shops, pubs, restaurants and cafés. I will also extend the £1,500 local newspaper discount for a further year. Whatever the national press says, I have been assured of a warm welcome for my Budget from the *Royston Crow* and *The Keswick Reminder*.

Local authorities have long been able to provide discretionary business rates relief to other bodies, but not to themselves. And so following representations from my hon. Friends the Members for North Cornwall (Scott Mann) and for St Austell and Newquay (Steve Double), I am pleased to announce a new mandatory business rates relief for public lavatories, so that local authorities can, at last, relieve themselves. For the convenience of the House, Mr Deputy Speaker, and without wishing to get unduly bogged down in the subject, this relief—

Peter Dowd (Bootle) (Lab): Toilet humour.

Mr Hammond: Well, at least I am demonstrating that we are all British. This relief will extend to any such facilities made available for public use, whether publicly or privately owned. I can honestly say that that is virtually the only announcement in this Budget that has not leaked. [HON. MEMBERS: "More!"]

We cannot resolve the productivity challenge or deliver the high standards of living that the British people deserve without fixing our housing market. In last year's Budget, I launched a five-year, £44 billion housing programme to deliver the biggest increase in housing supply since 1970, and I abolished stamp duty for first-time buyers on properties up to £300,000. Some 121,500 first-time buyers have already benefited from our new relief, and the number of first-time buyers is at an 11-year high. Today, I am extending that relief to all

first-time buyers of shared ownership properties valued up to £500,000, and I will make the relief retrospective so that any first-time buyer who has made such a purchase since the previous Budget will benefit.

But we have more to do, so I can announce today a further £500 million for the housing infrastructure fund to unlock a further 650,000 homes, the next wave of strategic partnerships with nine housing associations, which will deliver 13,000 homes across England, and up to £1 billion of British Business Bank guarantees to support the revival of SME housebuilders. We are consulting on simplification of the process for conversion of commercial property into new homes, and because we want to see parishes and neighbourhoods enabling more homes for sale to local people to buy at prices they can afford, we are providing funding to empower up to 500 neighbourhoods to allocate or permission land for housing through the neighbourhood planning system for sale at a discount to local people in perpetuity.

I am also grateful to my right hon. Friend the Member for West Dorset (Sir Oliver Letwin) for his review of build-out rates, published today. He concludes that the large housebuilders are not engaged in systematic speculative land banking—[*Interruption.*] Perhaps Opposition Members would like to read the report. My right hon. Friend makes several recommendations for reform of the planning system in respect of large strategic housing sites, and we will respond to his report in full in the new year.

Meeting the productivity challenge means tapping the potential of every region and nation. Our devolution agenda is giving power back to the people, and today we go further to fire up the northern powerhouse, fuel the midlands engine and back our regions across the UK. We are increasing the transforming cities fund to £2.4 billion and providing an additional £90 million to trial new models of smart transport, including on-demand buses—I think, Mr Deputy Speaker, that is what we used to call taxis in our day. We are launching a competition for proposals for business-led development corporations. We are funding 10 university enterprise zones. There is £115 million for digital catapults in the north-east, Northern Ireland and the south-east and for the medicines discovery catapult in Alderley, £70 million to develop the Defence and National Rehabilitation Centre near Loughborough, £37 million of additional development funding for northern powerhouse rail, and £10 million for a new pilot in Manchester to support the self-employed to acquire new skills. We are backing a new special economic area in south Tees, and we are providing £20 million to further develop the plan for the critical central section of east-west rail between Oxford and Cambridge. And here, in our capital, we support the delivery of a further 19,000 homes by improving the docklands light railway with housing infrastructure fund money.

The decisions announced in this Budget mean, in 2020-21, an additional £950 million for the Scottish Government, £550 million for the Welsh Government and £320 million for a Northern Ireland Executive. Obviously, there are much larger sums to come, as we move ahead over the spending review period with our NHS funding change.

I can also announce funding for further city and growth deals, including £150 million for Tay Cities, £350 million for Belfast and £120 million for North

[Mr Philip Hammond]

Wales, while negotiations progress with Ayrshire, Mid Wales and Borderlands, and will begin with Moray, Derry/Londonderry and Strabane as well.

I was pleased to be able to respond to a joint request from the right hon. Member for Belfast North (Nigel Dodds) and the hon. Members for Belfast East (Gavin Robinson) and for Belfast South (Emma Little Pengelly) to provide the city with £2 million of help towards the recovery of the city centre following the fire at the iconic Bank Buildings, and we are also moving forward with schools projects in Northern Ireland worth £300 million to increase the provision of shared and integrated cross-community education. And we have agreed to the establishment of a working group to progress plans for short-haul air passenger duty devolution.

To continue to support Scotland's oil and gas industry, we will maintain headline tax rates at their current level and launch a call for evidence on our plan to make Scotland a global hub for decommissioning. Finally, to support our vital fishing industry as we leave the EU, we will invest £12 million over the next three years in cutting-edge fisheries technology and safety measures.

A Conservative Government delivering for all our proud nations and for all our English regions, driving growth and prosperity across our United Kingdom.

We are driven by a determination to ensure that the next generation will be more prosperous than ours, but we cannot secure our children's future unless we secure our planet's future. So at this Budget I take further action with a package of measures, set out in the Red Book, to ensure that we leave our environment in a better state than we inherited it.

There is one particular measure I want to mention. The shadow Chancellor's recent accident has reminded us all of how dangerous abandoned waste can be, so I will provide £10 million to deal with abandoned waste sites, although I cannot guarantee to the House that £10 million is going to be enough to stop him falling flat on his face in the future.

I also said at the spring statement that we must become a world leader in tackling the scourge of plastic littering our planet and our oceans. Billions of disposable plastic drinks cups, cartons, bags and other items are used every year in Britain—convenient for consumers, but deadly for our wildlife and our oceans. Where we cannot achieve reuse, we are determined to increase recycling, so we will introduce a new tax on the manufacture and import of plastic packaging which contains less than 30% recycled plastic, transforming the economics of sustainable packaging. We will consult on the detail and implementation timetable.

I have also looked carefully at the case for introducing a levy on the production of disposable plastic cups—not just for coffee, but for all types of beverage—and I have concluded that a tax in isolation would not, at this point, deliver a decisive shift from disposable to reusable cups across all beverage types. I will monitor carefully the effectiveness of the action which the takeaway drinks industry is already taking to reduce single-use plastics, and I will return to this issue if sufficient progress is not made. In parallel, my right hon. Friend the Environment Secretary will look to address this issue through the reform of the packaging producer responsibility scheme.

Working across government, this ambitious package reflects our determination to lead the world in the crusade to rid the oceans and the environment of plastic waste.

It is only by dealing with our debts and tackling the long-term challenges our country faces that we can sustainably raise wages and living standards. But I recognise that many people are feeling pressure on their household budgets now, and because the hard work of the British people is paying off, I am pleased to be able to announce today a series of measures to help families across Britain with the cost of living.

Turning first to duties, as my right hon. Friend the Prime Minister has already announced, we will freeze fuel duties for the ninth successive year, bringing the total saving to the average car driver to over £1,000 and to the average van driver to over £2,500. The tobacco duty escalator will continue to rise at inflation plus 2%. I have received numerous representations from my right hon. and hon. Friends on one particular subject, and in response I will be freezing beer and cider duty for the next year, keeping the cost of beer down for patrons of the great British pub. And in response to the concerted lobbying of my Scottish Conservative colleagues, I will also freeze duty on spirits, so that we can all afford to raise a wee dram to Ruth Davidson on the arrival of baby Finn, saving 2p on a pint of beer, 1p on a pint of cider and 30p on a bottle of Scotch or gin compared with the inflation assumption in the OBR forecast, while proceeding with the usual RPI increases on wine.

As promised at the autumn Budget 2017, so-called "white ciders" will be taxed at a new higher rate. From October next year, I can confirm that we will increase remote gaming duty on online games of chance to 21%, in order to fund the loss of revenue as we reduce FOBT—fixed odds betting terminals—stakes to £2.

From April 2020, APD—air passenger duty—will be indexed in line with inflation, but there will be no change in the duty rate for short-haul flights. The new 26-30 railcard, which I announced at Budget last year, will be available across the network by the end of the year, saving up to 4.4 million young people one third off their fares, and we launch a package of measures on affordable credit and support for credit unions, which is set out in detail in the Red Book.

The switch to universal credit is a long overdue and necessary reform. It replaces the broken system left by the last Labour Government, a system that trapped millions on out-of-work benefits for nearly a decade. This is not just a welfare measure; it is a major structural reform to our economy that will help to drive growth and employment in the years ahead, and I pay tribute to my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), without whose tenacity universal credit would never have seen the light. However, I recognise the genuine concerns among many right hon. and hon. Friends about two issues, the first of which is the implementation of this programme. It is an enormous undertaking and we have always been clear we want the migration process to be as smooth as possible. I have already delivered nearly £3.5 billion to help with the transition, including a £1.5 billion package of support at last year's Budget. Today I can go further, with a package of measures worth £1 billion over five years—[*Interruption.*] What a surprise. What a surprising response from the Opposition Front-Bench team. It is a

package of measures to aid the transition worth £1 billion over five years, enabling my right hon. Friend the Secretary of State for Work and Pensions to introduce additional protections as existing welfare claimants move on to UC. She will announce details when she introduces the managed migration regulations later this year.

Secondly, I have heard the concerns about the rates and allowances within the design of the system. In my first autumn statement, I reduced the UC taper rate from 65% to 63%. Today, I can tell the House that I am increasing work allowances in universal credit by £1,000 per annum, at a cost of £1.7 billion annually once roll-out is complete. That will benefit 2.4 million working families with children and people with disabilities by £630 per year. Universal credit is here to stay, and we are putting in the funding it needs to make it a success because, on this side of the House, we believe that work should always pay.

Delivering higher wages for those in work is core to my mission as Chancellor. Under this Conservative Government, the poorest 20% have seen their real incomes grow faster than the richest 20%, and the proportion of jobs that are low paid is at its lowest level for 20 years, thanks to the national living wage introduced by a Conservative Government in 2016. From April, it will rise again, by 4.9%, from £7.83 to £8.21, handing a full-time worker a further £690 annual pay increase and taking his or her total pay rise since the introduction of the national living wage to more than £2,750 a year.

We accept the Low Pay Commission's recommendations on national minimum wage rates and will support young people and apprentices with further above-inflation increases. The Low Pay Commission's current remit is for the national living wage to reach 60% of median earnings by 2020, subject to sustained economic growth. Next year, we will give the Low Pay Commission a new remit, beyond 2020. We will want to be ambitious, with the ultimate objective of ending low pay in the UK. We will also want to be careful, protecting employment for lower-paid workers, so we will engage responsibly with employers, the TUC and the Low Pay Commission itself over the coming months, gathering evidence and listening to views to ensure that we get it right. I will confirm the final remit at the Budget next year.

Paula Sherriff (Dewsbury) (Lab): You won't be here!

Mr Hammond: I hear the hon. Lady, but her point is slightly blunted by the fact that she made it in the autumn of 2016, again in the spring of 2017 and again in the autumn of last year.

As well as making work pay, we want working people to keep more of the money that they earn. When we came into office, the personal allowance stood at £6,475 and the higher rate threshold was at £43,875. In April, I raised the personal allowance to £11,850 and the higher rate threshold to £46,350, as steps towards our manifesto commitments of £12,500 and £50,000 respectively by 2020. Those manifesto commitments were, of course, made before our new funding pledge to the NHS. I have received representations that the least painful way for taxpayers to contribute to increased NHS funding would be to abandon our manifesto pledges and freeze the personal allowance and the higher rate threshold at current levels.

Let me reassure the House that, unlike the right hon. Member for Islington North (Jeremy Corbyn), my idea of ending austerity does not involve increasing people's tax bills. I did not come into politics to put taxes up, and the improvement that we have delivered in the public finances means that, based on the Office for Budget Responsibility's forecast published today, I do not need to do so. I can therefore confirm today that I will meet our manifesto commitments for April 2020 to raise the personal allowance to £12,500 and the higher rate threshold to £50,000, before indexing both in line with inflation from 2021 to 2022. But our careful management of the economy allows me to go further, so I will raise both the personal allowance and the higher rate threshold to these levels from April 2019, delivering our manifesto commitments one year early. A tax cut for 32 million people, £130 in the pocket of a typical basic rate taxpayer, meaning that, since 2015, we have taken 1.7 million people out of tax altogether and nearly 1 million people out of higher rate tax. As a result of the announcements that I have made today, a single parent, receiving universal credit and working 25 hours a week on the national living wage will benefit by £890 next year—the hard work of the British people paying off in hard cash in their pockets.

We have turned an important corner and now we must pull together to build the bright, prosperous future that is within Britain's grasp if we choose to seize it—embracing change, not hiding from it, building on the inherent strength of the British economy and the indomitable spirit of the British people.

Under this Conservative Government, austerity is coming to an end, but discipline will remain. *[Interruption.]* Austerity is coming to an end, but discipline will remain. That is the clear dividing line in British politics today: between a Conservative Government delivering on the British people's priorities, supporting our public services, investing in Britain's future, keeping taxes low and getting our debt down; or the Corbyn party, whose idea of ending austerity is to raise taxes to their highest level in peacetime history, which would send our debt soaring, squander the hard-won achievements of the past eight years and take this country back to square one. We are at a turning point in our history and we must resolve to go forwards, not backwards, and work together to build a Britain that we can all be proud of. I commend this statement to the House.

Mr Deputy Speaker (Sir Lindsay Hoyle): Under Standing Order No. 51, the first motion, entitled "Provisional Collection of Taxes", must be decided without debate. Will the Chancellor of the Exchequer please move it formally?

Mr Philip Hammond: Formally.

Mr Deputy Speaker (Sir Lindsay Hoyle): The Question is that, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional statutory effects shall be given to the following motions: (a) stamp duty reserve tax (listed securities and connected persons) (motion No. 49); (b) tobacco products rates—*[Interruption.]* Order. May I just say to hon. Members that they need to listen to what is going to affect their constituents? I will say it once again: hon. Members may be interested in what affects their constituents—I certainly am—but

[Mr Deputy Speaker]

we will not know what affects them and what does not until I can complete the motion. Let us complete the motion—I do not need any help from those on the Back Benches.

PROVISIONAL COLLECTION OF TAXES

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

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

(a) Stamp duty reserve tax (listed securities and connected persons) (Motion No. 49);

(b) Tobacco products duty (rates) (Motion No. 57).—*(Mr Philip Hammond.)*

Question agreed to.

Mr Deputy Speaker (Sir Lindsay Hoyle): I now call upon the Chancellor of the Exchequer to move the motion entitled “Income tax (charge)”. It is on this motion that the debate will take place today and on succeeding days. The Questions on this motion and on the remaining motions will be put at the end of the Budget debate on Thursday 1 November.

Budget Resolutions

INCOME TAX (CHARGE)

Motion made, and Question proposed,

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

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.—*(Mr Philip Hammond.)*

4.45 pm

Jeremy Corbyn (Islington North) (Lab): The reality is that, whatever the Chancellor claims today, austerity is not over. Far from building a strong economy, eight years of austerity has damaged our economy, delayed and weakened the recovery, and endlessly postponed fixing the deficit. Unnecessary austerity has caused real hardship to millions of our fellow citizens, held down living standards for the majority and failed on its own terms. People have had enough—*[Interruption.]*

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. We heard the Chancellor of the Exchequer; I expect to hear the Leader of the Opposition. To those who may have sat where they think I cannot see them, yes I can, and I do not want to hear any more. I want to hear the Leader of the Opposition in the same way that your constituents do.

Jeremy Corbyn: The Prime Minister pledged that austerity is over. This is a broken-promise Budget. What we have heard today are half-measures and quick fixes, while austerity grinds on. Far from people’s hard work and sacrifices having paid off, as the Chancellor claims, this Government have frittered them away in ideological tax cuts to the richest in our society. This Budget will not undo the damage done by eight years of austerity and does not begin to measure up to the scale of the job that needs to be done to rebuild Britain.

The Government claim that austerity has worked, so now they can end it, but that is absolutely the opposite of the truth. Austerity needs to end because it has failed. Just two years ago, the Chancellor forecast growth of 2.1% next year and the year after. Today he boasts that he has created robust economic growth, but the forecasts have been dropped to just 1.6% next year and 1.4% the year after. Economic growth in the first half of this year was the slowest since 2011, the last year that we had the lowest growth of any major economy. This is not a strong economy but a weak one, with chronically low investment, low wages and low productivity, and the uncertainty caused by this Government’s shambolic handling of Brexit is making things even worse. The warnings come—*[Interruption.]*

Mr Deputy Speaker: Order. Mr Bowie, Mr Philp, I expect better. You are very obviously right in my sight, so I suggest that you go quietly out of the Chamber if you cannot behave.

Jeremy Corbyn: The warnings come from across the economy: the car industry; farming and food; road haulage. UK manufacturing is currently in recession. So much for the much-vaunted “march of the makers”.

The Government said that austerity would mean that the deficit would close by 2015. Today the Chancellor has confirmed that it will still be there nine years later, in 2024. Even now, great chunks of the deficit have simply been palmed off to others, not eradicated—moved into the accounts of NHS trusts; shuffled on to the books of local councils that have collapsed, with many more on the brink; and most worryingly, and frighteningly for many people, loaded on to the very fast-rising levels of personal and household debt.

For too long, the Conservatives have peddled the myth that the last Labour Government crashed the economy by overspending on public services—as if investing to bring health spending up to European levels, as the last Labour Government did, had caused the global financial crash. Labour Members believe that spending on public services is an investment that benefits the health of our people and the economy of our country. This morning the Health Secretary said that it would take a generation to achieve parity of esteem of mental health and refused to say whether the money was ring-fenced—and that money is only half of what leading mental health experts say is necessary.

But the impact of austerity on our people's health is about more than NHS funding. Improvements in life expectancy are stalling for the first time in modern history, and in the poorest areas of our country life expectancy is actually falling and child mortality is rising. The national health service—our precious national health service—is a thermometer of the wellbeing of our society. But the illness is austerity: cuts to social care, failure to invest in housing, and slashing of real social security. It has one inevitable consequence: people's health has got worse and demands on the national health service have increased, with 1.4 million elderly people not getting the care they need. Tory cuts have taken £7 billion—£7 billion—from social care budgets. Today's announcement is a drop in the ocean both for adult and child social care. At this time of rising demand, nurse numbers are falling, GP numbers are falling, health visitor numbers are falling, and there are 10,000 vacancies for doctors in our national health service.

Under the last Labour Government, NHS budgets averaged an increase of 6% a year. That has been slashed to just 1.4% under this Government. The Health Foundation says that the Government's much-heralded extra money for the national health service is "simply not enough", while the Institute for Fiscal Studies says that funding at this level will only "maintain...current levels". And let us remember what the current levels are in the NHS: record waiting times in accident and emergency—[*Interruption.*]

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. Mr Hoare, I think you know better. We caught each other's eye before, and I will not want to catch it again—seriously. You might think Halloween is for screaming, but it is not what I want to hear in this Chamber.

Jeremy Corbyn: There are 4.3 million people on national health service waiting lists and longer waits to start cancer treatment. We need to go further—which is why, as we pledged in our manifesto, Labour will raise taxes on the highest earners to fund an increase above the Government's baseline.

But it is not only the national health service that is in crisis. Defence spending has actually been cut; the size of the Army has been cut by a fifth. However, we welcome the donation based on VAT gains to commemorate the Armistice and £1.7 million more for educational programmes to ensure that people learn about the horrors of the holocaust. I join the Chancellor in absolutely condemning the horrific and vile anti-Semitic and racist attack that occurred in Pittsburgh over the weekend. We stand together with those under threat from the far right, wherever it may be, anywhere on this planet.

The Conservatives used to claim to be the party of law and order. Now they cannot even maintain law and order in our prisons, with assaults at record levels as depleted staff try to cope with the difficult situation. Our streets are less safe too. Police numbers are down, violent crime is up, and convictions are down. Chief constables are warning that criminals are taking advantage, and police officers are having to take the Government to court just to get a pay rise.

After eight years of austerity, firefighters today are paid £6,700 less than they were 10 years ago, nurses are paid £4,750 less and teachers £4,650 less. Every public sector worker deserves a decent pay rise, but 60% of teachers are not getting it, and neither are the police, nor the Government's own civil service workers. Cleaners and security guards in the Ministry of Justice and the Department for Business, Energy and Industrial Strategy still are not even getting the London living wage.

The gap between those at the very top and the rest is not closing; it is growing. The pay of the chief executives of our biggest companies rose by 11% this year. They are paying themselves 145 times more than the workers in the companies that they lead. At the other end of the scale, 6.3 million workers are paid less than the real living wage—up 300,000 in the last year alone. The very lowest earners and insecure workers on zero-hours contracts or short-hours contracts will not benefit from the increase in the threshold, and they are the very people being punished by the cuts still hardwired into universal credit.

The Chancellor boasts of a "balanced approach", but what is balanced about cutting social security for disabled people or slashing services to the bone, when by the end of this Parliament the Government will have doled out £110 billion in tax giveaways to corporations and the super-rich? Meanwhile, in the real world, homelessness has more than doubled, fewer people are able to buy a home, household debt is rising, child poverty is up to over 4 million and rising, and more disabled people are living in poverty.

Far from tackling the "burning injustices", as the Prime Minister said her Government were going to do, they have actually made them worse and increased the injustices in our society. The Equality and Human Rights Commission warned just last week that Britain is becoming a "two-speed society"—all right for the richest few and failing the many. This Government are harsh on the weak and feeble with the strong. They labelled good people "scroungers" and "skivers" while they imposed punitive sanctions, demeaning assessments and a benefits freeze, none of which has been reversed today.

Universal credit is causing increases in poverty, food bank use, rent arrears and homelessness. When even the Work and Pensions Secretary admits that some people will be worse off, and the architect of universal credit

[Jeremy Corbyn]

says the system is underfunded, it was inevitable that the Chancellor would have to act, though he is only reversing barely half the cuts made. However, the problems with universal credit are also structural, harming the self-employed, lone parents, people with larger families and survivors of domestic abuse. That is why we believe the roll-out must be halted immediately.

Since 2010, 86% of the cuts through tax and benefit measures have come from women. There was not even a recognition of, let alone money set aside for, the women born in the 1950s who have been denied pension justice. Women in Britain today have just one fifth of the pension wealth of men, in part because of the grotesque gender pay gap, which at current rates will not close until 2073. And there was no extra money to fund women's refuges—a lifeline for women fleeing from domestic abuse. Since 2010, almost a fifth of all refuges have been forced to close.

Months after the scale of the Windrush scandal became clear, the Chancellor has failed to set up a hardship fund for those affected, let alone the compensation scheme for the hundreds of people wronged by the Prime Minister's nasty and perverse "hostile environment". We have heard no guarantees for older people, and free TV licences for the over-75s remain at risk from the Government who have threatened to tear up the triple lock, take away the winter fuel allowance from millions and force people in need to pay for care at home.

A country that fails its young people is failing its own future. Schools funding per pupil has been cut by 8%, the college budget has been slashed and the adult skills budget has been hacked by 45%. There are 123,000 children in this country living in temporary accommodation, causing them unbelievable levels of stress and uncertainty, and consequently often underachievement in schools. Children's services face a £2 billion funding gap, and we now have the highest number of children being taken into care since 1985.

Last Saturday, I visited North City children's centre in Norwich, which is threatened with closure due to council cuts. With too many children whose Sure Start centres have already closed, the users of that wonderful centre are very frightened about their future. They have benefited, like so many others have in so many other parts of the country, from the great achievement of the last Labour Government, which was children's centres and the Sure Start initiative all over the country. Spending on youth services has fallen by 62%, while 600 youth centres have closed and there are 3,500 fewer youth workers.

The UK is the only major global economy in which investment is falling. UK business investment is the lowest in the G7. This failure to invest means Britain's productivity is 15% lower than that of major economies. Public sector investment is over £18 billion lower than it was in 2010. Britain is the most regionally unequal country in Europe, with six of the 10 poorest regions in northern Europe in this country. The Government reinforce these disparities. Let us just take an example: when it comes to transport funding, the north receives £2,500 less per person than London, while people in the midlands get £1,900 less—so much for the northern powerhouse and the midlands engine.

Local economies are also struggling. Over 100,000 retail jobs have been lost in the past three years, and there are 25,000 boarded-up premises across Britain. To visit many of our high streets is to see roller-blind shutters on shops that have been closed because of job losses and the problems they have faced. The Chancellor's business rates announcement today only unpicks his own disastrous revaluation last year, and he has again delayed slashing the maximum stake on fixed odds betting terminals.

First, the Chancellor will not solve the crisis on our high streets until he tackles the institutionalised tax avoidance of big online retailers. His digital services tax, announced today, is too little, and too late. Secondly, the Chancellor must tackle the level of household debt, which is driven by low wages. High streets will not thrive until people have money to spend, so we hope he will endorse our call for the minimum wage to be a real living wage of at least £10 an hour by 2020, and to remove the discriminatory youth rates from the system.

This Chancellor has again failed to back Labour's plan to create a national investment bank, with regional development banks. Today's announcement on broadband investment is a very small step, but Britain ranks 35th in the global rankings of broadband speeds. Currently, just 2% of UK premises have full-fibre broadband compared with 80% in Spain and 100% in South Korea.

The Government still lack any meaningful strategy for creating high-skilled jobs in every region and nation, and they are failing abysmally to invest in the industries of the future necessary to tackle climate change. The Intergovernmental Panel on Climate Change report this month was clear on the consequences: we can avoid climate catastrophe only if we act now. The Government's response has been to: cut support for our solar industries, losing 12,000 jobs in the process; slash building of onshore wind; cut subsidies for electric vehicles; and sell off the UK Green Investment Bank, and instead to back fracking in the face of overwhelming local and scientific opposition.

Ten years ago, a Labour Government passed the Climate Change Act 2008—world-leading legislation to reduce greenhouse gas emissions by 80% by 2050. This Government are not even on target to do that. Clean energy investment fell 56% last year, and the UK produces less of our energy from renewables than Germany, Spain, France or Italy. This Government are, I believe, failing to protect our environment, and in doing so failing to protect the future of us all.

The extra £500 million announced today to help the Government to cope with Brexit is not about planning, but about panic, and that panic is very deep rooted. Yesterday, the Chancellor said that another Budget would be necessary to set out a new economic strategy in the event of a no-deal Brexit; this morning, the Prime Minister said that all these spending commitments are funded, irrespective of a deal. It is clear: if they cannot agree a good deal with the EU, it is because they cannot agree a deal amongst themselves in the Cabinet or in the Tory party.

As we approach the crucial stage of the Government's bungled Brexit negotiations, we face a choice about the sort of economy we want. Some on the Government Benches fantasise about taking Britain down the path to being a Singapore-style tax haven, with a race to the bottom in rights and protections. That must be rejected

outright. What we need is an active Government who will invest in our people in every region and every nation of our country and who will use the wealth we create to fund world-class public services. What is needed is a real break with austerity and a Government committed to raising investment across the board to rebuild our economy, communities and public services. That is a route to a country that could work for all. Austerity is not over, and the quick fixes and half measures we have heard today do not begin to measure up to the scale of the job that needs to be done to rebuild Britain.

5.8 pm

Nicky Morgan (Loughborough) (Con): Everybody is leaving the Chamber—it must be something I said, or perhaps something the right hon. Member for Islington North (Jeremy Corbyn) did not say. The Chancellor had a difficult job, with a conflicting economic outlook as he prepared today's Budget, but he has offered solutions and a vision for the future, unlike the Leader of the Opposition, from whom we heard no vision, no solution and no idea what needs to be done to support growth in this country.

On the one hand, borrowing is down to its lowest levels since the beginning of the century, and although plenty of economic challenges remain—not least the need to boost growth—there are encouraging signs that pay and productivity are picking up at last, while unemployment rates remain at historic lows. As my right hon. Friend said, the OBR forecasts sustained real wage growth, and it is extremely good news—albeit undersung—that this country is no longer borrowing to fund current spending. That is the result of an enormous amount of hard work by the British people and by Ministers, including the previous Chancellor.

On the other hand, the job of bringing back down the national debt—a lasting legacy of the financial crisis—is only just beginning, and the OBR's long-run projections make it clear that demographic pressures on the public finances will only build further from here. My right hon. Friend rightly referred to the 2019 spending review, which will be a critical moment for the future of public spending in this country.

Caroline Lucas (Brighton, Pavilion) (Green): Barely two weeks ago, the world's scientists issued their most stark warning yet that we have just 12 years in which to tackle climate change and avoid climate catastrophe, yet there was not a single word from the Chancellor about climate change, nothing about clean energy, nothing about green energy. Does the right hon. Lady agree—*[Interruption.]*

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. Interventions are meant to be short. I think the hon. Lady has got her message across.

Nicky Morgan: Thank you, Mr Deputy Speaker. I heard the Chancellor mention climate change. The hon. Lady will have her own opportunity to speak later on in this debate.

It is time to look at the next iteration of the Government's plan to ensure that public services have the funding they need while keeping borrowing and debt under control. The Chancellor made a welcome start on that plan today by setting out how the boost to NHS spending

will be funded and indicating the overall envelope for the forthcoming spending review. The Treasury Committee will of course take a close look at the detail of the plan. I particularly welcome the NHS spending on mental health. I declare an interest as a trustee of a small mental health charity in my constituency. The fact is that it is this Government who have made a clear commitment to parity of esteem for mental and physical health.

With sustainable public finances comes the resilience to deal with the challenges and risks that may lie ahead. Brexit is of course the greatest and most imminent source of uncertainty looming over the Budget. It is just stating the obvious to say that the nature of the United Kingdom's withdrawal from the EU could up-end the economic forecast on which the Budget is based. The Office for Budget Responsibility is still playing its cards close to its chest. It is still forecasting a relatively benign Brexit with a smooth transition that has no implications for productivity. I am sure that is what we all hope for. However, its forecast of continued reductions in public borrowing depend on those benign assumptions becoming a reality. None the less, the OBR has begun to make some of its thinking about Brexit clearer. Its view of the implications of a no-deal Brexit has become very clear indeed. The nearest precedent the OBR could think of was the three-day week, which it says knocked 3% off our economy that quarter. But even assuming a smooth transition, the OBR also says that increased trade barriers with the EU, not just tariffs, will likely leave our economy smaller and reduce long-run productivity growth.

Mary Creagh (Wakefield) (Lab): Does the right hon. Lady not find it slightly disingenuous of the Chancellor to talk about a deal dividend from Brexit, when every single Treasury forecast for any Brexit deal shows that our economy will be worse off?

Nicky Morgan: It is undoubtedly the case that our economy will be worse off because of Brexit. We could have the best possible deal, but no deal secured will be as good as the deal we have at the moment. As a strong and ardent remain campaigner, I have to accept how 17.4 million in this country voted. The hon. Lady, and I am sure others in this House, will be very aware of my particular position, which is that if we are going to go down this route, there is a deal that can be done that mitigates the worst of the damage. That deal is the Norway option, which I hope my Government will seriously, seriously consider. I also gently say to the hon. Lady that had the Opposition Front Bench, particularly the Leader, played its part fully in the referendum campaign, we might well not be in this position now.

It has been said repeatedly that the divorce bill and the UK's contributions to the EU budget will be dwarfed by how the future UK-EU relationship impacts on trade, migration and productivity. Amid this uncertainty, the Treasury Committee will support Parliament in scrutinising the economic implications of the UK's withdrawal agreement. My right hon. Friend the Chancellor will know that we have requested detailed assessments of the withdrawal agreement and the future framework, once negotiated, from the Treasury, the Bank of England and the Financial Conduct Authority. We need those assessments in good time before Parliament comes to vote. The Committee has appointed a specialist adviser,

[Nicky Morgan]

Professor Sir Stephen Nickell, a former member of the OBR budget responsibility committee, who will subject the Treasury's analysis to independent assurance. The Committee will also take evidence from the Chancellor. I know he is looking forward to that session.

As far as the Budget is concerned, the forecast on which it is based can only be considered preliminary until the OBR gets an opportunity to review the Brexit deal. The OBR's next forecast, the spring statement, will therefore assume a greater importance than usual. The Committee will expect the OBR to receive the analysis and information it needs from Government Departments and agencies in good time to incorporate the agreement fully into its forecasts. I note that the OBR has made it clear in some documents today that it was pushed for time in the analysis that it did before the Budget. We all understand why the Budget is early, but we want to make sure that the OBR has sufficient time in future.

In that context, I remind the House of my comments at last year's Budget debate concerning the role of the Treasury Committee in upholding the independence of the OBR as well as subjecting it to scrutiny and challenge. The OBR is a vital tool in helping this Parliament to hold the Government to account, and the Committee will continue to seek assurances that the OBR has done its work free of political interference and will defend its reputation for independent judgment, if need be. That is all the more vital given the extraordinary situation that UK politics finds itself in at the moment. I am sure the whole House would agree that when Jon Thompson, the chief executive of Her Majesty's Revenue and Customs, receives death threats for the evidence that he gives to my Committee, that is abhorrent and has no place in our democracy.

I have said before that the Government should not wait for Brexit before moving forward on their domestic policy agenda. In an uncertain economic climate, households are also under financial pressure, with the saving ratio at record lows and negative in cash terms. Earlier this year, the Committee's household finances inquiry called for the Chancellor to report on the state of household finances and savings at the Budget and set out his strategy for improving their resilience. I do not think that has happened today, but I hope that it happens in future fiscal statements. I note, however, the Chancellor's announcement of such things as income tax cuts, which very much help with the cost of living, and savings to beer duty—although I did notice the calls from my hon. Friends on the Bench behind me regarding wine duty, which I am sure he will have heeded. I also note that the Chancellor has announced a package of support for affordable credit and credit unions, including announcements on the "breathing space" changes, which will be very welcome.

Following last year's Budget, the Committee also called for the Treasury to publish robust equalities impact assessments in future that include gender breakdowns of Budget measures. I gently remind the Leader of the Opposition that it is the Conservative party in government that has introduced the gender pay gap regulations and is on its second female leader, while the Opposition still need to have their first. The Committee

will be taking evidence from the Women's Budget Group and others later this week, and I welcome the evidence that they will give us.

The Committee has also just published its report on SME finances, making a number of recommendations that, if implemented, will allow small businesses to make an even greater contribution to our economic performance. The Chancellor has announced measures today, including in relation to the annual investment allowance, that will support small and medium-sized enterprises.

I note that the Chancellor said he would encourage the expansion of the Financial Ombudsman Service to deal with problems that small and medium-sized businesses have with their banks. Neither I nor the Committee think that that goes far enough. A tribunal is needed to allow those for whom going to court is simply not an option to have their access to justice when their relationship with their bank—a critical relationship—goes so badly wrong.

Kevin Hollinrake (Thirsk and Malton) (Con): I am very appreciative of the Chancellor's recognition of the work in this area by the all-party group on fair business banking and finance, but 90% of the cases that we deal with are claims well in excess of the £350,000 threshold, or even the £600,000 threshold, as recommended by Simon Walker. We need to fill that big gap in justice before we can finally put these issues behind us. Does my right hon. Friend the Member for Loughborough (Nicky Morgan) agree with that position?

Nicky Morgan: I thank my hon. Friend very much. He has done a huge amount of work in this space through his all-party group, and he has spoken eloquently in debates on this subject. Just as we welcome wage increases, which we have not seen over the last 10 years—I would argue that that is much of the reason why UK politics is in the state it is in at the moment—he is right to say that putting these issues to bed, including the relationship breakdowns between the banks and smaller businesses, is vital to allowing that important relationship to move on. That is why I think that both he and I would agree that a tribunal is the right way forward.

The Chancellor talked about productivity, which is clearly going to be part of the debate. He also talked about the need to review business rates; he is absolutely right and the help that has been given today is very important. However, the Committee will look further at business rates because, although today's announcement is obviously welcome—I speak as somebody whose constituency office pays business rates—there has to be a more fundamental look at this issue going forward, if we want to support our retailers and small and medium-sized businesses.

The Chancellor also announced changes on digital tax, which is another issue of fairness. We welcome that announcement and await the details, and we look forward to questioning him on these issues at future scrutiny sessions. The Committee is rising to the challenge of an early autumn Budget with an accelerated schedule for our own scrutiny and analysis. As I say, we will be taking evidence from the OBR and others this week, and we look forward to hearing further from the Chancellor in a week's time on the measures he has announced and on the economic and fiscal outlook.

As a constituency MP, I would like to thank the Chancellor for the £70 million for the Defence and National Rehabilitation Centre just outside my constituency. I would have liked him to say more, however, about the national retraining scheme announced in last year's Budget. Investing in things is important to the industrial strategy, but so is investing in people and skills.

Finally, the Chancellor said right at the start that this was a Budget for the strivers, the grafters and the carers. I fully endorse his desire to build an economy that works for everyone, and we look forward to asking him further questions in the scrutiny sessions ahead.

Several hon. Members *rose*—

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. Before I call the leader of the Scottish National party, I should tell people now that I expect to start off with a speech limit of eight minutes.

5.20 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is disappointing in some respects that the statement this afternoon was affected by a protest in the Gallery, but we all recognise that what we saw was very much in the spirit of the suffragettes. SNP Members understand the suffering of the women born in the 1950s who have been betrayed by this Government. When women pay national insurance, they do it on the basis that they will get a pension, and to find that they have had their pension entitlement taken from them, in some cases for six years, with only 14 months' notice—*[Interruption.]* The Secretary of State for Education seems to be suggesting that the Scottish Government can fix this. I say to him: it is a reserved matter. The UK Government are the only people who should be fixing this.

I can understand the frustration of these 1950s women, many of whom are suffering in poverty, and it is about time they got what is rightly theirs. The behaviour of this Conservative Government is shameful. The Chancellor does not even have the good grace to stay and listen to the speech by the third party's spokesperson. That is the contempt he shows for Parliament and these 1950s women. *[Interruption.]* He's not the Chancellor and he never will be. The Chancellor stated that this was the first Monday Budget since 1962. I remind him that his predecessor who gave that Budget was gone in three months. We know the Prime Minister has little time for him and that he will no doubt be gone soon.

We hear much about the ending of austerity, including from the Prime Minister, but there was no sign of it in the Chancellor's statement, and then we are told there will be investment in universal credit, and it is trumpeted and cheered to the rafters by Tory Members. Of course, we welcome the additional money, but when we look at the Red Book—*[Interruption.]* This is serious—this is about people who are really suffering—and all the Secretary of State for Education can do is chunter from a sedentary position. Show some respect for people in this country for once! According to the Red Book, the investment in universal credit through the work allowance next year will be £545 million, but the Joseph Rowntree Foundation tells us that £2 billion is required, and at the same time there is a tax cut through the increase in the higher rate worth £2.8 billion. That is the reality and those are the priorities of this Conservative Government. Austerity coming to an end? Don't kid us!

The Budget statement shows a chronic lack of understanding of the threats we face and the storm clouds ahead. The icy blast this weekend was a foretaste of the dark winter to come—a winter that the Tory Government are ill prepared for. Ten years since the Labour party presided over the financial crash, the Conservative party today risks another. Ten years on from the onset of the last recession—*[Interruption.]* I wish that people in Scotland and the rest of the United Kingdom could see the hon. Member for Stirling (Stephen Kerr) sitting there and laughing as we discuss matters of great importance to the people of this country.

Stephen Kerr (Stirling) (Con): Rubbish!

Ian Blackford: The Scottish Conservatives are a disgrace to the people of Scotland and should be utterly ashamed of themselves.

Stephen Kerr: Shocking!

Ian Blackford: He can shout all he likes. I will tell him what is shocking: the Budget from the Chancellor today.

Ten years after the onset of the last recession, history tells us that, statistically, we are likely to be closer to the next recession than to the last. The UK's preparedness and ability to respond is impacted by the failure of leadership of the Chancellor and his Government. How ill-prepared has the Chancellor come to the Dispatch Box today! It is a pity he is not here; what disrespect he has shown.

Over the weekend, the Chancellor said that he might have to change his forecast if there was a no-deal Brexit. Can we even believe this Budget? What price will we all have to pay for a no-deal Brexit? Perhaps the Prime Minister does not believe it. Hours after the Chancellor made his announcement that a no deal would require a change in forecast, No. 10 said that it would not. What an utter shambles. Whose Budget is this, the Chancellor's or the Prime Minister's?

The Chancellor comes before us today without adequate planning to give us any of the assurances that his Government can protect our economy over the next few months, never mind the next few years. To add insult to injury, we were promised £350 million a week as the Brexit dividend—it was on the side of a bus—

Chris Philp (Croydon South) (Con): Will the right hon. Gentleman give way?

Ian Blackford: Instead, we are getting 50p: a shiny new 50p to distract us from the devastation that the Government walk blindly into, as they railroad ahead with their Brexit plan.

Chris Philp: Will the right hon. Gentleman give way?

Mr Deputy Speaker (Sir Lindsay Hoyle): Order. Mr Philp, it is up to the right hon. Member for Ross, Skye and Lochaber (Ian Blackford) whether he wishes to give way, and I think it is quite clear that he is not giving way.

Ian Blackford: Thank you, Mr Deputy Speaker. I think that there is a precedent for the third party speech on a Budget to be made without intervention.

[Ian Blackford]

It is not just a no-deal Brexit that will cost families. Even if the UK gets a deal, it will cost families. The whole Brexit process will hit the economy. There is no such thing as a good Brexit, and the House must wake up to that reality. The hon. Member for Gordon (Colin Clark) can carry on gesticulating. He really is the village idiot.

The storm is coming, and the Government have not even brought an umbrella, never mind the shelter that we need. This Budget leaves us wholly unprepared for the Brexit bombshell that is heading towards us. It fails to protect current and future generations. “An end to austerity”, said the Prime Minister. Scotland’s budget will have been slashed by £1.9 billion since the Tories came to power. This from a Tory Government who are ideologically obsessed with austerity—because, after all, austerity is a political choice.

We hear about the Government’s hands having been tied by the debt burden, yet over the past nine years, the Government have found £435 billion of new money for quantitative easing. Those with money and assets were rewarded with rising house prices and financial asset prices. Ordinary working folk—the poor and the disabled—were rewarded with austerity. They paid the price for the financial crash. The Institute for Fiscal Studies has made clear that even the mildest version of “ending austerity” would cost a minimum of £19 billion, the equivalent of a penny on income tax, national insurance and VAT.

An analysis published by the Resolution Foundation stated that we needed to see a boost in annual spending of £31 billion by 2022-23 to end austerity, so let us not kid ourselves that the Tories are going to end austerity. It simply is not going to happen. There is no such boost. Austerity has not ended; austerity remains under this Tory Government. This Tory Government continue to balance the books on the shoulders of the poorest and the most vulnerable, yet they continue to give away tax cuts. That is the reality. That is why austerity is purely and simply a political choice of this Conservative Government.

To end austerity, the Chancellor would need to cancel the final year of the four-year freeze on benefits and reverse cuts in in-work benefits introduced as part of the roll-out of the new universal credit system. That would cost a combined £5.1 billion by 2022-23. We already know that cuts to social security since 2010 will cost £39 billion by 2021-22; that is £39 billion taken out of the pockets of those who would spend cash on goods and services. Cutting the incomes of the poorest in our society has depressed growth in the economy; the only people who cannot see it are the Conservatives. [Interruption.] What about the living wage? If they were to bring in the real living wage, we would support them, but they are miles away from doing that.

Over the same period that the Women’s Budget Group has calculated that tax giveaways will cost the Treasury £47 billion, £39 billion was taken out of the pockets of the poorest and £47 billion given in tax cuts—robbing Sarah to pay John. This heartless Conservative Government have utterly failed to do the right thing, robbing citizens across the United Kingdom of a chance of increased living standards and the prosperity our communities deserve from economic growth. Austerity is hurting and

this Budget will continue to hurt citizens through Tory austerity. Again, with a Tory Government we get cheap promises. Well, we have had enough of broken promises. The SNP will not support a Budget that will make our economy smaller and weaker and make our people poorer.

From 2010 consecutive UK Governments have delivered empty promises and robbed Scotland, limiting the opportunities for our Parliament and our people. This year, the Scottish Government’s fiscal budget will be £1.9 billion lower in real terms than it was in 2010-11. This is about more than the statistics, however; it is about the harsh impact on those who depend on our public services—the young, those in work, the elderly, and the disabled. We all pay a price for Tory austerity.

With Brexit coming down the tracks, this Government have picked up where Labour left off and abandoned the people of Scotland. Instead of arming themselves with a Budget that would protect jobs, drive investment and boost growth, the UK Government have delivered a Budget that will leave the communities of the United Kingdom frozen in failure. Time and again, we were told that the economy in Scotland would be stronger if we stayed with the United Kingdom—that the Union would protect jobs and that the Union would protect the Scottish economy. Well, the Union is threatening to destroy our economy by dragging us out of the European Union against our will.

Closing the door on the single market and the customs union is risking 80,000 jobs and risks losses of £2,300 on average from every person in Scotland. This Budget—this Union—has placed at the foot of the people of Scotland a choice of two futures: a future tied to a Union with the UK that will lead to further hardship and a deepening of austerity, or a future with Scotland in the EU, filled with opportunity, prosperity and economic growth, with an outward-looking Scotland and our destination within Europe, or our destination within an inward-looking United Kingdom.

The Chancellor today has made the case for the SNP. Like their Labour predecessors, this UK Government have shown their incompetence. Distracted and divided by the chaos of Brexit, the Government have not prepared for the future. Where is the vision? Where is the plan to create the circumstances that will encourage investment, drive up productivity and result in real wage growth? The fact that we have had the worst decade for wage growth in over 200 years should have sparked action by the Government to deal with that, but what do we have? We have inaction.

The Prime Minister famously talked about those who were just about managing. They have been shown to be hollow words from the Prime Minister and her do-nothing Chancellor. This is a Budget that cannot weather the Brexit storm. This is a Brexit bombshell Budget, with the clock ticking down to deliver absolute economic chaos to households right across the country. Conservative Members of Parliament sit and laugh; we talk about people who are going to be in economic hardship and Tory MPs laugh about the impact of a hard Brexit. That is the reality.

The Chancellor came before us today—he came and went—with his trick or treat Budget. He came in the hope that we would be distracted from the bigger picture by the small number of welcome announcements, most of which are undoing his Government’s shoddy policies,

but we are not. He might trick some of his more gullible Back Benchers, but he will not trick us. The UK is facing a significant social, economic and political crisis with Brexit, but this Budget utterly fails to build a safety net for our economy's future after our exit from the European Union.

We have made it clear that, short of remaining in the EU, only membership of the single market and the customs union will best protect our economic future, yet the Government blunder on, leading us to a no-deal Brexit that will be an economic catastrophe. It is widely accepted by economists that, if the UK leaves the EU without a deal, there will be material economic disruption. We are already seeing a weakened currency, higher inflation and lower business investment growth as a result of instability and a lack of security.

The EU is the largest market for Scotland's international exports, worth £12.7 billion in 2016. The UK Government's own analysis shows that reverting to World Trade Organisation trading rules would reduce growth by 8%. The Scottish Government's analysis shows that a hard Brexit threatens to cost our economy £12.7 billion a year by 2030, compared with remaining in the EU. Worse still, even if the UK signed a free trade agreement with the EU, Scotland's GDP would be £1,610 per person lower by 2030. Households are already paying the price. Mark Carney told the Treasury Committee:

"Real household incomes are about £900...lower than we forecast in 2016. The question is why and what drove that difference. Some of it is ascribed to Brexit."

That is the reality for Mark Carney.

The only solution to offset economic disaster, short of staying in the European Union, is to stay in the single market and the customs union. I am pleased to see that some on the Labour Benches agree with us on that, but does the Leader of the Opposition agree? We need to get real. The Chancellor has not insulated our economy to deal with Brexit, and the Prime Minister is hamstrung by the extreme Brexiteers in her own party. We must not allow the extreme Brexiteers to hold the UK to ransom. We must unite across the House to protect our economic future. I call on the Leader of the Opposition today. If he is true to his word, and if he agrees with me that this Budget is unfit for the future, he will join with the Scottish National party, Plaid Cymru, the Greens and the Liberal Democrats to keep us in the single market and the customs union. Today, Labour must show that it can be an Opposition. It must join the effective Opposition to tell the Prime Minister that she will not get a deal through this House that does not keep us in the single market and the customs union. The stakes are high. We have time, but not much. The Chancellor still has time to rethink his fiscally flawed decisions in order to help to protect our economy.

Many will study the detail of what is in the Budget, but we must also examine what is not. The UK Government should rethink and back SNP and Institute of Directors demands to introduce a small and medium-sized enterprise support service to help firms to map out and prepare their supply chains to deal with Brexit. There is so much missing from this Budget. Where is the removal of residency fees for EU citizens applying to remain in the UK? It is morally reprehensible that those living here are, through no fault of their own, facing a charge to protect their residency. That is not making

EU citizens who live here welcome. It is, by extension, yet another impact of the Prime Minister's hostile environment. The Chancellor could have waived those fees today.

Last year, the Chancellor righted a wrong when he announced that Scotland's emergency services were no longer to be charged VAT, but where is the £175 billion that had already been paid? We want it back to invest in our emergency services—*[Interruption.]* I expect Scottish Tory MPs to back us on this so that we can get Scotland's money back to invest in our public services. Yet again, this Government have ignored SNP calls to support the Scottish oil and gas industry at a time of recovery. Why has the Chancellor again sat on his hands? The UK Government are once again not stepping up to support the sector.

I come now to farmers and crofters, and I declare an interest as an active crofter, as is my hon. Friend the Member for Na h-Eileanan an Iar (Angus Brendan MacNeil)—

Anna Soubry (Broxtowe) (Con): How big is your estate?

Ian Blackford: I am just a simple crofter with 10 acres—*[Interruption.]* Let me deal with the seriousness of the situation. The European Union recognised the underfunding of hill crofters and farmers in 2013, creating a new fund from which payments were to be made between 2016 and 2020. Almost 90% of the fund was meant to come to Scotland, but we have been short-changed. We have been given only 16.5% of the funds. Some £160 million that should be going to Scottish farmers and crofters has not materialised. Where is it, Chancellor? Why has he not given Scottish crofters and farmers the money that they were due? Why has he withheld funds that were explicitly meant for Scotland? Why does he think it is right to hold back EU funds that he was meant to pass over? It is little wonder that our crofters and farmers should worry about funding post Brexit; this UK Government have form. Make no mistake that not passing over funds the EU earmarked for Scotland is a serious breach of trust. I would even go so far as to say that the UK Government have stolen that money from the pockets of crofters and farmers.

Let me turn to what the Chancellor has done in this Budget. With Brexit having pushed inflation above its 2% target for each month since February 2017, I welcome that he has frozen fuel duty. I also welcome the fact that the UK Government have finally lived up to their responsibility on broadband, which is, after all, a reserved matter. Despite a few welcome gimmicks, Scotland's promised £600 million in NHS consequentials, we are getting only £550 million. We have been short-changed again—£50 million should be coming to Scotland for health; we are not getting it.

Those at the bottom of the pile will continue to struggle while the Tories fail to put dignity and respect at the heart of their social security policies. By 2021, low-paid women stand to lose £1,400 a year from changes to universal credit, according to the Women's Budget Group. A couple with two children will be £832 a year worse off due to the benefit freeze, according to the Joseph Rowntree Foundation. Some 600,000 three-child families will see £2,500 a year robbed from their budgets, and those with four or more children will lose around £7,000 a year. The Chancellor could have done the right

[*Ian Blackford*]

thing today. He could have halted and fixed universal credit. Instead, he failed to go far enough to put money into the pockets of those who desperately need it.

The SNP has long championed the case against cuts to the work allowances, and another U-turn from the Tories is welcome, but it does not go far enough. The Chancellor's increased spending on universal credit is nothing but a drop in the ocean. He is putting a sticking plaster on a wound that needs to be redressed. His failure to halt and review universal credit means that more people will be left behind, left in poverty, left in hardship and left struggling by a Tory Government.

Now, I do not think that there is a magic money tree, but political choices can be made: to deliver a society where the sick or unemployed can be helped out of hardship; or a society that punishes the poor and abandons those who are out of work. Why has the Chancellor failed again to end age discrimination and give young people, as well as other workers, a real living wage?

Since Brexit, electricity bills have gone up by 17.1% and gas bills by 4.3%—young people continue to be left behind with those higher prices. All workers should be treated fairly, yet this Government continue to underpay young people. Young people have again been short-changed, as the Chancellor has failed to pay a real living wage. Young people in Scotland deserve better. The Chancellor should immediately devolve the powers so that the SNP Scottish Government can uplift young people and end this discrimination.

But it is not just young people. Women born in the 1950s have seen their pensionable age increase by as much as six years, in some cases with only 14 months' notice. We in the SNP have long accepted that the equalisation of men and women's pensionable age should happen, but the women affected by the changes had paid national insurance on the condition that they would get their state pension earlier than many of them now are. They have been short-changed. Women's pensionable age has increased too quickly, and many are living in poverty, relying on benefits. Of course, in a Westminster Hall debate, the Under-Secretary of State for Work and Pensions, the hon. Member for Hexham (Guy Opperman), ludicrously suggested that the women affected should think about going on apprenticeship schemes. Talk about a lack of humanity. Absolutely outrageous. This is a Government who simply do not get it and do not accept their responsibility.

Why was this not addressed in the Budget? Where is the dignity? Where is the compassion for the millions of women who have given a lifetime of service? It is utterly shameful that that issue has not been addressed, and it is not going to go away. The Chancellor should have listened to the SNP on 1950s women and, more widely, on austerity.

The Scottish Government are already delivering £125 million of mitigation in this year alone to protect those hit by Tory austerity. We have established in law that social security is a human right, and I recommend that this House also thinks about that. We are building a social security system based on dignity and respect. Society is only as strong as its weakest link. Social security is not just a nice thing to provide; it is a necessity that we provide a safety net to those who need it.

We are also working to bolster our economy and society by supporting business and by working to boost job opportunities and growth: a 64% increase of £270 million in the economy, jobs and fair work budget, as part of a total investment of £2.4 billion in enterprise and skills; a 70% increase in investment in business research and development; £18 million as part of a £65 million package of investment in the National Manufacturing Institute; and £340 million of resources set aside to provide initial capitalisation for the Scottish national investment bank. The Leader of the Opposition called for a UK state investment bank; we are getting one in Scotland, courtesy of the SNP.

The Scottish Government have an ambitious programme of infrastructure investment for 2018-19 of more than £4 billion, in line with the "Programme for Government" commitment to invest £20 billion over the lifetime of our Scottish Parliament. That is our commitment to infrastructure investment.

In Scotland we are using the powers we have to change lives for the better and to strengthen our economy, and it is working. Scotland has strong economic fundamentals, with higher growth than the UK as a whole and the most inward investment anywhere in the UK outside London. Scotland's economy grew by 0.5% in the second quarter of 2018, faster than the UK. Over the past 12 months, the Scottish economy has grown by 1.7%, faster than the 1.2% in the UK. The Scottish Government are delivering for the people of Scotland.

According to the Office for National Statistics, long-term pay growth has been highest in Scotland and lowest in Wales. Median pay for full-time workers is 87% higher in Scotland than it was in 1997. Fraser of Allander expects Scotland to have higher growth and lower unemployment than the UK in 2019 and 2020. Scotland's female unemployment rate fell over the quarter and year to 3.2%, lower than the UK's 4%. In the face of Tory austerity, the Scottish Government are building an economy of the future with measures to unlock innovation and drive increased productivity.

In Scotland, those measures, outlined in the "Programme for Government", have been welcomed by the business sector. Scottish businesses, customers and our workforce rely on robust and reliable infrastructure, as the foundation which keeps our economy moving, and it is right to increase investment in that area—but it will not stop there. The Scottish growth commission's report is clear that an independent Scotland can leave the broken economic model of the UK and deliver an inclusive, sustainable growth programme. If the approach to spending growth recommended by the commission had been applied by Westminster over the past decade, the £1.9 billion cut in real terms to Scotland's budget would have been wiped out.

The report recommends adopting the following fiscal rules: that the deficit is reduced to below 3% of GDP within five to 10 years; that national debt does not increase beyond 50% of GDP and stabilises at that level; and that borrowing is undertaken for public investment only over the course of the economic cycle. Closing the per capita income gap to the median of the 12 best-performing small advanced economies, the report's peer group, through a 21st century economic model focusing on productivity, population and participation would mean, in today's values, an additional £22 billion in GDP and a potential additional £9 billion in tax revenues—that is £4,100 per person.

In Scotland, we are not just focusing on the now; we are focusing on the future. The Chancellor today attempts to pull the wool over our eyes and distract us from the bigger picture, but we are not distracted. This Budget is a typical Tory offering: giving with one hand and taking with another. The Budget exposes to the people of Scotland that there is a choice to build a better future—to turn away from the isolated, economically failed UK and instead look to a more prosperous Scotland in the European Union. Only with independence can we secure a strong future for the Scottish economy, and deliver for our communities and families, who are being left behind, scrambling to make ends meet, moving from crisis to crisis at the hands of consecutive failed UK Governments.

Mrs Maria Miller (Basingstoke) (Con): On a point of order, Mr Deputy Speaker. I tried to intervene on the right hon. Member for Ross, Skye and Lochaber (Ian Blackford) on a number of occasions. Could you confirm to the House whether or not there are any rules in place preventing the Scottish National party from taking such interventions?

Mr Deputy Speaker (Sir Lindsay Hoyle): It was up to the right hon. Gentleman whether he wanted to give way. At the beginning, he was very clear, saying, “I will be treating this like the Chancellor of the Exchequer and the Leader of the Opposition.” It was up to him whether he wished to take interventions and he made it clear that he would not. I am sorry if that was missed—*[Interruption.]* Because she was not here, but I am not going to go into that. *[Interruption.]* Did you not hear him? It was quite clear. He said at the beginning that he was not giving way, and we all heard that. Let us make some progress because we have 38 speakers who want to get in today. I call Greg Hands, with an eight-minute limit.

5.52 pm

Greg Hands (Chelsea and Fulham) (Con): It is always a bit bizarre to follow the right hon. Member for Ross, Skye and Lochaber (Ian Blackford), with his half-hour peroration, all of which he appeared to have written before the Budget was delivered. He described himself as a “simple crofter”. I have a little doubt about that, as I had a career in the City of London and I do not recall him being a simple crofter at that time. Perhaps that was his codename on his Bloomberg terminal as he was buying and selling financial assets.

Anna Soubry: If my right hon. Friend would like to do a Google search, as I have just done, he would discover that, apparently, the small, simple croft of the right hon. Member for Ross, Skye and Lochaber is valued in the region of half a million pounds.

Greg Hands: That is a very apposite intervention, as I am going to talk about stamp duty land tax in due course.

This is my first Budget speech since closing the debate in 2016, when I delivered a progress report to the House on how the Budget deficit had been reduced from about £6,000 per household to about £3,500 per household, and reported on the very good progress that had been made on restoring the public finances to good order over the previous six years. So may I start by commending

the Chancellor of the Exchequer, the Chief Secretary to the Treasury and the entire Treasury team, the Financial Secretary included, on the further progress they have made in the past two and a half years? I remind Members that we inherited a budget deficit of £175 billion—10.5% of GDP—in 2010. At that point, of every £4 being spent by the Government, £1 was being borrowed. I think I heard the Leader of the Opposition blaming the financial crisis, but there had been a budget deficit in each and every year from 2001—a full six or seven years before the financial crisis even began. So I am pleased to see the budget deficit coming down from £175 billion to £27 billion next year—the lowest year-on-year borrowing since 2002. But it is worth reminding ourselves that we are still borrowing money—

Chris Bryant (Rhondda) (Lab): If Labour’s spending was so terrible in those years, why did George Osborne and David Cameron say that they would match it pound for pound?

Greg Hands: The hon. Gentleman is recalling a little bit of ancient history, but if he looked at the debate within the Conservative party around the time of the party conference in 2006, he would find some interesting submissions to the debate within the party at that time.

We are still borrowing, and it is worth recalling that. Debt is peaking now, at 80% of GDP. Of course, for the years that debt has increased, we see that the maths make that an inevitability if we are running a deficit. Although reducing debt as a percentage of GDP to 74% by 2023 is progress, I worry whether that figure will be too high in terms of our stated mission of fixing the roof while the sun is shining. Labour Members say that debt is too high and that we have not done a good enough job on cutting the deficit. So what do they think we should have cut more? It is worth recalling that Alistair Darling’s pledge in 2015 was to only halve the deficit, which would of course have led to much higher debt.

Other successes of those years are, first, the increase in capital expenditure, which has not featured so far in the reactions to this Budget. It is increasing by a healthy 4% per annum over the next four years—that is a case of building for the future. So we have been fixing the roof while the sun is shining, but the job is not yet done. We need to bring debt down below the 74%—and not through tax rises. This country is already sufficiently taxed. I warmly welcome our meeting the 2015 manifesto commitments on the personal allowance and on the £50,000 higher rate threshold. Meeting those one year early is very encouraging.

I also welcome measures to encourage the conversion of surplus retail to residential properties, which is incredibly important in constituencies such as mine, where we have a lot of retail space that has been dead since even before Amazon came along—that has simply been unable to be converted to residential. That move is very welcome. The extra Brexit resources are sensible, and I hope that they will include money for the Department for International Trade to take advantage of future trading opportunities, although the £2 billion increase in UK Export Finance capital is also welcome. I am disappointed that there are no specific further funds for the Royal Borough of Kensington and Chelsea for dealing with the Grenfell tragedy.

[Greg Hands]

I want to speak about something that was not in the Budget but which may have to be in due course—stamp duty land tax, which goes back to my point about crofters, lairds and the leader of the SNP. I have been a keen observer over the years of these changes, and I am glad the Financial Secretary is in his place. I was not part of the Treasury team in autumn 2014 that made those important reforms, and I would have urged caution at that time, but there must be a question as to whether stamp duty land tax is too high, including at the top of the market. I ask the Treasury to consider this in good time. There is no point coming to a fast conclusion on SDLT.

Many of the principles of the reforms were sound. Home purchases were made cheaper for 90% of properties and the SDLT slab system was removed. Subsequent reforms have meant that people pay more for second-home ownership, which is reasonably correct, and there is no SDLT at all for many first-time buyers, which is beneficial. There has to be a question, though, as to whether the overall yield from SDLT can be improved. If I understand it, to date the receipts are down by 10% a year. In August, only 79,000 homes throughout the UK were sold at all. That is down 4% year on year. If I read the numbers correctly, there is a £1 billion shortfall compared with the OBR estimate.

The increase in stamp duty land tax on homes worth more than £937,500—

George Freeman (Mid Norfolk) (Con) *rose*—

Greg Hands: I will not take any more interventions as I will not get any more time.

It may seem bizarre to speak about people in such homes, but in large parts of inner London, £937,500 does not buy an astronomically sized home. That is the cost of a typical large flat or small house in many parts of inner London. The average buyer in my constituency now pays £43,000 in stamp duty land tax. For many Members, £1.5 million may sound like a huge amount, and it is, but that is the average price for a three-bedroom house in my constituency. If someone wished to trade up to a four-bedroom house because their family had increased, they would have to pay £153,750 in stamp duty alone. That is increased from £53,750—three times as much.

What are the effects of the change? First is the question of whether revenue is being maximised at a time when we need revenue. Secondly, it is a serious tax on home ownership in general. Thirdly, it heavily penalises downsizers. If someone is in a larger house and looking to move to a smaller house, which is a socially beneficial activity, they are heavily penalised by the SDLT consideration on their new house, as well as the buyer of their previous house having to fork out more than £150,000 or £200,000, in some cases.

Fourthly, it encourages the over-development of homes, which is to be seen all day, every day around my constituency and in much of inner London, as people are tax-incentivised to extend their homes rather than buy and sell to move to a larger or, indeed, smaller house. The amount of building work has skyrocketed. I did a poll of my local estate agents and residents and got some very interesting frontline responses about the effects.

Fifthly, it encourages over-conservatism in property moves. People think, “It is so expensive to move. I have to make sure I’ve got it right.” That can cause a delay in a property move that may be unbeneficial to the economy. Sixthly, it cuts labour mobility and, as such, social mobility. If someone gets a new job in a more expensive part of the country, it will cost them a huge amount to make the move in order to take the job.

I welcome the Budget, the tax cuts being introduced and the extra money for the NHS. We have to keep a close eye on debt. I support the Budget.

6.3 pm

Frank Field (Birkenhead) (Ind): This Budget will do nothing for the growing number of Members, Opposition and Government, who are troubled that their constituents are not only hungry but being pushed towards destitution. If there is one thing we should vote on, I hope it will be a resolution that shows how unfair the Budget is for the group of people who have given most to the country’s recovery.

The analysis that the House of Commons Library has done for several Members looks at the cuts in living standards, since the coalition Government came in, for those who are of pensionable age—a growing number of us—and those with families. Pensioners have seen increases in their standard of living every year. That is good, but it does not help much to reduce the budget deficit. The whole budget deficit has been put on families, particularly those with children. There was silence on that from the Chancellor as he told us that we were turning the corner and lifting the burden of austerity. Surely to goodness those who have borne most in making a success of getting the budget deficit and fiscal deficit down should be first in the queue to get some relief.

There was no relief in the Budget for the cuts in the social security budget, the most deadly of which was the freeze in benefits that each year makes it more and more difficult for the most vulnerable to manage their budgets. It is no surprise that food banks throughout the country, along with other organisations, report an increase in the number of people who are reduced to going to food banks or who are taking other actions to try to assuage their hunger. I say this to Members from all parties, because the Opposition have failed to convince the Government of how serious things are. There is something deeply shameful in talking about lifting austerity while at the same time making sure that the cuts for families will get worse next year, the year after and the year after that.

Linked to that is what we will do with universal credit. The National Audit Office gave us the grim report that it was a benefit that the Government could not scrap but did not know whether it could go forward. The Government’s answer today was to make some very important additions to the universal credit budget. I am grateful, as all of us who see our constituents massacred by this benefit must be, but there are four big changes that the Government have yet to announce that will be necessary if we are to be satisfied that universal credit can be rolled out safely to every one of our constituents.

First, will the Government extend legacy benefits right up to the time when people claim universal credit? There was talk about some changes, but they have not been announced today. Such a change would mean that

nobody—but nobody—would be without money. On the day that their universal credit payments started, their legacy benefits would stop. Will the Government commit themselves to that change?

Secondly, we talk about single parents going out to work, and many of them try to do so, but their childcare payments are not paid during the first month. They can be claimed after the first month. If we are serious about people with children moving from universal credit into work, should we not make those payments up front?

Thirdly, people can get an advance, which is good, but that advance has to be paid back. For working-class people who are used to payment on a daily or weekly basis, it is totally inadequate to have a benefit that is designed for middle-class budgets like ours and to talk about an advance. I had hoped that we would hear more from the Chancellor than some support for credit unions, welcome as that is. We need a system of citizens banks that work with universal credit and are targeted at people on universal credit, so that they can get a loan up front—meaning no collapse in payments—that they then pay back, free of interest, over a reasonable period.

Fourthly, the guardians of the roll-out ought to be Citizens Advice, which the Government have commissioned to provide the all-important roll-out service. If Citizens Advice says, “We cannot yet take any more universal credit claimants for the moment because we cannot provide the wraparound care,” will the Government listen—if not to Members from the Government and the Opposition, then at least to the body that the Government have charged to look after the roll-out and to make sure that people can move from their current situation to universal credit payments?

There is a challenge for those on the Front Bench—my Front Bench or whatever old Front Bench you want to call it—which is to put down a motion behind which we on these Benches and the people of good will on the Conservative Benches can unite to say that we are not satisfied with the Budget, which leaves in place all those austerity measures that most affect families, particularly families with children. There was no relief for those families in this Budget and on that ground alone, the Budget should be voted down.

6.10 pm

Sir Henry Bellingham (North West Norfolk) (Con): It is a privilege to follow the right hon. Member for Birkenhead (Frank Field) who commands huge respect in this House. I agreed with much of what he said, but I remind the House that increasing personal allowances and creating an economy that now has the lowest unemployment since 1975 is another way, perhaps the main way, to help people on low incomes and people who have been in poverty in the past.

I welcome much in this Budget; it is a balanced Budget. I certainly welcome the increases in personal allowances, the extra money for mental health and defence and what the Chancellor said about enterprise, which I will come on to in a moment. I also welcome his realism on Brexit. He made it very clear that he expects Britain to get a good deal. He has also explained very clearly that he will make sure that, if we do not get that deal, we will be prepared for that eventuality. Indeed, there may well be an emergency Budget. I am also optimistic. The Prime Minister has laid down those red lines, which I support 100%. We cannot countenance

any initiative or structure that treats Northern Ireland fundamentally differently from the rest of the UK, thus undermining our precious Union. We certainly cannot accept a backstop that is completely open-ended. I know that 50 of our most talented civil servants are working on Brexit and I am confident that, with good will and a degree of flexibility on Europe’s side, we will get a deal. I ask the Minister, in the unlikely event of our getting no deal, what happens to the £39 billion? How much of that will actually be committed and owed, and how much of it will come back and revert to the Treasury? Will he answer that point?

I really was impressed by the Chancellor’s vision for the future—for Britain over the next number of years. For the first time in a long, long time, and at a time when the EU faces huge problems, a Conservative Minister has actually laid out a really clear vision for the future. In fact, what is happening in Italy could precipitate a systemic pan-European monetary union crisis and put at risk the very survival of the euro, and, at the same time, we are looking at markets elsewhere and are actually optimistic about the future. I was really pleased that the Chancellor said that. I think that he would agree with me that what we need is a high-skill, high-productivity, low-tax, business-friendly economy. There is still some way to go to simplify our tax system, and, when I look at Tolley’s Tax Guide, I see it getting bigger and bigger. Just as my right hon. Friend the Member for Chelsea and Fulham (Greg Hands) had a word of caution about austerity, there should be a word of caution also about the fact that the UK has recently slipped down the OECD rankings of the most competitive tax systems in the world. We have gone down to 23rd from about 15th. We must arrest that.

On the wider economy, it is good news that the OBR has predicted a 7% drop in our borrowing for this year and, as a result, the Government will be £13 billion ahead on the forecast. All of this is taking place at the same time as we have better growth than expected—we might even have better growth this year than both France and Germany—exceptional employment figures, wage growth at 3.1% and inflation easing to 2.4%. Yes, there are numerous woes, not least on the high street, but the overall picture is incredibly encouraging, and the Chancellor made that clear. I also agree with my right hon. Friend the Member for Chelsea and Fulham when he said that we have to be realistic and cautious about austerity. As he pointed out, when the coalition Government took office, we inherited an all-time record budget deficit. At that time, total managed expenditure was just under £700 billion. It went up in every year of the coalition Government and indeed of this Government. It is now moving to just over £800 billion. That is controlling public expenditure increases; it is not actually cutting public expenditure. It is not austerity as such. As my right hon. Friend pointed out, the interest on our debt—every year our overdraft goes on the national debt—is currently £41 billion. We should remind Opposition Members, particularly the shadow Chancellor, that, at the moment, that £41 billion, which is equivalent to just slightly more than the policing budget, slightly more than the transport budget, and 40% of the education budget, is currently manageable and fundable. That is at a base rate of 0.75%. If rates returned to the pre-recession levels of 4% to 6%, the amount the Government would spend on debt interest would quadruple. I just say to the shadow Chancellor that some of his spending commitments,

[*Sir Henry Bellingham*]

some of his proposals for a massive spending surge, are not only grossly irresponsible, but quite cruel on the many people whose hopes will have been built up by that.

I just want to say something very quickly about the high street. I warmly welcome what the Chancellor said about the high street. Our local high street in King's Lynn is thriving, despite all the closures of national chains. I particularly welcome what he said about the high street fund. We must get more flats above shops in high streets opened up for people to live in. If I look back 50-odd years ago to when I was a child in King's Lynn, there were many independent retailers in our local market towns. Every single one of them had a flat above a shop where either the retailer or someone in his family lived. Many of those retailers have been taken over by large chains and most of the flats are now empty. I recently went round King's Lynn, fairly late in the evening, and saw for myself that about 10% of the flats are now occupied. We need changes in the planning system, a much easier route to converting these flats back into accommodation and a change of attitude on the part of many of the regional and unit managers of these national stores. Very often, this is not on their agenda; it is in the "too difficult to do" category. If we take this issue forward with the high street fund, we can seize an opportunity to transform many of our market towns.

In conclusion, it was Jean-Baptiste Colbert, the Minister of Finances for France, who said:

"The art of taxation consists in so plucking the goose as to procure the largest quantity of feathers with the least possible amount of hissing".

The Chancellor's innovation and imagination has meant that he has not had to follow that advice and he has produced a first-class Budget that I fully support.

6.18 pm

Rachel Reeves (Leeds West) (Lab): The Budget today neither ends austerity nor shows that our economy is on a strong and resilient footing. On page 7 of the OBR document, our growth trajectory is referred to as "unspectacular". Even by 2023, eight years after the last Chancellor, George Osborne, said that the budget deficit would be eliminated, we still have a budget deficit.

In my short time this afternoon, I will just look at some of the detail on family finances and business taxation and, finally, at Brexit. The £1.7 billion announced for universal credit work allowances by the Chancellor this afternoon is welcome, but it falls short of the £3 billion that is necessary to ensure that no one is worse off under universal credit and it only undoes one half of the cuts made by George Osborne to universal credit just two years ago. It is somewhat ironic that the Chancellor tells us today that he is introducing a scheme to help people struggling with problem debt—although this scheme is worth only £5 million and is for one year only—but it has not occurred to him or the Prime Minister why people are struggling with debt in the first place. They are struggling with debt because of the ongoing austerity, because wages are not keeping up with the rising cost of living, because they are working in the gig economy or on zero-hours contracts, and because they work in the public sector and have not had

a pay rise for almost a decade. It is also worth reflecting that 60% of families in poverty today are in work. They are working hard, often in more than one job or in the precarious gig economy. They are working for their poverty and their children's poverty too.

The Institute for Fiscal Studies forecast that a further 1 million children will fall into poverty in the next five years, taking the number of children in poverty to a record high of over 5 million, including 7,000 children in my constituency of Leeds West. While we are talking of the next generation, today's announcement of £400 million for schools, although welcome, is less than what the Chancellor announced to fix potholes. Although we all agree that potholes are an issue in all our communities, I think that we would probably all agree that the education and future of our children are more important. The numbers equate to £10,000 for a primary school and £50,000 for a secondary school, which works out as £24 to £48 per child per year—50p or £1 a week, or about 20p a day per child. The Chancellor said it was to pay for those extra little things, but our children, the next generation, were offered very little extra indeed in his speech this afternoon.

I want to say something about business taxation. The experience of families on low and middle incomes jars with what is happening in some parts of our corporate sector and with some of the evidence that we have taken on the Select Committee on Business, Energy and Industrial Strategy, some of it jointly with the Select Committee on Work and Pensions, which my right hon. Friend the Member for Birkenhead (Frank Field) chairs. People are angry, and rightly so when, 10 years after the financial crisis, they see corporate bosses engaging in the sort of malpractice and incompetence that characterised the management of Carillion, BHS and, most recently, Patisserie Valerie. The Chancellor has said today that he is ending PFI and PF2, but when Carillion collapsed the Government had a choice: to take its contracts back in-house or farm them out to other PFI contractors. They chose the latter, embracing PFI rather than bringing those contracts back in-house, which we know will deliver better value for money and better public services.

Meanwhile, we have seen the new head of Royal Mail given a £5.8 million golden hello to take the job of chief executive, while not paying a penny of tax in the UK—another example of botched Tory and Liberal Democrat privatisation. We have also seen the Persimmon CEO take home £35 million last year, while the firm does not even guarantee all its workforce a living wage. The chief executive of Persimmon was one of the few beneficiaries of the Government's Help to Buy scheme. He has enjoyed a huge bonus on the back of that, while very few people benefited with more affordable homes.

If the Prime Minister had fulfilled her promise to put workers on the boards of our businesses, I am sure that such an outrageous pay packet would not have been awarded, but workers on boards is just another broken promise from this Government. It would now take a worker on the average wage 167 years to earn what a FTSE 100 CEO earns in just one—austerity for some, and largesse and riches for others. Austerity is well and truly over in the boardroom. What a contrast with the lives and experiences of the vast majority of our constituents. At Carillion and elsewhere we have also seen auditors in a cosy cartel, failing to do a decent job

while executives make reckless decisions over their companies' futures and the futures of people who work for them. Government and regulators must do more.

The Chancellor could have used today's Budget to cancel the further cut in corporation tax from 19% to 17%—which will cost £6 billion and overwhelmingly helps bigger businesses—and instead use the money to support smaller businesses and our struggling high streets, which the Government say are the priority. But today's announced changes to business rates, while welcome, are worth just a quarter of the additional cut to corporation tax, at £1.5 billion. Again we see the Government's priority: a tax cut for big businesses while others have to struggle. We see the same with the digital tax. Although it is worth £400 million, page 234 of the OBR's Blue Book says that the uncertainty associated with achieving that figure is very high. Indeed, the Chancellor has announced only a consultation. Where is the urgency? Where is the action? Frankly, when we consider the profits of those huge companies, £400 million is hardly very much.

Finally, hanging over this Budget is Brexit. Yesterday the Chancellor failed to answer the most basic of questions: will the public finances and our people be better or worse off with a Chequers deal than what we have at the moment? He could not or would not answer, because it is increasingly clear that the Government's botched negotiations will leave us all worse off. As for a no-deal Brexit, the Chancellor said it would mean having to rip up this Budget and start again. He said in this afternoon's statement that he is putting money aside if the economy needs additional support, paving the way for a spring Budget and preparing for every eventuality. The Office for Budget Responsibility has revised down net exports next year and says that it is difficult to make any economic forecasts at all because of the huge uncertainty. Nobody voted for this mess. That is why we should now go back to the country with a people's vote.

6.26 pm

John Redwood (Wokingham) (Con): I have declared my business interests in the register, but I am not going to be talking about them.

I welcome this Budget. I particularly welcome the decision to provide some more money for crucial public services. In Wokingham and West Berkshire, we need more money for social care, and there is some in the Budget. We need more money for our local surgeries and hospitals, and a lot of money will be coming through for the health service in the years ahead. I just urge the Government to ensure that it is well spent and that there a proper prospectus before the money is finally committed in detail.

We definitely need more money for our roads and local transport. I am pleased to see funds with imaginative ideas to improve flows and safety over junctions and to ensure more roundabout junctions and improvements in strategic local route networks. I will be working with West Berkshire and Wokingham Councils, encouraging them to come forward with schemes that I hope qualify, because these are important to the productivity of my part of the world and, indeed, any part of the United Kingdom. Anyone with customers or clients in their area who goes to work daily in a van or car cannot book as many appointments as they would like and might lose one or two contracts each day because they are

spending far too many minutes or even hours in traffic jams, particularly at the busy periods of the day. We therefore need to improve flows, which can also improve safety and lower fuel usage, which would be great benefits.

I also welcome the way that the Chancellor is injecting a bit more money into the economy, because there has been quite a sharp fiscal and monetary squeeze administered to the economy since March 2017. The story so far is one of dreadfully inaccurate forecasting by the OBR and the Treasury. We had the idiotic, wild forecasts about how we would have a recession, falling house prices and a big increase in unemployment if we voted to leave the European Union. They said that that would happen in the winter of 2016-17, whereas I am pleased to say that the economy continued to grow pretty well until March 2017. Jobs and employment went up and house prices did not tumble in the way that was forecast, because Brexit was not bad news. A lot of people thought that Brexit was very good news, and they went out and spent a bit more money because they liked it.

We then had a fiscal and monetary squeeze. The Bank of England has put interest rates up, and it withdrew special lines of credit from the clearing banks and issued instructions to lend less against cars and certain types of houses. That had a visible impact on the car and housing markets. We had a fiscal squeeze, because as we see in today's figures, in this year alone £7.4 billion more has been collected in tax and £4.5 billion less has been spent on public services than was forecast in March. There has therefore been a £12 billion—I presume unplanned—fiscal squeeze on the economy since March, and there was also a squeeze in the previous year, combined with a rather sharp monetary squeeze, whereby money growth has now halved, as a result of what I think was the Bank of England's fairly untimely and overdone interventions. I do not think there is a huge inflation problem out there, and I think the action that it has taken is too strong.

I am therefore delighted that something has been given back. What the Chancellor is giving back next year—about £11 billion—only matches the £12 billion of the squeeze that was being taken out this year. The OBR says, "This is a big giveaway," but it is not actually a giveaway compared with what it said as recently as March this year. One needs to put that into perspective.

We now have to discuss what impact Brexit will have. All the forecasts grossly exaggerate the economic impact of Brexit. It is an extremely important political event, but I do not think we will see it on world economic graphs when we look back in two or three years' time, and I think we would be hard pushed to see it on the graphs of the UK economy as well. The effect could be reasonably neutral. If we go for a no-deal Brexit because, unfortunately, the EU does not offer us something that is better than no deal, or if there is a continued breakdown in the negotiations—at the moment, the Chequers plan does not look very popular with the EU—then, yes, the Chancellor is right that we will need an additional Budget, but it will be a Budget full of good news because it will be the Budget to spend the £39 billion.

An awful lot of Brexit voters voted in part to take back control of our money. The OBR confirms that if we go ahead with the withdrawal agreement it has in mind, we will indeed be asked to spend £39 billion, sending that money over the exchanges to be spent in

[John Redwood]

relatively rich continental Europe rather than having it available for our own priorities here. So will it not be great to have a Budget to confirm that we can spend £39 billion in a no-deal scenario?

Sir Henry Bellingham: A moment ago, as my right hon. Friend will recall, I also made the point about the £39 billion. It is incredibly important that the Government clarify the situation on that, because some Ministers are saying that part of it is owed contractually in many different ways, while other Ministers are saying that the whole lot would revert to the Treasury in the event of no deal. Surely, the Minister must clarify that when he winds up.

John Redwood: I have looked into this. I have taken advice from lawyers. I have also read the report from the House of Lords—not a known bastion of leave enthusiasm. Its legal conclusions were wholly admirable. It said, “No, there is no legal requirement to pay a penny to the EU after we have left.” If we leave on 29 March 2019, we would definitely save that money. There is no requirement to pay. We did not get a bonus when we joined the thing, because there were lots of inherited liabilities, so we do not have to go on paying for liabilities after we have left. That is quite an absurd proposition. We should be able to grasp this opportunity.

If we were able to spend that £39 billion over a three-year period—I know that it is spread over three years and does not come all in one year—there would be, over that period, a 2% boost to the UK economy. That could take our growth rate back up to about 2% per annum. The OBR forecasts are a bit gloomy, and it could be that our economy has grown by only 1.5%, but that is underperforming. We need to ask why that is, and it is certainly nothing to do with Brexit. The reason the growth rate fell is, as I say, deliberate policy by the Bank of England and possibly inadvertent policy by the Treasury creating a combined monetary and fiscal squeeze. This Budget does something to start to lift the fiscal part of that squeeze, and that is very welcome.

It is crucial that we do end austerity. I am absolutely with the Prime Minister on this. Indeed, I fought two elections on the proposition that we want prosperity not austerity. I strongly agree with the Chancellor that we should define austerity, as the public do, in its wider sense. Austerity does not just mean not having enough money for social care, which we need to remedy; it means that people’s real wages have not gone up enough or at all, so they are not better off. People expect us collectively, as a result of our interventions in the economy and our supervision of the general position, to help them to progress and have real income increases so that they can afford more and improve their lifestyles as they go on life’s journey. That is what we should be doing. We should be in the business of promoting more jobs, better-paid jobs and lower taxes so that people keep more of the money from those jobs and the income they are earning. I therefore welcome the bringing forward of the income tax reductions, which will be very helpful.

I also strongly support tackling the problem of low pay. There is still too much low pay, and I am glad that the Government regard this as an important issue. We need to do more on productivity measures, because the

real way to eradicate low pay is by higher productivity: “work smarter and get paid more” is what we need to be thinking and doing. That requires a whole raft of the policies that were mentioned in the parts of the Budget document on education, training, transport and many other areas. That will contribute to making a more productive economy.

I am fully behind the Government’s aim of banishing austerity. I am fully behind the aim of getting real wages up and allowing people to spend a lot more of their own money. I want the £39 billion because that would be a really knock-out blow in getting a stronger and better economy.

6.35 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): It is a shame that I have only eight minutes, because I could use all those eight minutes to rebut some of the views just espoused by the right hon. Member for Wokingham (John Redwood).

If this was an “austerity is over” Budget, I invite the Chancellor to come to my constituency and see the challenges there, particularly with housing and homelessness, which I want to address. However, I must pause for a moment to touch on the views of the right hon. Member for Wokingham. The idea that we do not have to pay the £39 billion if we crash out of the EU is not the case. We have certain contractual obligations; I could go through them all in detail. In particular, there is the pension liability that we have for many of our own people who worked in Europe and have those pensions, and there are many other commitments that we have entered into. It was the Prime Minister—was it not?—who said that we are a country that pays what we owe, and we do owe money.

John Redwood: I do not think the hon. Lady understands. The bulk of the money is payments for another 21 months in the EU that we would not be making if we simply left.

Meg Hillier: It is about commitments that have already been made, and we have to pay our share of that as we were members at the time.

The Chancellor talked about this Budget being for strivers, grafters and carers, and he said that austerity was not driven by ideology. His own phrases demonstrate, as austerity has demonstrated every step of the way, a disconnect with the reality of people’s lives. He talked about 3.3 million more people being in jobs and the proportion of low-paid jobs being at its lowest. I wonder what measure that was based on, because very many of my constituents have low-paid and insecure jobs working on zero-hours contracts, which may have their place for certain people but not for those who are trying to pay the family bills and trying to pay the rent on time. In my constituency, we also have huge issues with housing, on which, as I say, I will go into in more detail.

The digital services tax is very interesting to me as the Member representing Shoreditch and all the tech businesses there, including some of the big players. This is only a consultation, of course. The big question, as my hon. Friend the Member for Leeds West (Rachel Reeves) highlighted, is whether it will deliver a result. If it only levies up to £400 million, as I think the Chancellor said, it will not recover the tax that some of the big tech giants have avoided through their complex multinational tax arrangements. I will be watching this closely, not

least to see whether those big players will cough up, but also to make sure that the growing start-up businesses in my constituency will be protected as the Chancellor has said. We need an ecosystem of tech businesses. We need those start-ups to start and grow in Britain so that they become the big employers and the responsible taxpayers of the future.

On local government funding, the £650 million in grant funding as a one-off is not good enough. We have had so much money taken out of local councils. Their real-terms spending on social care, for example, reduced by 5.3% between 2010 and 2017, while the number of over-85s rose by 28% between 2006 and 2016—a slightly longer period. The £20 billion for the NHS does not cover social care. It may make small contributions, but on its own it is not enough.

Since 2010-11, in my own borough, Hackney Council has had £130 million cut from its core grant funding from the Government. Dividing the £650 million by the number of local authorities in the country, Hackney will get a tiny amount, possibly for only one year, I think the Chancellor said—obviously, I have not had time to go through the Red Book. The cuts to Hackney so far are the equivalent of £471 per head—one of the largest cuts in England. In terms of spending power, Hackney will lose £1,425 per household between 2010 and 2020—the highest amount in the country—and we have £30 million more of cuts to find.

We are having big discussions about some budget cuts with Government, particularly for special educational needs, which Hackney Council has been cross-subsidising since 2011 from other parts of the budget. There is only so far that we can squeeze before the pips squeak, and the pips have been squeaking for some time now in Hackney.

I will not repeat what my right hon. Friend the Member for Birkenhead (Frank Field) and my hon. Friend the Member for Leeds West said, but suffice it to say that the problems with universal credit were predicted, foreseeable and exacerbated by the £2 billion of cuts under the former Chancellor. The Public Accounts Committee has been looking at universal credit since 2012, and our voice was added to a chorus of concern. The Government just have to listen, but they are detached from the reality of people's lives.

In the past, there has been broad cross-party consensus on universal credit. It is still not Labour policy to completely get rid of it; there would be a pause, a review and an assessment of what could be done to make it work, because it would be very difficult to unpick it now. If we want universal credit to work, we need a Government who are listening and understanding people's needs. My hon. Friends have outlined the problems.

For my borough, housing and homelessness is the really big issue. In London as a whole, almost nine in 10 households believe that there is a housing crisis in the capital. In Hackney, a borough-wide survey in 2015 showed that housing affordability was the top concern for residents, and things have got worse since then. The average house price in Hackney South and Shoreditch is £530,000 as of March this year. Hackney now has 34,000 privately rented homes, which is around 30% of all homes in the borough—a proportion that has more than doubled in the past decade. Rents in the private sector are astronomically high and out of many people's reach. Rising rents have meant that the average two-bedroom

property now costs £1,820 a month in the private market, which is over £300 a month more than in 2011—and that is if people are lucky; many are more expensive than that.

The brutal reality is that, given the cap, housing benefit does not pay the rent on any three or four-bedroom property in my borough or in many boroughs. In London and the south-east in general, people will find it hard to pay their rent if they are relying on housing benefit. Let us be clear: the majority of people claiming housing benefit are in work, which puts the lie to what the Chancellor said about employment solving everything. Of course employment is important, but the jobs have to be decent enough to pay the wages.

A 2017 report by Shelter ranked Hackney 10th in a list of the 50 areas in the country with the highest levels of homelessness—something the Chancellor did not mention. According to that survey, one in 44 Hackney residents were either sleeping rough or in temporary accommodation. This is a real issue. My surgeries are full of people who are desperate: women sent home from hospital with a baby and toddler to a hostel where they have been living for 18 months or two years. Four or five years ago, they were waiting only six months. Six months in a hostel was bad, but 18 months has a destroying effect on family life, the ability to work and the ability of children to study.

There has been a 300% rise in homelessness in Hackney since 2010, with 3,000 households now living in temporary accommodation. Hackney's bill for temporary accommodation has gone up from £26 million in 2013-14 to £54.8 million—an increase of over 100%. That is money down the drain—money that is not helping people, but just keeping a vague, bare roof over their heads and nothing more.

My hon. Friend the Member for Leeds West touched on education. It is important to highlight that we in Hackney have some of the best schools in the country. We heard that there will be a £400 million in-year bonus for some little extras—what a patronising way to provide money for our children's education. That means £10,000 for a primary school and £50,000 for a secondary school on average, which is not even enough to pay for the teachers they are having to shed, not enough to make up the short weeks they are having to introduce and not enough to reintroduce the full curriculum that they have had to cut.

I have not even had a chance to get into the details of Brexit or the fact that policing is under such siege in our city and in my borough. Extraordinarily, for the first time in my 13 years as an MP and 25 years in elected office, I have had a stream of people coming to my surgeries saying that the police did not investigate something—not something they would normally come to an MP about. It is becoming a pattern, because we have lost a fifth of our officers in Hackney.

To finish on a positive point, I welcome the business rates relief, if the revaluation delivers what the Chancellor says it will. I have lobbied for that in the past. But on the rest, austerity is not over for my constituents—it is still biting hard—and the Government have got to get in tune with the lives of real people.

6.44 pm

Sir David Evennett (Bexleyheath and Crayford) (Con): I am delighted to participate in this debate and pleased

[*Sir David Evennett*]

to follow the hon. Member for Hackney South and Shoreditch (Meg Hillier), although I do not share her take on the Budget.

The Treasury team have done a good job of putting together a Budget that is constructive, positive and forward looking. The Chancellor of the Exchequer has put forward an interesting Budget. It comes at an important time for our country, because on 29 March next year we will leave the European Union. We need him to be upbeat and confident about our future; I certainly am. I believe that Britain will thrive post Brexit. The dynamism and innovative people we have in our country should allow us a great future. I welcome the Chancellor's upbeat analysis and believe passionately that the measures in the Budget will help us to make Britain a great country post Brexit. The Leader of the Opposition had nothing constructive to say, and nor did the right hon. Member for Ross, Skye and Lochaber (Ian Blackford) for the Scottish nationalists, who gave us more of a rant than a policy discussion.

My constituents in Bexleyheath and Crayford are really keen that austerity should come to an end. It is coming to an end and they welcome the fact that—*[Interruption.]* It is no good those on the shadow Front Bench chuntering. They have no policies and no idea. They got us into this mess. If it was not for the mismanagement of the last Labour Government, we would not have had the years of austerity that we have had.

There has been careful fiscal management and the solid economic recovery proves that austerity is coming to an end. I welcome that. No one on the Opposition Benches has highlighted the fact that economic growth has been revised up, employment is up and growing all the time and wages are rising above inflation. That is positive economic news.

Meg Hillier: I cannot stay sat down when the right hon. Gentleman talks about wages rising, when rents are going up way higher than wage inflation, if it exists; it does not exist for many of my constituents.

Sir David Evennett: The hon. Lady did not listen. I said that incomes are going up ahead of inflation.

Wes Streeting (Ilford North) (Lab): She did listen.

Sir David Evennett: It is no good those on the Opposition Benches ranting. There are still serious issues in our country and our economy, but we have to accentuate the positive and build upon it.

Wes Streeting: That is a bit of wishful thinking.

Sir David Evennett: No, it is not wishful thinking. It is fact. The hon. Gentleman would not have a clue about economics.

Madam Deputy Speaker (Dame Eleanor Laing): Order. We cannot have a subplot going on.

Sir David Evennett: The NHS is much loved, much valued and so important to everybody in this country. In June, the Prime Minister set out her commitment to a fully funded cash settlement for the NHS, which

equates to £20.5 billion more in real terms by 2023-24 and an average growth rate in the NHS budget of 3.4% a year. That is really positive.

We heard from the Chancellor today that £2 billion more will go into mental health. Mental health has always been the Cinderella service of the national health service, but we are taking it seriously now, and we should do, because so many people in our society need help. I pay tribute to my local mental health trust, Oxleas NHS Foundation Trust. Further funding will be committed to ensure that there is parity of esteem between mental and physical health services, which is positive news. It means that anyone experiencing a crisis can call the NHS, and there will be more mental health ambulances and increased community support and comprehensive support at every major A&E by 2024. That is positive news, and it should be welcomed by the whole House. We should not put that down as something that is not positive.

The Government have announced £240 million of additional funding for councils to spend on adult social care services, to reduce pressures on the NHS this winter. Over £900,000 has been made available to meet the needs in Bexley, which was widely welcomed across my borough, not only because we think it will be necessary, but because it shows a positive commitment from the Government to do what is right for the health service.

There are many other measures, and although time is rather short, regrettably, I want to mention one or two of them. The fact is that a lot of people not earning a lot of money always have to pay too much tax on their income, because the threshold at which they start to pay tax is too low. Today, we have seen a commitment by the Chancellor, from next April, to meet our commitment in the manifestos of 2015 and 2017 to a threshold of £12,500 before people start paying tax and to a higher rate threshold of £50,000. That is a real improvement compared with what people had to pay tax on in 2010. It is positive news all round on that front as well.

The other matter I want to mention is local councils. In Bexley, we have one of the best councils in London and it manages its affairs very satisfactorily, but obviously they are all strapped for cash. We have seen today that there is more money for roads, which is popular with my constituents because of the potholes. We had a bad winter and road surfaces have suffered accordingly. Road maintenance is a real issue locally, particularly, as I say, after last winter. There is also extra money from the Government to improve junctions on local roads. In Bexley, we have some problems with junctions and this money will obviously help. Most important of all are the motorways. We in Bexley have a rather poor rail service with Southeastern. We have no underground. I was a little disappointed that we are not looking to have an extension of Crossrail to Ebbsfleet, but I shall have to push the Treasury Bench more about that in future. However, roads have been neglected and the money going in will help our network across the country.

I also welcome the Government's commitment to resolve the FOBTs situation, but I am a little disappointed that this is not coming in until next October. It is very important and I have campaigned quite intensively with a number of Opposition Members and Government Members too on the maximum stake being reduced

to £2. There are real issues with fixed odds betting terminals at the moment, and it is welcome that the Government are going to reduce the maximum stake.

Housing is an issue, as the hon. Member for Hackney South and Shoreditch mentioned, but we can only get more housing with the Government's approach, which is the correct one. We obviously have the industrial strategy and the housing strategy. Housing is one of the biggest issues in London. I do not think that we are helped much by the London Mayor, who does not seem to be addressing any of the transport, housing or other issues that he promised to deal with during his election. I hope that we can redress that in the future election.

In conclusion, this is a good Budget and a good financial statement, which shows that this country is on the right track and going forward. As we get to Brexit and beyond, it gives us the opportunities to really motor, in all senses of the word, to make sure that this country has a great and successful future, which after Brexit I think it will.

6.53 pm

Chris Evans (Islwyn) (Lab/Co-op): For all the cheering, for all the waving of papers and for all the talk of this being a great Budget, the word that comes out of the Office for Budget Responsibility book is “uncertainty”—uncertainty about where we are going in terms of budget forecasts with Brexit coming. As we go into a death spin that will bring about a no-deal Brexit, the question we have to ask ourselves, and the Chancellor has certainly not asked himself, is: is this economy strong enough should we have a no-deal Brexit? It seems to me, from reading its book, that the OBR is deeply concerned that many of its estimates could be thrown out.

I have to chide the Government for this. They have not provided the information that was asked for. When the OBR has asked for information, it has been referred to the Florence speech by the Prime Minister and to the Chequers deal. I have to say, as a member of the Public Accounts Committee—I am delighted that our Chair, my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier), who is a fantastic Chair, has spoken in our debate, and she will tell the House this as well—that we face the same thing all the time from Government Departments. We are not getting the information we need, so we do not know whether Departments are ready to face the challenges of Brexit.

Let us have a look: is the economy strong enough? We have to congratulate the Chancellor on having the bare-faced cheek to stand at the Dispatch Box and brag about growth figures, when he is the first Chancellor to come to the House and declare that growth is going to be under 2%. Does that mean that we would be ready for the shock of Brexit? I think not.

Further to that, the Government have said that their top priority is productivity. We all know that productivity has still not recovered to its pre-crash levels. It is lower than at any time since 1945 and it does not seem to be growing.

What does that mean in the real economy? It means that wages are down and that fiscal policy is cut back to the bone. If we do face another recession, and the OBR says there is a one in two chance of that happening, we cannot rely on the fiscal policy tools we have used in the past—interest rates are too low and there could be a rise

in inflation. That means that we might have to use unusual practices to get out of the next recession. Again, we do not feel ready.

It is all very well talking about the economy in terms of figures; what does it mean to constituents such as mine in Islwyn tonight? It means that, if they are a victim of a crime, it is less likely that the police will come and investigate—that is not through any fault of their own, but simply because they have been cut to the bone. There are now fewer police officers than there were in 2010—in real terms, 21,000 fewer—and did we hear a penny piece on regular policing from the Chancellor today? No, we did not. At the same time, we recently learned in the Public Accounts Committee that the police funding formula is wrong. The Home Office does not know how to bring about change. For three years, it has said that it wants to change the formula, but still there is no change.

Furthermore, for a small business that has been set up in Blackwood or Oakdale as an internet retailer, it is a slap in the face when they see large internet companies getting away without paying their tax. VAT evasion on online sales is costing this country £1 billion to £1.5 billion a year—not my figures, but those of the independent National Audit Office—and, again, the response is piecemeal.

I know that the Tory Chancellor must play to the gallery and must therefore talk about defence, but we have found out that there is a £3 billion shortfall in the MOD budget. Again, that figure is from the National Audit Office. This country is not equipped to face the challenges of the future.

For ever and a day since I entered this House eight years ago, we have talked about investing in infrastructure. It is all very well investing in infrastructure, but those of us who sit on the Public Accounts Committee have seen the waste. Recently, we have learnt that the budget for the electrification of the London to Swansea line overran by £1.2 billion and it was cancelled and not a single rail line was laid. That is £1.2 billion not of Government money but of taxpayers' money. That could have been used in health and social services. I know of other projects where we are overrunning. The Government are failing to get a grip on procurement and managing projects. Just look at Carillion and Capita. They are all having problems and the Government need to get a grip on this. It is all very well making announcements, but there has to be some attention to detail to ensure that these contracts are managed correctly day to day, which they are not.

It would be remiss of me not to mention universal credit. The roll-out of universal credit is hitting my constituency extremely hard. The five-week waiting period is causing untold misery. The problem is that the Government do not see the wider issue. They do not see the effect of debt, the growth of food banks and the decline in people's health—not just of those who are on universal credit but, through stress and sickness, of those who have to administer it.

Chris Philp: On universal credit, has the hon. Gentleman seen the Resolution Foundation's report, published after the Budget statement this afternoon, which says that with today's changes universal credit will actually pay out more money in total than the old system that it replaces?

Chris Evans: I invite the hon. Gentleman to my surgery on Friday, when several people will come to see me about universal credit. That is happening right now. Look into those people's eyes and tell them universal credit is giving people more money. Come to my constituency and see the poverty. Come with me to Risca Salvation Army food bank. Then say there is more money. People are struggling now. We can talk about this Budget in figures all we want, but people are suffering; they are in poverty now. If universal credit is an example of anything, it is of this Tory Government's coldness.

The absolute worst example I can give is of when DWP officials came before the PAC and played deaf to the idea that people are struggling. They felt the policy was going forward. They made uncertain promises, saying that 200,000 were going to work. There was no way to measure these things. It is utterly amazing to me that the Secretary of State comes to the House and, standing at the Dispatch Box, questions the independent NAO's figures in the report. It is shameful.

It is all right waving the flag and saying, "Austerity is over" but, for so many people tonight, in my constituency and throughout the country, austerity has not ended. In 2010, the Tories came to power with a mandate for change. They said they would pay off the deficit. They said they would do something about the banking crisis. They have failed. Not only have they failed in that, but they have failed the country. The reason we are here now, talking about the problems in universal credit and the poverty facing our constituents, is the political choice of austerity. The Tories made false promises. They thought there were simple solutions to complicated problems.

This Government have irreparably damaged this country. It will take generations to put that right. Slogans will not bring about change. We need a change of Government and a change of the system, and the sooner that happens, the better.

7.2 pm

Mr Andrew Mitchell (Sutton Coldfield) (Con): I draw the House's attention to my outside interests, laid out in the Register of Members' Financial Interests.

It is a pleasure to follow the hon. Member for Islwyn (Chris Evans), who made at least one point with which I strongly agree.

There are many ways of judging a Budget, and this Budget seems to me to have much to commend it, not least thanks to the hard work of the Governments since 2010 in ensuring that, today, we raise more income than we spend on our current account. I choose to judge the Budget by the extent to which it addresses the deep divisions in Britain today. I speak not only of Brexit, which hangs over everything, but the divisions between those who gain from globalisation and those who do not and who fear it.

I am especially concerned about intergenerational unfairness, which in Britain is exemplified in the ownership, renting and part-ownership of homes, which the Budget does something about. We see it also in the heavy burden on the younger generation of university fees, and of paying for the burgeoning elderly population. The younger generation increasingly do not see the benefits of free enterprise, a strong private sector and capitalism, because we Conservatives are not standing

up properly for those things, so I was pleased to see the Chancellor do that to some extent today. Capitalism and free enterprise are not only about delivering white goods at the best possible price for those on average incomes. They are about protecting our freedoms and liberties.

The economic position in the west midlands is generally improving. When I was first the Member of Parliament for the royal town of Sutton Coldfield, the west midlands had the worst unemployment in the country; now, we have the fastest growing economy, and real progress is being made on new businesses and unemployment, particularly youth unemployment, which was extremely bad. That is in part because we have a strong and activist Birmingham chamber of commerce and a brilliant new Mayor, Andy Street, who is reinvigorating the system. However, the midlands engine, which I believe punches below its weight, needs stronger leadership and a bit more oomph.

The second matter I want to discuss has been mentioned by many hon. Members—universal credit. Everyone agrees that the reform is right in principle, but with experience of benefit reform in my time as a junior Social Security Minister between 1995 and 1997, I warn Ministers that they ignore the wisdom of the right hon. Member for Birkenhead (Frank Field) at their peril. The cardinal rule governing benefit changes is not to use the change to take money away—to reduce the income of those on benefits and at the bottom of society. A Government can get away with a standstill position for the future or constrain increases, but they cannot reduce funding for what is already dependency income. Whenever the Treasury breaks that golden rule, ironically, it costs more. Some steps have been taken today in that respect, but we are not out of the woods yet. This important reform has some considerable way to go before the House can bless it.

Heidi Allen (South Cambridgeshire) (Con): I have been dissecting today's announcements. Would my right hon. Friend be interested to know that a single parent not in receipt of housing benefit will see their work allowance improve from £397 to £492, but it will still not be where it should have been on pre-2015 figures, which is £734? That remains a massive gap. I do not think we have heard enough of the detail today.

Mr Mitchell: My hon. Friend eloquently makes the point that a Government can have a standstill for future income when they reform benefits, but they cannot take benefits from some of the very poorest people in the way that, I fear, we were trying to do.

My third topic is that of tax fairness. We are in a period of high income tax, as my right hon. Friend the Member for Chelsea and Fulham (Greg Hands) made clear. Some people have taxation at 60% on their income. It is worth remembering that throughout the period of Conservative-led Government, since 2010, people in income tax have paid more every year than in any year in which Labour was in power. However, points have been well made, including by the hon. Member for Islwyn, about the way the giants of the tech world are avoiding their fair dues. For example, Amazon, on £2 billion of sales, pays only £4.6 million tax, Google, on £5.7 billion of sales, pays only £15 million tax, and Facebook on £5.1 billion of sales pays only £840 million through the "double Irish" or the "double Dutch" tax

avoidance schemes. That is quite wrong, and I am glad the Government are going to start to rectify that. It would be better if it were rectified through OECD agreement across the piece, which was of course the subject of the British G8 conference, at which taxation reform and transparency and the importance of paying tax where revenue is earned were strongly supported. There was strong British leadership on that subject, and we need more of it. Also, the effect of digital platforms on town centres is important in areas such as mine. Royal Sutton Coldfield is suffering grievously from the rapid changes in Britain's high streets, so the measures announced today are welcome.

The fourth and final area I wanted to mention today is the spending on mental health, which is very welcome indeed. We must ensure that this is genuinely incremental spending that buys new and expanded services. On 25 November 2015, George Osborne, in his spending review, mentioned the work that the right hon. Member for North Norfolk (Norman Lamb), Alastair Campbell and I were doing as part of the all-party group on mental health services. He pledged that for young people, particularly girls, there would be an increase of £600 million. That was very welcome, but the money, to our great sorrow and irritation, went mainly to pay off overspends in the system and very little genuinely made its way to the frontline as we had hoped. I hope that the Treasury will keep a very close eye on how this new money is spent to ensure it goes straight to the frontline.

The £20 billion increase in spending on the NHS is enormously welcomed by all of us, but I remind the House of the autobiography of Tony Blair, in which he singles out the fact that the extra money new Labour put into the public services did not lead to the reforms they wanted when they put the money in. He refers to the marks on his back from the difficulties of public sector reform. We must be sure that we really get the gains for our constituents that this enormous amount of extra money should bring, and address the ongoing issues relating to how public services are funded.

The burden of funding the NHS in the future, which above all will go to helping and caring for the elder generation, must not only fall on the income tax of working people to pay for asset-rich retired people. In spite of the very significant political problems of confronting this issue, we must ensure we do not make the intergenerational unfairness, which is so keenly felt by many of our younger constituents, worse by funding the NHS in the future in that way.

7.11 pm

Ms Angela Eagle (Wallasey) (Lab): We have an unusual Halloween Budget. Rarely have our country's prospects been so fragile and in the balance. Rarely has any Budget come at a time of such domestic political uncertainty, with a weak and faltering Prime Minister who cannot even command her own Cabinet. Rarely has a Budget come at a time of such radical economic uncertainty, caused by the Conservative party's flailing attempts to agree with itself on what an acceptable Brexit deal might actually look like, let alone to conclude an agreement with the EU27.

Perhaps the Chancellor had pencilled in today's date for the Budget assuming that the outlines of a deal with the EU would have been nailed down by now—after all, there are only five months to go before Brexit is due

to happen. Perhaps he had been planning to use the Budget to spend his mythical Brexit dividend in the glowing aftermath of an agreement reached at the October European Council. But all too predictably, he has been undone by the chronic inability of the Prime Minister to make a decision and the kamikaze tendencies of the Brextremists in his own party who wish to take the country over a cliff by engineering a disorderly no deal Brexit.

That renders today's Budget contingent on a deal and irrelevant if there is no deal, as the Chancellor himself has admitted. The Chancellor has also been hemmed in by the Prime Minister's surprise announcement of the end of austerity in her conference speech. We on the Opposition Benches would like this dramatic news to be true, but since the Government have made this announcement three times before and done nothing to bring it about, we are very sceptical. In fact, we think it is more likely that "Nothing has changed".

This Budget has come after eight years of massive cuts in public expenditure. It began with the coalition Government's economic policy focusing on deficit reduction above all other considerations. That deliberate political choice has got the deficit down, but at a huge cost for millions of people in this country. In eight years, it has profoundly changed the nature of our society for the worse. It has turbo-charged inequality, creating massive and accelerating differences between the super-rich and the rest. It has caused untold misery for the millions who have been left to cope alone with life's misfortunes as the social security system has been eviscerated around them, the social care system has been allowed to disintegrate, and child poverty has soared. That was neither necessary nor inevitable, and it must be abandoned.

When he embarked on this course in 2010, the then Chancellor George Osborne announced that we were "all in this together". He then made a series of political choices which achieved the opposite of that assertion. He announced that 80% of the deficit reduction would come from cuts to public expenditure and 20% from tax increases. That 80:20 ratio signalled an original intention to hit the vulnerable, but the reality proved to be even worse. He gifted £100 billion of tax cuts to the rich and the corporations, which means that all of the deficit reduction has actually been achieved by deep and damaging cuts to public expenditure—100% of it.

The Government have torn asunder our social fabric, destroying social justice and fairness because they chose to do so. The result has been the longest wage freeze for 200 years, with real wages not expected to recover their previous value for 17 years. As the TUC rightly points out, 8.2 million working adults are now in poverty, child poverty is soaring, and £45 billion has been cut from vital public services. The Government have used the global financial crisis to destroy the state's capacity to create opportunity, fairness and security because they chose to let their damaging belief in market fundamentalism rip. And they still believe. No end of speeches about the "just about managing" will change the political reality of the choices the Government have made and what the consequences have been.

The Government have created a nastier, meaner society where the rich and privileged can operate untouched by scruple, easily able to escape their obligations to pay their fair share of tax. The Government have fashioned an economy where wealth is extracted not created, as

[Ms Angela Eagle]

obscene levels of executive pay continue to go unchecked. At the same time, they have mandated real-terms cuts in public sector pay for nurses, firefighters and the police, and slashed payments for those who must rely on benefits to survive. The poorer the local authority area, the deeper have been the cuts. Foodbank use has soared, with 1.3 million food parcels handed out last year. Homelessness has risen; insecurity and suffering has grown.

The Equality Trust recently revealed that the richest 1,000 people in the UK have increased their wealth by £66 billion in the past year alone, and that their total wealth is now a massive £724 billion. That is significantly more than the poorest 40% of people in this country own between them. As the Equality Trust rightly points out, the capture by a tiny number of people of this vast amount of our nation's wealth is economically illiterate, socially poisonous and politically unsustainable. As Thomas Piketty proves in his book "Capital in the Twenty-First Century", because the return to capital is now greater than economic growth, this obscene concentration of wealth can only be stopped by the application of wealth taxes and the ending of the escape route of tax havens.

This is now the economically efficient thing to do. It is also the moral thing to do. Without such action, wealth will just continue to concentrate in fewer and fewer hands, and democracy will give way to plutocracy and populism. In fact, there are many alarming signs that the transformation away from free and democratic societies has already begun. Yet today we have seen little more than lip service paid to a small part of this urgent agenda by this disappointing Budget from a Chancellor and a Government that just do not get it.

7.17 pm

Tom Tugendhat (Tonbridge and Malling) (Con): Thank you very much, Madam Deputy Speaker, for letting me speak on the first day of the Budget debate.

I am slightly disappointed, if I may be honest, to be speaking on the first day, but as there is not a day allocated to foreign affairs and defence, I have taken the opportunity to speak today. I hope the House will forgive me if I focus a little bit on foreign affairs. Like most of us, I welcome the extra resources going to the Ministry of Defence to ensure that the programmes agreed in the 2015 defence review are carried out, but at this moment of immense strategic change, when not only the United Kingdom but the world is changing from multilateralism to bilateralism in many of the largest countries—I am thinking, of course, particularly of the United States and China—it is a little surprising that we did not hear mention of the Foreign Office from a former Foreign Secretary.

What is perhaps more surprising is that we do not see the increase in the Foreign Office budget that is so necessary. Increases to Foreign Office budgets can sound very large in percentage terms, but they look like rounding errors when compared to spending on defence, international development and especially health and social welfare. I hope that the absence from the Government Front Bench of a phrase on foreign affairs today was not reflective of the thought that it is not something to talk about, but rather that greater thought needs to go into

our strategic laydown, our strategic engagement and the position of the United Kingdom in the years to come. At the very least, one could have argued for a small mention for Foreign and Commonwealth Office pay, which in some cases is as much as 20% behind other Departments. However, this is a day not for parochial—or indeed, international—appeals, but for talking about the Budget as a whole. I welcome the opportunity to do so, because the Budget addressed some fundamental things that I see as the beginning of the message that this party, and this Parliament, need to push back on and make clear.

The first is fairness, which we need to talk about more radically and more informatively. We have heard often, and quite rightly in many cases, about fairness in welfare. My right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) highlighted very powerfully fairness in universal credit and for those who are most in need, and I agree with him entirely, but other aspects of fairness have not been touched on, and they are equally important. One of these is the increase in the minimum wage and the living wage that we have seen since 2010. It has been an enormous rise, almost double the rate of inflation, and it has gone a hell of a long way to increasing fairness in work. We all know that in-work poverty is still a challenge, so increasing pay and fairness for those who are working, striving and doing their bit is fundamental to a Conservative principle, and I am glad that the Chancellor reflected that.

I am also glad that he reflected that in announcing a digital tax, because this is something on which—I cannot believe I am saying this—I agree with the hon. Member for Wallasey (Ms Eagle). The whole point about rentier economies is that they become very destructive and undermining. This is about addressing some of those so-called FANGs—Facebook, Amazon, Netflix, and Google—and the fact that over a few years, they have acquired the controlling heights of an economy and the best programmers and engineers, then rewarded them with share options and tax schemes that effectively mean nobody can else can afford to hire them. They have taken over a rent-generating state in much the same way as other industries did in times past. Therefore, addressing that through taxation—the Chancellor has begun to do that, but it really does require a global response—is an essential part of reforming the economy, so that we can get back to what Conservative Members fundamentally believe in, which is that business is good for the economy when it liberates and empowers, when it is competitive, and when it sees aspiration, enterprise and innovation. That is not the same as the overwhelming control of a few businesses and individuals, and that is a danger that we have come to.

I was very pleased, therefore, to see that included, particularly as I have the great privilege of representing three of the finest towns in the country—Edenbridge, Tonbridge and West Malling—all of which are blessed to fall in the wonderful county of Kent and all of which are struggling with their high streets, because they are being challenged, as others are, by organisations off the high street. It is true that the nature of high street shopping is changing, and that deliveries and online shopping have made life enormously easier for us—I speak as the father of two very young children, and my wife works as many hours as I do. The two of us, like so many in our generation, rely on the ability to have goods delivered, so I am not going to condemn the

online economy. However, we have to recognise that the high street has a place in our community and not just our economy. Part of our identity as people is to come from a community where we can shop together and be together and understand that actually, it ain't all about the cash. That is a phenomenally important part of the Chancellor's Budget today.

The Chancellor also put forward a few other things, and forgive me if I touch on one very personally. The last issue I want to talk about is his commitment to veterans' welfare. Many Members will know that I came to this place straight after serving in the military. I am very proud of that service, but I am also very saddened by some things that I have seen in the years since. There was a report in *The Sunday Times*—I do not know how many Members read it—about the number of suicides among our veterans. What the Chancellor is doing in recognising that veterans' mental health is a particular issue is extremely important. However, what he did not touch on, and I will press this point, is going further and saying, "Look, this is not simply the duty of the state. It is not simply up to the Ministry of Defence or the Army." When I returned from Iraq in 2003, I remember that what I missed was not a psychiatrist or professional help. What I missed—what I failed to get initially—was understanding from wider society, and that left me feeling angry, cut off and isolated. I was lucky; I was blessed—I had friends who saw that this was not going well and family who surrounded me with love and supported me through what was a very trying time. However, this is a duty on all of us. The Chancellor nodded towards the direction of the state's responsibility, and I welcome that, but this is something that we as a House, as communities and as a nation have to do together.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Eleanor Laing): Order. It will be obvious to the House that a great many people wish to speak this evening, so after the next speaker, I have to reduce the time limit to six minutes. That does not apply to Christine Jardine.

7.26 pm

Christine Jardine (Edinburgh West) (LD): Now we have heard it from the Chancellor and the Prime Minister: austerity is over. It is a nice thought, but it will be down to our constituents and those outwith this place to decide whether they have achieved it. Every week, I meet people whose lives have been and are still being damaged by austerity. Today, like us, they have been told exactly what this Government mean when they tell us that it is over. Right now, people up and down the country will be working out the impact of this Budget on their income, their food bills and whether it means that they have reached the light at the end of the dark tunnel that began with the financial crash more than a decade ago in 2008.

I suspect that they will be as disappointed as we are to be promised growth at less than 2% for five years. With Brexit weighing down the economy and the big issues that have not been tackled, today's Budget does not fulfil even the minimum definition of ending austerity as laid out by the Institute for Fiscal Studies. That would cost £19 billion a year on top of the Government's NHS commitment. Instead of that, we got more for potholes than for schools, nothing for women born in

the 1950s and facing pension inequality, and a pathetic, inadequate sticking plaster for universal credit. So much more should, and could, be possible but for Brexit. Just think of the £500 million that the Chancellor added on today to the £3 billion that has previously been allocated for no-deal preparations—what could that have done for our public services?

What we needed today was vision, renewal and a way to reboot not just our beleaguered economy, but our damaged society. Instead, we got that sticking plaster. By March, if some of the Chancellor's Brexiteer buddies have their way, this plan may have to be torn up and a fresh fag packet found to write a new one on.

This autumn, we are undoubtedly seeing short-term improvements in the economic picture, but there are still worrying trends that the Government have failed to tackle. Their independent advisory body, the Office for Budget Responsibility, has warned that the whole period of the Brexit negotiations is so disastrous and clouded in uncertainty that it is unable to assess the impact. What a thought that is. We are faced with so much ambiguity and the threat of chaos looms so large that the body whose one role is to assess the economy is unable to do so.

While the Government suddenly seem to have discovered £13 billion from somewhere, we all know that finding some money down the back of the sofa may well help with Christmas, but it will not pay the bills for the coming year. What we do not need now is a quick fix for the short term—a slapdash cover-up job. Today, the country needed a Chancellor who would lay out how we would go about repairing the severe damage that austerity has done, who would fix our broken tax system, and most importantly of all, who would find a way to restore a social contract that many struggling at the lower end of the income scale feel has been thrown on the fire, along with their ambitions for their and their family's future. The very people the Prime Minister promised to support in her first statement on the steps of Downing Street are still waiting for the fulfilment of that commitment.

We need a people's Budget that lays out a progressive way ahead for the 21st century; a Budget that protects the economy by allowing a people's vote on the final deal with the EU and thereby allowing people to opt for an exit from Brexit; a Budget that fixes our broken tax system to boost investment and ensure the wealthiest individuals and big businesses pay their fair share; a Budget that invests this money in communities by reversing school cuts, putting more police on the streets and properly funding—yes, properly funding—universal credit. To ensure an end to austerity, we would need that cash injection of £19 billion and universal credit would need £3 billion, instead of £1 billion over five years.

In 1909, Lloyd George laid the foundations of what became the welfare state in his Budget and wrote the first page of the modern social contract with the introduction of employment insurance. A century later and universal credit, the descendant of that policy, is at the heart of the change we needed from this Budget. It is almost unique among Government policies: there is near universal support for the original principle of simplifying benefits and helping people get back into work, but the condemnation of how it has been implemented is almost as widespread.

[Christine Jardine]

Universal credit is to be rolled out in my constituency for the first time next month, and we are braced for its impact. Experience elsewhere tells us to expect people waiting weeks longer than expected for payments, problems with rent arrears because of late payments, people facing increased stress and mental health issues, and so much more. It could have been avoided had the Government paused the roll-out to fix the problems and had the Chancellor announced that he was re-investing the £3 billion taken out of the system. Reinvesting that money would allow people to earn more before their benefits are reduced, which the Joseph Rowntree Foundation has said would make a difference. Instead, we have the £1 billion over five years.

Elsewhere our public services need investment, and this should come from reforming our tax system so that it fairly taxes wealth and not just income. If the Chancellor had grasped that nettle today, he could have begun the process of healing the country and really ending austerity, but once again he has simply put off the day when we all pay the price of that broken social contract. The way things are now are not how they have to be. The Liberal Democrats demand better.

7.32 pm

Alan Mak (Havant) (Con): It is a pleasure to follow the hon. Member for Edinburgh West (Christine Jardine).

I welcome today's Budget. It helps working people, businesses and communities across my constituency—the strivers, the grafters and the carers, as my right hon. Friend the Chancellor called them—but, more importantly, it prepares our country for the fourth industrial revolution. As my hon. and gallant Friend the hon. Member for Tonbridge and Malling (Tom Tugendhat) rightly said, the country is currently experiencing radical change, at the same time as the geopolitics of the world are being transformed. Alongside those geopolitical, military and defence issues, however, are dramatic and profound economic issues affecting how we live our lives, how our country operates and how our society will function in the years ahead. I welcome the Budget not only because it addresses the challenges of today but because it prepares our country to seize the opportunities of the future.

The measures in the Budget are to be delivered on a foundation of economic success and growth. With growth revised up from 1.3% to 1.6%, rising employment, wages set to rise every year for the next five years, the deficit down and national debt as a share of GDP also falling, the economic foundations are very strong, but let us be clear: we are confronting profound changes in the way our society and economy work. The fourth industrial revolution is the next and more accelerated chapter of globalisation, and as globalisation accelerates, we in the House and the Government have to be in a position to equip our people to seize those opportunities and meet those challenges.

On behalf of working people in my constituency and across the country, I welcome the measures in the Budget that cut income tax and help working people to keep more of the money they earn. I welcome the rise in the living wage, the freezing of fuel duty and the roll-out

of the 26-30 railcard. All these measures will help people, communities and businesses in my constituency and across the country.

More importantly, the big long-term challenge facing this country is to improve our productivity and seize the opportunities of new technologies in this fourth industrial revolution. Only by improving productivity will we create new jobs and ensure that wages rise and more businesses open, so I welcome the investment in the skills, infrastructure and businesses that will drive this new technological revolution. The increase in the national productivity investment fund to £37 billion will give us the financial firepower to invest in our road, rail and digital infrastructure, while the £200 million pilot to ensure our schools and rural areas benefit from broadband is also welcome.

Hidden away in the Red Book is something else I welcome: the consultation on megabit connectivity for our new homes and ensuring that no community, region or nation of the country is left behind as others charge ahead. If we want this new industrial revolution to create jobs and prosperity, everybody in every part of our country, in every community, region and nation, must be able to share in that new prosperity, but they will only do so if they are connected to the new digital economy of the future.

I particularly welcome the investment in artificial intelligence, which is one of the driving, enabling technologies of the fourth industrial revolution. It will become pervasive—it will be a part of every industry, sector and business—and, combined with automation, big data and other new technologies, will drive forward Britain's innovative capacity, so I welcome the £50 million allocated to the new Turing artificial intelligence fellowships and the £100 million for international fellowships to bring the brightest and the best to this country. Combined with the new centre for data ethics and innovation and the office for artificial intelligence, this will enable Britain to become a true powerhouse in AI. By investing in it early, Britain can not only get to the future but get there first.

It is important that every community in the country be equipped to seize the opportunities of new technology and benefit from the growth it will bring, which is why I welcome the £120 million Strength in Places fund. It will support the growth of new science and technology clusters around the country, complementing the great work of our local economic partnerships and universities and making sure that start-ups become scale-ups. If Britain is to retain its place as one of the best countries in the world to start and grow a business, we need to make sure our entrepreneurs have the financial firepower and support from the Government to grow their businesses, so I welcome the extension of the start-up loan scheme and the entrepreneurship mentoring that will be available to them, as well as the implementation of the first three T-levels.

If we want the fairer society that right hon. and hon. Members have mentioned, we need to involve everyone in this new technological revolution so that everyone can seize those opportunities and take up those new jobs. Having the right skills at the right time is important, which is why funding the new national retraining scheme in partnership with the CBI and the trade union movement is incredibly important. It is by investing in skills, jobs and new technologies that businesses such as iRed and

Dream 3D in my constituency, which my hon. Friend the Exchequer Secretary will see when he comes to my constituency in a few weeks, can really turbocharge our economy.

In conclusion, I welcome this Budget because it prepares Britain for the economy of the future by investing in the skills, infrastructure and jobs to create the high-wage, high-skilled economy we all want.

7.38 pm

John Mann (Bassetlaw) (Lab): First, I thank the Chancellor for his announcement on orphan waste sites—a proposal I made to the Government six months ago. The Chancellor accidentally forgot to mention that, although I am sure it will not be missed out in the summing up. How quickly will that resource be available? It is a good, sensible move by the Government.

Secondly, on the security for Jewish schools, despite some people on the left describing this only very recently as political posturing, it is evident to everyone that it is a requirement. Am I right to presume—I am sure that I am—that should the demands and requirements increase, they will be met? Was that built into the Chancellor's assumptions? What he said about maintaining money for security in Jewish schools was very welcome.

Let me now make some observations about matters that were not in the Budget, but should have been. Perhaps the biggest single omission was not the environmental case for a dream economy—which has been made, although it has not convinced everyone—but the economic case. For every barrel of oil that we import, 20 years ago we were exporting two. Today, 56% of our gas comes from abroad, Russia being the biggest provider.

In the context of national security, but also in the context of our economy, our failure to invest in future technologies, particularly green technologies, will come back to haunt us. There is one obvious example. Currently, the only serious investment in geothermal energy—a mere £10 million—is being made by the Coal Authority in a former colliery in south Wales. Geothermal energy is a possibility under half the north of England and under all my constituency, but we have not devised the technology to make it cost-effective, although there are vast amounts of boiling water underground that we could be using. As there is no import requirement, the impact on the balance of payments is also very significant economically.

The same applies to use of the planning systems. There is a mania on both sides of the House for building more houses, but we are not enforcing green technology on house builders. Where we have the greenest green housing possible—prefabricated housing—there is no financial support to get the industry moving. Areas like mine would be happy to have 1,000 prefabricated bungalows or new starter homes: they would be filled for rent, and they would be sold immediately. The benefits of their efficiency, and their effect on the balance of payments as well as the environment, would be huge and permanent for the economy. That is a huge omission, and the Labour party needs to catch up with it as well.

There is one issue that people do not seem to be prepared to raise. I am not convinced that we can solve the requirements of the NHS and social care without increasing taxation. There is plenty of talk about how

the rich will be taxed and how money will be grabbed from overseas; I totally endorse that, but I am waiting to hear the details of precisely how that will be done and how much money will be obtained. People can shift their money about, and gaining that tax from the very wealthy will not be straightforward.

It seems to me that we, as a Parliament, are being dishonest with the British people when it comes to health and social care. What they want—permanent certainty about the future of both those services—will require a tax increase, and not just a tax increase for a small part of the population. We should spell that out, and if we do not agree with the tax increase, there will not be all-encompassing social care, or a world-leading national health service. There will be a health service that will do OK. It will be pretty good, but it will not be world leading. I do not think that that is good enough, and it is not what I believe in.

Quantitative easing has created more profits and dividends for shareholders, and many economists have suggested “helicopter money” as an alternative. There is a very simple way to bring helicopter money into the economy: a one-off pay increase, which would have the same economic impact. There is likely to be a discussion about more quantitative easing in the near future if the economy goes down, but a better alternative would be a one-off pay rise for British workers.

7.44 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to follow the hon. Member for Bassetlaw (John Mann). He spoke of the importance of prefabricated housing. He is welcome to come and see a plant that makes them in Alfreton, in my constituency, if he is keen to do so.

I came to the House today expecting a bit of a non-event of a Budget, given our present tight fiscal situation. A large amount of NHS spending has already been announced; there is the uncertainty of Brexit; and there will be a spending review next year. There was not much room for the Chancellor to say anything particularly exciting. I was expecting the announcement of a few consultations and a few small spending commitments, important but not, in the scheme of things, very material. However, the Chancellor announced some quite significant amounts of spending. It seemed that what he was trying to do was signal a coming end to austerity. As can be seen in the Red Book, he announced £11 billion of extra spending in 2019-20, and a £4 billion tax cut in the same year. That is an extra £15 billion worth of fiscal loosening in the next financial year, and it will rise to £39 billion by the end of the Red Book period. It constitutes a significant reduction in austerity, and it allows for a fair number of measures that my constituents will probably welcome.

The rise in the living wage, for instance, will be of great interest to my constituents. The increase in the personal allowance to £12,500 and the rise in the higher-rate allowance to £50,000 next year will mean a £130 tax cut for basic-rate taxpayers and take 1 million people out of the higher tax rate. That is a promise for which I have been campaigning for many years, and one that we made in our last manifesto. Its coming into force in less than six months will send a real signal that we are on the side of those hard-working people, and that they can keep more of the money that they earn.

[Nigel Mills]

While we are on the subject of taxes, let me say that probably the single biggest issue that is raised when I survey my constituents is tax avoidance and, in particular, the way in which the rich and the large global companies avoid paying the sums that they ought to pay. I therefore give a cautious welcome to the announcement of a digital services tax. However, I share the concern of others about exactly how we can make it work—how we can define income so that we catch the companies that we want to catch, without catching the online sales of high street businesses such as Tesco or John Lewis. I appreciate the commitment not to do that, but I think it is quite hard to get the definitions right and actually get money out of those global businesses. I sense that probably the only way to do it is to try to tax their sales. Computing a profit-equivalent calculation of those sales and taxing that might serve as a compromise. However, I think that the only money that we actually see in the UK is the money that our consumers are paying to buy goods or services from those companies, and trying to secure more tax from that cash flow is probably the only effective method.

We want to use that money to support our high streets. There are three towns in my constituency, and there are several villages with high streets. They are all showing the standard signs of decline: empty shops, charity shops and bookmakers, for example. Anything that we can do to encourage more retailers, such as the business rate reduction and the money for the future high street, will be hugely welcome. However, we must be realistic. A few more glossy plans drawn up by councils around the country without the money to implement them will not bring about the change that is needed. We must accept the need to redesign some of those high streets fundamentally and to allow more residential development. If we have to move some businesses around to create a viable business area, do some compulsory purchasing and find the funds to bring about regeneration and get building use changed, I think that that is the only way in which we can really halt the decline, and I hope that it is part of the plan that we are expecting.

I also welcome some of the one-off funding that was announced, such as the funding for schools. In principle, I am not sure that one-off funding that is not sustained is a particularly brilliant way to finance schools, but I think that they will welcome the chance to do the few bits of extra capital spending for which they are struggling to find funds. Any money for potholes must be hugely welcome: concern is often expressed about the state of the roads in Derbyshire.

Let me, in the last couple of minutes available, commend the Chancellor for the money that he found to put back into universal credit. I have been calling for various measures, but I knew that the fiscal situation was tight, so we would not get everything that we wanted in this single Budget. I think it right to provide an extra £1,000 for the work allowance, which means an extra £630 for families who are in work. The extension to some of the transitional benefits of a couple of weeks for employment and support allowance and jobseeker's allowance will be very helpful. There has not been any real mention of the reduction in the amount that has to be used from universal credit to pay back debts from 40% to 30%; that will be of huge use as well. This is not

everything that needs to be done, but it is a great step forward and will help reassure my constituents that this benefit will work for them.

Overall, this is a positive Budget that goes further and does more than I hoped it possibly could. I do not think that it is the end of the story, and we will see how much more fiscal room we have next year to set out a future direction for spending and taxation, but I welcome the Budget and look forward to voting for it on Thursday.

7.50 pm

Mr Chris Leslie (Nottingham East) (Lab/Co-op): In a quest to not be churlish, I always try to find something to welcome in a Budget, even if it is a Conservative Budget. Clearly there are some changes to NHS expenditure and clearly the NHS requires that because we have an ageing society that requires much more investment. To the extent that the Chancellor has given some sort of commitment on that, that is welcome. But I have to say that the Budget is a missed opportunity in terms of the social care aspects of reform. We all know that some pretty fundamental decisions need to be taken on long-term funding of social care. It is a shame that the Chancellor has kicked that down the road.

It was really bad of the Chancellor not to mention climate change in his speech. He talked about plastics, which of course is very important, but it was an error not to mention climate change, especially since the scientists and the Committee on Climate Change so recently talked about the more immediate emergency that the world faces.

Rebecca Pow (Taunton Deane) (Con): Will the hon. Gentleman give way?

Mr Leslie: I will not, if the hon. Lady does not mind, as many other Members want to get in and I want to be as brief as I can.

I would like there to have been more on homelessness. We will see whether the measures on universal credit have an effect, but I am not sure they will have enough of an effect. I would like to have seen further education and skills mentioned a lot more, too; it was not in the Budget statement as much as it should have been. Given the way the global economy is changing, we need to have some bold plans, such as to help people to retrain mid-career, as they go into their 40s, 50s and so forth—maybe a 20-week sabbatical or help with relocation costs. Let us have a bit of ambition on some of those things.

The key line on this Budget is on page 8 of the OBR document, which says that

“the referendum vote to leave the EU appears to have weakened the economy.”

That is quite an understatement by the OBR. The chart on page 9 that a Labour colleague pointed out earlier shows how Britain was towards the top of the G7 nations for growth but now has growth at an anaemic 1.5% or 1.6%, and it is predicted to be at that level for as far as the eye can see. That is a pitiful story; the OBR terms it “an unspectacular trajectory”.

There are similar ramifications from the referendum result. Business investment is poor. Sterling's devaluation has hit incomes as well as consumption. Exports are performing badly and are predicted to perform badly

as well. The Chancellor is not just facing the referendum shadow that has been cast, but is in political limbo; he does not have a majority and perhaps that explains some of the lack of ambition he has shown in the Budget today. The OBR characterised it as “the familiar Augustinian pattern”—giveaways today but takeaways for tomorrow.

There are some hidden elements of the Budget that are very difficult, such as capital spending being cut consistently from 2019 onwards, which is on page 17 of the OBR report. Also, the deficit is actually going up and staying at about £20 billion a year. That is how the Chancellor has funded the change in funding for the national health service; in fact in many ways that is the big story of the Budget—the Government not going for a surplus but keeping that borrowing level persistently high.

However, the characterisation that there is some sort of Brexit dividend to come is what I find most offensive—the notion that as long as we avoid no deal everything is going to be rosy. The Treasury’s own figures have shown that on the Government’s favoured free trade agreement-type scenario our revenues will be £40 billion lower by 2030, with perhaps 6% less growth than we might otherwise have expected. Is this the sort of relationship that Britain deserves with the EU—being in that kind of what I think we should call Mexico or Colombia-style relationship? People call it a Canada-style relationship and everybody thinks, “Ah, maple syrup and maple leaves; this is a wonderful place.” But it is a sort of Algerian-style relationship with the EU, and it is not where we should be, because ultimately life outside the single market will cost us all a considerable amount more.

It is pathetic to think that the Chancellor today could make a judgment on the envelope for public spending going forward when he has not a clue what sort of Brexit relationship we are going to have after March next year. Indeed, the OBR says that “no meaningful basis” for forecasting can be made in its summing up on these issues. The notion of a dividend is blown out of the water by table 4.30, which clearly shows that the cost of the divorce bill and the anticipated extra spending in lieu of EU funding will be much higher than any notional savings from our not having to chip into the EU budget. Particularly when I hear about that ridiculous 50p coin, which of course will lose value literally as it is sitting in our pockets, I realise that the only way we can secure a better future is to let the public decide. That is why we should give them a people’s vote.

7.56 pm

Dame Cheryl Gillan (Chesham and Amersham) (Con): It is a pleasure to follow the hon. Member for Nottingham East (Mr Leslie). He got off to a good start, but I was not too keen on his finish, but that expresses my feeling about what the Labour party has been saying about the Budget.

I welcome the Budget, which is set against a much more optimistic financial picture thanks to the good housekeeping of this Conservative Government and this Chancellor. We certainly are ending austerity and in doing so we must ensure that that does not indicate the end of prudence, because in our tax and spend policies we must continue to live within our means. That is exceedingly important. I am in danger of quoting the

previous Chancellor by saying that we must prepare for any future inclement financial weather by fixing the roof while the sun is shining.

To spend approximately £110 billion more without really raising taxes is a fantastic trick for this Chancellor to have done, and much of this is attributable to the fantastic jobs record we have in this country. People are now earning more. There are over 3.3 million more people in jobs, they are paying taxes and wages are growing at the fastest pace in a decade. That is good news and I hope that Opposition Members will recognise that.

I also welcome other parts of the Budget: the move on personal allowances, which will, I think, be appreciated across the board; the freezing of fuel duty; and the announcement that we are going to make sure that those large digital companies pay the tax due in this country. That is significantly important.

There is also a small measure mentioned in the Red Book that is important. About 250 million meals every year are wasted and the Chancellor has announced that £15 million will go to charities and others to distribute that surplus food. That is important because we must not become a country of waste, particularly when we acknowledge that there are people in need.

I also welcome the measures to alleviate the stress on small businesses and shops, but I do have a problem: I am not sure what this measure will do for our small villages that are sometimes losing their only shop. In Seer Green in my constituency, we are losing the post office. It is too easy to convert a shop in a small village into residential property that will be worth an awful lot of money. I ask the Chancellor to look at that. Turning the only shop in a village into much more valuable housing accommodation removes the services from small communities that they need so badly.

Talking of shops, I want to go on to talk about my pet subject: HS2. I am worried about the shops in Great Missenden and elsewhere in my constituency that are going to suffer as HS2 goes forward. It will not have escaped the Chancellor’s notice that a delay has been announced in the notice to proceed on phase 1 of the construction. That is going to last until at least June 2019. The Budget contains good investments in roads, and I welcome the money announced for potholes, but the roads in my constituency are going to be very badly affected by HS2, which is already failing to comply with some of the undertakings and assurances that it entered into during the legislative phase, particularly in relation to assessing the impact on the small roads around the Lee, the Missendens and the surrounding villages. Sir Terry Morgan was in my office the other day. He is now heading up HS2 and Crossrail. He told me that he was going to carry his experience from Crossrail across to HS2. I do hope that we will not see the extra costs, delays and governance issues that we have seen emerging on Crossrail.

I welcome the money for schools. Schools are extremely important to us in Buckinghamshire, and I understand that there will be about £10,000 for each primary school and about £50,000 for each secondary school to help them with their capital budgets. I also want to talk about the £2 billion for mental health. Next year will be the anniversary of the Autism Act 2009, which I was privileged to bring in on a cross-party basis to try to support individuals with autism and their families. I hope we

[*Dame Cheryl Gillan*]

can ensure that a good sum of that money will go towards helping families and individuals with autism. It is important that anyone in the public sector who is public-facing should be trained to understand autism and to create an environment in which people with autism can flourish.

I also welcome the funding for tree planting and environmental protection. HS2 is going to destroy an awful lot of ancient woodland. The new trees that the Chancellor will pay for will not replace that. However, they will go towards helping our environment, which needs protection, particularly from the large infrastructure projects, including the arc of innovation, as I call it, between Oxford and Cambridge. If we are going to have that arc of innovation, can we also ensure that we protect our countryside, and in particular the Chilterns area of outstanding natural beauty?

8.2 pm

Chris Williamson (Derby North) (Lab): What has happened? Only last month, the Prime Minister told us that austerity was over, and at the beginning of the Chancellor's speech, he told us that it was coming to an end, but the truth is that it is business as usual for austerity. There are 4 million children in poverty, and an additional 1 million children in poverty as a consequence of cuts to social security and of universal credit in particular. I should like to refer the Chancellor to the front page of the *Morning Star*, which outlines Labour's 10 emergency Budget demands. They are to cut the five-week wait for universal credit; to remove the insistence on making and managing a claim online; to end counter-productive sanctions; to protect domestic abuse sufferers—[*Interruption.*] I know that Conservative Members find this funny, but I do not think it is funny at all. The demands include to protect domestic abuse sufferers; to allow families to split their universal credit payments; to protect families from homelessness and give tenants the right to have their housing costs paid directly to their landlord; to reverse the cuts to disabled people; to reverse the cuts to children's care and services; to support people on fluctuating incomes; to restore work allowances; and to end the freeze on social security.

Over the past eight years, under this Tory Government—initially with their Liberal Democrat poodles—we have seen 500 children's centres closing and, in the sixth richest nation on earth, 123,000 children living in temporary accommodation. We know that there is a £2 billion funding gap in children's services and that there has been a 65% cut in youth services. The average tuition fee debt for people coming out of university is more than £50,000, and in the sixth richest nation on earth, rough sleeping has doubled in the past eight years. Social care needs are unmet for millions of older citizens, and 150,000 older citizens in our country are behind with their social care payments.

We have also seen the betrayal of the women involved in the Women Against State Pension Inequality Campaign—the WASPI women—who so eloquently made their feelings known in the Public Gallery today. There is nothing in the Budget for them. We have seen 86% of the social security cuts falling on women, and 500 specialist women's refuges closing since this Government

came to power. A United Nations report has identified grave and systematic violations of disabled people's rights—[*Interruption.*] I can see that some Members on the Conservative Benches are still laughing. They should be ashamed of themselves, not laughing.

Let me move on to the national health service, where 2.5 million people are waiting more than four hours in A&E. That figure was only 350,000 in 2010. More seriously, more and more people are dying while waiting for treatment, with 10,000 more people dying while waiting for treatment in the past five years. We know that the funding that has been announced will not fix that scandal. We also know that there are now 21,000 fewer police officers and 11,000 fewer firefighters.

The Intergovernmental Panel on Climate Change report that came out earlier this month talked about a potential climate catastrophe, but what is the Chancellor's response? He has announced £10 million for fly-tipping and a plastics tax. It is pathetic. Since this Government came to power, we have seen a 56% cut in renewable energy investment. The Chancellor also had the temerity to talk about a jobs miracle. He is having a laugh! We have had the worst decade in history for pay rises. People are now £800 a year worse off on average than they were in 2010. He also had the gall to say that Labour's programme would lead to an additional £1 trillion of debt. What a lot of nonsense. This Government have been borrowing for failure, and the sovereign debt is approaching £2 trillion. What we need is to recapture the spirit of 1945, when we invested to save and invested to create the national health service and build 1 million homes. We came out of that decade in a far better place than where we were when we entered it, and certainly than where we were in 1945.

This Government's obsession with privatisation continues. It has been described by the International Monetary Fund, of all institutions, as a fiscal illusion. The Government are certainly making the wrong choices. They say that we cannot have public services without a dynamic economy, but that fails to acknowledge the fact that public services contribute to a dynamic economy. The Government need to get that message loud and clear. As for housing, this is not like the 300,000 houses that Harold Macmillan promised in 1951. We need a complete sea change in our approach, and a reversal of the millionaires' tax cuts. We need public ownership to end rip-off capitalism, and the restoration of collective bargaining. In short, we need a Government who are prepared to invest in our economy, and to invest to save, instead of borrowing for failure.

8.8 pm

Heidi Allen (South Cambridgeshire) (Con): I should like to refer to several of the announcements before moving on to the welfare changes, for which I have been campaigning very hard. The Government's prioritisation of NHS funding, especially for mental health, is very welcome. My local authorities will be relieved to hear that they will be able to apply for grants, but a long-term plan in the spending review next year cannot come soon enough. Cambridgeshire is one of the lowest funded counties in the country, and the social care and looked-after children's services are at breaking point. We have applied again to be a pilot area for business rate retention, and I encourage Ministers to let us have this in the meantime.

Schools funding must also be addressed, because we still do not have fair funding in Cambridgeshire and we remain extremely poorly funded compared with other areas. I must confess that the offer of £400 million for those “little extras” did not sit well with me. We need textbooks and teaching assistants. We need the basics, never mind the little extras. If additional funding cannot be found, we must be braver and redistribute funds from areas that have been significantly better funded in the past. Even if the most perfect funding formula were introduced today, it would not deal with the decades of underfunding.

More positively, the £1.6 billion investment in technology will be essential to help us to navigate a potentially turbulent post-Brexit economy, because I do not share the optimism of others about a Brexit deal dividend. I can think of 101 things that I would rather spend £2 billion on, but I am pleased that we as a nation will lead the way by bringing in a digital services tax at long last. The fuel duty freeze and business rates relief for the high street will be welcomed, as will stamp duty relief for first-time buyers of shared ownership homes.

Turning to the area that I have campaigned hard on, numerous hon. Friends have shared my concerns about universal credit, its operations and its funding, and I urge colleagues to get into the detail of today’s announcement. The Red Book talks about

“an extensive package of extra support for claimants as they make the transition to”

UC. I believe that the Chancellor suggested £1 billion, but I need to know what form that support will take. Is it transitional financial protection, or is it an extension of universal support for claimants who are transitioning? The Red Book also mentions an additional fortnight’s worth of JSA, ESA and income support for those moving on to universal credit from July 2020. Is that for natural or managed migration claimants? The Government also propose to extend the payback period for advanced payment loans from 12 months to 16 months and to maximise the payback rate at 30% from 40%.

Some work allowances have been restored, but some still fall well short of what we had pre-2015. Investment of £1.7 billion cannot possibly undo the damage of a £3 billion cut. Claimants also in receipt of housing benefit will see slightly better work allowances than in 2015 but, given the benefit freeze, that is pretty much parity after four years. A single parent not claiming housing benefit, for example, will see their work allowance increase to £492 a month from £409, but that is still far short of the £734 it was pre-2015. Again, with no housing benefit, a single claimant with health conditions or a disability will see their work allowance increase from £409 to £492, but that is still far short of the original £647. Although the announcements are all welcome individually, they will only fix the symptoms, not the cause. We need to be honest and really sort out universal credit by restoring all work allowances for families with children or disabilities. We must also deal with the five-week initial wait—that is what will keep families out of food banks—and the advance loan payment should, as I have said before, instead become the actual first payment.

I do not wish to be ungrateful—I really do not—because the Trussell Trust and the Joseph Rowntree Foundation have both welcomed today’s announcements. The improvements are of course welcome, but such is the

scale of the challenges we still need to overcome to get universal credit right, both now and as we migrate legacy claimants across, there is still much more to do. My colleagues and I will need to hear more evidence that the Department for Work and Pensions and the Treasury are listening before we will have confidence to vote for the regulations later this autumn. I of course welcome today’s investment in universal credit—I feel like a churlish teenager asking for more—and many of us have worked hard to achieve it. The Chancellor has listened and I am grateful, but I fear that it will still not be enough to keep universal credit out of the headlines, nor every family out of poverty.

8.13 pm

Sammy Wilson (East Antrim) (DUP): Despite the gloom and doom of the Treasury’s predictions, it was pleasing that the Chancellor was able to start his speech today by blowing out of the water all the arguments being made by his own Department about the impact of the Brexit vote, our impending departure and the negotiations. Pay is growing in real terms, employment is up, the deficit is down, borrowing is going down, there is no more borrowing to cover current spending, and the Government are cutting taxes for 3 million people. The good news should be a warning to everyone—some Members have picked up on this already—who has perhaps fallen for the idea that the Treasury forecasts tell us that the economy will experience a downturn in the event of no Brexit deal and that there would have to be an emergency Budget. All the arguments we heard at the time of the referendum have not come to pass, and the Chancellor confirmed that today.

Today’s Budget is balanced and takes two things into consideration: that there are real problems to be addressed and that the Chancellor cannot be reckless. When the debt is such that the interest on it is the same as the total budgets for Northern Ireland, Scotland and Wales, it is clear that we cannot keep borrowing and servicing that debt at the cost of money being available for services for public sector spending. The Chancellor has got the blend right in today’s Budget. I welcome the fact that he will take more people out of tax; the fact that he will go after those who are not paying their tax and after those who use a digital platform and currently have an advantage over those who pay rates on the high street; and the fact that small businesses will have greater rate relief.

I am also pleased by some of the announcements about Northern Ireland. There is about £1 billion of funding here for Northern Ireland. Some of that comes from money being released that previously had conditions attached to it, but some is new money. The £350 million city deal will have a great impact on modernising industry in Northern Ireland, increasing productivity, sending us in the direction of the growth industries for the future, and promoting the tourist industry. The additional £2 million for Belfast city centre, for which my right hon. Friend the Member for Belfast North (Nigel Dodds) and my hon. Friends the Members for Belfast South (Emma Little Pengelly) and for Belfast East (Gavin Robinson) lobbied, will be important given the short-term difficulties that traders face.

I am disappointed, however, that more progress has not been made on reducing VAT or air passenger duty. The Irish Republic has ruthlessly pursued a tax policy to the detriment of the tourist industry and airports of Northern Ireland. That should be a warning to those

[Sammy Wilson]

who say that it would be good to stay in the single market, because the single market's rules on state aid mean that it has not been possible to consider reductions in VAT or the air passenger duty for Northern Ireland. Some say that part of any Brexit deal should be that Northern Ireland stays in the single market, but we would be tied into EU rules, which would impact our ability to fine tune the economy. I found it strange that the Chancellor proposes to increase passenger duty revenue in the United Kingdom by nearly 30% over the next five years by putting up the duty on long-haul flights, because that will simply allow even more leakage as people will fly from the United Kingdom through the Irish Republic to escape air passenger duty. That just does not make sense and will have an impact on regional airports across the United Kingdom.

The DUP is pleased by the proposals for universal credit and that measures are being taken to deal with UC migration. I do not know whether £1 billion will be enough, and we will monitor that closely because, like the hon. Member for South Cambridgeshire (Heidi Allen), I believe that universal credit is actually a good policy. It helps those on benefits, because they do not have to apply for a multitude of benefits and because it helps them into work. However, if it becomes a botched policy, it will fail and will have a stigma attached to it because sufficient resources were not put into it in the first place. We need to consider that carefully as the statutory instruments come through the House. The DUP gives a cautious welcome to this Budget. We welcome the extra £320 million for Northern Ireland and the Barnett consequentials, which we look forward to being spent.

8.19 pm

Chris Philp (Croydon South) (Con): It gives me great pleasure to follow the right hon. Member for East Antrim (Sammy Wilson) in this Budget debate. I thought that the Chancellor started in the right place this afternoon when he laid out the history of the last eight or so years, recalling the truly mammoth task facing the then Chancellor of the Exchequer when this Administration came into office in 2010. The budget deficit stood at almost 10% of GDP, one of the highest in western Europe. Unemployment stood at 8% and had been rising, and there was a recession—economic growth was negative and the economy had been contracting.

The history of the last eight years has been of a slow, painstaking and methodical effort to rectify the problems that the Administration inherited back in 2010. Those painstaking actions have slowly and progressively yielded results, with the deficit falling to about 2% of GDP, growth ticking along and, most importantly of all, unemployment being halved to 4%. When we mention that on social media, some people immediately reply that those are all worthless jobs, which of course is not true because 80% of the jobs that have been created are full time. Those 3 million jobs are valuable and are helping those doing them out of poverty and towards prosperity.

Because of the methodical, careful approach over the past eight years, we have today been able to increase public expenditure significantly in a range of important areas. The NHS, of course, is the most important, with

an enormous £20 billion real-terms increase by 2023, but there are other areas, too. The MOD is getting £1 billion, and extra money is being put into universal credit.

The right hon. Member for East Antrim asked what that means fiscally. After this afternoon's Budget statement, the Resolution Foundation said that the amount of money now being spent by the Government on universal credit exceeds the amount of money that was previously spent on the old benefits. Anyone who is concerned about the total impact of universal credit should take great comfort from the fact that more money will be spent on the new system than was spent on the old system.

Croydon, the borough I represent, is at the top of the list for universal credit roll-out. Some 43% of my constituents who are claiming benefits are now on universal credit—by my estimation that is about 4,000 people in my constituency. Twenty-one constituents have approached me with universal credit problems in the past six months. That is obviously 21 too many, but let us keep it in proportion. That is 21 cases out of about 4,000. Yes, there is more to do to fine tune universal credit—I do not dispute that for a second—but it is moving firmly in the right direction.

The hon. Member for Bassetlaw (John Mann) said that he supports broad-based tax increases to pay for better public services. Of course I support making sure that public services are properly funded, but the way to do that is not by increasing taxes across the board but by encouraging economic growth. The proceeds of that economic growth can then fund public services.

Fairness is also important, and I know it is important to Labour Members, too. They will take comfort, as I do, from the fact that income inequality is lower now than it was in 2010, and it is almost at the record low of 1986. The national minimum wage will go up to £8.21 an hour next April, which is a 38% increase on 2010, when it was only £5.93. Taking into account the increase in the personal allowance, the post-tax income of someone working full time on the national minimum wage is up 44% as against 2010. Cumulatively, inflation over that period is about 25%. I am proud that a Conservative Government have done that to help people on the lowest incomes improve their prosperity, even after accounting for inflation.

Labour Members often measure a Government's success or compassion by the amount of money they spend in total. Of course it is important to make sure that public services are properly funded, but outcomes are what actually matter, not simply the amount of money spent. In education, for example, we now see that 86% of children are at good or outstanding schools, compared with 68% previously—that is the most important statistic. Children are getting a better education. Of course we have to fund schools properly, but it is the quality of education that ultimately matters.

The SNP has one Member remaining in the Chamber. The SNP criticises our plans for leaving the European Union, and of course I hope we get a good free trade deal, but the most important market for Scotland is the rest of the United Kingdom—61% of the exports leaving Scotland's borders go to the rest of the United Kingdom, 23% go outside the European Union, and 17% go to the EU, excluding the UK. Scotland's most important market by far is the United Kingdom.

There is a lot more I want to say about various specific measures, but I will have to save it for another time, owing to the restriction on time—[*Interruption.*] I can see that Opposition Front Benchers are disappointed. I support the measures taken in the Budget, and I encourage the Chancellor to continue with them.

8.25 pm

Maria Eagle (Garston and Halewood) (Lab): Two major issues act as a backdrop to the Chancellor's Budget. First is the Prime Minister's pledge that austerity is over, and it is worth remembering what she said:

"a decade after the financial crash, people need to know that the austerity it led to is over and that their hard work has paid off."

That is unequivocal. We expected to see the end of austerity made real today by the Chancellor, if that is indeed the Government's policy. Secondly, unless they can be stopped by this House, Tory Brexit plans are likely to impose a massive economic shock on the UK, and the harder the Brexit engineered by our Government, the worse that shock will be.

We have already lost 2% to 2.5% of expected GDP growth over the past two years, according to the Office for Budget Responsibility, because of the uncertainty created by Brexit and the Government's incompetence in dealing with it. The Chancellor has dodged dealing with Brexit uncertainties today by completely ignoring them and promising us an emergency Budget in the spring if we crash out of the EU with no deal, as half his Cabinet and the most hard-line Brexit supporting members of his parliamentary party seek to make us do.

As for the idea of ending austerity, what would such a Budget look like? Not like the Budget we have just heard. To be fair to the Chancellor, he said only that austerity is coming to an end. In other words, it will be going on for years to come. According to the Institute for Fiscal Studies, the narrowest possible definition of a Budget that ensures that austerity is over would require the Chancellor to find an extra £19 billion. The Resolution Foundation suggests that more is needed for austerity to be over, and it has said that the package would cost £31 billion and would have to include cancelling the final year of the four-year benefits freeze.

The measures we have heard today come nowhere near doing either of those things, so austerity is not over for our public services. Liverpool City Council has already had to make cuts of £444 million since 2010, and it has to find another £41 million by next April. The council has to spend more than it can raise in council tax simply to pay for adult social care alone, and by 2020 it will have lost 58% of its budget—it is one of the worst-hit local authorities in the country. It is welcome that the Chancellor announced £650 million for social care, but Liverpool City Council alone will lose £70 million over the 10 years from 2010 to 2020, and it hardly makes up for the £7 billion cuts to adult social care or for the £5.8 billion funding gap that local authorities are having to cope with nationally.

What about Merseyside police? It has faced a budget cut of 31% in real terms since 2010, the joint biggest cut faced by any police force in England. It has meant a quarter of all our police officers have gone, 1,119 of them, yet crime is increasing—it has gone up by 29% in the past five years, with a 12% increase in the past year alone. We have 150 organised crime groups active on Merseyside and we have seen a 50% increase in firearms

offences, including shootings and killings in my constituency and across our communities in the past two years, as our police are increasingly not being resourced to meet the demands placed upon them.

My Merseyside colleagues and I have had numerous meetings with Ministers over the past two years about tackling increasing gun crime, something we have repeatedly raised in the House, but we have had nothing practical to show for it from the Government, who are intent only on pursuing more cuts. So I looked in the Red Book, where the Chancellor only promised a review of police spending power and a Home Office statement in December. The Red Book shows Home Office capital departmental expenditure limits and resource DEL declining, so I cannot hold out too much hope for extra money for our police. There are increasing pressures on the police, for example, on funding the police pension deficit, with the chief constable of Merseyside saying that another 300 officers will have to be cut if it has to be funded out of existing resources, which I understand is the plan. Our fire and rescue service faces similar problems, as it has had a 50% cut in real terms and has lost a third of all firefighters. Half of our home safety visits have been cut over this period, and the number of fire engines has been cut from 42 to 24—and the cuts have not finished.

For these public services, which matter so much for our communities, it does not feel at all as though austerity is ending, nor has anything the Chancellor has said today given them any real hope that that is indeed the case. Austerity is not over, neither is it coming to an end, and the Brexit shock is around the corner. In effect, the Chancellor said that he will have an emergency Budget if there is a no-deal Brexit—half his colleagues actually want that—which makes this Budget's forecasts even more fantastical than his Budgets usually seem to be. The Government's own forecasts suggest that in the north-west a no-deal Brexit would cut GDP by 12% over the next 15 years, which would be a disaster. The Merseyside public services I have been describing, already weakened by years of austerity, will not be able to withstand such a massive shock. For that reason, whatever deal the Government come back with from Brussels—if indeed there is one—should be put to the country in a people's vote, with the best deal, our current deal, also on the ballot paper as a choice in that event.

8.30 pm

Rebecca Pow (Taunton Deane) (Con): I am pleased to follow my colleague. Without a doubt, this Parliament has been dominated by Brexit and its all-pervading undercurrent, but we have also witnessed considerable economic resilience, which is very much thanks to this Government. Pay has been rising faster than inflation for the past five months; average real wages have grown at a 10-year high; and companies are hiring at record levels. Taunton Deane is no exception to that. Nationally, 1,000 jobs are being created every day and unemployment is at a record low, but what is really important is that measures are in place to help people keep more of their hard-earned money. So I want to highlight the help that has been given in this Budget, not least in raising the personal allowance to £12,000 a whole year earlier than was planned.

The country's finances of course still need careful handling, and the Chancellor is proving that he is a safe pair of hands, particularly as he has demonstrated that

[Rebecca Pow]

we are no longer borrowing to fund current spending. I am sure Members will not be surprised to learn that I am going to focus mainly on my constituency and the south-west region, and things in the Budget that relate to my area. In this respect, I am really pleased that the Chancellor is focusing on productivity. We have many small and medium-sized businesses in Taunton Deane, where they are the lifeblood of the area. Although they are demonstrating great resilience, ingenuity and quality, as we have recently seen in the Somerset business awards, which I recently attended, productivity levels in the wider south-west region are generally lower than in the rest of the country. With the right level of input, strategy and Government resources, we can build on the unique assets of the south-west; we could double output from this region within 20 years.

I am pleased that in the Budget the Chancellor is focusing on all the things that will increase productivity: investment in skills; investment in infrastructure; investment in digital infrastructure; and, in particular, investment in transport. Today's announcement in the Budget of new money for roads, all £30 billion of it, is therefore really welcome. I hope that some of it will come the way of the south-west, especially as one of the priorities of the Heart of the South West local enterprise partnership is to build the A38/M5 corridor. While on the subject of roads, I have to mention potholes, one of the things most often mentioned in my constituency. The announcement to help deal with them is welcome, especially the fact that Somerset County Council will get £4 million.

On broadband, the Chancellor has emphasised the need to improve our digital infrastructure, and the £200 million devoted to that is welcome. But before we go any further I hope that delays in the final roll-out of the Connecting Devon and Somerset programme, and the fiasco that is Gigaclear, will be cleared up. I have high hopes that some of the new broadband approaches that are to be piloted in rural areas, starting with primary schools, might come to Taunton Deane.

Many companies in Taunton Deane are small and medium-sized—indeed, they are the lifeblood of the area—and many of them operate on the high streets. I am running my own high streets awards to try to help to raise the level of attention given to some of our great high street businesses, but we need to do a great deal more than that. The business rate relief for small retailers with a rateable value of £51,000 or less is genuinely welcome. It will really help pubs, newsagents and other such businesses.

On the housing front, Taunton Deane is building new homes at a rate way above the national average, with a great many of them affordable. It is really important to deliver the infrastructure alongside those houses, so I am really pleased with the £500 million in the Budget for housing infrastructure. I sincerely hope that some of that money makes its way to Somerset, because we really need some of it to deliver the right infrastructure for our homes.

I welcome the fact that 20 authorities might be able to transform their children's services—Somerset County Council will apply for that; I welcome the £650 million for adult social care, of which Somerset County Council will get £6 million; and I am really pleased that there is

more funding for children's mental health, for which the Somerset MPs worked so hard and in which I played a major role.

Let me round up. I was delighted by the flush of success that local loos are getting in the Budget. On an environmental note, I have to mention the new tax on plastic packaging that does not contain 30% recycled plastic. On the tree front, there was the absolutely brilliant news that £60 million is going to go on planting trees. I just met Alan Titchmarsh downstairs at a meeting of the all-party group on gardening and he was absolutely delighted that that money is in the Budget. We need not only a fiscally sustainable economy but a sustainable environment. On that note, it is really welcome that we will help our local cider makers to remain sustainable. I have worked very hard on the issue and am delighted that cider duty has been frozen. Three cheers to the Chancellor! I commend the Budget to the House.

8.36 pm

Colleen Fletcher (Coventry North East) (Lab): We heard a lot from the Chancellor about the Government's commitment to end austerity, but frankly this Budget is too little, too late.

Let me talk for a moment about how the Government's policies have affected my constituents in Coventry. Since the Tories began their programme of austerity, we have seen A&E waiting times soar at my local hospital, meaning that hospital corridors are now treated as hospital wards. I have been there four times this year and I have seen it and waited those 12 hours every time. Winter crises have now become spring crises, summer crises and autumn crises.

The Labour-controlled local authority in Coventry is very well run, but we have seen school transport budgets slashed, library services reduced and youth services cut, making it harder for children from less well-off backgrounds to succeed. We have seen levels of homelessness soar, such that one cannot go into the city centre now without seeing the dreadful effects of austerity on some of the most vulnerable people in the city. We have seen the erosion of local democracy, as the Government have starved the council of much-needed funding for basic services such as road repairs, street cleaning and bin collections.

Adult social care budgets have failed to keep pace with the demands of an ageing population, meaning that many older people are not getting the support that they need, putting even more pressure on the already overstretched NHS. In addition, we have heard lots of talk about welfare reform and the incompetent implementation of universal credit, but it is not just universal credit that is the problem; the rationing of personal independence payments has meant that many people who desperately need support are simply no longer eligible for it. That just adds to pressure on public services further down the line. What is more, it is a tragic waste of the talents of these people, who just need a little bit of support to get them back on their feet.

Of course I welcome some of the measures in the Budget, but times have been so hard that I am worried that, when they filter down, the people in Coventry, in my city, will not see a tangible difference. In my view, there is only one way for the policies of austerity truly

to end; Labour will end austerity and then start to repair the years of damage that this out-of-touch, callous Tory Government have caused.

8.39 pm

Helen Whately (Faversham and Mid Kent) (Con): It is a pleasure to follow the hon. Member for Coventry North East (Colleen Fletcher). I am sorry to hear that she was so disappointed by the Budget. One thing that I did notice is that, since 2010, employment in her constituency has halved—in fact it has done better than that—so perhaps that is something that she could welcome next time she speaks on the economy.

Listening to the Chancellor, I was reminded of how far we have come since 2010. Back then, borrowing was more than £150 billion per annum, the deficit was 10% of GDP, unemployment was over 8% and nine out of 10 households were receiving benefits. We had an unsustainable benefit system, disincentivising work and trapping people on benefits; an unsustainable public sector; and, overall, unsustainable finances, with the Government failing to collect enough tax to pay for our public services, even in the good times, so I will take no lessons from the Opposition on taxing the wealthy.

By contrast, let us look at where we are now: debt falling as a share of GDP; the deficit down four fifths; steady growth exceeding forecasts; the lowest unemployment in my lifetime; real terms wage growth; and lower tax rates, but higher tax revenues, which, after all, is what matters. We have an economy that can fund investment in infrastructure and investment in public services and do so without beating up businesses or loading debt on to future generations.

Throughout the Chancellor's speech, I noticed the faces of those on the Opposition Front Bench looking very glum. I fear that there was too much good news. By contrast, I want to mention four areas of the Chancellor's speech that I particularly welcomed. First, there was support for businesses to which we look for economic growth, for jobs, for higher wages, and, yes, for taxes. I welcomed the Chancellor's support for entrepreneurs—I should declare an interest because I am married to one. I welcome the support for start-ups, including for entrepreneurial benefits claimants, which reminded me of a lady who came to my last surgery. She was trying to start up a business so that she was no longer reliant on benefits. She specifically asked for more mentoring, so I welcome that in the Budget, along with support for high street shops. I suspect that all of us in this Chamber shop online. I certainly do, but I also cherish the town and village centres in my constituency. We know that high street shops are struggling, so I welcome the business rate relief that they will receive and the Chancellor's steps to level the playing field between bricks and mortar and the global online giants. As he said, there is further to go, and we would like a global answer on this, but it is a step in the right direction.

Secondly, I welcome the investment in infrastructure. At a very local level, we have potholes, about which I receive many letters and emails each week. There is also nearly £30 billion for major roads. As a Kent MP, this is particularly significant because we are on the corridor between most of the country and the channel, so I will continue to lobby the Chancellor for a share of that money to come to my area—resurfacing the M20,

improving the M2, and specifically redeveloping Brenley Corner, a well-known local hotspot and important junction between the A2 and M2. Overall, we need greater resilience in our road transport network, which will support economic growth and, quite simply, make it easier for my constituents to get around.

Thirdly, I want to mention public services and the very welcome investment in the national health service—£20.5 billion was announced earlier this year, £2 billion of which is going towards mental health. The Government have shown great commitment to mental health, already putting more money into mental health, but the Chancellor has recognised that there is still further to go. For the gap to close between access to mental healthcare compared with physical healthcare, the funding for mental health needs to go up faster, so this is another step in the right direction, a step on the path to parity between mental healthcare and physical healthcare.

I want to talk about support for people on the lowest incomes. A couple of months ago I asked the Chancellor, in person, to think about women as he prepared the Budget, and, very practically, incomes for women, because although great progress—[*Interruption.*] I am glad to see a smile on the Opposition Front Bench, perhaps for the first time. Great progress is being made on the gender pay gap, but we know that women still tend to be on lower incomes than men. For instance, the rise in the national living wage to over £8 next year will help more women than men. I recognise that as another step towards bringing women on to higher incomes. That, coupled with the extra transitional support for universal credit and raising the work allowance, is all about ensuring that everybody benefits from a strong economy, particularly the lowest paid.

Finally, I welcome the freeze in beer duty. The largest employer in my constituency is a brewery, so I simply cannot overlook the value to my constituency of a freeze in beer duty and support for the consumption of beer.

All in all, I welcome the fact that the Budget shows that we have sound finances and a strong economy. I welcome the support for businesses and communities, the investment in infrastructure and public services, the support for the lowest paid and the raising of tax thresholds, so that people keep more of what they earn. I welcome this Budget.

8.45 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Eight years in this place have rather inured me to the callousness of the Conservatives. I have watched them celebrate policies that I knew would destroy lives, laughing and jeering at objections that we raised, but I think that the Prime Minister's announcement that austerity was over went beyond callousness, adding insult to the most cruel of injuries, austerity.

Recently I spent a day with Northumbria police. Austerity has cut its budget by a third—the largest cut in the country—and now the Government are trying to fiddle a further £11 million out of it in pensions payments. That is a third fewer bobbies on the beat, and with rising crime. For the first time, I have to hold constituency surgeries just on crime. The thin blue line of brave and committed officers is desperately trying to stem the consequences of slashed youth services, rising homelessness,

[*Chi Onwurah*]

poverty and mental health issues, as well as cyber-crime, historical sex abuse and current day sexual exploitation and trafficking. Under the Tories, the police are protecting us not only from the wrong-doers on the streets but from the wrong-doers in government.

Or shall we look at schools? Austerity will have cut per-pupil spending in Newcastle by £416 by 2020, with parents and teachers forced to buy essential supplies, not little extras. In addition, further education has lost £3.3 billion, so a refugee trying to learn English or a mum needing training to get back to work will now too often be out of luck.

What about transport? Investment delayed by the Tory-Liberal Democrat Government means that my constituents now face daily misery on the Tyne and Wear metro and buses are too expensive for many. Under austerity, transport funding in the north-east is just one fifth of what it is in London.

Then let us consider the services that frame the daily lives of my constituents, from bin collection to adult social care, provided by Newcastle City Council in the face of extraordinary cuts. Fully one half of central Government funding has been slashed from its funding, while demand has risen. The impact has been devastating. Austerity has cut funding for Newcastle parks—so important for health and wellbeing—from £2.6 million to just £87,000. Libraries have had to cut opening times, close altogether or been saved only by community organisations and volunteers. Right now, there is real anger in Fenham in my constituency that the future of its library depends on its sharing premises with a health centre and café.

I wanted to lay out the impact of austerity on my constituency, Madam Deputy Speaker, but even if you gave me a week—which I recognise you are not going to do—that would not be enough time to describe what has happened on homelessness, social care, the NHS, food banks, poverty, mental health, jobs and the economy. Austerity is an ideology—an ideology that chose to put the responsibility for the financial crisis caused by casino capitalism and reckless bankers on the shoulders of the poor, the disabled, the young, women, the unemployed and the working people of this country, and to make them poorer for it. British wages have stagnated. Our productivity languishes behind that of other major economies, our infrastructure is creaking and our public servants are demoralised—all because austerity drained the lifeblood from our economy and created a vicious circle. Less investment means lower productivity, lower economic growth, lower wages, less tax revenue and, again, less investment. Austerity helped to create the sense of isolation and abandonment in our towns. Brexiters blamed immigrants for the impact of austerity on our public services, so austerity helped to bring about the Brexit vote. Is the Prime Minister claiming she will bring an end to that, too?

The Chancellor and the Prime Minister say that austerity is over, but it will live on in the daily experience of my constituents who have been betrayed by it—like Jane, who has had physical health problems since childhood and now suffers from mental health conditions as well. Delays to universal credit left her in debt. At her Atos assessment, she was asked if she had ever tried to kill herself and if she had been successful. The resulting

panic attack left her hospitalised. Only a Labour Government will end austerity for Jane and for the country.

8.51 pm

Paul Masterton (East Renfrewshire) (Con): I very much welcome this Budget, which was positive but realistic in its outlook and frankly honest about the opportunities and certain challenges that face us as a nation in the months and years ahead. We heard about eight years of sustained economic growth; 3.3 million more jobs, with 800,000 more by 2023; higher employment in every region and every nation; wages growing at the fastest pace in nearly a decade; and sustained, real wage growth in each of the next five years. That is a record for this Government to be proud of—reducing the deficit and lowering borrowing, not burdening the debt on the shoulders of our children and grandchildren.

This Budget delivers an additional £950 million for the devolved Administration in Edinburgh. It is right that that money is for the Scottish Government to spend as they see fit, but I do hope that they will match some of the measures we have heard about today. The £20.5 billion settlement for the NHS will ultimately see about £2 billion transferred to Scotland. In the week after a damning Audit Scotland report said that Scotland's NHS was “not financially sustainable”, that performance was “continuing to decline”, that health boards were struggling to break even and that none had met all key national targets, every single penny of that money needs to be invested in the Scottish NHS. Last year's real-terms cuts to the Scottish NHS budget cannot be repeated.

This Budget delivered key support for Scotland's key industries like oil and gas and whisky, as well as our world-leading innovators, backing the technologies of tomorrow with tax breaks for tech companies and investment incentives. The ambition to make Scotland a global hub for decommissioning is welcome, as is the launch of a Scotland-based team for the British Business Bank's UK network. Increasing the annual investment allowance to £1 million is a massively important measure for Scotland's SMEs. For the constituents of mine who were hammered by appalling business banking practices, I am delighted by the extension of access to the financial ombudsman, although for many businesses and livelihoods, it will have been too late. I agreed with the comment made much earlier by my right hon. Friend the Member for Loughborough (Nicky Morgan), the Chair of the Treasury Committee, that this could have gone and needed to go further.

I welcome the digital services tax announcement and the recognition that narrow targeting is key so that we do not hit tech start-ups. It is right that we tackle this threat to the sustainability of the tax system. Giving pension funds more freedom to invest in innovative start-ups can be a huge boost to our economy. I have been calling for that since my first day here, and I was pleased to see measures to enable it. I also welcome the commitment to publish a paper this winter on boosting pension saving for the self-employed.

This Budget demonstrates that pro-business, pro-entrepreneurial policies—policies that back job and wealth creators—lead to more investment in our public services. While Brexit often takes front and centre in this place, it is not what is at the forefront of people's minds in East Renfrewshire. I welcome the cost of living

measures announced today, such as the freezing of fuel duty, the £690 pay rise for a full-time worker on the national living wage and the income tax cut for 32 million people, worth £132 for each basic rate taxpayer—something that, for now at least, will apply to my constituents up in Scotland.

I, alongside others, lobbied for £2 billion to restore work allowances in universal credit, so I welcome the package of additional protection announced today, particularly the changes to work allowances under which 2.4 million families with children and people with disabilities will receive an additional £630 per year. As the Resolution Foundation said this evening, universal credit is now more generous than the benefits system it replaced. I was also pleased to receive a very nice email in the last couple of hours from the team at the Joseph Rowntree Foundation, saying that they are absolutely thrilled with these changes. These changes are not the whole step that we need to take to make universal credit the transformational benefit it can be, but they are a massively welcome step in the right direction, and I thank the Chancellor and his team for listening to the real concerns raised on both sides of the House.

The right hon. Member for Ross, Skye and Lochaber (Ian Blackford), the leader of the SNP, described himself as a “simple crofter”—possibly his best joke of the day. He ignored the welcome by business and industry across Scotland of measures announced in the Budget, so desperate was he to paint his own pompous picture of the state of play. He said that the Budget does nothing to help steward recovery of the oil and gas industry, but the industry calls it

“a welcome recognition of the hard work by industry to encourage recovery”.

It is not difficult to decide who to believe. Diageo says that the Chancellor has

“acted to support our world beating spirits industry.”

Perhaps it was the company’s “particular thanks” to the Secretary of State for Scotland, Ruth Davidson and the Scottish Conservatives that so stuck in the throat of the right hon. Member for Ross, Skye and Lochaber and made him unable to welcome that change.

When Derek Mackay stands to give his Scottish Budget in a few weeks, will he continue to raise taxes? I note that individuals paid between the Scottish and the rest of the UK higher tax rate thresholds now face a marginal tax rate of 53% on that slice of income. Will he continue to hit the health budget and decimate our once proud record on education, or will he follow the Chancellor’s lead today by supporting jobs, boosting our high streets, growing the economy and using the additional moneys at his disposal to back hard-working families, invest in productivity-boosting sectors and support our communities?

Let us be clear: through to 2021, the Scottish Government’s resource budget is up by £840 million and the capital budget is up by £110 million. There are no longer any excuses for Scotland’s lagging performance compared with the rest of the UK. Bring on that Budget, and let us see Scotland moving forward with the help of the UK Government.

8.57 pm

Tonia Antoniazzi (Gower) (Lab): Some of the measures that the Chancellor has outlined today will go a tiny way to alleviating the stresses of many families in

Gower and across the UK, but there is so much more that he should have done. Instead, he decided to put a proverbial sticking plaster on things.

Universal credit has been mentioned, and I I, too, want to talk about it. There is such an in-built unfairness to the whole system—a system that continues to have problems, that is responsible for a surge in food bank usage and that is driving up levels of anxiety and mental health issues for many recipients. When we consider that £12 billion was cut in 2015, £1 billion for work allowances is an insult.

When I recently visited my local food bank, I was immediately informed that demand has gone up by 50% since universal credit was rolled out in Swansea last December. Stock was running low, and the people there were desperate for donations from the harvest festival. Feelings run high in the food bank. The volunteers and the local area co-ordinators provide a comfort blanket for the most vulnerable people in our communities, and I want to thank them—especially Tony, Dave and Ronan—and the others who give their time day in, day out, not just in Swansea, but across Wales and the rest of the UK. That is the harsh reality of austerity in my constituency. From my first visit to a food bank in the summer of 2017, the rise in users by the summer of 2018 following the roll-out of universal credit was striking.

This summer, I was approached by a constituent and thanked for my hard work. I was a little taken aback by her gratefulness. As she got back in the car, I saw her children patiently waiting. Then I was told that this was a term-time working single mother who needed the help of the food bank during the school holidays. She is just another victim of austerity—another working mother and another single mother struggling to make ends meet.

What will it be like next year? What can I tell my constituents about how much poorer they will be when we leave the European Union? What will the post-Brexit reality of working poverty be? Let us be honest: it is not the Boris and Farage utopian dream because when we leave, this is going to be absolutely horrendous. When the vote to leave appears to have weakened the economy, it is time for us to have a people’s vote.

This Budget does nothing to reverse the two-child limit, the abolition of the basic family element worth £545 a year or the freeze on benefits until 2020, including most of the elements of universal credit. There are so many problems with universal credit that it is time for the Chancellor properly to fund this lifeline for hard-working families who are struggling and for those who face illness or a change of circumstance. I spoke to members of a Macmillan Cancer care team this week, and they explained how not having a fast-track application process for those who are terminally ill is having a serious impact on people’s last months. How can the Chancellor live with the knowledge that by not putting in place such a simple fix, he is causing untold worry and hardship for people with less than six months to live? When those people do unfortunately die, their families, on top of coping with their loss, have to deal with the indignity of losing that month’s universal credit payment and have to struggle at a time of huge stress. The Chancellor and the Secretary of State for Work and Pensions should be ashamed of themselves.

It was disappointing today that the Chancellor failed to recognise the centenary of the first women getting the vote and did not listen to the 1950s women, some of

[*Tonia Antoniazzi*]

whom were up in the Galley today. It is disconcerting that the 1950s women are being brushed under the carpet and that this is being hushed up in the hope that they are going to go away. We have seen today that they are not going to go away. Only a few weeks ago, the WASPI women stopped the traffic in Parliament Square, but who was listening? The Government certainly are not listening. While there is a spike in pensioner poverty as well as in child poverty, what sticks in my gut as a woman is that the wives, the partners, the mothers and the grandmothers who gel families and communities together are the hardest hit since this Government steered the country on a downward spiral into working poverty.

I want to conclude by saying that eight years in a job is long enough to bed in. It is rather churlish of the Government to blame their predecessors to hide their own ineptness. I have been in this job for 18 months, and I have smashed my Tory predecessor's poor record in Gower. Why can this Conservative Government not take responsibility and admit to failing on their promise of delivering an economy that is working for everyone? I can see at first hand in my constituency that it works for the haves and not for the have-nots.

9.2 pm

Anna McMorris (Cardiff North) (Lab): Hard-working people and families across this country look to a Government to show leadership and direction. Never has this place shown such irresponsibility and ineptitude. This was a fantasy Budget today. It lets our communities down, it lets the people down and it lets our country down. The Government are scrambling around for any figures they can find to deceive us into thinking that austerity is ending, but thousands of families and cash-strapped councils up and down the country know that austerity is still alive and strong.

In my constituency of Cardiff North, I spoke just last week to a single mother who works eight hours a week for the NHS and has a son with disabilities. She came to me because she has been underpaid, through universal credit, again and again, which has left her penniless and in debt. She has spent hours on the phone in tears, month after month, trying to resolve these errors time after time. She has had to consider leaving work because universal credit leaves her worse off, and she has come to me for help. Will the Chancellor tell her how this Budget is going to help her and others like her? We know that embedded deep in the universal credit system are deliberate and unfair cuts, so austerity is far from over. Will the Chancellor send another constituent to bed cold or hungry who came to me? That is her choice because she cannot afford both bills and food. Austerity is far from over.

While this Government tell us they are ending austerity, they seek to continue their chaotic Brexit negotiations, risking crashing out with no deal and irresponsibly pitching that against the Prime Minister's miserable deal. We are giving the people a false dilemma, but there is a third way that would avoid Brexit's hit to our public finances and our economy: a people's vote. The referendum two years ago was a protest vote against austerity—against the poverty we all see in our constituencies up and down the country. Let me be clear: there will be no Brexit dividend. Whatever the

deal, we will be worse off outside the EU. The Government's own analysis shows that. We know that Brexit is causing uncertainty for businesses, people and communities up and down the country.

For me, also striking is the failure to make decarbonisation and clean growth absolutely central to this Government's economic plans. The Budget comes less than a month after the world's climate scientists firmly told us that the global economy has just 12 years to almost halve greenhouse emissions if dangerous, potentially catastrophic, climate change is to be prevented. In this Budget statement, not one mention was made of climate change. If the UK Government want to protect future generations, as they say they do, that must be put front and centre. Instead, energy efficiency funding has been cut, green levies politicised and prevented, and the cheaper forms of green energy—onshore wind and solar—locked out of Government funding. The UK's recycling infrastructure is struggling badly following underinvestment.

On climate action, the UK Government come up short time and again. The token plastic tax goes only a small way to stopping the devastating tide of plastic in our oceans. The Chancellor bottled out of a tax on disposable coffee cups. Unless the whole waste and recycling system is reformed, plastic waste will continue to pollute, yet there were no timescales and no definitive action was outlined. This is clearly a Government who do not care about future generations.

The Government are in a state of paralysis. They have spent more time arguing with themselves and in their party than negotiating with the European Union. Brexit has swallowed up the Tories' capacity to plan for the future or even to acknowledge that people are struggling because of the Tories' cuts and cock-ups. No one voted for that two years ago. No one voted to be poorer in the referendum two years ago. The truth is that, whatever the deal the Prime Minister comes back with, it will be devastating. It will damage my constituents, and local businesses, communities and people not only in Cardiff North but throughout Wales and up and down the country. This was a fantasy pre-Brexit Budget. It is clear that the Government are unable to cope. There is only one thing left to do, and that is to put the decision back to the people for a final say.

9.8 pm

Judith Cummins (Bradford South) (Lab): In my contribution to the Budget debate, I will focus on employment. We spend a lot of time in the House discussing unemployment, but I will talk about a group of people who are often forgotten or ignored—the growing number of people who work multiple low-paid jobs to make ends meet.

This Budget fails to address the regressive tax system, a hostile benefits system and a regulatory framework that encourages all risks being borne by workers, leaving the lowest paid in our democracy still at the risk of exploitative employers and the hard-pressed public sector having to outsource work to the lowest bidder. I will read a quote from Anna—not her real name—who works two cleaning jobs, as well as two further jobs in catering in retail:

"I am exhausted. I get up at 4.30 in the morning. I leave the house at 5.10 for a 6 am start and a 10 am finish, then I come to my second job at 11 am and I've got all day here. I finish at

4 pm here...and go to my son's to get a sandwich or something and then go to my next job. That one is five nights a week and it's a very hard job. The evening job is really hard. I get really tired when it's about 8 pm. It's about midnight when I get to bed. But if I didn't do these jobs I wouldn't be able to live. I wouldn't be able to survive."

Anna told her experience to two researchers, Dr Andrew Smith from the University of Bradford and Dr Jo McBride from Durham University, who have aptly named their research, "The Forgotten Workers: Low Paid Workers in Multiple Employment".

Anna's testimony should trouble us all deeply. That our economy functions in such a way that people are unable to survive without having to work several jobs simultaneously is a sign of just how flawed it is. These workers are significantly more likely to be women, which is unsurprising as 70% of workers contracted for less than 16 hours a week are women. They are likely to be in sectors such as care, cleaning, retail and catering. Unfortunately, the deeply unbalanced nature of our national economy means that this issue is more prevalent in areas such as mine and others across the north.

I turn now to some of the policies that I strongly believe would help to reverse the growth of low-paid insecure work and ensure that everyone has a decent, secure and well-paid job. First, on pay, it is clear that we are living through an extraordinary period of economic unfairness. Real wages are still below their 2008 level and are not due to overtake it until 2025. According to the Union of Shop, Distributive and Allied Workers, over the past five years, nine in 10 workers have seen no improvement in their financial situation, with the majority feeling worse off. We need urgent action to give millions of workers across the country a pay rise. I support USDAW's "Time For Better Pay" campaign for a minimum wage of £10 an hour for everyone above the age of 18. The current situation, where we have multiple minimum wages for different age groups, is unfair and wrong. I also strongly support the real living wage. The announced rises in the national living wage and the minimum wage do not go anywhere far enough.

Secondly, we must take steps to make employment more secure and regular. The gig economy is often discussed, but even workers in sectors such as cleaning, catering and retail face an increasingly precarious situation at work. The issue goes beyond zero-hour contracts, with many workers employed on eight-hour or 10-hour contracts but then expected to work up to 40 or 60 hours when required. These irregular and unpredictable working hours are emblematic of the flexibility demanded by employers for their own benefit, with none given in return. Remarkably, according to the TUC, only one in 40 net jobs created between 2008 and 2014 were full time. That is not Britain's job miracle that the Chancellor boasted of today, but workers without guaranteed hours who find it difficult to access mortgages or even to budget for everyday bills. USDAW is calling for 16-hour minimum contracts, with a reduction only if workers explicitly opt out. Most importantly, we need contracts that are based on the hours an individual normally works, providing financial certainty to workers and ending the exploitation of low-hours contracts.

Thirdly, we need Government action to protect and enhance a proper work-life balance. That means extending rights on holiday allowance, maternity and paternity leave, and sick pay. Finally, underpinning that, we need

a restoration of full trade union rights at work and a recognition of the importance of trade unions in tipping the balance of power back towards working people and away from exploitative companies.

I am bringing my speech to an end, but I want to quote Thomas, who has six jobs:

"You don't feel in control of your life—it controls you."

"Take back control" has become a popular slogan recently, but it is clear that we urgently need to give workers back control over their own lives. What Anna, Thomas and others like them deserve is to be able to work in dignity: to earn a decent living, have time to spend with their families, and know that they are protected in the workplace. That those modest aims are out of the reach of millions of workers is a damning indictment of the state of the economy under this Conservative Government.

What we needed in this Budget was decisive action to protect and strengthen workers, and to rebalance the economy so that it works for all people and all regions of our country. The world of work has changed dramatically in recent years. We need new rights for this new world. The Chancellor's Budget has decisively failed to deliver that. The strivers, the carers and the grafters in Bradford, and across the country, deserve better.

9.14 pm

Helen Goodman (Bishop Auckland) (Lab): The fundamental problem that the Chancellor faced this afternoon was that the Government have completely mishandled the Brexit negotiations. Instead of seeking to build a cross-party and national consensus, the Prime Minister has constantly pandered to the extreme, hard-right members of the European Research Group, and as a consequence, no deal now looms over everything.

The OBR said, more than two years since the referendum, that there is "no meaningful basis" on which it can make a forecast about the impact of Brexit. That uncertainty has produced lower growth in GDP, in investment, in exports, in productivity and in wages. Many Government Members say that there has been fantastic employment growth, but, I am sorry to say, that has not been the case in my constituency, where unemployment is now higher than it was a year ago. The Chancellor did not have a great deal of room for manoeuvre.

The Chancellor said that he wants to reduce debt as a percentage of GDP. Obviously, he could do that in two ways: he could take steps to increase growth in the economy, or continue with the failed Tory austerity policies. That is really the path that he has chosen. Meanwhile, everybody in this country is suffering from crumbling public services. He has borrowed a little more, although not as much as many of us would like, and he has also turned down the option of raising taxes.

If we say we can raise more money in tax to protect our public services, we need to answer the question of who should pay these taxes and whether it is reasonable that they should go up. Let us look at the international comparators. We are slap-bang in the middle of the OECD range. We pay 35% of our national income in tax. Obviously, we do not want to be Mexico, which pays only 20%, and people would probably not want to be Denmark, which pays 45%, but let us take two other countries at random that we might choose to follow.

[Helen Goodman]

If we followed the Canadian model, the Prime Minister would not be able to finance her £20 billion for the NHS. However, were we to choose the Norway model, we would be able both to increase money for the NHS and to end austerity. I think that the Chancellor should have chosen the Norway model. He could perfectly well have stopped the next reduction in corporation tax from 19% to 17%—there is no need for us to have corporation tax below the international average. He should have reversed the cuts to tax for top earners, and reversed the measures on inheritance tax and on pensions relief for millionaires. And, I ask those on the Treasury Bench: where is the dividend from the Sanctions and Anti-Money Laundering Act 2018, which we supported the Government in passing to increase the tax take from the money stashed away in the Caribbean by the rich and powerful?

Why did the Prime Minister make this absurd claim that austerity is over? Did she think that by saying it she would make it true? Austerity is not over for my constituents when ward six of Bishop Auckland Hospital is under threat. Austerity is not over when there are seven food banks in Bishop Auckland. Austerity is not over when people come into my office weeping with anxiety because they do not know how they will feed their families. Austerity is not over when Shildon and Sedgfield, which are 11 miles apart, share one police sergeant. And austerity is not over when the local further education college has a 30% cut in its budget, so that we are not even investing properly in our young people.

The Government have protected health spending, but demographic change means our constituents are seeing a reduction in the quality of their services, and the welfare cap means that the increases to universal credit that the Chancellor announced, which anyway are coming very late—in 2022 and 2023, not this year—are dwarfed by the £7 billion he is taking out through the freeze in the real level of benefits. Meanwhile, unprotected spending areas, such as police and education, are seeing devastating reductions. In Durham, the number of police officers and support staff has reduced by 500. A modern country needs proper public services if it is to sustain a civilised life for its citizens, but I am sorry to say the Chancellor has failed to turn the corner tonight.

9.20 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I listened carefully to the Chancellor's statement today and his caveating of his Budget commitments, which he said were based on our reaching a good Brexit deal, and I listened to the Prime Minister's spokesperson's attempt afterwards to row back on that assertion, and while none of that is very clear, what is clear is that this is a Budget from a Chancellor who has his head firmly in the sand. Whatever the outcome of the Brexit negotiations, I cannot see how the announcements today will go anywhere near preparing us for the challenges that our economy is set to face as a result of Brexit. Hon. Members do not need to take my word for it. The Government's own analysis shows that our country will be worse off after Brexit under any possible scenario, and my region more so than most. It faces an 11% hit to its economy under the Prime Minister's preferred outcome and a 16% hit if we do not get a deal.

The Chancellor talked about giving himself some fiscal headroom—or a rainy day fund, or a Brexit disaster fund, as we might want to call it—given the level of uncertainty we are facing. At least he is not claiming any Brexit dividend. He has been careful never to claim that—he knows it cannot be quantified because it does not exist—but he does talk about a deal dividend, and not just a deal dividend but a double deal dividend. What a load of nonsense! He talks about forestalled investment. This is investment that we would have had if we had not plunged into two years of Brexit uncertainty and which we might then get, and we call it a dividend. He says we might not need to call upon the Brexit disaster fund, and therefore that becomes a dividend. What a load of nonsense! We feel it more than most in the north-east, with 60% of our goods going to the EU. This stuff really matters to our region. The North East England chamber of commerce said today that it welcomed a number of announcements in the Budget but that the major omission was support for exporters in the context of Brexit.

I also want to highlight the devastating impact of universal credit in my constituency, with Newcastle being a pilot area. Last year, the West End food bank's parcels fed 21,000 residents, with half of all food parcels distributed going to households with children; rent arrears in social housing have doubled; private landlords will not accept universal credit claimants; the city council has spent £750,000 supporting vulnerable claimants; and food and fuel poverty have risen since roll-out. The Government need to start listening to Members from roll-out areas—not just Opposition Members but those from their own Benches—who continue to say that extra transition funding is not enough. We need to deal with the fundamental issues in a system that is embedding debt into people's lives. Slowing it down and throwing more money at the roll-out of a failing system is just prolonging the pain.

Added to this are the pressures facing our public services, the huge, unsustainable funding cuts to local authorities, police and social care, and the tangible impacts on the local people who rely on them. My constituency postbag is full of examples of such cases, not to mention the thousands of 1950s-born women still fighting the shambolic and unfair changes to their pension arrangements. They want justice, and they are not going anywhere, as they demonstrated very clearly today.

The Chancellor has claimed that austerity is coming to an end. I ask: when, and for whom? The Government are woefully under-delivering on Brexit. Our public services are on their knees, and our economy is bracing itself for some seriously turbulent times ahead. This is a Budget from a Chancellor whose head is in the sand. I do not see how any of the announcements made today can go anywhere near meeting the fundamental challenges that we are facing as a country, but one thing I do know is that it is my constituents who will pay the price.

9.25 pm

Catherine West (Hornsey and Wood Green) (Lab): In the time that I have, I will confine my remarks to two issues. The first is household debt, and the second is Brexit and the economy.

We face a rapidly growing balloon of household debt, a problem that eight years of crippling Tory and Liberal Democrat austerity, stagnant wages, insecure zero-hour jobs, savage benefit cuts and rising living costs have compounded. Some 8.3 million people are classed as over-indebted, while millions more are in a permanently financially precarious position. Household debt was worse last year than at any other time on record, and I encounter it time and again in my advice surgeries. The debt charity StepChange has estimated that more than 3 million people are in significant financial difficulty, falling behind with their payments of crucial household energy bills, council tax, mortgages or rent, and, once they fall behind, finding it incredibly difficult to get back on track.

The Chancellor's intention to explore a zero-interest loan scheme is long overdue and welcome. I await the full details and hope that the scheme will be implemented as quickly as possible, but what are the Government doing to crack down on the drivers of household debt? What are they doing about the exploitative employment practices that lead to problem debt? People who are on zero-hours contracts, or whose income changes from month to month, are twice as likely to have fallen behind with essential household bills over the past 12 months, but the Government have kicked the can down the road rather than providing any kind of comprehensive response to the Taylor review of modern working practices. Even in today's speech, it was skated over in the briefest of terms.

It is a national scandal that so many people do not know how much they will earn from week to week, which leaves them unable to budget for basic necessities and unsure whether they can pay their rent. The debt crisis in our country is not about people living beyond their means; it is about people whose incomes have been squeezed so hard, for so long, that they simply cannot make ends meet. As the incisive Treasury Committee report said, real wages are lower now than they were in 2010, and nearly 10 million people are struggling in insecure work. That is a third of the workforce, a staggering figure. In the vast majority of cases, those are people who used to have permanent employment, but are now in the precarious position of not knowing what will be in their pay packet, if anything, at the end of each month.

The Government have stood back and allowed unscrupulous employers to make vast profits on the backs of hard-working people. They have failed to tackle bogus self-employment, failed to ban zero-hours contracts, and failed to address the fact that a record number of working people are living in poverty, with 6 million workers taking home less than the living wage. On average, working people are still £800 worse off than they were a decade ago. That is a shameful state of affairs, and one that pushes households into debt, ill health, and the hands of irresponsible lenders.

Earlier in the debate, the right hon. Member for Sutton Coldfield (Mr Mitchell) mentioned that poverty was set to increase if the roll-out of universal credit went ahead. Many other Members have talked about that issue, so I will not dwell on it, but so many working families who are already living from month to month will find themselves up to £2,400 a year worse off.

What has been the response of the credit industry? It has been breaking the rules and selling unaffordable loans to vulnerable people for years.

In Parliament last week, I launched a new non-profit service called Debt Hacker to help people who have been mis-sold loans to claim compensation. The research findings that it has uncovered are appalling. A third of the people who have taken out a payday loan have not been able to afford to get to work. Payday borrowers are twice as likely as the average to skip meals because they cannot afford to eat, and seven times as likely to use food banks. Who are the biggest users of payday loans? They are NHS workers, public sector workers and those in the gig economy, and this Government have failed them. But payday lenders are not the only culprits. The flagrant disregarding of Financial Conduct Authority rules on affordability has happened on an industrial scale with doorstep and catalogue lenders, credit cards, car finance and more having a lot to answer for. Why is it taking so long to replicate the interest rate cap on payday lenders across all forms of borrowing to help to prevent people from falling into this spiral of debt in the first place?

To stamp out these practices once and for all, the Government should throw the book at the significant parts of the lending industry that have built their business on the back of ignoring the simple principle that a loan should be affordable. The Government must take tougher action to produce a cultural change in lending, with proper enforcement and penalties on those lenders who disregard FCA rules.

Today's pledge to extend the "breathing place" scheme is welcome, but that has to include all debts, including those to Government such as tax or benefit overpayments as well as student loans. Part of the reason why the Budget looked a little more healthy tonight is because so much is being pushed on to the shoulders of young people in the shape of student loans.

Finally, Brexit will make all of this worse. The 2.5% contraction of the economy is already making us all feel worse off, as is the depressed sterling and the impact that is having in terms of future uncertainty for employers.

9.31 pm

Wes Streeting (Ilford North) (Lab): Today we have had the unusual spectacle of a Halloween Budget that was certainly more trick than treat when we look at the numbers in the book. The Chancellor stood at the Dispatch Box today and boasted of a jobs miracle. How ironic to hear the Chancellor talking about the importance of the stability of a pay packet in the very week that the GMB union is having to drag Uber through the courts to make sure its drivers have access to the basic pay, terms and conditions that other workers have fought and strived for over the best part of a century. How ironic for the Chancellor to boast of a jobs miracle when there is no jobs miracle at King George Hospital which serves my constituency: instead a chemotherapy unit is closed because of a shortage of chemotherapy nurses. There is no jobs miracle in the primary and secondary schools in my constituency that have had to lay off teachers and teaching assistants and support for pupils with special educational needs because of the impact of the Chancellor's spending decisions. There is

[*Wes Streeting*]

certainly no jobs miracle in my local police stations: my constituents are acutely aware that the only place where community policing really exists now in my community and every other community up and down the country is in the speeches of Ministers in this place, rather than on the streets of our country.

There is a total air of unreality about this Budget and I think the history books will judge this Parliament unkindly when it looks at how we staggered half-drunk into the chaos of the Brexit negotiations and all that will follow. All I would say to my constituents is whether they voted leave or remain—my constituency is split almost down the middle—they should be very worried about the fact that with just weeks to go until this country is due to leave the EU there is no sign of a deal or an agreement on the terms on which we will leave the EU, and no sign of a future deal that is meant to safeguard jobs, prosperity and the future of our economy. So when Ministers tell them that austerity is over, they should not believe it, not because Ministers are inherently dishonest, but because at this stage it is a promise they simply cannot make.

The numbers do not lie. We should look at the figures in the Budget Red Book today. There is no end to austerity in our schools, which will continue to face real-terms cuts to their budgets. By the way, the £500 million or so that has been earmarked for capital investment in the Red Book will barely cover the costs of basic books and equipment in primary schools and secondary schools. It certainly will not rebuild John Bramston Primary School in my constituency or renovate Ilford county high school or Little Heath special school. All the schools in my constituency that would have been rebuilt under the Building Schools for the Future programme under the last Labour Government have no sign of hope or repair from this Government.

The numbers announced today for social care will cover only the next couple of years. I guess that is good news for anyone who is planning to be ill or grow old in the next two years, but the many people who are expecting to live and work for longer are not even being offered jam tomorrow. This is simply a sticking plaster for today.

I am afraid there is also very little good news for the many councillors up and down the country, in Labour and Conservative councils, who are facing really challenging decisions in the run-up to the next round of local authority budget cuts. The money announced for potholes would not even fill every pothole in this city, let alone in every community up and down the country. The investment that has been put back into the pot today by the Chancellor, whether for universal credit or for local authority services, will barely make a dent when compared with the billions of pounds that have been taken out of the pockets of the poorest in our communities and out of the budgets for the community services that people rely on.

The key point that I want to make this evening is about the policing budget. It is an absolute disgrace that, in spite of the fact that violent crime is increasing in towns, cities and rural communities up and down the country, the Budget does not deliver a single penny for policing in my constituency or any other community in our country. It is absolutely scandalous that people

know they can roam the streets late at night perpetrating antisocial behaviour, mugging old ladies at the cashpoint in Ilford town centre and burgling people in their homes as we embark on the religious festival season and as Christmas comes down the tracks. They know that they can get away with it because there simply are not the police on the streets to catch them. It is an absolute disgrace. As one now former Conservative councillor said to me before the local elections earlier this year, “I knew that there were difficult decisions to make, and I knew that our Government would have to make cuts, but I never expected a Conservative Government to cut the police.”

The truth is that austerity has such political salience in this country today not simply because child poverty is rising or because more pensioners are living in poverty, but because the vast majority of people have seen and experienced through their own lived experience the cuts to their public services that have been imposed on them by political choice by this Government. If anyone wants to see the futility of this Conservative Government encapsulated in just one Budget measure, they should look at the so-called digital tax. It will bring in a paltry amount of money from the tech giants, which will be given back to them after a few years in corporation tax cuts. This Budget does not deliver for anyone, and it certainly does not end austerity. I will certainly not be supporting it.

9.37 pm

Ruth Cadbury (Brentford and Isleworth) (Lab): It is an absolute pleasure to follow my hon. Friend the Member for Ilford North (*Wes Streeting*), who has spoken eloquently about many of the things that I also see in my constituency on the other side of London. The Chancellor started his speech by referring to people who get up early every morning and open up factories, shops and building sites, and then implied that he was about to make life better for them. Some in my constituency have done well in recent years, but the vast majority of families, particularly those led by women, do not feel better off. That is hardly surprising when, nationally, real wage growth in the UK has fallen by 3% in the past eight years and when the impact of pay freezes and low pay falls hardest on women. This Government have overseen the biggest rise in poverty since the 1980s, when we last had eight years of Tory Budgets.

I want to focus on what this Government have done to the children in those families, particularly the children who need additional help. The Chancellor hardly mentioned children in his speech. What they need is a budget that works for them, not a Government who are driving an economy in which their parents' real pay is declining, and who are creating a housing crisis that forces their parents to pay rent almost equivalent to their take-home pay and a work culture in which the only jobs their parents can get have zero-hours contracts so they never know how much is coming in from month to month. No child in this country needs a Government who make a political choice to respond to the worldwide financial crisis of 2008 by implementing, then continuing with, politically driven austerity in which the whole burden falls on the poor and the rich get off scot-free.

Austerity means that our public services continue to struggle with less money and more pressures, and it is not coming to an end. Let me give some examples.

The Local Government Association says that Government cuts have forced councils to cut services, including the very services that are designed to help children and families before their problems start or escalate. There have been cuts to children's centres, to places providing advice, information and support, to youth services and so on, and another £1.3 billion of cuts is still planned for councils next year.

The London Borough of Hounslow has lost 80% of its Government grants in the past eight years, meaning a 40% loss of total real income. Like others across the country, councillors are having to find another £27 million of cuts over the next three years, with £5.5 million to come from education and early intervention. I heard nothing in the Budget to address the growing number of children on child protection plans, which has surged 84% in the past 10 years, and there is not enough to reopen the youth centres that do such a great job of identifying and supporting vulnerable youngsters before they get into real trouble.

On schools, Councillor Tom Bruce, Hounslow's lead member for children and education, told me:

"The Government tell us that there is more money in schools than ever before, but if you ask the heads, the teachers, the pupils, the parents and the governors, that is simply not the reality."

The Chancellor's £400 million titbit for schools will not replace the lost teaching assistants or the welfare and counselling support that headteachers have had to cut. On top of that, Government grant funding for children with identified additional educational need is not enough for the growing number of children who should benefit. Schools have had to cut specialists who provide early interventions, and the NHS has cut school nurses, but those excellent professionals identify and support children at risk and families in crisis.

I agree with my right hon. Friend the Member for Birkenhead (Frank Field), who rightly said that the burden of austerity has fallen on families with children who need to claim benefits, driving them to destitution. Some of the symptoms of that extreme poverty include teachers having to buy shoes, coats and warm clothes for children whose parents cannot afford to buy them. Universal credit was rolled out in Hounslow two and a half years ago in the first wave to affect families with children. Pressure on the food bank shot up almost immediately, as we predicted, and evictions from private tenancies has led to queues of homeless families, many of whom have had to take temporary accommodation, often at such a distance that they are too far from work, school and their community.

Universal credit is claimed both by families with no adult in work due to disability, who are losing the benefit to cover the extra costs they incur, and by working families—the majority of UC claimants in my constituency are in work. People in west London would starve without their claim for UC being honoured because rents are an average of £1,200 a month while take-home pay can hover at around £1,500—although it is a lot less for a parent on the national minimum wage. Universal Credit is leaving families in poverty for three reasons: it is underfunded; it is chaotic; and it is designed to be a punishment for being poor. Today's increases in the work allowances only replace cuts that were made previously.

The Chancellor's £2 billion for mental health is half of what is needed. The money will fund a new crisis mental health service, but why wait for a crisis? Why not support early intervention?

Children in primary school now were born during and have grown up only knowing rising austerity and rising inequality. Based on today's Budget, they will continue to do so for years to come unless we have a change of Government—a Labour Government.

9.43 pm

Mohammad Yasin (Bedford) (Lab): My hon. Friend the Member for Ilford North (Wes Streeting) made an important point about the lack of police funding, which is affecting not only his constituency, but Bedford, too. The chief constable of Bedfordshire police warned a year ago that he did not have enough officers to keep people safe, and Bedford has seen three murders in the last month. Two people—one a teenager—died from stab wounds, and this weekend saw the shooting of a man in his 20s. Chief Constable Jon Boutcher was right. Despite a rise in serious violent crime, we heard from the Chancellor today that he is not going to give Bedfordshire police the funding that successive chief constables have asked for, that the previous police and crime commissioner Olly Martins asked for and that the current PCC Kathryn Holloway is now asking for.

I attended a Home Office roadshow in Luton last week, which I think was intended to bring community leaders together to discuss the serious problem of rising violent crime. It was difficult to know the purpose of the meeting, because we know what the problems are. Action is what is needed. I had not been invited to the event, and I found out about it by chance only the evening before, but I thought it important for my constituents, who are very worried about the recent spate of murders and obvious antisocial behaviour on our streets, that I should be there.

Only the PCC and the Policing Minister were invited. We were told that the event was non-political, which is why no politicians had been invited. I do not accept that argument. The crisis in policing and the chronic underfunding of Bedfordshire police are about as political as it gets. The results are being seen today on the streets of my constituency—in the towns and suburbs—where violent crime, drug dealing, county lines crime, theft from vehicles and burglary are everyday occurrences.

Channel 4 "Dispatches" reported recently that 57% of burglaries in Bedfordshire are "screened out"—the highest proportion of any police force in the country. If a person is burgled in Bedfordshire, more often than not the police will take little or no action and that person is left to battle it out with their insurance company. With no resources to investigate, the force is relying on algorithms to predict the likelihood of conviction, and the victims of crime are left with no hope of redress or even of the reassurance offered by having a police officer attend the incident.

Our small county force was reported as the second worst in the country for screening out calls—second only to West Yorkshire, and then only by a small margin. We do not need a series of roadshows to tell us what the problem is. If the Home Office insists on continuing with this initiative, it should get out there and make sure that all the relevant people are in the room, not just the ones from the blue side.

[*Mohammad Yasin*]

The Home Affairs Committee was right last week when it said that police forces across the country are in danger of “becoming irrelevant”, and I can tell the House that my constituents are noticing. It is all because of the Government’s austerity agenda, and we have seen today that austerity has not ended at all. This is what we get when the Government: starve the police of funding; strip local authorities down to the bone; force people into poverty and food bank use with their cruel welfare change agenda; slash public health funding, allowing drug and alcohol addiction to take hold; leave a town devoid of in-patient mental health beds for years; and turn our prison into a Victorian dungeon. This is the result. Criminal gangs are taking hold with no resources to challenge them, and young people are dying on the streets in small towns like Bedford.

It is a real shame that this Government are not looking to fund the police properly. The Chancellor needs to look at his figures again and come up with a better deal. He needs to wake up, because there is a terrible human cost when we make the wrong choices about public spending, and we are seeing the effects of that now.

Ordered, That the debate be now adjourned.—(*Michelle Donelan*.)

Debate to be resumed tomorrow.

Business without Debate

Madam Deputy Speaker (Dame Rosie Winterton): With the leave of the House, we shall take motions 2 and 3 together.

Ordered,

TRANSPORT COMMITTEE

That Luke Pollard be discharged from the Transport Committee and Ruth Cadbury be added.

TREASURY COMMITTEE

That Mr Alister Jack be discharged from the Treasury Committee and Colin Clark be added.—(*Bill Wiggan, on behalf of the Selection Committee*.)

PETITIONS

Roll-out of Universal Credit in Glasgow

9.49 pm

Patrick Grady (Glasgow North) (SNP): Today’s Budget for Brexit does nothing to end austerity, an austerity that has always been an ideological choice, hitting the poorest and most vulnerable first and hardest. Nowhere is that truer than in the roll-out of universal credit. This petition was signed by my constituents on a day of special surgeries, where every constituent who attended and all the advice agencies were incredibly worried about the effect of the roll-out.

The petition states:

The petition of residents of Glasgow North,

Declares that the proposed roll-out of universal credit in the city of Glasgow will have a devastating impact on communities across the city and will lead to increased foodbank usage and financial misery for some of the most vulnerable people in Glasgow.

The petitioners therefore request that the House of Commons urges the Department for Work and Pensions to halt the roll-out of Universal Credit in Glasgow and fix it without delay.

And the petitioners remain, etc.

[P002275]

David Linden (Glasgow East) (SNP): Only last week or the week before, the Minister for Employment revealed that he had been up and down the country seeing how wonderful universal credit was, but in answering the same question he conceded that he had not even been to Scotland. So, once again, many of my constituents are outraged that this Government are doing nothing to halt the roll-out of universal credit and, in particular, the social misery it will cause when it is rolled out in the east end in December.

The petition states:

The petition of residents of Glasgow East constituency,

Declares that the proposed roll-out of universal credit in the city of Glasgow will have a devastating impact on communities across the city and will lead to increased foodbank usage and financial misery for some of the most vulnerable people in Glasgow.

The petitioners therefore request that the House of Commons urges the Department for Work and Pensions to halt the roll-out of Universal Credit in Glasgow and fix it without delay.

And the petitioners remain, etc.

[P002280]

Roll-out of Universal Credit

9.51 pm

Carol Monaghan (Glasgow North West) (SNP): I have been inundated with correspondence from constituents who are raising their concerns about universal credit. They are extremely worried about the impact it will have, not only on them, but on their communities, their neighbours and people they know.

The petition states:

The petition of residents of Glasgow North West,

Declares that Universal Credit is fundamentally flawed and its roll-out should be halted; further that new claimants must wait at least six weeks before receiving their first payment which, in areas where Universal Credit has already been introduced, has plunged people into rent arrears, household debt and left families to rely on foodbanks.

The petitioners therefore request that the House of Commons urges the Government to halt the roll-out of Universal Credit until its fundamental flaws have been fixed, particularly the six-week payment delay, and help those who are already suffering in poverty and crisis as a result of this policy.

And the petitioners remain, etc.

[P002277]

Edinburgh Airport: Flight Paths

Motion made, and Question proposed, That this House do now adjourn.—(*Michelle Donelan.*)

9.53 pm

Christine Jardine (Edinburgh West) (LD): Thank you for granting this debate, Madam Deputy Speaker, which has taken on a completely different aspect from the one it had when I originally applied. I appreciate that it is on an issue of importance to communities across Scotland and elsewhere who live in the proximity of their local airport or the flight path, but it has a particular resonance for my constituents, who live closest to Edinburgh airport and would argue that they are most affected by the flight path and aircraft noise.

Hannah Bardell (Livingston) (SNP): I appreciate that the hon. Lady has just started her speech and I congratulate her on securing this important debate. She will know that, at the beginning of my time in this place, nearly three years ago, I secured a similar debate. Does she appreciate that about 75% of Edinburgh airport's aircraft go over my constituency? I would therefore argue that my constituents are as affected as hers, if not more affected.

Christine Jardine: I thank the hon. Lady for that intervention; I was going to come on to say that although my constituents who live directly around the airport are affected, I appreciate that communities are affected right across not only Lothian but Fife and as far as Falkirk.

This issue is also vital to the airport itself, which is not only a gateway to Edinburgh and Scotland, but increasingly a gateway to the UK from the United States, Europe, the middle east and, most recently, China. It is one of the biggest employers in my constituency and is a lynchpin of both the local and Scottish economies. It is, though, important to ensure a balance between what is good for jobs and our economy and the welfare of those communities that live side-by-side with the airport or under its flight path. We all know that the operation of airports inevitably impacts on surrounding residents, who have to put up with the high level of noise created by the aircraft.

Jim Shannon (Strangford) (DUP): I spoke to the hon. Lady before the debate and gently reminded her that Belfast City airport consulted widely with the community around the airport, because that was important to do. There is a 9 pm restriction on flights coming into the airport: if a flight comes in after 9 pm, it is fined. Has she considered what Belfast City airport has done as an example of what could happen elsewhere if the airports, communities and Government decide to do something? That could be successful.

Christine Jardine: I was going to mention the timing of flights at Edinburgh airport and other airports during the night, which is currently under discussion.

As anyone who has lived under a flight path will know, the constant whine of jet engines every few minutes can be enough to raise one's blood pressure, as

I know from personal experience. Studies have shown that aircraft noise can be associated with a range of health problems.

Martyn Day (Linlithgow and East Falkirk) (SNP): I congratulate the hon. Lady on securing this debate, particularly given how timely it is in the light of the Civil Aviation Authority's announcement. Although that announcement and the reasons given for it will satisfy some of our constituents' concerns, it will do nothing to address the problem of ongoing aircraft noise, such as that experienced by my constituents in Blackness, where a pre-existing route that was largely underused on the Grice route has suddenly seen a change in its normal usage. That highlights how inadequate the current procedures are for addressing the issue.

Christine Jardine: The hon. Gentleman makes a good point. I am sure that noise issues affect all our constituents. We all hear a great many concerns about that. As we become more connected to each other—not just within the House, but the different parts of the UK—the impacts of aviation must be recognised and mitigated in consultation with those affected most.

As the hon. Gentleman mentioned, by coincidence this debate is now particularly timeous. Originally, I was motivated by a call on the Secretary of State to call in the decision, against which I had a great many representations from my constituents. However, just this afternoon, the Civil Aviation Authority announced that it was rejecting the airport's new flight path proposals, creating a completely different scenario for this debate. For Edinburgh airport, it is a tough blow, but for many of the communities that have endured two or three—as the hon. Member for Livingston (Hannah Bardell) said—years of consultations and campaigning, and more consultations and concerns, it is a disappointment at a time when it seemed to many of them that a solution might be at hand.

Hannah Bardell: On that specific point, although my constituents may be of a different view about today's decision, I am sure that they and the hon. Lady will agree that it is vital to have a proper process and a proper legislative framework, as proposed by the Davies report on the third runway at Heathrow. The fact the airports have been allowed to spend money, consult communities and disrupt their lives outside of a proper regulatory framework is the key issue at hand. Her constituents, like mine, have been disadvantaged because a proper framework has not been put in place. Does she agree that we have to make sure that one is put in place, and that it happens soon?

Christine Jardine: The hon. Lady makes a good point. The need for a framework and for a way to ensure that it is done properly and that we do not have the technical problems and technicalities that have beset this process is important to everyone present in the Chamber. It is important to those who live around not just Edinburgh airport, but Gatwick, Heathrow, Glasgow, Aberdeen, Inverness and every airport in the UK.

For my constituents in Cramond in particular, today's decision will mean further frustrating delays before they know whether they will benefit from hard work done by themselves and other communities with the airport to

[Christine Jardine]

find a workable solution. People everywhere affected by this issue need to know where they stand, which is where due process comes in. What will happen now to the flight path proposals and will something be done to control the way that these proposals are made and pursued in future?

10 pm

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

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

Christine Jardine: I am sure that the last thing that any of us here wants is for this to become an argument about who is most affected, who is least affected, whether it is the noise, night time or day time—

Douglas Chapman (Dunfermline and West Fife) (SNP): It is really important, as other Members have pointed out, that we have a fair and equitable way of dealing with changes to flight paths. Nobody wants to see Edinburgh airport disadvantaged, as it gives a great boost to the local economy. How do we support an airport such as Edinburgh that obviously needs to grow, but at the same time have an honest and open discussion with an airport authority, or an airport company that has not been absolutely fantastic about doing local consultations? Does the hon. Lady agree that we need to work more closely with the airport to make sure that these consultations in future can be meaningful to the people they affect?

Christine Jardine: I thank the hon. Gentleman for his intervention. I recognise that this a matter of concern not just for my constituency, but for those of a number of others in this Chamber, including the hon. Member for Kirkcaldy and Cowdenbeath (Lesley Laird), who could not be present tonight, and the hon. Members for Linlithgow and East Falkirk (Martyn Day), and for Livingston (Hannah Bardell). Perhaps our experience with the airport has been different in some ways. Some of the communities have found that they have had more of the airport's ear than others. That, I think, brings us back to the point of the hon. Member for Livingston that there needs to be a regulated process to ensure that, at the end of the day, everyone is happy with the outcome. Perhaps because of that, this is the third time that this process has been held up, causing different frustrations to each of us affected by it.

The first consultation exercise that I was aware of was in 2016, and that has since been followed up in 2017 and 2018. Since I was elected to this place, the flight path proposals have been a recurring theme in discussions with constituents and the airport itself. Since the proposals were lodged, the airport has been asked to look again at the impact on Cramond and now at the impact on Livingston because of what has been described to me as a “technical problem”—there needed to be another consultation because the impact on Livingston had changed.

I mentioned Cramond because it feels that it is perhaps most affected, subject as it is to 100% of aircraft movement—typically, 79% to 80% of the landings, at what has been measured at 650 feet directly above the

homes there, take place over Cramond. In a recent consultation that I held with the local community, more than 700 people contacted me about their concerns about aircraft noise in particular, and especially at night. It is a strength of feeling that the airport, I think, does recognise. I have been speaking to the airport since then, as I am sure others have, about how to pursue a limit on the number of night-time flights and a cap on the traffic in and out of Edinburgh airport.

One key issue of that flight path exercise was to find a way ahead that would allow Edinburgh airport to continue its successful trajectory, which has seen it become Scotland's busiest airport, while respecting and protecting the quality of life of its neighbours. It has not always been, as others have alluded to, a smooth relationship, but everyone involved would recognise that, through the consultations, the noise advisory board and the work within the communities, it is a relationship that can be both positive and productive for both sides. The majority of the airport's proposals have been backed up by a robust process and community involvement, but, in these proposals, the airport is trying to look ahead to where it will be in 2024, and I cannot be alone in hoping that it does not take that long to come to a final decision. It is the hope of the airport, and I suspect the communities, that it will now be possible to move forward quickly on this decision—fast-track it, if you will—and prevent us from all having to go back to square one, creating more uncertainty, concern and stress for everyone involved, particularly the communities.

At this stage I ask that the Secretary of State to do whatever he can to protect both the wellbeing of the airport and the health and wellbeing of my constituents and others. We are asking not for the decision to be called in and taken by him, but for him to ensure that we get a final decision from those best placed to take it and the best outcome for all, without unnecessary delays and perhaps with an eye to a regulatory framework that might make it easier to come to these decisions in future, not just for Edinburgh but for other airports.

10.5 pm

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): I congratulate the hon. Member for Edinburgh West (Christine Jardine) on securing this important debate on the flight paths at Edinburgh airport. As the airport is in her constituency, I understand that this is a matter of considerable concern to her, both positively, in favour of supporting the airport, and negatively, in favour of supporting the constituents who are affected.

Let me start by talking about the general status of the aviation sector and the airport in general, and then we can focus on the decision reached today and its effect on the hon. Lady's constituents. I do not need to remind the House that the aviation sector brings enormous benefits to this country. My Department seeks to balance the economic effects of those benefits against the needs of communities affected by any adverse environmental impacts, ensuring that those impacts are properly taken into account.

Hannah Bardell: Will the Minister expand on the specific proposal for an independent aviation noise authority, as per the Davies report? The proposal in the most recent Government consultation was for that

organisation to be at arm's length from the Civil Aviation Authority, but my understanding is that that is not the best practice example. The Minister's point about the balance between communities and business is important, but we cannot have airports being the last arbiters on their own aviation noise. That is not good for communities and not good for business.

Jesse Norman: The hon. Lady has done a great job of crowbarring a much wider issue into a quite narrowly focused discussion about the flight paths into Edinburgh airport, but I can reassure her that the new agency, which is in the process of being set up, will have plenty of influence over the Government and its chair is being selected as we speak.

Edinburgh is the busiest airport in Scotland—we recognise that—and sixth busiest in the UK. In 2017, it handled over 128,000 aircraft movements and over 13 million passengers, representing 5% and 9% growth respectively on the previous year. At the same time, the airport facilitated the movement of over 20,000 tonnes of freight and 20,000 tonnes of airmail. In terms of connectivity, Edinburgh serves about 150 destinations. As the hon. Member for Edinburgh West will know, this year a number of new routes have been established, including to Washington DC with United Airlines, to Beijing with Hainan Airlines and to Dubai with Emirates. A new service to Philadelphia with American Airlines is scheduled to start next April. That connectivity provides essential links for families, holidaymakers and businesses.

The airport plays a critical role not only for the local community, through jobs and investment, but for Scotland and the whole UK. Indeed, 5,000 people work at Edinburgh airport, many of whom will be the hon. Lady's constituents. A study by BiGGAR Economics published in March 2016 found that Edinburgh airport contributes nearly £1 billion to the Scottish economy every year and supports more than 23,000 jobs across the country. The report predicted that by 2020 the airport will be worth between £1.1 billion and £1.6 billion gross value added per year and would be supporting not 23,000, but 40,300 Scottish jobs.

Across the UK, the sector as a whole directly supports over 230,000 jobs, with many more employed indirectly, and contributes around £20 billion annually to the UK economy, with an inbound tourism industry across the UK that is worth a further £19 billion. Scotland, of course, has benefited very much from this increased tourism. In recent years, overseas visitor numbers to Scotland have increased sharply to about 3.2 million people in 2016, spending an estimated £2.8 billion. Many of these visitors will have used Edinburgh airport as their gateway to Scotland. I am sure that that would be a pleasurable experience not merely for them but for all travellers, because the airport has been named both as airport of the year at the national transport awards in London earlier this month and as Scottish airport of the year at the Scottish transport awards in June.

Douglas Chapman: We all know the strengths and relative strengths of Edinburgh airport and what it gives to our local economy, but there is nevertheless a disconnect in the consultation process with regard to communities such as Inverkeithing and North Queensferry and other areas that other Members have mentioned. Surely, we, as communities, should be partners in the

future of Edinburgh airport and its success, instead of being the very last consideration that the airport seems to make. What reassurances can the Minister give us that that situation might change?

Jesse Norman: Understandably, I am not going to comment on the process that has been involved because it is well laid out in statute and it is not appropriate for the Government to make comments specifically about the processes themselves. This is a devolved matter, of course, and one would expect the Scottish Government, working with the local communities involved and the local Members of Parliament, to put together a solution that has maximum benefit for the whole city, rather than seeking to beggar one's neighbour by playing off one community against another. I think that mechanisms exist to address that.

Hannah Bardell *rose*—

Jesse Norman: Unfortunately, I need to make some progress if I am to conclude this debate, so I hope that the hon. Lady will forgive me if I do not give way. She has had a shot already and can hopefully have another later on if I can make some more progress.

The hon. Member for Edinburgh West rightly congratulated the airport on the achievements that I mentioned. I think that hon. Members will join me in also congratulating the airport on these awards and recognising the importance of the airport to the local and wider community.

It is important to reassure the House that the Government recognise, as I have said, not just the economic benefits but the impact on communities that are overflowed by aircraft—precisely the issue raised by the hon. Member for Dunfermline and West Fife (Douglas Chapman) in relation to the community in North Queensferry. That is why the Government's policy, as set out in the aviation policy framework, is

“to limit and, where possible, reduce the number of people in the UK significantly affected by aircraft noise”.

Edinburgh, like all larger airports across the UK, is required, in accordance with its obligations under the environmental noise directive, to produce a noise action plan. The airport consulted on its latest plan earlier this year in relation to the period 2018-23. In its plan, the airport stresses its continued commitment to manage the impacts of aircraft noise and to engage with local communities. If it discharges the obligations that it has laid on itself, then that will hopefully go some way towards addressing the issues that have been raised.

A good example of the airport seeking to engage with those communities is the launch earlier this year of a new noise and track-keeping system that allows members of the public, via a web browser, to track aircraft and view noise monitor data, as well as to register noise complaints. We have seen at other airports the benefits that communities can derive from the use of these systems. While the UK Government do not set noise restrictions for Scottish airports, noise and airport policy being devolved, we do set the overall framework for airspace. It will be well known that these arrangements, historically, have been based on a set-up that is almost 50 years old. We believe that this architecture is inefficient and inadequate in today's world and can lead to unnecessary delays for passengers and excessive impacts on the environment and on the communities around airports.

[*Jesse Norman*]

The UK is therefore progressing with a major modernisation of airspace over the coming decade. This is designed to improve the efficiency of our airspace through the use of new technology and procedures. An important by-product of that work should be to enable departing aircraft to climb more quickly out of the airport and arriving traffic to descend more continuously, with less reliance on the use of holding stacks—a more efficient and environmentally friendly means of getting to the airport.

There have also been important advances in aircraft technology, which have provided great improvements in the environmental performance of aircraft frame design and engines, in terms of both noise and carbon emissions. For example, new generation aircraft such as the Airbus A350 and Boeing 737 MAX have a noise footprint that is typically 50% smaller on departure and 30% smaller on arrival than the aircraft they are replacing, which has had an important effect on reducing the noise experienced on the ground.

As the House is aware, the Government have committed to the creation of an Independent Commission on Civil Aviation Noise, which the hon. Member for Livingston (Hannah Bardell) referred to. ICCAN will help to rebuild the trust lost in industry by communities and ensure that the noise impacts of airspace changes are properly considered, by giving communities a greater stake in noise management.

Looking ahead, the Department is also developing a new aviation strategy, the purpose of which is

“to achieve a safe, secure and sustainable aviation sector that meets the needs of consumers and of a global, outward-looking Britain.”

The strategy will consider how we can maximise the role that our world-class aviation sector plays in developing global trade links, providing vital connections from this country to the world’s growing economies and to more established trading partners. We expect to deliver a final aviation strategy next year.

In that context, I turn to the events of today, to update the House on this morning’s important developments regarding Edinburgh’s flight path proposal, which the hon. Member for Edinburgh West referred to. As she will know, Edinburgh submitted its airspace change proposal to the independent Civil Aviation Authority in August. In the intervening period, the CAA has been considering whether the proposal complies with its requirements. The CAA has now determined that the proposal is not compliant with its requirements. It is therefore minded to reject it.

It is now up to the airport to determine its next steps. It has made an announcement on this, but further announcements doubtless will follow. I hope that the hon. Lady, her constituents and the House will agree that the CAA’s decision to reject the Edinburgh airport proposal demonstrates that we have an independent and effective airspace regulator—one widely respected around the world—that is prepared to ensure its requirements are met and is capable of making what are, in some cases, undoubtedly difficult decisions when it considers that they are necessary.

If the airport wishes to proceed with an airspace change proposal, it is our understanding that it must comply with the new CAA airspace change process, known as CAP1616. In doing so, it must follow my Department’s air navigation guidance to the CAA, which was updated in October 2017 following a major public consultation on airspace and noise policies. That requires the airport to consider multiple options, to analyse them using the DFT’s WebTAG analysis tool and to consult on the options that it considers practical. If another proposal is put forward by Edinburgh airport, communities near the airport will be able to have a greater say in the final option to be chosen. That is the important point.

The CAP1616 process also brings with it increased transparency via the new airspace change portal, which the CAA launched last week. All relevant details of future airspace change proposals will be publicly available on that portal. The House should welcome that initiative, which increases transparency and accessibility for communities and local people.

My Department has received a request from North Queensferry Community Council to exercise the call-in function that now exists for airspace changes in relation to the pending proposal on which the CAA has opined. We have yet to consider the CAA’s overall assessment of whether the call-in criteria have been met by the Edinburgh airport proposal. My Department will now, as a priority, consider in depth the CAA’s assessment of the Edinburgh proposal. We will then write to the CAA and North Queensferry Community Council to confirm our decision on the call-in. We appreciate fully that the communities around the airport and the airport itself will want to know that decision as soon as possible.

This has been an important and useful debate. I am glad that we have had a chance to discuss these issues, and I am grateful to the hon. Lady for bringing this to the Government’s attention.

Question put and agreed to.

10.19 pm

House adjourned.

Westminster Hall

Monday 29 October 2018

[MRS ANNE MAIN *in the Chair*]

Public Holidays on Religious Occasions

5.30 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): I beg to move,

That this House has considered e-petitions 220501 and 221860 relating to holding public holidays on religious occasions.

It is a pleasure to serve under your chairmanship, Mrs Main. I am pleased to open the debate about this interesting subject on behalf of the Petitions Committee. I thank the House for agreeing to the later start time to accommodate Members attending the Chamber for the Chancellor's Budget statement, which I was able to hear myself.

I thank the Committee staff in the digital outreach team for their assistance with the consultation work that was conducted in advance of the debate. I am also grateful to the National Council of Hindu Temples UK, the Hindu Council UK, the National Secular Society and over 1,000 individual petitioners, most of whom are Muslim, who responded to the process. They provided me with valuable insights into the subject of public holidays and time off for religious occasions, as well as points and quotes that I will reference further.

Petition 220501 calls for public holidays on Muslim religious occasions and has more than 46,000 signatures. It states:

"This will give an opportunity for Muslim families to get together and share happiness with other religious communities. It is very important for Muslims to celebrate Eid."

It adds that despite being the second largest UK religion,

"Muslims don't get a lawful Public Holiday on their two special religious occasions in a year".

Petition 221860 calls for public holidays on Hindu special occasions and has more than 11,000 signatures. It states:

"It is very important for Hindus to celebrate Diwali...Diwali—Festival of Lights is a major holiday that is also celebrated by Buddhists, Jains and Sikhs."

It notes that Hinduism is the third largest religion in England but that Hindus do not get a "lawful Public Holiday" on religious occasions. The petition also asks for a public holiday on Dussehra.

Today is Budget day and the more numerate among us may have spotted that today's petitions have fewer than 100,000 signatures, the threshold normally required for the Petitions Committee to schedule a debate. There are a number of factors for that, not least the absence of any petition over that threshold. When combined, these were among the next largest petitions, representing issues that primarily affect minority groups who may find it difficult to attract 100,000 signatures. The subject has not had a parliamentary debate since 2014 and is without doubt of interest to a significant number of people in the wider public.

It is fair to say that the petitions are essentially about the same issue: establishing public holidays for religious occasions. The Muslim and Hindu faiths are the second and third largest religions in the UK, the first being the

Christian faith, which has public holidays during its major religious festivals at Easter and Christmas, as Members will be aware. It is equally fair to point out that the Government response to each petition is the same, stating:

"The Government has no plans to create a public holiday to commemorate religious festivals such as Eid"

and "such as Diwali." The responses add that the costs are "considerable" and cite the example of the 2012 diamond jubilee holiday, which cost about £1.2 billion. The responses add:

"The Government regularly receives requests for additional bank and public holidays to celebrate a variety of occasions including religious festivals. However the current pattern is well established and accepted."

I am sure that that will have disappointed the petitioners, but some comfort can be taken from the Government's comment that:

"The Government is committed to bringing people together in strong, united communities. We encourage and support people to have shared aspirations, values and experiences."

The responses note that festivals such as Eid, Diwali and Dussehra "contribute towards this objective".

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on introducing the debate. I spoke to him about the subject beforehand; I also discussed it with the Minister in the Tea Room earlier today. As a Christian, I value having public holidays to clearly mark the importance of religious holidays, but I understand that the Government are not disposed towards making that happen. Does the hon. Gentleman agree that, in the strongest terms, employers should work with their employees to accommodate their wishes to take time off to celebrate Eid? Working with employers is probably the best way forward.

Martyn Day: I am grateful to the hon. Gentleman for his comments; there is a lot of merit in what he suggests. I looked at various resources online in preparation for the debate, and ACAS gives very good advice to employers. I will address that point later in my speech, but we certainly need to highlight to the wider employing public the requirements to facilitate all religious faiths within the workforce.

I am sure that we all agree with the Government's comments about trying to encourage greater engagement with communities. However, 87% of respondents to our consultation said that they felt that not allowing time off for religious occasions was discriminatory, while 84% felt that they could not ask for time off work or education for a religious occasion, so there are clearly underlying issues that need to be addressed.

I will start the debate with a range of questions. When are the festivals on which petitioners are requesting public holidays, and why are they important? Why do we have the public holidays that we have? How do we compare with other countries? How do we best achieve social cohesion across our multicultural societies? Last but not least, how do we satisfy the legitimate concerns of the petitioners? I will briefly take each question in turn.

First, when are the festivals on which petitioners are requesting public holidays, and why are they important? All four are moveable feasts; they are based on lunar calendars and are therefore not on fixed dates.

[*Martyn Day*]

Eid al-Fitr is a Muslim festival that marks the end of the fasting month of Ramadan. It is celebrated on the first day of Shawwal, the 10th month of the Islamic calendar, but in the Gregorian calendar it shifts yearly, falling about 11 days earlier each year. This year, it was on Friday 15 June, while next year it will be on Tuesday 4 June.

Eid al-Adha, the other Muslim festival, is celebrated following the annual pilgrimage—the Hajj—and falls on the 10th day of Dhu al-Hijjah, the 12th month of the Islamic year. This year, it was on Tuesday 21 August; in 2019, it will be on Monday 12 August. The exact timing of each festival, however, is dependent on the sighting of the crescent moon following the new moon.

Diwali is the five-day festival of lights celebrated by Buddhists, Hindus, Sikhs and Jains for a variety of reasons. It usually falls between mid-October and mid-November; it will be on Wednesday 7 November this year and on Sunday 27 October next year. The date is determined by the Hindu lunar calendar.

Dussehra is the Hindu festival that celebrates the victory of good over evil. It occurs on the 10th day of the month of Ashvin in the Hindu calendar; it was on Thursday 18 October this year and will be on Monday 7 October next year. It falls 20 days before Diwali. My thoughts and prayers go out to those who were affected by the Amritsar train accident, which killed 61 and injured many others during this year's festivities. Sadly, the reporting of this tragedy on TV and in the news was how I learned the details of Dussehra.

The celebration of these festivals is very important to worshippers of the faiths concerned. They represent the most important occasions in their religious calendars. At a time when religious persecution is growing around the world, it is important that we do everything we can to protect people's freedom to practise their religion or belief.

We can be very proud of the diversity of our nations within the UK. We have a modern multi-faith and multicultural society in which people of all faiths and none can follow their belief systems. However, we can never take that diversity and tolerance for granted, particularly as we have seen increased antisemitism and significant Islamophobia. Just yesterday, *The Sunday Times* reported on a poll in which 47% of respondents believed that Britain was becoming less tolerant of Muslims.

The Petitions Committee's public engagement also suggests that things are not as good as they could be. Some 88% of those we engaged with felt that their community had few opportunities to get together to celebrate religious occasions. A large number of general comments that we received focused on fairness, inclusion and the need for religious diversity to be recognised through public holidays, while others spoke about wellbeing and benefits to society and the economy.

The Government's response to the petitions focuses on the likely costs of holding an additional public holiday. Those costs could be very significant indeed, but they do not reflect the full economic impact because they would be partially offset by increased activity across the leisure, tourism and retail sectors as a result of domestic consumers enjoying time off. Enhancing

our global reputation by recognising these festivals also has an unknown potential to attract international tourism.

Many people felt it unfair that although they were forced to take time off at Christmas and Easter, they struggled to get time off to celebrate their own religious festivals. Some 72% of respondents who identified themselves as directly affected said they had been refused time off work or education for a religious occasion. Similarly, 72% felt that their employer was not sympathetic to the request and did not understand its importance. Some of the respondents described the process of asking for time off for a religious occasion as "risky" or "risking job prospects and growth".

Many people said they were made to feel guilty for asking for time off to celebrate religious occasions.

The Hindu Council UK points out that without guaranteed time off for religious occasions people are "penalised financially and spiritually by taking off time and thus losing income and forced to work (or study) at a time when there is a major religious celebration of their faith."

The National Council of Hindu Temples UK advises:

"What should be a carefree positive celebration becomes tainted and stress laden and the final outcome is diminished".

Two comments from the consultation, emphasising the issue of inclusion, are illustrative. One contributor said:

"Our government needs to guarantee its citizens the right to celebrate their particular religious festivals in order to make all its religious groups inclusive in modern British society."

Another said:

"I feel as a British citizen and a tax payer, I should have the right to have my religious day off without having to make me feel that I am not part of this country."

We clearly have an issue: those are strong arguments that something needs to change.

Why do we have the public holidays that we have? That is an important point to reflect on, before we consider adding new ones or changing existing ones. The original bank holidays were established under the Bank Holidays Act 1871 as days when banks could close and all trade could cease. Across the UK there are now a variety of bank and public holidays. There are eight such days in England and Wales, nine in Scotland and 10 in Northern Ireland. The differences are that in Scotland we have 2 January as a holiday and not Easter Monday, and the first rather than the last Monday in August. We have St Andrew's day in Scotland, and in Northern Ireland there are St Patrick's day and the battle of the Boyne commemoration.

Most of those days are determined by statute under the Banking and Financial Dealings Act 1971; some, such as new year's day in England or the first Monday in May in both Scotland and Northern Ireland, are determined by royal proclamation under the 1971 Act; and some, such as Good Friday and Christmas day in England and Northern Ireland, are common law public holidays. The battle of the Boyne anniversary, proclaimed by the Secretary of State for Northern Ireland, has been a public holiday since 1926. The most recent addition, in 2007, was the St Andrew's day holiday in Scotland. It is an official bank holiday, but it operates as a voluntary public holiday. Just to add to the complexity, bank holidays in Scotland are not necessarily public holidays, and public holidays can be set by local authorities.

Clearly, parts of the UK differ a bit as to the number of days, the specific days and how they have come about. It is also fair to point out that things have changed over time. Taking Scotland as an example, as I know it reasonably well, Christmas became a public holiday only in 1958, and Boxing day was added only in the early 1970s. Most of the current holidays are not on religious occasions, Easter and Christmas being the exceptions.

In comparing our holidays with those in other countries, I have not looked at the situation worldwide. However, compared with other European Union members we are at the bottom of the public holidays table. Countries with similar numbers of holidays to ours are Ireland with eight, Spain and Luxembourg with nine, and Hungary and Holland with 10. Every other EU nation has more, and Belgium and Latvia have as many as 17.

Of course, public holidays are only a part of the equation. Perhaps a better indicator is a person's annual holiday entitlement, particularly as the Banking and Financial Dealings Act 1971 does not automatically entitle workers to time off on bank holidays. Instead, the right to time off comes from their contract of employment, which will cover holidays, public holidays and holiday pay. Full-time workers in the UK generally have the right to 28 days' paid leave per year, with public holidays included in that, which means that most people have about 20 days' leave that they can take at other times.

Some employers may well require staff to work on bank holidays, which means that designating additional national holidays still might not deliver the effect sought by the petitioners. Concern has also been raised by the National Secular Society, which commented:

"A likely result of increasing the number of public holidays by including Muslim, Hindu, or other religious festivals would therefore be a decrease in the number of discretionary holidays workers can take.

Compelling those who do not celebrate minority faith festivals to take time off work risks causing unnecessary resentment and would harm efforts to promote a concept of common citizenship."

That concern was echoed by those who chose to comment on the House of Commons Facebook post about today's petitions. On that forum, the majority of commentators did not think that new religious public holidays should be introduced. Some, such as Giselle, argued that no religious occasions should be public holidays, and Tom said:

"Religion is a private matter for individuals, not the business of the state or whole society."

Others suggested that dates such as St George's day should be holidays. There is clearly a demand for various national days across our nations.

How are we best to achieve social cohesion across our multicultural societies? Clearly we have a conundrum. How do we succeed in bringing people together, and supporting religious festivals as a way of achieving that, without causing any resentment and inadvertently hampering that objective? Although today's petitions relate primarily to Muslims and Hindus, it is worth remembering that there are many other religions in the UK with smaller faith communities, and that their festivals are equally important to their individual worshippers.

The situation was summed up well by the National Secular Society:

"The UK's religious landscape is in a state of continuous change. Our population is more irreligious, yet more religiously diverse, than ever before. A multi-faith approach to holidays can therefore never serve the individual needs of the many different people who make up the UK, or adequately keep abreast with the changes in the UK's demographics. A more practical and equitable approach is to give workers greater flexibility, where their work allows, to take holidays on the specific days that matter to them."

That is a pragmatic suggestion, which is perhaps let down only by the apparent lack of awareness in society as a whole, and among employers in particular, of the significance of religious occasions—something I mentioned earlier in my remarks.

That lack of awareness featured repeatedly in the comments by petitioners, who made the point powerfully. Many people said that employers wanted holidays to be booked well in advance, which was particularly difficult for Eid, because it is lunar and not on a specific calendar date. They said that employers often did not understand it. One person said:

"It's very difficult to bring it up as many don't recognise religious occasions and how paramount they are for the ones celebrating."

Another commented:

"I'm made to feel like they've done me a favour by giving me the day off. Sometimes they say they cannot give me the day off because I took the day off for the last Eid. They don't think Eid is important."

Another said:

"The problem was mainly with my employer not understanding the importance of the occasion."

Another said:

"There is a lot of scepticism on non-Christian holidays at my work place—be it Eid or Diwali."

One commentator said:

"Religious Holidays is sometimes spoken about like it's a dirty subject and employers and schools do not understand the significance of it."

That last point about schools is important, especially if communities wish to celebrate together and if religious families want their children to participate fully in their festivals. It can be difficult for pupils and students to get time off for religious festivals, and this year Eid al-Fitr fell within the GCSE exam timetable in England. In Scotland, Scottish Qualifications Authority examinations occur earlier, so that problem is heading in my Muslim constituents' direction in a few years' time. I ask Members from a Christian background to imagine for a moment what their thoughts would be if they or their constituents were required to sit exams on Christmas day, because that is the closest comparison. Clearly it puts students from faith backgrounds at a disadvantage.

That brings me to my last point about how to satisfy the legitimate concerns of the petitioners. Obviously, they would be delighted if the Government were to have a change of heart, and the Minister were to look at establishing public holidays for the largest minority religions. However, I suspect that that will not happen; indeed, I have in my remarks explored a variety of reasons why it might not be the best option. We do, however, have a problem that needs to be addressed, and I will make a few suggestions.

Jim Shannon: The hon. Gentleman referred to education. Does he feel, as I do, that raising awareness of other religious sects' holidays through school education might be a way of gently pushing into people's minds the importance of other celebration days for religious groups, whoever they may be? People might then say, "Do you know something? That is the way it should be."

Martyn Day: The hon. Gentleman's suggestion is a good one, because if we educate people young enough, they learn the lessons for life and we do not have to keep re-educating people. There is some merit in that suggestion.

Most of the petitioners who responded to the survey, 52%, said that they would prefer a legal right guaranteeing time off work or education to celebrate religious occasions not currently recognised as public holidays, such as Eid and Diwali. A small number of people, 5%, wanted the ability to swap public holidays such as Easter for other religious occasions. I ask the Minister whether those suggestions could be considered as a possible way forward.

It is clear that at the very least we need greater understanding among employers about the significance of religious festivals for employees who are people of faith—I am referring to all faiths here. No one should feel discriminated against for practising their religion. We must all do more to improve awareness; I would like to hear the Minister advise how the Government can ensure that public bodies in particular take that on board. We also need action to ensure that all employers sympathetically consider requests for time off to celebrate festivals or attend ceremonies, whenever it is reasonable and practical for the employee to be away from work. That is something I believe many workplaces could manage, with some foresight and advance planning.

Surely it must also be possible to consider the likely dates of key festivals well in advance and avoid educational bodies' setting exams on those potential dates. In the absence of formal holidays on those festival dates, there is a need to ensure that support is in place for pupils and students who miss routine coursework during any non-attendance. Believers should not be forced to choose between education and their faith. Again, I look forward to hearing the Minister address those points in the summing-up.

In conclusion, I hope that my summary of the issues raised in the petitions has done justice to the petitioners' concerns, and helped to raise public awareness of the wider issues.

5.51 pm

Bob Blackman (Harrow East) (Con): It is a pleasure to serve under your chairmanship, Mrs Main, and to follow the hon. Member for Linlithgow and East Falkirk (Martyn Day). I congratulate him and the Petitions Committee on tabling this timely and important debate. I led the debate in this place in 2014 on behalf of the Backbench Business Committee, which was responsible for petitions before we wisely set up the Petitions Committee. I am pleased to see that there is a 400% increase in Back-Bench interest in the debate today; clearly, we are gaining ground. We have a new Minister and a new Opposition spokesman, whom we can possibly convince of the wisdom of seeking to increase the number of public holidays on a religious basis in this country.

It is often said that the costs of public holidays are damaging to the economy, but as the hon. Gentleman said in his introduction, we have the fewest public holidays among our neighbours. We have fewer public holidays than the United States of America, which is often seen as the great bastion of free enterprise and of driving forward and therefore as discouraging people from taking holidays.

There is a clear issue here. The Chancellor today stressed the importance of improving Britain's productivity. Providing people with a holiday increases their productivity, because people rest, recharge their batteries and come back to work far better off, rather than being forced to work long hours. I think it is the Leader of the Opposition who has been speaking about having a four-day week across the UK. I would not go as far as that, but it is important that, as we drive forward as a country, we should look at having potentially more public holidays, where people can take time off with their families and have the opportunity of some leisure time to gain the benefits of an advanced economy.

The hon. Gentleman has set out the position on public holidays now. If we look at them throughout the year, we have, broadly speaking, the Easter holidays, which are around March and April—by the way, they are not fixed; they change from year to year as well. We have public holidays on the first and last Monday in May, to go with some decent weather—[*Laughter.*] Well, hopefully we will have some decent weather, but I know that is tempting fate most years. Then there is the last Monday in August, which also shifts around each year. Then we have Christmas and Boxing day in December and, finally, the new year's break.

The reality is that, when those fall at weekends, the public holidays shift accordingly, to fall within the working week. It is not the case that we have public holidays specified on particular dates. One of the objections that has been suggested is that, because religious festivals may fall on days other than working days and are not necessarily completely predictable—although I would argue that they are—we could not have a public holiday during the week to celebrate the religious holidays when they fall at weekends.

One important issue is that, while Eid advances each year with the end of Ramadan, generally speaking it falls at the end of June or thereabouts. That is quite helpful to break up the year during the summer. Equally, Diwali is between October and November, as has been said, and breaks up the period between the August bank holiday and Christmas. I would go further, because the hon. Gentleman mentioned many of the great religions of the world, but not Judaism. I think we should have a holiday based around Judaism as well. That could fall on either Rosh Hashanah or Yom Kippur, both of which tend to occur in September.

In our much more diverse country, as it is now, we have great adherence to religious faith, particularly among the great religions, but it is concentrated in particular areas. We are coming up to Diwali; indeed, the big holiday will not be Diwali itself, but the day after, which is the Hindu new year. That is when people of the Hindu, Jain, Sikh and Buddhist faiths will all go to their temples to pray for health, wealth and happiness in the new year, and will meet their families in the afternoon—a day when the people of those religions will, frankly, not be working anyway.

Why not recognise that fact and give everyone the opportunity to have a day off and recharge on that basis?

Equally, at Eid, when we come to the end of Ramadan and people are exhausted from the days of fasting, there is a day of prayer. Why should that not also be a public holiday, particularly given the range of Muslims now in this country? We should recognise that fact and lead on to it.

I have mentioned Rosh Hashanah or Yom Kippur, and I think a consultation with the Jewish community would be well received. It is a requirement among people of the Jewish faith to fast, go to the synagogue and pray, breaking their fast at the end—funnily enough, there are many similarities between the Muslim and Jewish faiths on that particular issue. During those times, it is fundamental that someone who is Jewish observes both Rosh Hashanah and Yom Kippur, even if they do not follow all the rest of the religious holidays.

I suggest that the three dates I have put forward—both in 2014, when I led the debate here, and now—fit what we seek to do, which is to increase the number of public holidays in the United Kingdom, spread them across the year and build them around religious faith, so that those who are of religious faith can celebrate their faith and not be forced to work or, indeed, to compete for opportunities to take time off. That is one of the fundamental things that are vital in terms of fairness and opportunity for everyone. There is certainly a case for extra public holidays based on faith, and I strongly support it.

I notice that the hon. Member for Harrow West (Gareth Thomas), my constituency neighbour, is here. The London Borough of Harrow has the greatest adherence to religious faith of any place in the country. People celebrate their religion and follow it strongly, and I invite colleagues to come and visit during a faith day, because they will see people celebrating their faith and taking time off work to be with their families, as they should. It is right that we should enshrine that in legislation, giving people the opportunity to celebrate the faith of their choice.

I know that there are objections to proposals such as this, be it from secularists or even the Government, based on the cost of providing such holidays. However, I suggest that the cost to industry of disruption from people of religious faith taking time off work is far greater than if those days were given as public holidays, with everybody then knowing when those days will be. Some people would object, saying that we cannot predict when Eid or Diwali will fall, but actually we can, because as was rightly said, they are decided by the phase of the moon. In times gone by, astronomers studied that very carefully. We can now, with a certain conviction, predict when the holidays will fall and set the public holidays far in advance.

In order to fulfil that, we may have to change the day of the week on which a public holiday falls, but that should not be a distraction in any case. Why should we limit ourselves to having public holidays only on Mondays? We do not do that for Christmas. When Christmas falls on a Saturday or Sunday, we will have Boxing day and then a public holiday, or possibly two, after. We unnaturally limit ourselves by only holding bank holidays on Mondays.

Jim Shannon: I thank the hon. Gentleman for putting forward a powerful argument and request for special days for different religious sects. The hon. Member for Linlithgow and East Falkirk (Martyn Day) referred, as did I in my intervention, to the greater capacity of employers to work with employees, but the hon. Gentleman has not referred to that yet. Does he feel that there is a halfway house towards that, with employers playing their part for employees who need those extra days off? Does he feel that that is the way forward?

Bob Blackman: There are clearly two issues. There are private employers and there are public sector bodies. We would clearly require people, as we do currently, to work in hospitals, the fire brigade and the police—I could continue naming other public services—on bank holidays or public holidays. However, I see no reason at all why appropriate arrangements should not be made to enable people of different faiths to work on different public holidays, flexing the workforce according to the requirements of a particular company or service. What is wrong with that?

I strongly support the principle of providing more public holidays—we have far too few in this country—and I strongly believe that we should base them around the major religions, to demonstrate that we celebrate all religions. We should consult with those communities, and particularly their leaderships, on when such public holidays should be held, whether they should be on the particular day of the week that the religious holiday falls on, and how they should be implemented, together with how firms and public services should operate. This idea would certainly meet with great enthusiasm among the general public and would give great certainty to employers, who would know what the position would be with their employees. We could predict these things in advance, so they could be planned in the calendar, rather than having people who celebrate particular faiths taking days off.

When I was a councillor in the London Borough of Brent, every religious holiday was programmed out of our calendars so that no meetings could take place on those days. Many days were declared as unacceptable for holding committee meetings or full council meetings or such like. If a London borough can do that, so can this country.

6.5 pm

Gareth Thomas (Harrow West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mrs Main, and to take part in the debate. I strongly echo the support we have heard for public holidays on Diwali, Dussehra, Eid al-Fitr and Eid al-Adha. I find myself agreeing with the hon. Member for Harrow East (Bob Blackman)—a most unusual position for me—that the two most important days of the Jewish calendar are also very worthy of reference in a debate such as this.

I commend the hon. Member for Linlithgow and East Falkirk (Martyn Day) and the Petitions Committee for initiating the debate, which is surely about the ambition of the Muslim and Hindu communities to recognise their most holy of days with public holidays and about their demanding that they are better valued, as communities and individuals, by the country in which they live. I strongly agree with the hon. Gentleman that it beggars belief that exams are allowed to take place on such important occasions. Just as with Brent Council,

[Gareth Thomas]

Harrow Council makes a point of not holding significant council meetings on days when important holidays are taking place within the communities that they serve.

I must confess that I have always supported increasing the number of public holidays and have always been sceptical of the claim that doing so would cost an arm and a leg. It is difficult to believe that the bank holiday granted for the diamond jubilee cost employers around £1.2 billion. I suspect that that is about as robust a statistic as one from the Vote Leave campaign during the Brexit referendum. I welcome that the Labour party is committed to making the national days of the home nations public holidays, but I ask Front-Bench Members, as I ask the Government, to go further.

The hon. Member for Harrow East alluded to the idea of a four-day week, which is no longer seen as a completely mad, hare-brained idea. There are progressive employers that have already introduced four-day weeks for their employees, or that are generous in giving employees time off to attend to matters of personal importance or to celebrate religious occasions. It really should not be beyond the wit of the greatest country on earth to find a way to grant public holidays for these hugely important days.

It is worth spelling it out that Islam and Hinduism are the second and third largest religions in the country. Islam represented almost 5% of the UK population as far back as 2011; I suspect that figure is higher now. Hinduism represents more than 1.5% of the English population, and I am pleased to say that many Hindus live in my constituency.

Let me start with Diwali and Dussehra, which are both major Hindu festivals. I intend to spend much of Diwali visiting some of the great temples that serve my constituency, be it the International Siddhashram Shakti centre, Stanmore temple—that is in the constituency of the hon. Member for Harrow East, but we think of it as in Harrow West—or, in Brent, Neasden temple, which is one of the great Hindu temples worldwide and which many of my constituents attend regularly, particularly during Diwali.

Diwali symbolises the spiritual victory of light over darkness, good over evil and knowledge over ignorance. During the celebration, temples, homes, shops and office buildings owned by the community are brightly illuminated. One of the great joys of Diwali is seeing such celebration and such light.

Other faiths celebrate their respective festivals alongside Diwali. The Jains—it has been an honour today to attend the Jitopreneurs event taking place in the House of Lords—observe their own Diwali, alongside the Hindu Diwali. There is a Jain temple in Kenton Road; that, too, is not quite in Harrow West, although we see it as in Harrow West. There is a temple in Hayes, which many of the Jains in my constituency attend. The most important Jain temple in the UK is at Potters Bar, and many of my constituents will go there to celebrate Diwali.

It is worth spelling it out that the festival of Diwali is already an official holiday in a number of countries around the world, many of which have hugely close links to the UK. If it can be achieved that Diwali is marked in other countries, why cannot it be marked in the UK?

Dussehra, too, is a major Hindu festival and it is celebrated at the end of Navratri every year. It is observed in different ways from Diwali and is to remember the goddess Durga's victory over the buffalo demon Mahishasura to restore and protect dharma. It is equally, if not more, important.

The two Muslim events that the petitioners understandably think should be marked as public holidays are Eid al-Fitr and Eid al-Adha. Eid al-Adha is arguably the most holy of days, coming as it does at the end of the annual Hajj to Mecca—arguably one of the most remarkable acts of pilgrimage of any faith worldwide. It honours the willingness of Ibrahim—Abraham—to sacrifice his son as an act of obedience to God's command, so even those of us of a Christian faith can recognise the significance of that moment without, surely, too much thought or effort. Eid al-Fitr is also a hugely important religious holiday for many of my constituents. It celebrates the conclusion of the 29 or 30 days of dawn-to-sunset fasting during the month of Ramadan.

On those occasions, the Salaam centre in north Harrow in my constituency, Harrow central mosque and, indeed, Stanmore mosque in the constituency of the hon. Member for Harrow East, which many of my constituents attend, are hugely busy places as people from my constituency attend to mark days that are of huge spiritual significance to them.

I recognise that there has traditionally been a reluctance with regard to the change that is sought, so it is worth my pointing out, as others have, that England and Wales have the lowest number of public holidays. Germany, whose economy some would say is doing slightly better than ours at the moment, has almost 50% more public holidays than the UK and productivity that is significantly higher. If Germany can make its economy work well with a larger number of public holidays, why on earth should not England and Wales—and, indeed, Scotland and Northern Ireland—do so as well?

Given that I suspect that the Front Benchers will not immediately cave today and say that they will support this change, I shall briefly mention an initiative from the United States, where the most progressive employers have introduced paid personal days for staff members to enable them to observe religious occasions or to use them for other personal reasons. They are not written into law as such, but they are a concept widely recognised by employers. Perhaps with tax incentives to assist, even the most recalcitrant of employers' organisations might be willing to recognise that that could be a route, initially, to help employers to adjust to their employees being able to take time off to, perfectly reasonably, celebrate those two hugely important sets of public holidays in the Hindu community and the Islamic calendar.

In a spirit of optimism but also of hard-nosed realism, I recognise that those of us on the Back Benches still have some way to go to push Ministers and Opposition Front Benchers to accept the case for further paid public holidays to recognise important religious occasions, but I hope that this debate will contribute to that process and reassure those of Hindu or of Islamic faith that there are Members of Parliament who are determined to make the case for the special and holy days of their religion to be recognised in the way they should be.

6.17 pm

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate the hon. Member for Linlithgow and East Falkirk (Martyn Day) on his extremely informative introduction to the debate on behalf of the about 60,000 people who have signed the two petitions that we are considering. He and other hon. Members made powerful cases for the changes that we are discussing. He articulated well, as other Members did, the broader point that we have far fewer public holidays than our counterparts in the European Union, and those of us who live in England and Wales have, sadly, even fewer than those who live in other parts of the United Kingdom.

The hon. Gentleman was right to say that the Government get many requests—perhaps the Minister will tell us exactly how many she gets—for holidays, for all manner of occasions; that probably happens very regularly. His observation that the dates of all the festivals that we are talking about change from year to year was important in terms of the challenges that that presents as regards additional planning. It is a practical reason why, if the Government were minded to accede to the request, it would probably take considerable consultation and discussion to facilitate it.

I was disturbed to hear the hon. Gentleman's comments about how many people in surveys feel that we are becoming a less tolerant society. All hon. Members present will have been disturbed to hear that. I think that it is a much wider issue than the question of public holidays that we are considering today.

The hon. Gentleman was right to point out that some employers require people to work on bank holidays and to take time off on another occasion. In that regard, as other hon. Members have mentioned, we should pay tribute to those people in the public sector who keep the country going on such occasions—for example, those who work in the NHS, the police, the emergency services and the utilities, those who work as care workers, and those who work in many other organisations that provide a service that cannot simply shut down for public holidays. We should recognise that that is an important part of this discussion.

The hon. Gentleman mentioned, as did other hon. Members, that there is a lack of awareness among employers about the meaning and importance of some religious holidays. I hope the Minister will comment on how we can spread information and best practice, so that people do not feel inhibited from requesting particular days off.

The hon. Member for Harrow East (Bob Blackman) made a strong case—as he did in his contribution to the House in 2014, which I read in preparation for this debate—in terms of productivity. I found it quite interesting, and I will return to it later. He also discussed, as did a number of other Members, the fact that public holidays are not fixed in the way that we might assume they are. Easter, for example, moves from year to year, although it does fall on the weekends, which makes it slightly easier to plan for in advance, as there is an established pattern.

There is merit in the hon. Gentleman's suggestion that employers could have some flexibility to cater for different religious holidays. That is something that the

Government could encourage public sector employers to look at, without the need for any legislative changes.

It was a pleasure, as always, to hear from my hon. Friend the Member for Harrow West (Gareth Thomas). He clearly stated his support for more public holidays. He was sceptical about the arguments about financial costs, which I will return to later. I agree that it should not be beyond the wit of most employers to grant holidays for staff to be able to observe religious festivals—after all, a full-time employee in this country is entitled to 28 days a year, which is over two days a month. That should be enough latitude for most employers to be able to deal with any requests.

I thank my hon. Friend for enlightening me on the background to some of these religious occasions and their significance. He spoke about personal days in the United States—an interesting example that I am not aware of, but I will look into it. However, we already have 28 days allocated to employees, which I think ought to be more than sufficient to cope with the kind of issues we are discussing.

This is the first debate I have responded to as the interim shadow Minister, and I welcome the opportunity it gives me to reflect on the huge contribution made to this country by people of the Hindu, Muslim and Sikh faiths, and also the many other religions that contribute to the diversity and economic wellbeing of our country. However, we cannot accept the contribution of these extremely important communities without recognising, as we do in this House, the festivals of Eid al-Fitr, Eid al-Adha, Diwali and Dussehra. We also recognise that they are an important and integral part of each of those communities' faiths.

I have had the pleasure—as I am sure many hon. Members have—of joining Muslim friends at an Eid al-Fitr, which is also known as the feast of fast breaking. It is not only a spiritual time, but one of community and celebration. It brings people together in my own community in very important ways for cohesion and tolerance. Anyone who has had the pleasure of being involved in or invited to a Diwali celebration knows that it is a fantastic occasion. As my hon. Friend the Member for Harrow West said, it symbolises the victory over evil and the victory of light over darkness, which has parallels with many other religions.

While Muslims and Hindus represent the largest religious groupings in this country after Christians, there are many other faiths, some of which we have mentioned today—for example, Buddhism and Judaism. Those communities' faiths are just as important to them as those of any other religious group are to its members, and it is important for those faiths to have the same opportunities to participate in ceremonies of significance for them. I appreciate that their numbers as a proportion of the population as a whole are smaller, but that does not make their faith any less important.

That raises the question of whether there should be any threshold for official recognition of public holidays for religious festivals. When one considers that one in four people does not subscribe to any faith at all—they are by far the biggest group in this country after Christians—arguments on the basis of numbers begin to look slightly less robust.

Therefore, a better approach is to ensure that all employers, including those who run business models that do not consider the people who work for them to

[Justin Madders]

be employees, recognise the importance of faith and religious festivals, and are as flexible as they can be, to accommodate the beliefs of their employees. Happy workers, respected workers and valued workers are, I hope, productive workers, so there is a clear benefit to the employers and the wider economy in recognising and respecting the importance of these festivals when decisions are made about annual leave.

It is not just about time off for religious holidays. There are also periods of fasting during daylight hours, or required prayers at certain times of day, which are just as important as annual festivals. That opens up a series of very complex issues, for which it is not practical to legislate in each and every instance. As the hon. Member for Strangford (Jim Shannon) said, the onus is on employers to do what they can to facilitate people observing their particular religions. It is useful to remind ourselves that discrimination against individuals on the grounds of religion or belief is unlawful. The official ACAS advice sums up the situation well:

“Many religions have specific days or periods throughout the year that involve additional religious observances for followers. The nature, duration and requirements vary depending upon the holy day or religious festival, and can also vary depending on the personal religious beliefs of an individual. It is useful for both employees and employers to give thought to any impact this may have in the workplace, as simple and well-planned arrangements can help manage everyone’s expectations.”

It is about being considerate, communicating and, on occasion, compromising. Our workplaces should be places of tolerance. The hon. Member for Linlithgow and East Falkirk said that people have reported that they felt that it was risky to ask their employers for time off—a very sad state of affairs.

The main thrust of the e-petition is the case for public holidays for specific religious festivals and, although I am not persuaded—for reasons that I have given—that additional public holidays should be attached to particular religious occasions, I am convinced that, overall, there is a case for a greater number of public holidays than we currently enjoy. As we have heard, at present we have the lowest number of bank holidays in the EU, where the overall average is 12, while further afield, Japan has 16 days and India has 18. Even within the UK, England and Wales do slightly worse than Scotland and Northern Ireland.

As I am sure hon. Members know, Labour’s manifesto made clear that St George’s day, which is England’s national day as well as Shakespeare’s birthday, would be made a public holiday, along with St David’s day, St Andrew’s day and St Patrick’s day. We believe that those holidays will give workers a chance to spend time with their families and friends in their communities, as well as the opportunity to celebrate the national cultures of our proud nations.

As other hon. Members have mentioned, the counter-argument is that bank holidays cost the economy, but I think it is extremely difficult to pinpoint the exact economic impact. For example, the Department for Digital, Culture, Media and Sport estimated that the impact of the diamond jubilee on GDP would be somewhere between a gain of £1.1 billion and a loss of £3.6 billion. For just one day in the calendar to produce such a wide range in estimated economic impact shows how difficult it is to put a precise figure on this.

People are not economically inactive on such days. Certain sectors, such as hospitality, retail, leisure and tourism will undoubtedly benefit, and in addition, the Bank of England believes that economic activity is more likely to be delayed than lost. The logical conclusion of accepting the economic loss argument would be that we should have no public holidays at all, but that would ignore the wider benefits of a rested and balanced workforce and the inconvenient fact that we have a lower number of public holidays and lower productivity than most of our major competitors, as most hon. Members have mentioned.

Measured by output per hour, productivity in the UK is 13% below the G7 average, and since 2010 productivity growth in the UK has more or less stalled. As the excellent report by the Institute for Public Policy Research’s Commission on Social Justice made clear, the roots of our productivity crisis lie far deeper than the number of hours a person works in a particular week. As hon. Members have said, if predictions of significant job losses due to automation and artificial intelligence are correct, should we not begin to consider whether that shift in working patterns is an opportunity to enable everyone to have more leisure time?

When the Minister responds, I am sure she will not agree about the merits of increasing the number of bank holidays. Does she have any up-to-date information as to why? What recent and detailed assessment have the Government made of the number of bank holidays in Britain? What assessment has been made about whether holidays are spaced in the most effective way? What is the Government’s latest assessment of the benefits and costs to the UK of any additional bank holidays?

Bank holidays, like all our statutory annual leave, are beneficial only if workers are able to enjoy them. They are normally included as part of a full-time employee’s 28 days annual leave, as guaranteed by the Working Time Regulations 1998, but concern has rightly been raised in some quarters that our impending exit from the European Union could result in a weakening of workers’ rights, particularly given the number of prominent Conservative Members who argued during the referendum campaign that the laws emanating from Europe on annual leave should be scrapped. Even the Secretary of State for Exiting the European Union, the right hon. Member for Esher and Walton (Dominic Raab), said in 2011:

“Britain should secure a total opt-out from the Working Time Directive and scrap the UK Regulations, ensuring that this costly, anti-jobs legislation cannot cause further damage to the economy.”

When the Minister responds, I am sure that she will be keen to put on the record an absolute commitment that the Working Time Regulations 1998, as currently adhered to in this country, will not be scrapped, watered down or altered in any way when we leave the EU; that the full-time entitlement to 28 days paid leave as a minimum will continue; that entitlement to daily and weekly rest breaks will continue; and that holiday entitlement will continue to accrue during maternity, paternity and adoption leave and while a worker is off sick.

Holiday entitlement does not cover the whole UK workforce. People who are self-employed are in a different situation. In principle, they can take leave when they want—

Mrs Anne Main (in the Chair): Order. I have given the hon. Gentleman some latitude, but we are talking about a petition and not general working time directives or other things. He should confine his remarks to the need for the petition to be discussed.

Justin Madders: Thank you, Mrs Main.

I was merely explaining that some workers in the gig economy, who are perhaps falsely labelled as self-employed, may not be able to take advantage of holiday entitlements. Has the Minister made an assessment of the number of people denied the right to annual holidays as a result of being incorrectly labelled as self-employed?

In theory, flexibility should mean that there is no issue, but we have heard too many tales of one-sided flexibility. It is important that people of every religion have the right to exercise their religious observance, regardless of their employment status. What steps have been taken to ensure that those employed on zero-hours contracts or in agency work are not subsequently penalised for taking time off to observe religious festivals? With so much work in the gig economy dictated by algorithms on a phone, what steps can the Government take to ensure that no particular religion is disadvantaged by the way those apps operate? That is important, because those apps work only as well as the information that is submitted to them. I am not sure that it is clear that software programmers would think about religious observance when they are working on those apps.

The real problem is enforcement. Rights are only as strong as an individual's ability to exercise them. To raise concerns about holiday entitlement requires cases to be taken up with an employment tribunal, which until recently attracted a fee imposed by the Government. Even without the fee structure, where cases are complex, like those in the gig economy, representation is often required. Even then, employers can choose not to comply with tribunal decisions. Tomorrow, Uber will go to the Appeal Court to fight a two-year-old ruling that its drivers should be entitled to holiday pay. In those two years, Uber has not paid a penny to the drivers. It is estimated that they are owed about £18,000 each in lost entitlement.

As the Minister knows, where the minimum wage has not been paid, the Department investigates—

Mrs Anne Main (in the Chair): Order. I am struggling to see how that is relevant. The hon. Gentleman is making some interesting remarks, but if he could confine them to the need to have holidays for religious observance, as the petition outlines, I would be grateful. I would like to hear the Minister's response to that part of the debate.

Justin Madders: I would suggest that it is important to look at all forms of workplace structure—

Mrs Anne Main (in the Chair): Order. And, I would suggest, so long as it is in line with the debate that is on the table.

Justin Madders: I am coming to a conclusion anyway.

Will the Minister look at occasions where holiday entitlement is not observed? Could the Department adopt a naming and shaming policy, as it has for minimum wage cases?

In conclusion, the debate has reminded us of the need to recognise the importance of respecting and facilitating the opportunity for people of all faiths to observe their religious festivals, but also to think more broadly about the importance of being able to access the right to paid leave.

6.36 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): It is a pleasure to serve under your chairmanship for the first time, Mrs Main. It is also a pleasure to follow the hon. Member for Ellesmere Port and Neston (Justin Madders) as Opposition spokesperson for the first time. It is good to be here.

I pay tribute to the hon. Member for Linlithgow and East Falkirk (Martyn Day) not only for introducing the debate on behalf of the Petitions Committee, but for his thoughtful and informative speech. I thank the other hon. Members who have taken part, particularly my hon. Friend the Member for Harrow East (Bob Blackman). It was great to hear how he led the charge for a similar debate in 2014. He is a big champion of the diverse community in Harrow East. I am also grateful to the people who signed the e-petitions that have brought us here today.

I am proud that we are one of the world's most successful multi-ethnic, multi-faith societies. We should all be proud of that diversity, which is at the heart of our economic success. It has made us the strong, vibrant nation we are today.

The Government welcome the celebration of Diwali, Eid and other religious festivals. This year, the festival of Diwali will take place on 7 November and I send my best wishes to everyone who will be celebrating in Britain and around the world. Downing Street will host its Diwali celebration on 15 November.

Bob Blackman: I am sorry to interrupt the Minister, who is rightly extolling the virtues of Diwali. We will be celebrating Diwali in Parliament on Wednesday. I have the honour of hosting the event on the Terrace. She and all hon. Members are welcome to join us between 4 o'clock and 6 o'clock. Equally, as she is keen to understand the importance of these days, I invite her to join me on Hindu new year's day, when I shall be visiting no fewer than 11 temples and celebrating with the people who are celebrating that key day.

Kelly Tolhurst: I thank my hon. Friend for the invite. Last year or the year before, I attended a similar event, so I look forward to attending this year. I also thank him very much for his invitation to visit 11 different temples; I am not too sure whether I can agree to that at this point, but—

Bob Blackman: One is enough.

Kelly Tolhurst: One is enough, but I thank my hon. Friend for his invitation. As he highlighted earlier, many parliamentarians throughout the country will celebrate that day with their constituents, as he will, and they will ensure that they are present at a lot of these events.

As Members will know, the current pattern of bank holidays is well established. There are eight permanent bank and public holidays in England and Wales. Scotland has nine and Northern Ireland has 10. The Banking

[Kelly Tolhurst]

and Financial Dealings Act 1971 allows for dates to be changed or other holidays to be declared. This allows for holidays to be declared to celebrate special occasions or one-off events.

The Government regularly receive requests for additional bank and public holidays to celebrate a wide variety of occasions. Recent requests have included public holidays to commemorate our armed forces, to mark particular royal events and to celebrate certain sporting successes. We carefully consider every request that we receive.

Although the hon. Member for Linlithgow and East Falkirk has made a powerful case today, the Government do not believe that it is necessary for such extra bank holidays to be declared, for reasons that I will now outline. First, the costs to the economy of introducing new public holidays are considerable. The most recent assessment of an additional holiday for the diamond jubilee, which has been spoken about today, showed a total cost to employers of around £1.2 billion. Depending on the nature of the holiday that is being proposed, costs may be partially offset by increased revenues for businesses in the leisure and tourism sectors, and by a boost in retail spending. However, it is not expected that public holidays for Eid or Diwali would result in an increase in tourism.

Although bank holidays have become widely observed, workers do not have a legal right to take time off for specific bank holidays or to receive extra pay for them; that depends on the terms of their employment agreement and contract. In the UK, full-time workers receive a minimum annual leave entitlement of 28 days. That is a combination of eight days to represent bank holidays and the EU minimum annual leave of 20 days. The extra eight days of leave do not need to be taken on bank holidays themselves, giving workers flexibility. Many employers offer extra leave entitlement on top of the statutory minimum.

It is at the heart of the Government's quality of work agenda to encourage employers to respond flexibly and sympathetically to any requests for leave, including for religious holidays. The relationship between the worker and the manager is a key aspect of good quality work. Part of a sound relationship is mutual respect and a willingness to accommodate a worker's religious or cultural commitments.

I will now touch on a few points that the hon. Member for Linlithgow and East Falkirk made. Discrimination in the workplace is not tolerated and is completely unacceptable, so I was very sad to hear about some of the issues that he raised and about some of the feelings that individuals have expressed, which he referred to in his speech.

The hon. Gentleman made an interesting point about swapping religious festivals, but, as I outlined earlier, people do not necessarily have to take bank holidays off, so there is flexibility with the annual leave entitlement for people to make use of that time on their own particular religious holidays.

However, the heart of the argument is around making sure that we do all we can, as a Government, to ensure that employers are sympathetic to the needs of their workers. As everyone who has spoken here today has outlined, the key to the success of companies and

businesses is the happiness of their employees. As a Government, we will continue to encourage business to respect people's views and meet their needs.

The hon. Member for Strangford (Jim Shannon) raised the issue of education, which is an important part of this debate. I can only speak about my own experience from when I was at school. Even then, in the '70s—well, in the '80s, I should say—[*Interruption.*] Yes, I was at school in the '80s. Actually, I benefited at my comprehensive school from a really good religious education, which did not just focus on Christianity; it covered all the other major religions that are present in this country, too. So I found that, both at school and after I left school, I was in an environment that was very multicultural, even in the '80s, and I believe that I left school with a good understanding of many of the religions that we have spoken about today. Nevertheless, that is something that we must keep abreast of, and I am sure that the Department for Education will welcome the questions that have been put to it today.

I will just mention a couple of points that my hon. Friend the Member for Harrow East made. He is a strong champion for his constituency and it was great to hear him also talking about Jewish holidays and his constituency. He mentioned the need for employers to understand and to be sympathetic to the needs of particular individuals, and we will continue to monitor that.

I thank the hon. Member for Harrow West (Gareth Thomas), who is another strong champion for his constituency, for his contribution. However, even though he was very determined that he wants to increase the number of public holidays, I am yet to be convinced about the type of extension that he suggested. Nevertheless, it was great that he was able to make his point.

Finally, I will touch on the contribution by the hon. Member for Ellesmere Port and Neston. As I have outlined, we receive a lot of requests for different holidays. We have had requests for St George's day and an "EU independence" day, and very recently there was a request regarding Harry and Meghan's wedding. I am sure that the requests for new bank holidays will continue as time goes on, and I am also sure that all the constituents out there would always relish the thought of another day off work. The hon. Gentleman also talked about employers' awareness of religion, and that is key to what I will come on to later.

I noticed that the hon. Gentleman mentioned that bank holidays could be directly relatable to the productivity of employees, and I think that is a theory that might be tested. However, he also mentioned that with our move to new technology, such as artificial intelligence and robots, there will definitely be job losses. The Government are committed to ensuring that we can provide an economy, a workplace and the skills and jobs that will keep people employed. I am not yet convinced that we need to establish more bank holidays on the back of that change, but he probably has a counterargument.

I will make two quick points to address some of the hon. Gentleman's other comments. First, I understand that he has asked some questions around the assessment of the cost of bank holidays. Since I became the Under-Secretary of State for Business, Energy and Industrial Strategy, I have not done that assessment, but it would be an interesting area to consider. However, I would always argue that the costs that have been established

could be, in reality, potentially higher, so it would be interesting to see who was right and who was wrong on that point.

Regarding our leaving Europe, we have been clear on workers' rights. As we leave Europe, this Government have been clear that we will not make any concessions in relation to the workers' rights that we already have, and that we want to ensure that our workers' rights are protected and built upon. I think that the Prime Minister has been very clear on that.

On the hon. Gentleman's comment about self-employment, and self-employed people not necessarily being able to benefit from bank holidays, the whole essence of being self-employed is around the flexibility of work; self-employed people are not subjected to the same restraints as full-time employees with regard to their holiday entitlement. So, although he makes a point around self-employment, self-employed individuals actually have a lot more flexibility than others do, particularly to enjoy the religious festivals that they may want to observe.

Justin Madders: The point about self-employment is that many people are genuinely self-employed, but a group of people, particularly in the gig economy, do not have the same flexibilities. It is the situation of those people that I wanted the Minister to address.

Kelly Tolhurst: Flexibility is key for self-employment, but with regard to the group of people he mentions who are working on such contracts, there is a ban on exclusivity and those individuals are still given the opportunity to request the holiday that they are entitled to as flexible workers with accrued holidays.

In our industrial strategy, the Secretary of State for Business, Energy and Industrial Strategy took responsibility for reporting on and improving the quality of work across the UK. That was a key recommendation of the Taylor review of modern employment practices. In his review, Matthew Taylor set out an overarching ambition that all work in the UK economy should be fair and decent, with realistic scope for development and fulfilment, and that is an ambition of this Government. Although being in employment is vital to people's health and wellbeing, the quality of the work is also a major factor in helping them to remain healthy and fulfilled.

We know that working flexibly helps people to balance their work and personal lives. Certain approaches to flexible working can allow people to build up additional leave entitlements, to use however they choose. Such flexibility is vital in creating an inclusive economy. Employees with 26 weeks' continuous service already have the right to request flexible working. That accounts for more than 90% of employees, which sends a clear signal that flexible working is a normal practice for anyone in the workplace and not limited to those with caring responsibilities. The Government would like to take that further. We announced earlier this month that we will consider a new duty on employers to advertise all jobs as flexible, turning the tables on flexible working from something an employee might consider requesting into something an employer will consider offering.

Britain is a great place to live. However, we cannot ignore the fact that in too many parts of our country, communities feel divided. The Government are fully committed to the principles of freedom of religion

and belief. I am proud that this country has in place some of the strongest protections in the world to allow people to practise their faith or belief. More than that, we understand that faith communities make a valuable contribution to our society by creating strong social networks, supporting vulnerable people, undertaking charitable work and providing education. We continue to support interfaith work as a means of breaking down barriers between communities and building greater trust and understanding.

Since 2011, the Government have funded the Church Urban Fund's near neighbours programme, which brings people from diverse faiths and backgrounds together to increase trust and understanding. More than 1,600 local community integration projects have been funded, across 40 local authority areas, and more than a million people have benefited. We also fund the work of the Inter Faith Network for the UK, to facilitate dialogue between faith communities and run the annual interfaith week.

Our industrial strategy commits us to doing more to address the under-representation of people from minority ethnic backgrounds in the labour market. That is good for society and good for business. The McGregor-Smith review estimated that equal employment and progression across ethnicities could be worth £24 billion to the UK economy per year. I encourage employers to look at the review. It provides concrete actions that can be taken to identify and tackle any workplace barriers. As an example, it sets out how staff networks can be a forum for the discussion of how a business can take account of holidays or festivals in an equitable way.

On 11 October, Business in the Community published a one-year-on report on progress against the review's recommendations. Although there were areas of progress, and significant effort from the Government and employers, I was disappointed to see that that was not always reflected in employees' lived experiences. One in four employees from a minority ethnic background had witnessed or experienced racial harassment or bullying from managers in the previous two years—an appalling statistic. Only 35% of people felt comfortable talking about their religion in their organisation, and only 38% felt comfortable talking about race. We must ensure that workplaces are comfortable places for the discussion of difference, so that everyone can contribute their perspectives and experiences.

The Prime Minister launched the race in the workplace charter on 11 October, through which organisations sign up to five practical calls for action to ensure that they are tackling barriers faced by people from ethnic minorities in the workplace. The charter builds on a number of the recommendations of the McGregor-Smith review, and I encourage employers to sign up to it.

All this afternoon's contributions have been informative and respectful. It has been a great debate and I thank all the constituency MPs who have spoken. I know that there will be disappointment that the Government have been unable to support the e-petitions for public holidays for Eid and Diwali, but I have welcomed the opportunity to set out our commitment to a fair and flexible workplace for all. Once again, I thank the hon. Member for Linlithgow and East Falkirk for introducing the debate today.

6.56 pm

Martyn Day: We have had a very interesting debate, and Members have made some very good points. I am very grateful to the hon. Members for Harrow East (Bob Blackman) and for Harrow West (Gareth Thomas) for their contributions. They added some good points, such as the situation with Brent Council's diary and the idea of paid personal days.

There can be no doubt that the percentage of our society's population that is of other faiths is increasing, so perhaps, as the hon. Member for Ellesmere Port and Neston (Justin Madders) suggested, there needs to be a threshold for such holidays at a future point. There is certainly much work that we need to do between now and then. The hon. Member for Strangford (Jim Shannon) made some very good points about education and the need to work with employers, and that is definitely a way forward. I am encouraged by some of the Minister's comments regarding the new duty on employers and the work being done to tackle workplace barriers, and we need to ensure that that information is relayed to all employers out there.

We pride ourselves on being a tolerant and inclusive society, but we cannot be complacent and must all take on a leadership role. Clearly, as the petitions indicate, many people do not feel as included or valued as we want them to, so we must do extra work to remove barriers. One of the points I made, which I hope the Minister will pass on to the Education Ministers, is the issue of exam timetables; I will certainly write to Scottish counterparts about that as well.

There is a lot more we can do to ensure that communities can celebrate together, not just within their own faith but across faiths, and I look forward to taking part in a number of such celebrations over the coming years, as I have in the past. Now that I know the date for the hon. Member for Harrow East's event, I will be coming along to stick my head in and show some support.

Question put and agreed to.

Resolved,

That this House has considered e-petitions 220501 and 221860 relating to holding public holidays on religious occasions.

6.58 pm

Sitting adjourned.

Written Statement

Monday 29 October 2018

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Business Update

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Kelly Tolhurst): I am writing to inform the House that the Government are pleased to accept all the Low Pay Commission's recommendations for the new National Living Wage and National Minimum Wage rates, which will come into force in April 2019.

The Low Pay Commission is an internationally renowned independent and expert body which conducts extensive analysis and stakeholder research to make its recommendations.

The Low Pay Commission has recommended that:

- the National Living Wage (for workers aged 25 and over) should increase from £7.83 to £8.21;
- the rate for 21 to 24-year-olds should increase from £7.38 to £7.70;
- the rate for 18 to 20-year-olds should increase from £5.90 to £6.15;

the rate for 16 to 17-year-olds should increase from £4.20 to £4.35; and

the apprentice rate (for apprentices aged under 19 or in the first year of their apprenticeship) should increase from £3.70 to £3.90.

The Low Pay Commission has also recommended that the accommodation offset increases from the current rate of £7.00 to £7.55 from 1 April 2019.

We welcome the Low Pay Commission's recommendation of an increase to the National Living Wage rate such that it remains on path to reach 60% of median earnings by 2020 subject to sustained economic growth.

The new National Living Wage rate of £8.21 will be the highest ever UK minimum wage and benefit around 2.4 million workers.^[1] From April 2019, a full-time minimum wage worker will see their earnings increase by over £2,750 over the course of the year, compared to when the NLW was introduced in April 2016.

The Low Pay Commission's recommendations for the National Minimum Wage youth rates are well ahead of forecast inflation.

These increases are due to come into effect from April 2019, subject to parliamentary approval. The Government intend to lay implementing regulations before Parliament in due course.

A copy of the response will be available from the BEIS website at: www.beis.gov.uk.

^[1] Details to be provided in the Low Pay Commission's upcoming 2018 report.

[HCWS1047]

ORAL ANSWERS

Monday 29 October 2018

	<i>Col. No.</i>		<i>Col. No.</i>
HOME DEPARTMENT	631	HOME DEPARTMENT—continued	
Asylum Seekers	645	Police and Fire Services: Collaboration	632
ESOL Classes	631	Police Funding	641
EU Settlement Scheme	638	Police Funding	645
Free Movement of People	636	Topical Questions	646
Knife Crime	642	Traveller Encampments	639
Modern Slavery	634	UK Visas and Immigration	640
Organised Crime (National Crime Agency)	643	Violent Crime	644

WRITTEN STATEMENT

Monday 29 October 2018

	<i>Col. No.</i>
BUSINESS, ENERGY AND INDUSTRIAL	
STRATEGY	25WS
Business Update	25WS

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CONTENTS

Monday 29 October 2018

Oral Answers to Questions [Col. 631] [see index inside back page]
Secretary of State for the Home Department

Financial Statement [Col. 653]
Statement—(Mr Philip Hammond)

Budget Resolutions [Col. 670]
Debate (First day)
Debate adjourned

Petitions [Col. 749]

Edinburgh Airport: Flight Paths [Col. 751]
Debate on motion for Adjournment

Westminster Hall
Public Holidays on Religious Occasions [Col. 235WH]
General Debate

Written Statement [Col. 25WS]

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
